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

**Jeffrey A. Meyers**  
Commissioner

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

**Kathleen A. Dunn**  
Associate Commissioner  
Medicaid Director

April 9, 2016

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

**Requested Action**

Authorize the Department of Health and Human Services, Office of Medicaid Business and Policy to exercise a renewal option with Classic Optical Laboratories, Inc. (Vendor #216346), 3710 Belmont Avenue, Youngstown, Ohio 44505-1406, to provide vision supplies for eligible Medicaid recipients under a volume purchase agreement by increasing the price limitation by \$140,528.60 from \$1,402,522.03 to \$1,543,050.63 and extending the contract completion date from June 30, 2016 to June 30, 2018 effective July 1, 2016. This agreement was originally approved by the Governor and Executive Council on June 22, 2011 (Item # 113) and amended on June 4, 2014 (Item #43). 50% Federal Funds, 50% General Funds.

Funds are anticipated to be available in the following account for State Fiscal Year 2017 and State Fiscal Year 2018, upon the availability and continued appropriation of funds in the future operating budget, with the ability to adjust encumbrances between State Fiscal Years through the Budget Office, if needed and justified.

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

State Fiscal Year	Class/Account	Class Title	Current Modified Budget	Increase/ (Decrease)	Revised Modified Budget
2012	101-500729	Provider Payments	\$368,080.75	\$0	\$368,080.75
2013	101-500729	Provider Payments	\$413,422.76	\$0	\$413,422.76
		<b>Subtotal SFY 2012, 2013:</b>	<b>\$781,503.51</b>	<b>\$0</b>	<b>\$781,503.51</b>

**05-95-47-470010-7940 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF HHS:OFC OF MEDICAID & BUS PLCY OFF. OF MEDICAID &BUS. POLICY PROVIDER PAYMENTS**

State Fiscal Year	Class/Account	Class Title	Current Modified Budget	Increase/ (Decrease)	Revised Modified Budget
2014	101-500729	Provider Payments	\$480,489.92	\$0	\$480,489.92
2015	101-500729	Provider Payments	\$70,264.30	\$0	\$70,264.30
2016	101-500729	Provider Payments	\$70,264.30	\$0	\$70,264.30
2017	101-500729	Provider Payments		\$70,264.30	\$70,264.30
2018	101-500729	Provider Payments		\$70,264.30	\$70,264.30
		<b>Subtotal Total SFY 2014:</b>	<b>\$621,018.52</b>	<b>\$140,528.60</b>	<b>\$761,547.12</b>
		<b>Total:</b>	<b>1,402,522.03</b>	<b>\$140,528.60</b>	<b>\$1,543,050.63</b>

### Explanation

The purpose of the agreement is to provide the Department with the most cost effective vision care products and related services available through a volume purchase discount program for Medicaid recipients. The provision of prescription eyeglasses is a covered service in the New Hampshire State Plan for the Medicaid Program. This amendment will ensure Medicaid recipients who are not participating in managed care arrangements, but who require eyeglasses, will have access to them. There is a significant decrease in the anticipated volume of frames provided by the vendor because most Medicaid recipients will receive necessary optical care through a managed care program.

The original agreement, approved by the Governor and Executive Council on June 22, 2011 (Item #113), includes a provision for two (2) two (2)-year extensions subject to the parties' prior written agreement on applicable fees and services as well as approval from the Governor and Executive Council.

The Contractor was selected through the competitive bidding process. The Department released a Request for Proposals (#11-OMBP-VMVP-03) on September 13, 2010. The evaluation committee consisted of five (5) with specific program knowledge. Three (3) proposals were received, two (2) of which were withdrawn. Classic Optical Laboratories, Inc. was selected as the Contractor.

The current contract has resulted in savings to the Medicaid Program of over \$200,000 per year. The rates for services and products have been in place since 2011. In addition to providing a quality product for a competitive price, the Contractor has had favorable evaluations on the ease of order entry by New Hampshire Medicaid vision care providers; meeting service requirements; and delivery of services in a timely manner.

Should the Governor and Executive Council not approve this request, the Department would need to revert to a fee-for-service purchase model and optical providers would likely withdraw from the Medicaid program as their acquisition costs would increase. Increased costs to the Medicaid program would negatively affect New Hampshire citizens. Reduced optical quality and provider choice would negatively impact New Hampshire citizens who are Medicaid recipients.

Area Served: Statewide

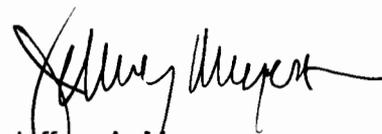
Source: 50% Federal, 50% General

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

Respectfully submitted,

  
Kathleen A. Dunn, MPH  
Associate Commissioner  
Medicaid Director

Approved by:

  
Jeffrey A. Meyers  
Commissioner



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**State of New Hampshire  
Department of Health and Human Services  
Amendment #2 to the Classic Optical Laboratories, Inc. Contract**

This 1st Amendment to the Classic Optical Laboratories, Inc. contract (hereinafter referred to as "Amendment #2") dated this 9th day of March 2016, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Classic Optical Laboratories, Inc. (hereinafter referred to as "the Contractor"), a corporation with a place of business at 3710 Belmont Avenue, Youngstown, Ohio 44505.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 22, 2014 (Item #113) and amended on June 4, 2014 (Item #43), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18 and Exhibit A, Section II, Contract Amendment and Extensions, the State may renew the contract for two (2) additional two-year periods by written agreement of the parties and approval of the Governor and Executive Council; and

WHEREAS the parties agree to extend the contract for two (2) years; and

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

To amend as follows:

1. Form P-37, General Provisions, Item 1.7, Completion Date, to read:  
June 30, 2018
2. Form P-37, General Provisions, Item 1.8, Price Limitation, to read:  
\$1,543,050.63



**New Hampshire Department of Health and Human Services  
Classic Optical Laboratories, Inc. Amendment #2**

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

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

State of New Hampshire  
Department of Health and Human Services

4/11/16  
Date

Kathleen A. Dunn  
Kathleen A. Dunn, MPH  
Associate Commissioner

CLASSIC OPTICAL LABORATORIES, INC.

4/05/2016  
Date

Mary Anne O'Toole  
(Signature)  
NAME: Mary Anne O'Toole  
TITLE: Director of Contract Management

**Acknowledgement:**

State of Ohio, County of Trumbull on 4/05/2016, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Victoria Syburski  
Name and Title of Notary or Justice of the Peace



**New Hampshire Department of Health and Human Services  
Classic Optical Laboratories, Inc. Amendment #2**

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

Date 5/12/16

OFFICE OF THE ATTORNEY GENERAL

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

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

OFFICE OF THE SECRETARY OF STATE

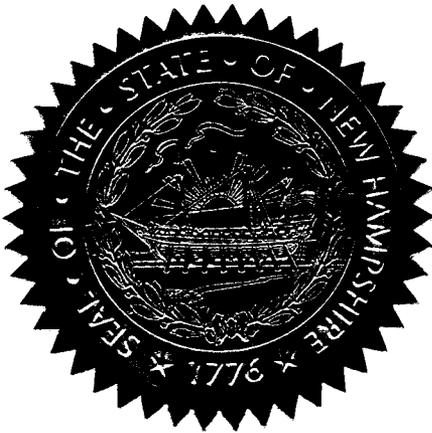
Date \_\_\_\_\_

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

# 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 Classic Optical Laboratories, Inc. a(n) Florida corporation, is authorized to transact business in New Hampshire and qualified on September 17, 2010. 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 29<sup>th</sup> day of March, A.D. 2016

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

William M. Gardner  
Secretary of State

# CERTIFICATE OF VOTE

I, Dawn Friedkin, do hereby certify that:  
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Classic Optical Laboratories, Inc.  
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of  
the Agency duly held on April 5, 2016:  
(Date)

**RESOLVED:** That the Director of Contract Management  
(Title of Contract Signatory)

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to  
execute any and all documents, agreements and other instruments, and any amendments, revisions,  
or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of  
the 5th day of April, 20 16.  
(Date Contract Signed)

4. Mary Anne O'Toole is the duly elected Director of Contract Management  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Mary Anne O'Toole  
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Trumbull

The forgoing instrument was acknowledged before me this 5th day of April, 20 16.

By Dawn Friedkin  
(Name of Elected Officer of the Agency)

Victoria Tyburski  
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: Sept 18, 2020

**VICTORIA TYBURSKI**  
Notary Public, State of Ohio  
My Commission Expires  
September 18, 2020



## ADDITIONAL COVERAGE SCHEDULE

COVERAGE	LIMITS
<b>POLICY TYPE: Workers Compensation and Employer's Liability</b> <b>CARRIER: Travelers Indemnity Company</b> <b>POLICY TERM: 01/01/2016 – 10/01/2016</b> <b>POLICY NUMBER: TRK-UB-749G9459-16</b>	<b>WC - Per Statute</b> <b>\$1,000,000 – E.L. Each Accident</b> <b>\$1,000,000 – E.L. Disease - Each Employee</b> <b>\$1,000,000 – E.L. Disease - Policy Limit</b>



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

Nicholas A. Toumpas  
Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857  
603-271-9422 1-800-852-3345 Ext. 9422

Fax: 603-271-8431 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

Kathleen A. Dunn  
Associate Commissioner  
Medicaid Director

April 3, 2014

G&C Approved

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

Date 6/4/14  
Item # 43

Requested Action

Authorize the Department of Health and Human Services, Office of Medicaid Business and Policy to exercise a renewal option with Classic Optical Laboratories, Inc. (Vendor #216346), 3710 Belmont Avenue, Youngstown, Ohio 44505-1406, to provide vision supplies for eligible Medicaid recipients under a volume purchase agreement by increasing the price limitation by \$140,528.60 from \$1,261,993.43 to \$1,402,522.03 and extending the contract completion date from June 30, 2014 to June 30, 2016 effective upon Governor and Executive Council approval. This agreement was originally approved by the Governor and Executive Council on June 22, 2011 (Item # 113).

Funds are available for state fiscal years 2014 and 2015, and anticipated for State Fiscal Year 2016, in the following accounts with the authority to adjust encumbrances between State Fiscal Years through the Budget Office, if needed and justified, without Governor and Executive Council approval.

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

State Fiscal Year	Class/Account	Class Title	Current Modified Budget	Increase/ (Decrease)	Revised Modified Budget
2012	101-500729	Provider Payments	\$368,080.75	\$0	\$368,080.75
2013	101-500729	Provider Payments	\$413,422.76	\$0	\$413,422.76
<b>Subtotal SFY 2012, 2013:</b>			<b>\$781,503.51</b>	<b>\$0</b>	<b>\$781,503.51</b>

**05-95-47-470010-7940 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF HHS: OFC OF MEDICAID & BUS PLCY OFF. OF MEDICAID & BUS. POLICY PROVIDER PAYMENTS**

State Fiscal Year	Class/Account	Class Title	Current Modified Budget	Increase/ (Decrease)	Revised Modified Budget
2014	101-500729	Provider Payments	\$480,489.92	\$0	\$480,489.92
2015	101-500729	Provider Payments	\$0	\$70,264.30	\$70,264.30
2016	101-500729	Provider Payments	\$0	\$70,264.30	\$70,264.30
<b>Subtotal Total SFY 2014:</b>			<b>\$480,489.92</b>	<b>\$140,528.60</b>	<b>\$621,018.52</b>
<b>Total:</b>			<b>1,261,993.43</b>	<b>\$140,528.60</b>	<b>\$1,402,522.03</b>

### Explanation

The purpose of the agreement is to provide the Department with the most cost effective vision care products and related services available through a volume purchase discount program for Medicaid recipients. The provision of prescription eyeglasses is a covered service in the New Hampshire State Plan for the Medicaid Program. This amendment will ensure Medicaid recipients who are not participating in managed care arrangements, but who require eyeglasses, will have access to them. There is a significant decrease in the anticipated volume of frames provided by the vendor because most Medicaid recipients will receive necessary optical care through a managed care program.

The original agreement, approved by the Governor and Executive Council on June 22, 2011 (Item #113), includes a provision for two (2) two (2)-year extensions subject to the parties' prior written agreement on applicable fees and services as well as approval from the Governor and Executive Council. The Department is in agreement with the Contractor's proposed fees and services for this two (2) year extension and is requesting Governor and Executive Council approval of the amendment to increase the price limitation by \$140,528.60 to \$1,402,522.03 and extend the completion date to June 30, 2016.

The Contractor was selected through the competitive bidding process. The Department released a Request for Proposals (#11-OMB-VMVP-03) on September 13, 2010. This Request for Proposals was advertised in the New Hampshire Union Leader; posted on the Department of Health and Human Services as well as the Department of Administrative Services website; and mailed directly to vendors who expressed interest in submitting a proposal. The evaluation committee consisted of five (5) individuals to score the proposals. On November 8, 2010, three (3) proposals were received. During contract negotiations, two (2) of the proposals were withdrawn by the vendors and Classic Optical Laboratories, Inc. was selected as the Contractor.

The current contract has resulted in savings to the Medicaid Program of over \$200,000 per year. The rates for services and products have been in place since 2011. In addition to providing a quality product for a competitive price, the Contractor has had favorable evaluations on:

- ease of order entry by New Hampshire Medicaid vision care providers;
- meeting service requirements; and
- delivery of services in a timely manner.

Should the Governor and Executive Council not approve this request, the Department would need to revert to a fee-for-service purchase model. A fee-for-service purchase model would mean Medicaid recipients would obtain eyeglasses from individual vision care practitioners at higher prices. Further, the Department would not be able to control frame quality and selection of the eyeglasses offered to Medicaid recipients. Lastly, optical providers would likely withdraw from the Medicaid program as their acquisition costs would increase. Increased costs to the Medicaid program would negatively affect New Hampshire citizens. Reduced optical quality and provider choice would negatively impact New Hampshire citizens who are Medicaid recipients.

Area Served: Statewide

Source: 50% Federal

50% General

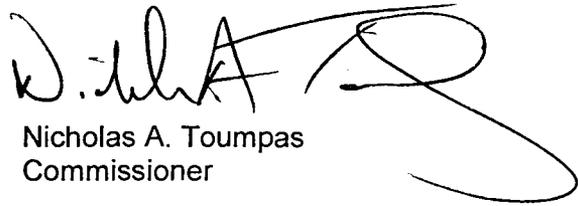
In the event that federal funds become no longer available, general funds will not be requested to support this program.

Respectfully submitted,



Kathleen A. Dunn, MPH  
Associate Commissioner  
Medicaid Director

Approved by:



Nicholas A. Toumpas  
Commissioner



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**State of New Hampshire  
Department of Health and Human Services  
Amendment #1 to the Classic Optical Laboratories, Inc. Contract**

This 1st Amendment to the Classic Optical Laboratories, Inc. contract (hereinafter referred to as "Amendment #1") dated this 20th day of March 2014, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Classic Optical Laboratories, Inc. (hereinafter referred to as "the Contractor"), a corporation with a place of business at 3710 Belmont Avenue, Youngstown, Ohio 44505.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 22, 2014 (Item #113), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18 and Exhibit A, Section II, Contract Amendment and Extensions, the State may renew the contract for two (2) additional two-year periods by written agreement of the parties and approval of the Governor and Executive Council; and

WHEREAS the parties agree to extend the contract for two (2) years; and

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

To amend as follows:

1. Form P-37, General Provisions, Item 1.7, Completion Date, to read:  
June 30, 2016
2. Form P-37, General Provisions, Item 1.8, Price Limitation, to read:  
\$1,402,522.03
3. Exhibit A, Scope of Services, Contract Period, to read:  
Date of Governor and Executive Council approval through Form P-37, General Provisions, Item 1.7, Completion Date.

New Hampshire Department of Health and Human Services  
 Classic Optical Laboratories, Inc. Amendment #1



4. Exhibit A, Scope of Services, Part I Scope of Services, Paragraph I, Table A-1 Classic Optical Laboratories, Inc. Report Requirements, to read:

Table A-1 Classic Optical Laboratories, Inc. Report Requirements		
Name	Frequency	Format
Key staff contact list for this agreement	Quarterly	A list of names, location, e-mail addresses, phone numbers, cell phone numbers and fax numbers.
Quality reporting, including written complaints/concerns received from NH Medicaid vision care providers and report of number of glasses returned for remake	Monthly	Narrative with name of individual making a written complaint or concern, nature of the complaint/concerns, and resolution/action steps taken to resolve the issue; number of glasses returned for remake per month.
NH Medicaid Provider Network	Monthly & Annually (Annual report due on June 30 <sup>th</sup> )	A list of names and addresses of NH Medicaid vision care providers placing orders with the Contractor and the volume of orders.

5. Exhibit A, Scope of Services, Appendix A-1 is deleted and replaced Amendment #1 – Appendix A-1.
6. Exhibit B, Methods and Conditions Precedent to Payment, Contract Period, to read:  
 Date of Governor and Executive Council approval through Form P-37, General Provisions, Item 1.7, Completion Date.
7. Exhibit B, Methods and Conditions Precedent to Payment, Part III Contract Price Limitation, to read:  
 The price limitation of this agreement appears on Form P-37, General Provisions, as Item 1.8, Price Limitation.
8. Exhibit B, Methods and Conditions Precedent to Payment, Appendix B-2 is deleted and replaced with Amendment #1 – Appendix B-2



New Hampshire Department of Health and Human Services  
Classic Optical Laboratories, Inc. Amendment #1

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

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

State of New Hampshire  
Department of Health and Human Services

4-30-14  
Date

Kathleen A. Dunn  
Kathleen A. Dunn, MPH  
Associate Commissioner

CLASSIC OPTICAL LABORATORIES, INC.

4-3-14  
Date

Mary Anne O'Toole  
(Signature)  
NAME: Mary Anne O'Toole  
TITLE: Director of Contract Management

Acknowledgement:

State of Ohio, County of TRUMBULL on 4-3-14, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Victoria Tyburski  
Name and Title of Notary or Justice of the Peace

VICTORIA TYBURSKI  
Notary Public, State of Ohio  
My Commission Expires  
September 18, 2015

New Hampshire Department of Health and Human Services  
Classic Optical Laboratories, Inc. Amendment #1



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

OFFICE OF THE ATTORNEY GENERAL

5-9-14  
Date

Rosemary Wiant  
Name: Rosemary Wiant  
Title: Assistant Attorney General

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

OFFICE OF THE SECRETARY OF STATE

\_\_\_\_\_  
Date

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

Classic Optical Laboratories, Inc.  
Amendment #1 - Appendix A-1  
Product Specification

Product Specifications		Contracted Product Offering		
Proc. Code	Description	Frame Name/Style	Color	Manufacturer
	<b>Eyeglass Frame Collection</b>			
V2020	Supply of Spectacles	Aries (Boys)	Brown, Gold, Gunmetal	Modern
V2020	Supply of Spectacles	Ninja (Boys)	Matte Blue, Matte Brown, Matte Burgundy, Black, Violet	Modern
V2020	Supply of Spectacles	Exclusive 90 (Boys)	Antique Gold, Antique Silver, Matte Blue	Coi
V2020	Supply of Spectacles	Splash (Boys)	Blank, Blue, Brown, Red	Modern
V2020	Supply of Spectacles	Sporty (Boys)	Black/Crystal, Blue, Brown	Modern
V2020	Supply of Spectacles	Wiggle (Boys)	Black, Brown, Purple	Modern
V2020	Supply of Spectacles	Certain (Girls)	Black/Lime, Brown, Burgundy	Modern
V2020	Supply of Spectacles	Cheerful (Girls)	Black, Brown, Demi Amber, Gold, Pink	Modern
V2020	Supply of Spectacles	Cutie (Girls)	Antique Purple, DA/Antique, Brown Gold	Modern
V2020	Supply of Spectacles	Gift (Girls)	Black/Crystal, Brown/Crystal, Purple/Brown	Modern
V2020	Supply of Spectacles	Pumpkin (Girls)	Antique Brown, Skull Brown, Black, Blue, Cable Blue, Gold	Modern
V2020	Supply of Spectacles	Pumpkin (Girls)	Cable Blue	
V2020	Supply of Spectacles	Tori (Girls)	Black, Blue, Brown, Pink	Modern
V2020	Supply of Spectacles	Brave (Mens)	Black, Blue, Brown	Modern
V2020	Supply of Spectacles	Doug (Mens)	Brown, Gold, Antique Silver	Modern
V2020	Supply of Spectacles	Exclusive 119 (Mens)	Gold, Gunmetal, Brown	Coi
V2020	Supply of Spectacles	Moscow (Mens)	Gold, Gunmetal, Demi Amber	Zimco
V2020	Supply of Spectacles	PT56 (Mens)	Coffee, Gold, Gunmetal	Capri
V2020	Supply of Spectacles	Ralph (Mens)	Black, Brown, Grey	Modern
V2020	Supply of Spectacles	Tomorrow (Mens)	Black, Brown, Grey	Modern
V2020	Supply of Spectacles	BLVD 4154 (Womens)	Matt Brown, Antique Silver, Gold	Hart
V2020		Dazzle (Womens)	Brown, Gold, Rose	Modern
V2020	Supply of Spectacles	Exclusive 135 (Womens)	Black, Brown, Gold	Coi
V2020	Supply of Spectacles	Finale (Womens)	Antique Brown, Antique Silver, Gold	Modern
V2020	Supply of Spectacles	Helen (Womens)	Brown, Rose, Violet	Modern
V2020	Supply of Spectacles	Judi (Womens)	Black/Crystal, Tortoise, Wine/Grey	Modern
V2020	Supply of Spectacles	Monica (Womens)	Brown, Grey, Rose	Modern
V2020	Supply of Spectacles	M415 (Infants)	Light Blue, Light Brown, Pink	Hart
V2020	Supply of Spectacles	7712	Black, Coffee, Gunmetal	Capri
V2020	Supply of Spectacles	7713	Black, Gunmetal, Coffee	Capri
V2020	Supply of Spectacles	7719	Brown, Coffee, Gunmetal	Capri
V2020	Supply of Spectacles	7731	Blue, Green, Brown	Capri
V2020	Supply of Spectacles	PT62	Coffee, Burgundy, Silver	Capri
V2020	Supply of Spectacles	PT79	Black, Brown, Antique Pewter	Capri
V2020	Supply of Spectacles	PT80	Antique Pewter, Brown, Plum	Capri
V2020	Supply of Spectacles	PT84	Blue, Brown, Black	Capri
V2020	Supply of Spectacles	PT86	Brown, Burgundy, Purple	Capri
V2020	Supply of Spectacles	U13	Tortoise, Grey, Black Crystal	Capri
V2020	Supply of Spectacles	U14	Grey Marble, Black Amber, Brown	Capri
V2020	Supply of Spectacles	U201	Brown, Black, Grey	Capri
V2020	Supply of Spectacles	U21	Black, Brown, Brown Blue	Capri
V2020	Supply of Spectacles	U23	Black Crystal, Brown, Grey Marble	Capri

Classic Optical Laboratories, Inc.  
 Amendment #1 - Appendix A-1  
 Product Specification

V2020	Supply of Spectacles	U33	Black, Mauve, Brown	Capri
V2020	Supply of Spectacles	U42	Brown, Black, Burgundy	Capri
V2020	Supply of Spectacles	US53	Brown Crystal, Wine, Black Crystal	Capri
V2020	Supply of Spectacles	US55	Brown, Pink, Purple	Capri
V2020	Supply of Spectacles	US61	Black Crystal, Black Tortoise, Brown Crystal	Capri
V2020	Supply of Spectacles	US63	Blue, Burgundy/Pink, Black/Purple	Capri
V2020	Supply of Spectacles	US65	Black, Burgundy, Brown	Capri
V2020	Supply of Spectacles	US67	Black, Brown, Tortoise	Capri
V2020	Supply of Spectacles	Pixie	Black/Crystal, Plum/Crystal, Brown/Crystal	Modern
V2020	Supply of Spectacles	Slick	Black, Tortoise, White, Red	Modern
V2020	Supply of Spectacles	Anne	Black/Burgundy, Brown, D.Blue/L.Blue	Modern
V2020	Supply of Spectacles	Lulu	Black/Rose, Black/Violet, Brown	Modern
V2020	Supply of Spectacles	Theory	Brown, Black	Modern
V2020	Supply of Spectacles	Score	Black, Tortoise	Modern
V2020U1	Supply of Spectacles	Baby One	Pink, Blue, Clear Beige, Red, Gray, Burgundy, Lavender, Milk Chocolate, White, Indigo, Plum, Green	Miraflex
V2020U1	Supply of Spectacles	Baby Lux	Pink, Blue, Clear Beige, Red, Gray, Burgundy, Lavender, Milk Chocolate, Brown, White, Indigo, Plum, Green	Miraflex
V2020U1	Supply of Spectacles	Mini Baby	Pink, Blue, Clear Beige, Red, Gray, Burgundy, Lavender, Milk Chocolate, Brown, White, Indigo, Plum, Green	Miraflex
V2020U1	Supply of Spectacles	New Baby 1	Pink, Blue, Clear Beige, Red, Gray, Black, Burgundy, Lavender, Milk Chocolate, Brown, White, Indigo, Plum, Green	Miraflex
V2020U1	Supply of Spectacles	New Baby 2	Pink, Blue, Clear Beige, Red, Gray, Black, Burgundy, Lavender, Milk Chocolate, Brown, White, Indigo, Plum, Green	Miraflex
V2020U1	Supply of Spectacles	New Baby 3	Pink, Blue, Clear Beige, Red, Gray, Black, Burgundy, Lavender, Milk Chocolate, Brown, White, Indigo, Plum, Green	Miraflex
V2020U1	Supply of Spectacles	Model 1	Brown, Pink, Navy, Violet	Specs4Us
V2020U1	Supply of Spectacles	Model 2	Pink, Violet, Wine	Specs4Us
V2020U1	Supply of Spectacles	Model 3	Blue Demi, Blue Light, Green Light, Violet	Specs4Us
V2020U1	Supply of Spectacles	Model 4	Green Dark, Gunmetal Light, Pink, Pink Demi, Navy	Specs4Us
V2020U1	Supply of Spectacles	Model 5	Black Demi, Brown & Silver Matte, Gunmetal Light, Green Dark	Specs4Us
V2020U1	Supply of Spectacles	Model 6	Brown, Pink, Blue Demi, Gunmetal Light	Specs4Us
V2020U1	Supply of Spectacles	Model 7	Brown, Navy, Red, Violet Dark	Specs4Us
V2020U1	Supply of Spectacles	Model 8	Brown, Brown & Silver Matte, Gold Demi, Navy, Orange & Silver Matte	Specs4Us
V2020U1	Supply of Spectacles	Model 9	Green Dark, Gunmetal Dark, Pink Demi, Wine, Pink Antique, Blue, Brown/Silver Matte	Specs4Us
V2020U1	Supply of Spectacles	Model 10	Black Demi, Brown, Blue Light, Wine	Specs4Us

Classic Optical Laboratories, Inc.  
 Amendment #1 - Appendix A-1  
 Product Specification

V2020U1	Supply of Spectacles	Model 11	Black Shiny, Brown, Blue Bright, Wine Matte	Specs4Us
V2020U1	Supply of Spectacles	Model 12	Black, Brown Medium Matte, Brown Dark, Gunmetal Dark Matte, Wine Matte	Specs4Us
V2020U1	Supply of Spectacles	Model 13	Brown Matte, Green Dark Matte, Wine Matte	Specs4Us
V2020U1	Supply of Spectacles	Model 14	Brown Matte, Silver Matte, Navy, Violet	Specs4Us

Contractor Initials: MLW  
 Date: 4-3-14

CLASSIC OPTICAL LABORATORIES, INC.  
Amendment #1 - APPENDIX B-2  
ESTIMATED VOLUME AND TOTAL CONTRACT PRICE

SFY	Product Summary	Estimated Volume	Average Contract Price	Estimated Cost	12% Inflation Factor	Total Contract Price
2012	Frames: V2020	15,784	\$9.25	\$146,002.00	\$17,520.24	\$163,522.24
	Lenses: V2100-V2715 & V2782-V2784	18,143	\$10.00	\$181,452.68	\$21,774.32	\$203,227.00
	Tinting & Misc. Vision Svs: V5740-V2770 & V2799	52	\$22.86	\$1,188.85	\$142.66	\$1,331.51
	<b>Subtotal:</b>	<b>33,979</b>	<b>\$9.67</b>	<b>\$328,643.53</b>	<b>\$39,437.22</b>	<b>\$368,080.75</b>
2013	Frames: V2020	17,678	\$9.25	\$163,521.50	\$19,622.58	\$183,144.08
	Lenses: V2100-V2715 & V2782-V2784	20,318	\$10.00	\$203,205.40	\$24,384.65	\$227,590.05
	Tinting & Misc. Vision Svs: V5740-V2770 & V2799	105	\$22.86	\$2,400.56	\$288.07	\$2,688.63
	<b>Subtotal:</b>	<b>38,101</b>	<b>\$9.69</b>	<b>\$369,127.46</b>	<b>\$44,295.30</b>	<b>\$413,422.76</b>
2014	Frames: V2020	21,486	\$9.25	\$198,745.50	\$23,849.46	\$222,594.96
	Lenses: V2100-V2715 & V2782-V2784	22,756	\$10.00	\$227,588.45	\$27,310.61	\$254,899.06
	Tinting & Misc. Vision Svs: V5740-V2770 & V2799	117	\$22.86	\$2,674.91	\$320.99	\$2,995.90
	<b>Subtotal:</b>	<b>44,359</b>	<b>\$9.67</b>	<b>\$429,008.86</b>	<b>\$51,481.06</b>	<b>\$480,489.92</b>
2015	Frames: V2020	3800	\$9.25	\$35,150	No included	\$35,150
	Lenses: V2100-V2715 & V2782-V2784	3500	\$10.00	\$35,000		\$35,000
	Tinting & Misc. Vision Svs: V5740-V2770 & V2799	5	\$22.86	\$114.30		\$114.30
	<b>Subtotal:</b>		<b>\$9.67</b>	<b>\$70,264.30</b>		<b>\$70,264.30</b>
2016	Frames: V2020	3800	\$9.25	\$35,150	Not included	\$35,150
	Lenses: V2100-V2715 & V2782-V2784	3500	\$10.00	\$35,000		\$35,000
	Tinting & Misc. Vision Svs: V5740-V2770 & V2799	5	\$22.86	\$114.30		\$114.30
	<b>Subtotal:</b>		<b>\$9.67</b>	<b>\$70,264.30</b>		<b>\$70,264.30</b>
<b>Contract Total:</b>						<b>\$1,402,522.00</b>

Contractor Initials: None  
Date: 4-3-14

27



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

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

Nicholas A. Toumpas  
Commissioner

Kathleen A. Dunn  
Director

May 16, 2011

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

Approved by GTC  
Date 6/22/11  
Page \_\_\_\_\_  
Item # 113  
Contract # \_\_\_\_\_

**REQUESTED ACTION**

Authorize the New Hampshire Department of Health and Human Services, Office of Medicaid Business and Policy to enter into a Contract with Classic Optical Laboratories, Inc., (Vendor # 216346), 3710 Belmont Avenue, Youngstown, Ohio 44505 to provide vision supplies for eligible Medicaid recipients under a volume purchase agreement in an amount not to exceed \$1,261,993.43 effective July 1, 2011 or the date of Governor and Executive Council approval, whichever is later, through June 30, 2014. Funds are anticipated to be available in the following account for State Fiscal Year (SFY) SFY2012, SFY2013, and SFY2014 upon the appropriation of funds in future operating budgets with authority to adjust amount between State Fiscal Years if needed and justified.

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

<u>State Fiscal Year</u>	<u>Class Object</u>	<u>Class Title</u>	<u>Current Modified Budget</u>	<u>Increase/ (Decrease)</u>	<u>Revised Modified Budget</u>
SFY 2012	101/500729	Provider Payments	\$0.00	\$368,080.75	\$368,080.75
SFY 2013	101/500729	Provider Payments	\$0.00	\$413,422.76	\$413,422.76
SFY 2014	101/500729	Provider Payments	\$0.00	\$480,489.92	\$480,489.92
<b>TOTAL</b>			<b>\$0.00</b>	<b>\$1,261,993.43</b>	<b>\$1,261,993.43</b>

### EXPLANATION

The purpose of this Requested Action is to enable the Office of Medicaid Business and Policy to continue procurement of vision care products and related services through a volume purchase discount program. The provision of prescription eyeglasses is a covered service in the New Hampshire State Plan for the Medicaid Program. Under this Contract, Classic Optical Laboratories, Inc. will provide eyeglass frames, single vision lenses, bifocal lenses, and related services for eligible children and adults enrolled in the New Hampshire Medicaid Program at a fixed unit cost to the Department.

This Contract will result in estimated savings to the Medicaid Program of over \$240,000 per year compared to the costs associated with the current volume purchase contractor. Under this new Contract, a pair of single vision and bifocal eyeglasses will cost \$20.85 and \$25.77 respectively vs. the current cost of \$24.50 and \$30.50 respectively for the same products. The Contractor has agreed to hold the negotiated rates for three years until June 30, 2014. Savings will also be achieved as the result of a negotiated warranty against defects one year from date of purchase on all eyeglass frames purchased under this Contract. In addition to providing a quality product for a competitive price, the Contractor will be evaluated on ease of order entry by NH Medicaid vision care providers and on meeting service requirements of completing orders within seven (7) business days. The Contractor will bill the Department in accordance with the terms of the Contract agreement, the Medicaid provider agreement, and the administrative rules of the New Hampshire Medicaid Program.

The price limitation of this agreement is \$1,261,993.43. Since the terms of the Contract do not guarantee a maximum or minimum product volume, the price limitation is based on estimated volume per fiscal year at the product summary level at the average contract price plus a 12% cost inflation factor to accommodate variations in actual procedure codes and quantities ordered. These figures are inclusive of labor and administrative costs borne the Contractor.

This Contract is for a period of three years and includes the potential, with prior approval from the Governor and Executive Council, for a maximum of two extensions with duration of two years each. The possibility of Contract extensions was included in the Request for Proposals issued in September 2010 as a competitive mechanism to attract the best volume purchase pricing over time for the NH Medicaid program. The potential opportunity to extend the Contract was a strategy that also helped to lock-in the Contracted unit price structure throughout the three years of the Contract Period until June 30, 2014. Should the New Hampshire Medicaid program enter into a managed care strategy at any time during the original Contract period, the terms of the Contract allow for termination prior to the established end date and the option for extensions would not be executed.

This Contract is the result of a competitive bidding process. The Department released a Request For Proposals on September 13, 2010. The Request For Proposal (#11-OMB-VMVP-03), was advertised in the New Hampshire Union Leader, listed on both the Department of Health and Human Services' and Department of Administrative Services' websites, and directly mailed to vendors who expressed interest in bidding on the Request For Proposal. The Medicaid Director appointed an evaluation committee consisting of five (5) individuals, internal and external to the Medicaid program, to score the proposals (Attachment 1, Table 1 Vision Volume Purchasing Proposal Evaluation Team). On November 8, 2010 three (3) proposals were received in response to the Request For Proposal. The three bidders included Classic Optical Laboratories, Inc, Hoya Optical, and New Hampshire Optical, LLC.

His Excellency, Governor John H. Lynch  
and the Honorable Executive Council  
May 16, 2011  
Page 3 of 4

The Evaluation Team concluded that Hoya Optical was the preferred bidder given the contemporary frame collection and pricing offered when compared to the other two bidders (Attachment 1, Table 2: All Evaluators Averaged Scores). However during contract negotiations, Hoya Optical withdrew its proposal citing the burden of State contracting requirements as the reason. As such, the next qualified bidder, Classic Optical Laboratories, Inc., was offered and did accept this Contract award. The Office of Medicaid Business and Policy is confident that Classic Optical Laboratories, Inc. will be able to perform the necessary scope of work and brings to the NH Medicaid program its experience working with six other State Medicaid programs performing similar services.

Should the Governor and Executive Council determine to not approve this Request, the Department would need to revert to the former fee-for-service purchase model. Under this model eligible Medicaid recipients obtain eyeglasses from individual vision care practitioners at higher prices. The Department cannot control frame quality and the selection of the eyeglasses offered to Medicaid recipients by these individual providers. Optical providers would likely disenroll from the Medicaid program, as their acquisition costs would increase.

Geographic Area Served: Statewide.

Source of Funds: 50% General Funds and 50% Federal Funds.

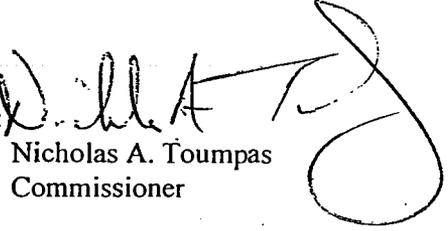
In the event that Federal Funds become no longer available, additional General Funds will not be requested to support this Contract.

Respectfully submitted,



Kathleen A. Dunn, MPH  
Medicaid Director

Approved by:



Nicholas A. Toumpas  
Commissioner

Attachment 1

<b>Evaluator</b>	<b>Position</b>	<b>Expertise</b>
Jane Hybsch, RN, BSN, MHA	Medicaid Medical Services Unit Administrator	11 years managing the Medicaid Medical Services Unit including oversight of utilization management strategies for the NH Medicaid Program
Jane Kendall, RN	Nursing Consultant for the Medical Services Unit	5 years daily oversight of the vision volume purchasing Contract including review and disposition of vision prior authorization requests
Sheri LaCasse	Program Specialist, Medicaid Finance Unit	5 years conducting financial analysis and impact of utilization management strategies for the NH Medicaid Program, Medical Services Unit
Doris Lotz, MD, MPH	Medicaid Medical Director	10 years oversight of Clinical and Quality Improvement for the NH Medicaid Program
Joseph Raczek, OD	Optometrist	Practicing vision clinician and subject matter expert on vision materials

	<b>Hoya Optical</b>	<b>Classic Optical</b>	<b>NH Optical</b>
Technical Requirements of the proposal (pass/fail)	Pass	Pass	Pass
Ability to provide scope of work (20 points)	14	16.8	12.8
Frame offering and quality of the frame collection (30 points)	27	18	24
Cost Proposal (50 points)	50	43	31.5
<b>GRAND TOTAL</b>	<b>91</b>	<b>77.8</b>	<b>68.3</b>

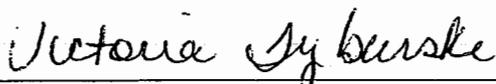
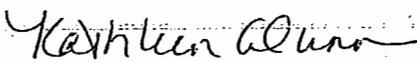
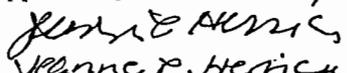
Subject: Vision Materials Volume Purchasing

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> Department of Health and Human Services Office of Medicaid Business and Policy		<b>1.2 State Agency Address</b> 129 Pleasant Street Concord, NH 03301-3857	
<b>1.3 Contractor Name</b> Classic Optical Laboratories, Incorporated		<b>1.4 Contractor Address</b> 3710 Belmont Avenue Youngstown, Ohio 44505	
<b>1.5 Contractor Phone Number</b> 330-759-8245 ext 310	<b>1.6 Account Number</b> <u>010-095-61470000-500729</u>	<b>1.7 Completion Date</b> June 30, 2014 ✓	<b>1.8 Price Limitation</b> \$1,261,993.43 ✓
<b>1.9 Contracting Officer for State Agency</b> Kathleen A. Dunn		<b>1.10 State Agency Telephone Number</b> 271-5258	
<b>1.11 Contractor Signature</b> 		<b>1.12 Name and Title of Contractor Signatory</b> Dawn Friedkin, Chief Operating Officer	
<b>1.13 Acknowledgement: State of <u>Ohio</u>, County of <u>Trumbull</u></b> On <u>05/04/11</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
<b>1.13.1 Signature of Notary Public or Justice of the Peace</b> [Seal] 			
<b>1.13.2 Name and Title of Notary or Justice of the Peace</b> VICTORIA TYBURSKI Notary Public, State of Ohio My Commission Expires September 18, 2015			
<b>1.14 State Agency Signature</b> 		<b>1.15 Name and Title of State Agency Signatory</b> Kathleen A. Dunn, NH Medicaid Director	
<b>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By: _____ Director, On: _____			
<b>1.17 Approval by the Attorney General (Form, Substance and Execution)</b> By:  On: <u>5/25/2011</u> Jeanne P. Herick, Atty.			
<b>1.18 Approval by the Governor and Executive Council</b> By: _____ On: _____			

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

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**  
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").  
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.**  
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.**  
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.  
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.  
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**  
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.  
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.  
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**  
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.  
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.  
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials DWF  
Date 5/4/11

**8. EVENT OF DEFAULT/REMEDIES.**

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

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

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

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

**9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

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

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

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

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

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

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

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

**14. INSURANCE.**

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

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

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

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

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

Contractor Initials: DMF  
Date: 5/4/11

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

**15. WORKERS' COMPENSATION.**

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

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

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

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

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

**19. CONSTRUCTION OF AGREEMENT AND TERMS.**

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

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

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

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

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

**24. ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials: DMF  
Date: 5/4/11

**EXHIBIT A  
SCOPE OF SERVICES**

**CONTRACT PERIOD:** Date of Approval by the Governor and Executive Council (6/22/11 ✓ anticipated) to June 30, 2014

**NAME:** Classic Optical Laboratories, Incorporated

**ADDRESS:** 3710 Belmont Avenue  
Youngstown, OH 44505

**TELEPHONE:** (330) 759-8245 Ext 310

**FAX:** (330) 759-8300

**EMAIL:** dawn@classicoptical.com

**SIGNATORY:** Dawn Friedkin, Chief Operating Officer

**I. SCOPE OF SERVICES**

**A. Introduction**

A.1. This Contract establishes an exclusive supplier relationship between Classic Optical Laboratories, Inc. (the Contractor) and the State of New Hampshire Department of Health and Human Services (the Department), Office of Medicaid Business and Policy (OMBP).

A.2. The Contractor agrees to provide eyeglass lenses, frames, and related component replacement parts as specified in Section B Product Specifications of this Contract. The Contractor shall enroll as a provider in the NH Medicaid Program and provide services in full accordance with all applicable New Hampshire Medicaid administrative rules, including Vision Care Services Rule He-W 565.

A.3. Under this exclusive supplier relationship, the Contractor shall supply the NH Medicaid Program with vision materials at a fixed unit price per fiscal year over the three-year contract term. The Contractor shall also repair frames and/or lens as specified in this agreement at no additional cost. No maximum or minimum product volume is guaranteed.

**B. Product Specifications**

**B.1. Lenses** The Contractor shall furnish first quality impact-resistant glass, scratch resistant plastic, or polycarbonate; standard size; single-vision, bifocal, trifocal, and cataract lenses, as identified in Appendix A-1 Classic Optical Laboratories Product Specification.

B.1.1. All contracted lenses shall have factory applied scratch resistant coating.

B.1.2. Contracted bifocal lenses shall be flattop 25 and 28, and round 22 only. If not explicitly specified in the order, flattop 28 shall be provided.

B.1.3. Contracted lenses ordered with contracted frames shall be edged and mounted in these frames by the Contractor.

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Date 5/4/11

B.1.4. Temporary lenses which are intended to be a short-term solution while more precise lenses are being made to accommodate the visual acuity needs of the recipient shall be billed at the contracted price per unit rate for the respective lens.

B.1.5. The Contractor shall not provide cataract lenses for NH Medicaid recipients who have Medicare coverage for these items.

B.1.6. Contact lenses are not included in this Agreement.

B.1.7. The Contractor shall provide executive bifocals, application of any eyeglass tinting, photogrey/photchromatic progressive lenses or aphakic lenses only when determined by a medical doctor or optometrist to be medically necessary and after receiving written prior authorization approval from the designated OMBP program manager.

B.1.8. The Contractor shall provide high-powered lenses or other types of special lenses only when medical documentation indicates severe myopia, hyperopia, or astigmatism and after receiving written prior authorization approval from the designated OMBP program manager.

B.1.9. The Contractor shall accept and prepare special lens orders, such as but not limited to oversized lenses, only after receiving written prior authorization approval from the designated OMBP program manager.

**B. 2. Frame Collection** The Contractor shall provide all 21 frame styles as specified in Appendix A-1 Classic Optical Laboratories Product Specification.

B.2.1. The NH Medicaid frame collection shall address all but the most unusual physical requirements of the general population.

B.2.2. The contracted frame collection selections shall include at least five (5) styles each for the following four categories: men, women, boys, and girls.

B.2.3. The five frame styles within each category must include at least three (3) plastic frames, one metal frame, and one with an adjustable nose pads. The metal frame does not have to be available in three (3) colors; however, it shall meet all other criteria.

B.2.4. Each frame style identified for the NH Medicaid frame collection shall be available in at least three (3) colors, two (2) eye sizes, two (2) temple lengths, and one (1) bridge size.

B.2.5. One (1) infant frame is required.

**B.3. Frame Collection Sample Kit** The Contractor shall assemble a sample kit for display by NH vision care providers that includes a sample of each of the frame styles specified in Appendix A of the Agreement. The Contractor shall provide one sample kit at no cost to all New Hampshire Medicaid vision care providers who dispense eyeglasses while a volume purchase Contract is in effect.

B.3.1. If a NH Medicaid vision care provider sells or loses a frame from the sample kit, the Contractor may bill the provider for the replacement frame.

**B.4. Frame Substitution** If at any time during the period of this Agreement, any frame(s) listed within the contracted frame collection is to be discontinued by the manufacturer, the Contractor shall be required

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Date 5/4/11

to substitute another frame of equal or better quality at the same contracted price as the discontinued frame, subject to the approval by the designated OMBP program manager.

B.4.1. The Contractor shall submit a written request for substitution along with a sample of the proposed frame to the designated OMBP program manager at least thirty (30) days in advance of the impending change. Within 5 days of receipt of the request of the proposed substitution, the OMBP program manager shall provide written response as to whether or not the frame substitution is acceptable.

B.4.2. All frame substitutes shall meet the same standards as described in Section B.2 Frame Collection as well as the following specifications:

Frames that are made in the United States are preferred by OMBP.

Frames shall be of contemporary style and comparable to public standards.

Frames shall be listed as currently available in the most recent edition of FRAMES Data® Quarterly catalog.

No discontinued models or special "Medicaid frames" shall be offered or subsequently provided under the terms of this Contract.

B.4.3. The Contractor shall provide a 14-day minimum advance written notice of the approved frame substitutions to all NH Medicaid vision care providers. The cost of this communication to providers shall be borne by the Contractor.

B.4.4. The Contractor shall provide samples of approved substitute frames to all NH vision care providers for inclusion in the NH Medicaid frame collection sample kit described in B.3 Frame Collection Sample Kit within 30 days of OMBP's approval decision. The cost of frame samples and their distribution to NH Medicaid vision care providers shall be borne by the Contractor.

**B.5. Special Orders** The Contractor shall accept special orders for frames, such as but not limited to miraflex frames, only when a NH Medicaid vision care provider determines that a NH Medicaid recipient requires a frame not within the contracted frame collection. Special orders shall be priced based upon mutual agreement between the Contractor and the OMBP program manager. All special orders shall be documented in a written prior authorization from the OMBP program manager prior to the Contractor filling the order. Contractor shall bill OMBP for these special order frames based upon the agreed upon price under procedure code V2799.

**B.6. Product Quality Standards** All frames and component parts furnished by the Contractor shall meet American National Standard Institute (ANSI) ANSI Z80.5-2010 standards or the latest addition thereof for ophthalmic frames.

B.6.1. Plastic frames shall be made of first quality zyl or optyl material unless otherwise specified by OMBP.

B.6.2. Contracted lenses shall conform to the American National Standard Institute (ANSI) recommendation for ophthalmic lenses, ANSI Z80.1-2010, or the latest edition thereof, and the FDA requirements for impact resistant lenses.

B.6.3. The Contractor shall be required to provide first quality frames, lenses, and component parts within the period specified in this Agreement. If, on the basis of monthly reporting of quality measures, OMBP finds that eyeglasses returned by NH Medicaid providers for remake

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exceeds 5.0% per month or written complaints received from NH Medicaid vision care providers about product quality exceeds 5.0% per month for a three month consecutive period, the Contractor shall forfeit and repay to OMBP five percent (5%) of the reimbursement the Contractor received for the contracted services for the three month period in question.

**B.7. Product Warranty** All frames and lenses provided by the Contractor shall be fully guaranteed against defects in material and workmanship. If such defects are identified, the damaged products shall be returned to the Contractor at no cost to the provider and repaired or replaced as provided for in the next section. This warranty does not cover frames and/or lenses that have been damaged as a result of patient abuse.

B.7.1 All frames within the approved NH Medicaid frame collection shall have at least a one-year warranty period.

B.7.1. Damaged frames returned under the warranty policy shall be repaired or replaced to the original specifications at no cost to OMBP or providers and be processed for shipping from the lab within seven (7) business days.

B.7.2. If during any time of the period of this Contract, any frames that are found to be of inferior quality by OMBP, the Contractor shall be required to substitute frames of satisfactory quality at a comparable cost to OMBP.

**C. Repairs And Replacement Parts** If any frame is damaged or broken during the warranty period, the Contractor agrees to repair it with new replacement parts, temples, and hinges at no additional cost in accordance with NH vision care rules He-W565 provided that the damaged or broken frame was not the result of patient abuse.

C.1. If repair is not possible and the damage occurs within the warranty period, the Contractor will replace the broken frame at no additional cost.

C.2. If a damaged or broken frame is not repairable and is not under warranty, the Contractor shall dispense and bill OMBP for a new pair of eyeglasses as ordered by the provider.

C.3. If a NH Medicaid eligible recipient's current lenses become broken or badly scratched, the Contractor shall replace the lenses as follows:

C.3.1. If the lenses fit the contracted frame collection specified in this Agreement or can be adapted to a frame not included in the contracted frame collection, the Contractor shall forward the lenses to the NH Medicaid vision care provider for mounting.

C.3.2. If the lenses cannot be adapted to the recipient's frames, the Contractor shall replace the lenses and dispense a new pair of eyeglasses as ordered by the provider unless the recipient has received a pair of eyeglasses within the last 12 months.

**D. Order Management** The Contractor shall only accept orders from NH Medicaid vision care providers. Contractor shall process orders submitted by any enrolled NH Medicaid vision care provider who offers a NH Medicaid Provider Identification Number. Contractor is not responsible for confirming the validity of the providers' NH Medicaid Provider Identification Number.

D.1. The Contractor shall develop, print, and distribute order forms for use by NH Medicaid vision care providers and shall bear all associated costs. Such forms shall be submitted to the designated OMBP

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program manager during the implementation period and is subject to approval before distribution.

D.2. Order forms shall be inclusive of, but not limited to, the following information:

- date of order,
- name of the provider placing the order
- provider's address,
- provider's eight (8) digit Medicaid Provider Number,
- Medicaid recipient's name,
- Medicaid recipient's date of birth,
- Medicaid recipient's eleven (11) digit Medicaid ID Number, and
- all pertinent prescription information.

D.3. The Contractor shall accept orders from NH Medicaid vision care providers via its electronic web-based order entry system or via first class mail, and FAX transmission. No telephone orders shall be accepted.

D.4. The Contractor shall date-stamp all orders submitted by NH Medicaid vision care providers on the date the order was received. The date-stamp requirement shall be met when electronic orders are date stamped upon download into Contractor's electronic system.

D.5. If order forms are improperly completed or illegible, the Contractor shall attempt to clarify the information with the ordering provider by telephone, fax, or e-mail. If the necessary information cannot be reasonably obtained by telephone, fax, or e-mail, the incomplete or illegible form shall be returned electronically or by first class mail to the ordering provider within three (3) business days with an explanation of the reason for return.

**E. Verification Of Recipient Eligibility** It shall be the responsibility of the ordering NH Medicaid vision care provider to verify the eligibility of the persons for whom services are rendered prior to submitting an order to the Contractor. If the Contractor submits a claim to the OMBP that is denied due to recipient ineligibility, the Contractor shall bill the NH Medicaid vision care provider the usual and customary charge for the services the Contractor has performed in good faith. OMBP is not responsible for these charges.

**F. Order Completion and Delivery Standards** The Contractor shall complete all orders according to the NH Medicaid vision care provider's instructions on the order form.

F.1. The Contractor shall complete all properly submitted orders within seven (7) business days of receipt of the order. Repair orders shall also be completed within this seven (7)-business day requirement. The first of the seven (7) business days shall be the workday immediately following receipt of a completed order.

F.2. Upon order completion, successful delivery includes properly packaging the eyeglasses in a protective eyeglass case so that no damage occurs in transit, the correct frame is sent and is in usable condition, and the delivery is made to the vision care provider's office during normal business hours.

F.3. The Contractor shall notify the NH Medicaid vision care provider within two (2) business days by fax or e-mail if the prescription cannot be completed within the seven (7)-business day requirement.

F.4. The Contractor shall be responsible for arranging transportation and for all shipping and handling fees for orders to the NH Medicaid vision care provider via first class mail, express carrier, or courier

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service.

F.5. The Contractor shall be required to process all properly submitted and completed orders within the period specified in this Agreement. If, on the basis of a selected month's review of completed orders filled by the Contractor, OMBP finds that five percent (5%) or more of the orders filled during that time period were untimely completed, the Contractor shall forfeit and repay to OMBP five percent (5%) of the reimbursement the Contractor received for the contracted services during the sampled period. Orders that are delayed as a result of frames on backorder from the frame manufacturer are excluded from this specified processing time requirement until such time as the frame is received by the Contractor and available for processing.

**G. Product Returns** The Contractor shall accept lenses and/or frames returned by the provider due to product defects or order fulfillment errors, within seven (7) business days of the original delivery date. The Contractor shall be responsible for the cost of all shipping and handling fees associated with returns due to Contractor order error or product damage.

G.1. The Contractor shall replace lenses delivered to the provider with defects or errors caused by the Contractor, at no cost to the OMBP or the provider. Such circumstances include, but are not limited to:

- Lenses, which are broken, scratched, or chipped at time of receipt by the provider.
- Lenses that deviate from the NH Medicaid vision care provider's prescription beyond the deviation standards allowed by the ANSI Z80 Committee on Ophthalmic Standards.

G.2. Lenses containing prescription errors caused by the NH Medicaid vision care prescriber shall be returned to the Contractor for replacement at the provider's expense. The Contractor shall bill OMBP for the replacement lens at 50% of the contracted price per unit rate for the respective lens using Miscellaneous Vision Service procedure code V2799.

G.3. The Contractor shall replace frames delivered damaged or with order fulfillment errors at no cost.

**H. Customer Service** The Contractor shall maintain a user-friendly, dedicated vision care provider telephone line that shall be operational during normal business hours (Monday through Friday 8:00 a.m. to 4:30 p.m. EST). The Contractor shall provide all hardware and software necessary to operate this provider call line, including hardware and software necessary to allow for tracking call volume and response time. During normal business hours, the dedicated provider call line shall be adequately staffed to allow for maximum system time-up and for expeditious and proper call responses. The provider call line shall include an option that allows a provider to be connected to a live person at any time during normal business hours.

H.1. Customer service performance standards shall include the following:

- Provide sufficient access lines so that ordering providers do not encounter busy conditions at least ninety-nine percent (99%) of the time.
- Maintain a sufficient number of telephone lines so that no more than five percent (5%) of incoming calls ring busy or are on hold for more than one (1) minute prior to being answered by an actual staff member.

H.2. The Contractor shall acknowledge all written correspondence received from providers pertaining to any aspect of business contained within the Contract within two (2) business days of receipt and respond with a resolution within fourteen (14) business days of the date of the original correspondence. A copy of all written provider complaints and subsequent follow up correspondence shall be sent to the designated OMBP program manager.

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Date 5/4/11

H.3. The Contractor shall document all provider written complaints/concerns in monthly reports to OMBP, in a format/content as described in I of this Contract, "Reporting Requirements."

H.4. The Contractor shall notify the designated OMBP program manager via e-mail within one hour whenever the phone system is inoperable.

**I. Reporting Requirements** The required management report as specified in Table A-1 Classic Optical Laboratories, Inc. Reporting Requirements:

<b>Name</b>	<b>Frequency</b>	<b>Format</b>
Key staff contact list for this Agreement	On 7/1/2011 and quarterly thereafter	A list of names, location, e-mail address, phone number, cell phone number, and fax number
Quality reporting including written complaints/concerns received from NH Medicaid vision care providers and report of number of glasses returned for remake	Monthly	Narrative with name of individual making a written complaint or concern, nature of the complaint/concern, and resolution/action steps taken to resolve the issue; number of glasses returned for remake per month
NH Medicaid Provider Network Report	Monthly and at the end of each fiscal year of this Agreement (6/30/12, 6/30/13, and 6/30/2014)	A list of names and addresses of NH Medicaid vision care providers placing orders with the Contractor and the volume of orders.

I.1. The Contractor shall provide all reports specified above in a format agreed upon by the Department and Contractor within the stated time period. The Contractor agrees that the OMBP may access liquidated damages in the amount of 5% reduction in payments for the month in which the Contractor fails to provide the required report in an acceptable format.

**J. Implementation Plan** The first four (4) weeks following the Contract start date shall be considered the implementation period.

J.1. The Contractor shall submit a Project Work Plan no later than five (5) business days after the Contract start date. The Project Work Plan shall include a detailed description of the implementation schedule; tasks; deliverables; critical events; operational processes between providers, the Contractor, and OMPB; and dependencies necessary to complete a successful transition to the Contractor's products and services. A meeting to discuss and review the Project Work Plan shall be held after delivery of that work plan to OMBP at a time and place to be determined by the designated OMBP program manager.

J.2. During the second week of the implementation period, the Contractor shall deliver to the NH Medicaid vision care providers all necessary communication/education as necessary to assist their transition to the Contractor's vision products and services, including instructions for product returns. All written provider communication materials shall be subject to approval by the designated OMBP program manager before distribution.

J.3. During the third week of this implementation period, sample kits of the NH Medicaid frame collection shall be delivered to NH Medicaid vision care providers requesting such kits including ordering

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 Date 5/4/11

instructions.

J.4. During the implementation period, the Contractor shall share its standard reporting formats with the OMBP Contract Manager. The OMBP Contract Manager shall determine if there are additional reporting needs and the Contractor shall make all reasonable efforts to develop and make available any special reports by the conclusion of the implementation period, unless otherwise mutually agreed upon by the OMBP Contract Manager and the Contractor's Account Manager.

J.5. Meetings and/or conference calls shall be held quarterly after the conclusion of the implementation period during the first year of operations and periodically as needed thereafter during the contract term period.

**K. Program Management Requirements** The Contractor shall assign an Account Manager to be responsible for the implementation of the Contract and oversight of ongoing contract operations. The individual assigned shall be the primary executive point of contact and day-to-day liaison between the designated OMBP program manager and the Contractor. The Account Manager shall have the following competencies:

- Experience in directing and successfully managing, from start to finish, projects of a similar nature.
- Ability to implement a successful communication plan with NH Medicaid vision care providers.

K.1. The Account Manager shall be available to the OMBP program manager by phone or e-mail five (5) days per week during normal business hours, and be dedicated to successful implementation of this Agreement at minimum 100% during the start up phase. The Account Manager must have the ability to travel to Concord, New Hampshire when necessary.

K.2. The Contractor shall not change the Account Manager unless such replacement is necessary due to sickness, death, job/position change, termination of employment, unpaid leave of absence, or request of the OMBP program manager. The Contractor shall provide the OMBP program manager 30 days notice with the resume of any requested replacement. The replacement Account Manager shall have skills comparable to or greater than those of the individual being replaced. OMBP reserves the right to request replacement of any assigned individual who is not meeting the requirements of the position.

The designated Contractor Account Manager is:

Robert Elsas, Project Manager  
Classic Optical Laboratories, Inc.  
3710 Belmont Avenue  
Youngstown, Ohio 44505  
Telephone: 330-759-8245. Ext 307  
Fax: 330-759-8300  
Email: [belsas@classicoptical.com](mailto:belsas@classicoptical.com)

**L. OMBP Responsibilities** The OMBP shall reimburse the Contractor for all such vision materials covered under this Agreement that are ordered by enrolled NH Medicaid vision care providers in accordance with policy set forth in the New Hampshire Medicaid Program Rules He-W 565 and in accordance with the payment terms specified in Exhibit B of this Agreement.

L.1. The OMBP program manager shall provide the Contractor a minimum 14-day advance notice of any policy changes affecting the NH Medicaid vision care program prior to implementation of such policy

Contractor Initials DAF  
Date 5/4/11

change.

L.2. The OMBP program manger shall provide the Contractor with a complete list of all contracted vision products requiring prior authorization and shall notify the Contractor in writing whenever approval of such an item has been authorized.

L.3. The OMBP program manager shall provide the Contractor with the NH Medicaid provider enrollment application and explanation of billing procedures necessary to receive reimbursement under this Agreement.

L.4. The OMBP shall identify a designated Program Manager responsible for overall management and oversight of this Contract, including communication of all pertinent policy and procedural requirements and resolution of issues and concerns.

L.5. The designated OMBP Program Manager is:

Jane M. Hybsch, Administrator, Medicaid Medical Services  
129 Pleasant Street  
Concord, NH 03301-4823  
Telephone: 603-271-2245  
Fax: 603-271-8194  
Email: [jhybsch@dhhs.state.nh.us](mailto:jhybsch@dhhs.state.nh.us)

## **II. CONTRACT AMENDMENT AND EXTENSIONS**

This contract is renewable for two additional two-year periods subject to the State of NH and the Contractor's prior written agreement on applicable fees and services and approval by the Governor and Executive Council.

## **III. GOVERNING DOCUMENTS**

All documents that make up this agreement and the order of precedence of those documents for Contract clarifications are as follows:

General Provisions Form P-37 (1/09)  
Contract Exhibit A: Scope of Service  
Contract Exhibit B: Methods and Conditions of Payment  
Contract Exhibit C: Special Provisions  
Contract Exhibit D: Certificate Regarding Drug Free Workplace Requirements  
Contract Exhibit E: Certificate Regarding Lobbying  
Contract Exhibit F: Certification Regarding Debarment, Suspension and Other Responsibility  
Contract Exhibit G: Certificate Regarding American's with Disabilities Act Compliance  
Contract Exhibit H: Certification Regarding Environmental Tobacco Smoke  
Contract Exhibit I: HIPPA Business Associates Agreement  
Contract Exhibit J: Certification regarding the Federal Funding accountability and Transparency Act (FFATA) Compliance  
Contract Appendix A-1 Product Specifications  
Contract Appendix B-1: Fee Schedule  
DHHS RFP # 11-OMB-VMVP-03 issued September 13, 2010  
Contractor's Response to the Department's "Request for Proposal" dated November 8, 2010

Contractor Initials DWF

Date 5/4/11

Classic Optical Laboratories, Inc.  
 Appendix A-1  
 Product Specification

Product Specifications		Contracted Product Offering		
Proc. Code	Description	Frame Name/Style	Color	Manufacturer
	<b>Eyeglass Frame Collection</b>			
V2020	Supply of Spectacles	Aries (Boys)	Brown, Gold, Gunmetal	Modern
V2020	Supply of Spectacles	Ninja (Boys)	Matte Blue, Matte Brown, Matte Burgundy, Black, Violet	Modern
V2020	Supply of Spectacles	Exclusive 90 (Boys)	Antique Gold, Antique Silver, Matte Blue	Coi
V2020	Supply of Spectacles	Splash (Boys)	Blank, Blue, Brown, Red	Modern
V2020	Supply of Spectacles	Sporty (Boys)	Black/Crystal, Blue, Brown	Modern
V2020	Supply of Spectacles	Wiggle (Boys)	Black, Brown, Purple	Modern
V2020	Supply of Spectacles	Certain (Girls)	Black/Lime, Brown, Burgundy	Modern
V2020	Supply of Spectacles	Cheerful (Girls)	Black, Brown, Demi Amber, Gold, Pink	Modern
V2020	Supply of Spectacles	Cutie (Girls)	Antique Purple, DA/Antique, Brown Gold	Modern
V2020	Supply of Spectacles	Exclusive 139 (Girls)	Chestnut, Gun Light Brown	Coi
V2020	Supply of Spectacles	Gift (Girls)	Black/Crystal, Brown/Crystal, Purple/Brown	Modern
V2020	Supply of Spectacles	Pumpkin (Girls)	Antique Brown, Skull Brown, Black, Blue, Cable Blue, Gold	Modern
V2020	Supply of Spectacles	Pumpkin (Girls)	Cable Blue	
V2020	Supply of Spectacles	Tori (Girls)	Black, Blue, Brown, Pink	Modern
V2020	Supply of Spectacles	Brave (Mens)	Black, Blue, Brown	Modern
V2020	Supply of Spectacles	Doug (Mens)	Brown, Gold, Antique Silver	Modern
V2020	Supply of Spectacles	Exclusive 119 (Mens)	Gold, Gunmetal, Brown	Coi
V2020	Supply of Spectacles	Moscow (Mens)	Gold, Gunmetal, Demi Amber	Zimco
V2020	Supply of Spectacles	PT56 (Mens)	Coffee, Gold, Gunmetal	Capri
V2020	Supply of Spectacles	Ralph (Mens)	Black, Brown, Grey	Modern
V2020	Supply of Spectacles	Tomorrow (Mens)	Black, Brown, Grey	Modern
V2020	Supply of Spectacles	BLVD 4154 (Womens)	Matt Brown, Antique Silver, Gold	Hart
V2020		Dazzle (Womens)	Brown, Gold, Rose	Modern
V2020	Supply of Spectacles	Exclusive 135 (Womens)	Black, Brown, Gold	Coi
V2020	Supply of Spectacles	Finale (Womens)	Antique Brown, Antique Silver, Gold	Modern
V2020	Supply of Spectacles	Helen (Womens)	Brown, Rose, Violet	Modern
V2020	Supply of Spectacles	Judi (Womens)	Black/Crystal, Tortoise, Wine/Grey	Modern
V2020	Supply of Spectacles	Monica (Womens)	Brown, Grey, Rose	Modern
V2020	Supply of Spectacles	M415 (Infants)	Light Blue, Light Brown, Pink	Hart

Contractor Initials DMF  
 Date 5/4/11

**EXHIBIT B  
METHODS AND CONDITIONS PRECEDENT TO PAYMENT**

**CONTRACT PERIOD:** Date of Approval by the Governor and Executive Council (6/22/11 anticipated) to June 30, 2014 ✓

**NAME:** Classic Optical Laboratories, Incorporated

**ADDRESS:** 3710 Belmont Avenue  
Youngstown, OH 44505

**TELEPHONE:** (330) 759-8245 Ext 310

**FAX:** (330) 759-8300

**EMAIL:** dawn@classicoptical.com

**SIGNATORY:** Dawn Friedkin, Chief Operating Officer

**I. BILLING AND PAYMENT**

A. The Contractor shall enroll with the Department's Medicaid fiscal agent as a NH Medicaid provider and shall bill in accordance with procedure codes and the contracted fixed price per unit cost associated with these procedure codes as specified in Appendix B-1 Product Pricing. The Contractor shall bill for frames and lenses ordered by NH Medicaid vision care providers for eligible NH Medicaid recipients in accordance with the terms of this entire Agreement, the NH Medicaid Provider Participation Agreement and State administrative rules for the NH Medicaid program, including He-W 565 vision care rules. The Contractor shall submit claims for authorized product orders to the Department's fiscal agent for claims adjudication and payment via the Medicaid Management Information System (MMIS).

B. Consistent with the Centers for Medicare and Medicaid (CMS) National Correct Coding Initiative (NCCI), the Contractor shall bill the Department using the appropriate Healthcare Common Procedure Coding System (HCPCS) vision service codes. HCPCS codes are updated annually in January of each year. Any changes to the HCPCS vision codes, either added codes, changed codes or deleted codes, shall be updated by written work order from the designated OMBP program manager and adopted by the Contractor.

**II. PRODUCT VOLUME**

This Agreement is based upon a fixed price per unit as delineated in Appendix B-1 Fee Schedule. No maximum or minimum vision product volume is guaranteed. Similarly, the percentage of the Medicaid population in need of vision care products and served by this Agreement is indeterminate. No maximum or minimum percentage of recipients is guaranteed.

Product volume anticipated under this Agreement has been forecasted in Appendix B-2 Estimated Volume and Total Contract Price strictly for the purposes of establishing a price limitation for this Agreement. OMBP does not have record of product utilization at the HCPCS code level and, as a result, the forecasted volume for this Agreement is based on historical data of summary-level product utilization. The Contractor shall supply, at contracted prices, the actual quantities

Contractor Initials DWF

Date 5/4/11

ordered per HCPCS code regardless of whether the actual quantities are more or less than the summary Estimated Volume forecasted in Appendix B-2.

**III. CONTRACT PRICE LIMITATION** ✓ \$1,261,993.43 DMF

The price limitation of this agreement is ~~\$1,261,906.96~~. The price limitation is based on OMBP's estimated volume by fiscal year at the product summary level and the average contract price at the product summary level, plus a 12% cost inflation factor to accommodate variations in actual procedure codes and quantities ordered. These figures are inclusive of labor and administrative costs attributable to the Contractor.

The methodology for calculating the price limitation is shown in Appendix B-2 Estimated Volume and Total Contract Price.

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CONTRACTOR INITIALS: DMF  
DATE: 5/10/11

Contractor Initials DMF  
Date 5/4/11

Classic Optical Laboratories, Inc.  
 APPENDIX B-1  
 Fee Schedule

*Amichan 7/23*  
 ↓

Procedure Code Description	Proc. Codes	Unit Cost
Frames, purchases	V2020	\$9.25
Sphere, single vision, plano to plus or minus 4.00 per lens	V2100	\$5.80
Sphere, single vision, plano to plus or minus 4.12 or minus 7.00d, per lens	V2101	\$7.03
Sphere, single vision, plano to plus or minus 7.12 or minus 20.00d, per lens	V2102	\$10.57
Spherocylinder, single vision, plano to plus or minus 4.00d sphere, 0.12 to 2.00d cylinder, per lens	V2103	\$10.59
Spherocylinder, single vision, plano to plus or minus 4.00d sphere, 2.12 to 4.00d cylinder, per lens	V2104	\$9.25
Spherocylinder, single vision, plano to plus or minus 4.00d sphere, 4.025 to 6.00d cylinder, per lens	V2105	\$10.36
Spherocylinder, single vision, plano to plus or minus 4.00d sphere over 6.00d cylinder, per lens	V2106	\$10.59
Spherocylinder, single vision, plus or minus 4.25 to plus or minus 7.00 sphere, 0.12 to 2.00d cylinder, per lens	V2107	\$7.92
Spherocylinder, single vision, plus or minus 4.25d to plus or minus 7.00d sphere, 2.12 to 4.00d cylinder, per lens	V2108	\$9.69
Spherocylinder, single vision, plus or minus 4.25 to plus or minus 7.00d sphere, 4.25 to 6.00d cylinder, per lens	V2109	\$10.32
Spherocylinder, single vision, plus or minus 4.25 to 7.00d sphere, over 6.00d cylinder, per lens	V2110	\$10.55
Spherocylinder, single vision, plus or minus 7.25 to plus or minus 12.00d sphere, 0.25 to 2.25d cylinder, per lens	V2111	\$10.74
Spherocylinder, single vision, plus or minus 7.25 to plus or minus 12.00d sphere, 2.25d to 4.00d cylinder, per lens	V2112	\$10.95
Spherocylinder, single vision, plus or minus 7.25 to plus or minus 12.00d sphere, 4.25d to 6.00d cylinder, per lens	V2113	\$13.32
Spherocylinder, single vision, sphere over plus or minus 12.00d, per lens	V2114	\$20.46
Lenticular (myodisc), per lens, single vision	V2115	\$20.29
Aniseikonic lens, single vision	V2118	\$20.29
Lenticular per lens, single	V2121	\$21.72
Not otherwise classified, single vision lens	V2199	\$6.54
Sphere, bifocal, plano to plus or minus 4.00d, per lens	V2200	\$8.26
Sphere, bifocal, plus or minus 4.12d to plus or minus 7.00d, per lens	V2201	\$10.51
Sphere, bifocal, plus or minus 7.12d to plus or minus 20.00d, per lens	V2202	\$15.35
Spherocylinder, bifocal, plano to plus or minus 4.00d sphere, 0.12 to 2.00d cylinder, per lens	V2203	\$15.32
Spherocylinder, bifocal, plano to plus or minus 4.00d sphere, 2.12 to 4.00d cylinder, per lens	V2204	\$10.64
Spherocylinder, bifocal, plano to plus or minus 4.00d sphere, 4.25 to 6.00d cylinder, per lens	V2205	\$10.74
Spherocylinder, bifocal, plano to plus or minus 4.00d sphere, over 6.00d cylinder, per lens	V2206	\$13.63
Spherocylinder, bifocal, plus or minus 4.25 to plus or minus 7.00d sphere, 0.12 to 2.00d cylinder, per lens	V2207	\$10.68

Contractor Initials NMF

Date 5/4/11

Classic Optical Laboratories, Inc.  
 APPENDIX B-1  
 Fee Schedule

Procedure Code Description	Proc. Codes	Unit Cost
Spherocylinder, bifocal, plus or minus 4.25 to plus or minus 7.00d sphere, 2.12 to 4.00d cylinder, per lens	V2208	\$10.80
Spherocylinder, bifocal, plus or minus 4.25 to plus or minus 7.00d sphere, 4.25 to 6.00d cylinder, per lens	V2209	\$10.52
Spherocylinder, bifocal, plus or minus 4.25 to plus or minus 7.00d sphere, over 6.00d cylinder, per lens	V2210	\$14.45
Spherocylinder, bifocal, plus or minus 7.25 to plus or minus 12.00d sphere, 0.25 to 2.25d cylinder, per lens	V2211	\$11.46
Spherocylinder, bifocal, plus or minus 7.25 to plus or minus 12.00d sphere, 2.25 to 4.00d cylinder, per lens	V2212	\$11.42
Spherocylinder, bifocal, plus or minus 7.25 to plus or minus 12.00d sphere, 4.25 to 6.00d cylinder, per lens	V2213	\$23.94
Spherocylinder, bifocal, sphere over plus or minus 12.00d, per lens	V2214	\$39.81
Lenticular, (myodisc), per lens, bifocal	V2215	\$33.29
Aniseikonic, per lens, bifocal	V2218	\$36.29
Bifocal seg width over 28mm	V2219	\$7.00
Bifocal add over 3.25d	V2220	\$7.00
Lenticular lens, per lens, bifocal	V2221	\$23.50
Specialty bifocal (by report)	V2299	\$9.19
Sphere, trifocal, plano to plus or minus 4.00d, per lens	V2300	\$11.51
Sphere, trifocal, plus or minus 4.12 to plus or minus 7.00d per lens	V2301	\$12.09
Sphere, trifocal, plus or minus 7.12 to plus or minus 20.00 per lens	V2302	\$21.29
Spherocylinder, trifocal, plano to plus or minus 4.00d sphere, 0.12 to 2.00 cylinder, per lens	V2303	\$11.81
Spherocylinder, trifocal, plano to plus or minus 4.00d sphere, 2.25 to 4.00 cylinder, per lens	V2304	\$11.85
Spherocylinder, trifocal, plano to plus or minus 4.00d sphere, 4.25 to 6.00 cylinder, per lens	V2305	\$12.41
Spherocylinder, trifocal, plano to plus or minus 4.00d sphere, over 6.00d cylinder, per lens	V2306	\$19.87
Spherocylinder, trifocal, plus or minus 4.25 to plus or minus 7.00d sphere, 0.12 to 2.00d cylinder, per lens	V2307	\$20.41
Spherocylinder, trifocal, plus or minus 4.25 to plus or minus 7.00d sphere, 2.12 to 4.00d cylinder, per lens	V2308	\$19.52
Spherocylinder, trifocal, plus or minus 4.25 to plus or minus 7.00d sphere, 4.25 to 6.00d cylinder, per lens	V2309	\$19.62
Spherocylinder, trifocal, plus or minus 4.25 to plus or minus 7.00d sphere, over 6.00d cylinder, per lens	V2310	\$19.62
Spherocylinder, trifocal, plus or minus 7.25 to plus or minus 12.00d sphere, 0.25 to 2.25d cylinder, per lens	V2311	\$21.69
Spherocylinder, trifocal, plus or minus 7.25 to plus or minus 12.00d sphere, 2.25 to 4.00d cylinder, per lens	V2312	\$21.69
Spherocylinder, trifocal, plus or minus 7.25 to plus or minus 12.00d sphere, 4.25 to 6.00d cylinder, per lens	V2313	\$21.69
Spherocylinder, trifocal, sphere over plus or minus 12.00d, per lens	V2314	\$21.69
Lenticular, (myodisc), per lens, trifocal	V2315	\$32.79

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Classic Optical Laboratories, Inc.  
 APPENDIX B-1  
 Fee Schedule

Procedure Code Description	Proc. Codes	Unit Cost
Aniseikonic lens, trifocal	V2318	\$32.79
Trifocal seg width over 28 mm	V2319	\$4.50
Trifocal add over 3.25d	V2320	\$4.50
Lenticular, per lens, trifocal	V2321	\$8.79
Specialty trifocal	V2399	\$50.00
Variable asphericity lens, single vision, full field, glass or plastic, per lens	V2410	34.29
Variable asphericity lens, bifocal, full field, glass or plastic, per lens	V2430	34.29
Variable asphericity lens, other type	V2499	\$50.00
Balance lens, per lens	V2700	\$5.00
Slab off prism, glass or plastic, per lens	V2710	\$28.47
Prism, per lens	V2715	\$2.50
Press-on lens, Fresnel prism, per lens	V2718	\$17.58
Special base curve, glass or plastic, per lens	V2730	\$5.00
Tint, photochromatic, per lens	V2744	\$26.45
Addition to lens; tint, any color, solid, gradient or equal, excludes photochromatic, any lens material, per lens	V2745	\$5.00
Antireflective coating, per lens	V2750	\$10.00
U-V lens, per lens	V2755	\$5.00
Polarization, any lens material, per lens	V2762	\$17.49
Occluder lens, per lens	V2770	\$5.00
Lens, index 1.54 to 1.65 plastic or 1.60 to 1.79 glass, excludes polycarbonate, per lens	V2782	\$17.49
Lens, index greater than or equal to 1.66 plastic or great than or equal to 1.80-glass, excludes polycarbonate, per lens	V2783	\$17.49
Lens, polycarbonate or equal, any index, per lens	V2784	\$2.00
Vision service, miscellaneous	V2799	\$50.00

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CLASSIC LABORATORY INC.  
APPENDIX B-2  
ESTIMATED VOLUME and TOTAL CONTRACT PRICE

SFY	Product Summary	Estimated Volume	Average Contract Price	Estimated Cost	12% Inflation Factor	Total Contract Price
FY 2012	Frames: V2020	15,784	\$9.25	\$146,002.00	\$17,520.24	\$163,522.24
	Lenses: V2100-V2715 & V2782-V2784	18,143	\$10.00	\$181,452.68	\$21,774.32	\$203,227.00
	Tinting & Misc. Vision Svcs: V2740 - V2770 & V2799	52	\$22.86	\$1,188.85	\$142.66	\$1,331.51
	Subtotal:	33,979	\$9.67	\$328,643.53	\$39,437.22	\$368,080.75
FY 2013	Frames: V2020	17,678	\$9.25	\$163,521.50	\$19,622.58	\$183,144.08
	Lenses: V2100-V2715 & V2782-V2784	20,318	\$10.00	\$203,205.40	\$24,384.65	\$227,590.05
	Tinting & Misc. Vision Svcs: V2740 - V2770 & V2799	105	\$22.86	\$2,400.56	\$288.07	\$2,688.63
	Subtotal:	38,101	\$9.69	\$369,127.46	\$44,295.30	\$413,422.76
FY 2014	Frames: V2020	21,486	\$9.25	\$198,745.50	\$23,849.46	\$222,594.96
	Lenses: V2100-V2715 & V2782-V2784	22,756	\$10.00	\$227,588.45	\$27,310.61	\$254,899.06
	Tinting & Misc. Vision Svcs: V2740 - V2770 & V2799	117	\$22.86	\$2,674.91	\$320.99	\$2,995.90
	Subtotal:	44,359	\$9.67	\$429,008.86	\$51,481.06	\$480,489.92
<b>CONTRACT TOTAL:</b>		<b>116,439</b>	<b>\$9.68</b>	<b>\$1,126,779.85</b>	<b>\$135,213.58</b>	<b>\$1,261,993.43</b>

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Date 5/4/11

**NH Department of Health and Human Services  
STANDARD EXHIBIT C  
SPECIAL PROVISIONS**

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

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

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

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

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

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

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

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

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Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than to ineligible individuals or other third party fundors, the Department may elect to:

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

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

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

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

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

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

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

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

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

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

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

**11. Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian. Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

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

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

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

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

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

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

**15. Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws

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which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

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

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Date 5/4/11

NH Department of Health and Human Services

STANDARD EXHIBIT C-I

ADDITIONAL SPECIAL PROVISIONS

1. Standard Exhibit C, Special Provisions number 3, Time and Manner of Determination does not apply to this Agreement.
2. Standard Exhibit C, Special Provisions number 4 Documentation is hereby deleted and replaced with the following:

4.Documentation: The Contractor shall maintain a data file on each recipient of vision services hereunder, which file shall include all information necessary to support what vision services were prescribed and filled and all invoices submitted to the Department to obtain payment for such services.

3. Standard Exhibit C, Special Provisions number 5 Fair Hearings does not apply to this Agreement.
4. Standard Exhibit C, Special Provisions, number 9.2 Statistical Records and number 9.3 Medicaid Records does not apply to this Agreement.
5. Standard Exhibit C. Special Provisions, number 12 Reports, Fiscal and Statistical does not apply to this Agreement.
6. The provisions of the "General Provision " Form P-37, paragraph 12 is hereby deleted and replaced with the following:

12. Assignment/Delegation/Subcontracts.

The Contractor shall not assign, or otherwise transfer any interest in this Agreement without written approval of the Department.

The following additional provisions are added:

Additional Termination and Modification Requirements

7. Notice of Termination: DHHS-OMBP shall inform NH Medicaid vision care providers if notice is given by either party of its intent to terminate this Contract as provided herein. The Party that terminates this Contract bears the cost of notification to the NH Medicaid vision care providers of such termination.
8. Termination Without Cause: Either party may terminate this Contract at any time without cause by giving prior written notice to the other party of not less than one hundred eighty (180) calendar days.

Upon termination of this Contract, neither party shall have any further obligation to the other party, provided, however, that such termination shall not release the Contractor or DHHS-OMBP of its obligations including: payment obligations accrued to the Contractor prior to and up to the termination date; non-solicitation, and confidentiality provisions hereof; and cooperation as to the

orderly transfer and return of data, records, and case administration efforts between the Contractor and DHHS-OMB. Contractor and DHHS-OMB will agree upon a transition plan no later than thirty (30) days prior to the termination date.

9. Termination Due to loss of Funding in the event that State and or Federal funding used to pay for services under this Agreement is reduced so that payments cannot be made in full, this Contract shall automatically terminate. A reduction in State/Federal funding cannot reduce monies due and owing to the Contractor on or before the effective date of the written termination notice.
10. Renegotiation and Modification: Any provision of this Contract that is in conflict with federal and/or State Medicaid statutes, regulations, DHHS-OMB or CMS policy guidance is hereby amended to conform to the provisions of those laws, regulations, and federal policy. Such amendment of the Contract will be effective on the effective date of the statutes, regulations, or policies necessitating it, and will be binding on the parties even though such amendment may not have been reduced to writing and formally agreed upon and executed by the parties.

This Contract may be modified to comply with changes in the law, due to state or federal legislative action. Otherwise, this Contract may only be modified by written mutual consent. DHHS-OMB shall set forth all modifications, including contract extensions, in contract amendments.

11. Contract Amendment and Extension: Subsequent to the initial Contract term of three (3) years, DHHS-OMB shall contact the Contractor regarding any proposed contract extension at least 90 days prior to the termination date of the Contract. Contract extensions shall be in increments of no more than two years each. For purposes of this Contract, there shall be available two Contract extensions subject to the State of NH and Contractor's agreement to each extension. Any Contract extension will be subject to the terms and conditions of Contract unless otherwise noted in the Contract Amendment.
12. Information on Outstanding Claims at Termination: In the event this Contract is terminated, the Contractor shall provide DHHS-OMB, within three hundred and sixty-five (365) calendar days, all available information reasonably necessary for the reimbursement of any outstanding claims for services to Clients (42 CFR 434.6(a)(6)). Information and reimbursement of such claims is subject to the provisions of Exhibit B, Methods and Conditions Precedent to Payment.

**Disputes:**

13. In the event that any provisions of the Agreement conflict and there is dispute among the parties regarding resolution of the dispute the parties agree that the order of precedence of governing documents for resolution of disputes shall be as follows:
  1. This Contract to include Form P-37 of the signed Contract and accompanying Exhibits A through I.
  2. DHHS RFP # 11-OMB-03, Vision volume purchase plan and the Contractor's response to the Request for Proposal.

13.2 In the event the parties are unable to informally settle any dispute arising under the Agreement, the Contractor further agrees and submits to the jurisdiction of the courts of the State of New Hampshire and agrees that venue for any legal proceeding against the State shall be filed in the Merrimack County Superior Court, Court Street, Concord, N.H. The provisions of this paragraph shall not in any way be considered a waiver of sovereign immunity by the State of New Hampshire.

13.3 In the event that either party deems it necessary to take legal action to enforce any provision of the Agreement, each party shall bear its own costs associated with the litigation, including attorney's fees. Any action against the State including but not limited to actions for either breach of Contract or for enforcement of its provisions or both, shall commence within three (3) years from the date of completion specified in this Agreement. All defenses in law or equity shall be preserved by the State, including sovereign immunity.

14. Fraud and Abuse Requirements: The Contractor shall report in writing all reported cases of fraud and abuse, whether founded or unfounded, including fraud and abuse by the Contractor's employees and subcontractors, within seven (7) calendar days, to the DHHS-OMB contact designated on page one of this Contract. The report shall include the following information:

- a) Subject(s) of complaint by name and either provider/subcontractor type or employee position;
- b) Source of complaint by name and provider/subcontractor type or employee position;
- c) Nature of complaint;
- d) Estimate of the amount of funds involved;
- e) Legal and administrative disposition of case.

15. Event of Default, Remedies Pursuant to, and consistent with, General Provisions, Form P-37, paragraph 8, the following terms supplemental the State's standard contract provision for the purpose of this Contract:

15.2 Procuring goods and services from other sources. In the case of failure to deliver goods or services in accordance with the Contract terms and conditions, OMBP, acting in the best interests of Medicaid recipients who need timely access to healthcare services, may procure them from other sources and hold the Contractor responsible for any resulting purchase and administrative costs. This remedy shall be in addition to any other remedies, which the State may have.

16. The provisions of the "General Provisions", Form P-37, paragraph 9.3 is hereby supplemented by the addition of the following:

16.2 The content of each proposal submitted in response to the DHHS Vision Volume Purchasing RFP shall become public information once the Governor and Executive Council have approved this Contract. Insofar as the Contractor seeks to maintain the confidentiality of its allegedly confidential or proprietary information, the Contractor must have clearly identified in writing the information it claims to be confidential or proprietary in its initial bid submission. The Contractor acknowledges that DHHS and OMBP are subject to New Hampshire's Right to Know Law, RSA 91-A. DHHS and OMBP shall maintain the confidentiality of the identified confidential and or proprietary information insofar as doing so is consistent with applicable laws or regulations including but not limited to NH RSA 91-A. In the event that DHHS and/or OMBP receives a request for the information identified by the Contractor as confidential and/ or proprietary, DHHS and/or OMBP shall notify the Contractor and specify the date DHHS and /or OMBP will be releasing the requested information. Any effort to prohibit or enjoin the release of the requested information shall be the Contractor's responsibility and at the Contractor's sole expense. If the Contractor fails to obtain a court order enjoining the disclosure, DHHS and/or OMBP shall release the information on the date DHHS

and/or OMBP specifies in DHHS and /or OMBP notice to the Contractor, without any State, DHHS, or OMBP liability to the Contractor.

16.3 The above terms and process shall apply to any Contract data or information requested throughout the Contract term, however, the Contractor shall have an opportunity to review and label "confidential" and/or "proprietary" Contract data when requested, in advance of the DHHS and/or OMBP determination as to whether data or other information should be protected.

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