

AMENDMENT

It is hereby agreed by and between the State of Vermont, Agency of Human Services, Department of Vermont Health Access (hereafter referred to as the “State” or the “Department”) and HP Enterprise Services, LLC, a Delaware limited liability company (hereafter referred to as the "Contractor") that the Title XIX Medicaid Contract for operation of the Vermont Medicaid Management Information System (MMIS), entered into January 01, 2004, is hereby amended effective upon execution by the Department’s Commissioner, as follows:

Replace in Amendment # 10, Item #1, page 1 of 5, with the following:

“5. Maximum amount : The State agrees to pay Contractor pursuant to the payment provisions specified in Attachment B, a sum not to exceed \$ 98,369,140.41.”

Replace in Amendment #10, on page 2 of 5, Operational Invoice/Payment Schedule for the period of January 1, 2011 – December 31, 2012 and substituting in lieu thereof the following updated Operational Invoice/Payment Schedule:

Operational Invoice/Payment Schedule
 January 1, 2011 - April 30, 2011 (4 months)

VOLUME PARAMETERS	Claims Processing	Drug Transactions
High Estimate	7,500,000	4,500,000
Median Estimate	6,000,000	3,500,000
Low Estimate	4,500,000	2,500,000
FIXED PRICE		Annual Amount
Claims Processing		\$ 2,630,071.32
Drug Payment Transactions		\$ 68,313.54
Provider Relations		\$ 546,508.33
Management Reporting (Business Objects,CRLS,MAR,SURS)		\$ 170,783.85
Subtotal		\$ 3,415,677.04
Added Services (As Utilized)		
Clinical Specialist		\$ 31,804.44
DAIL Project Coordinator		\$ 17,181.67
Translator Services		\$ 33,333.33
Radiology Management Services *	\$34.25/PA	\$ 228,333.33
ICD-10 Project Management Services **	\$110/HR	\$ 22,000.00
Subtotal		\$ 332,652.77
		\$ 3,748,329.81

Amount invoiced each Month \$853,919

*Dollars represented as Annual Amount is for estimation purposes only based on 20K processed annually.

Acutal invoice will be rate (\$34.25) times actual Prior Authorizations processed.

**Dollars represented as Annual Amount is for estimation purposes only assuming 600 billable hours in 2011 devoted to ICD-10 Project management

May 1, 2011 - December 31, 2011 (8 months)

VOLUME PARAMETERS	Claims Processing	Drug Transactions
High Estimate	7,500,000	4,500,000
Median Estimate	6,000,000	3,500,000
Low Estimate	4,500,000	2,500,000
FIXED PRICE		Annual Amount
Claims Processing		\$ 5,297,481.81
Drug Payment Transactions		\$ 136,627.08
Provider Relations		\$ 1,093,016.65
Management Reporting (Business Objects,CRLS,MAR,SURS)		\$ 341,567.70
Subtotal		\$ 6,868,693.24
Added Services (As Utilized)		
Clinical Specialist		\$ 63,608.89
DAIL Project Coordinator		\$ 34,363.33
Translator Services		\$ 66,666.67
Radiology Management Services *	\$34.25/PA	\$ 456,666.67
ICD-10 Project Management Services **	\$110/HR	\$ 44,000.00
Subtotal		\$ 665,305.56
		\$ 7,533,998.80

Amount invoiced each Month \$858,586

*Dollars represented as Annual Amount is for estimation purposes only based on 20K processed annually.

Actual invoice will be rate (\$34.25) times actual Prior Authorizations processed.

**Dollars represented as Annual Amount is for estimation purposes only assuming 600 billable hours in 2011 devoted to ICD-10 Project management

January 1, 2012- December 31, 2012

VOLUME PARAMETERS	Claims Processing	Drug Transactions
High Estimate	7,500,000	4,500,000
Median Estimate	6,000,000	3,500,000
Low Estimate	4,500,000	2,500,000
FIXED PRICE		Annual Amount
Claims Processing		\$ 7,844,903.19
Drug Payment Transactions		\$ 202,932.42
Provider Relations		\$ 1,623,459.36
Management Reporting (Business Objects,CRLS,MAR,SURS)		\$ 507,331.05
Subtotal		\$ 10,178,626.02
Added Services (As Utilized)		
Clinical Specialist		\$ 98,275.00
DAIL Project Coordinator		\$ 53,607.00
Translator Services		\$ 100,000.00
Radiology Management Services *	\$34.25/PA	\$ 685,000.00
ICD-10 Project Management Services**	\$112.75	\$ 67,650.00
Subtotal		\$ 1,004,532.00
		\$ 11,183,158.02

Amount invoiced each Month \$848,218

*Dollars represented as Annual Amount is for estimation purposes only based on 20K processed annually.

Actual invoice will be rate (\$34.25) times actual Prior Authorizations processed.

***Dollars represented as Annual Amount is for estimation purposes only assuming 600 billable hours in 2012 devoted to ICD-10 Project management*

By adding Attachment F Part X Narrative and Price Proposal Submitted for Additional Services as Utilized dated March 1, 2011, which is an attachment of this amendment on page 4.

This amendment consists of 10 pages. Except as modified by this amendment and any previous Amendments, all provisions of this contract (#8430), dated January 1, 2004, shall remain unchanged and in full force and effect.

STATE OF VERMONT

Department of Vermont Health Access

By: Susan W Besio
Susan Besio, Commissioner
Department of Vermont Health Access

CONTRACTOR:

HP Enterprise Services, LLC

By: John McCabe
John McCabe, Director
US Government, State and Local

Date: 6/27/11

Date: June 24, 2011

Attachment F, Part X

HP Narrative and Price Proposal March 1, 2011 Additional Services As Utilized

HP submits the following proposal in response to a request from DVHA to perform Additional Services which will be billed on a monthly basis as utilized. The following services will be added to the Operational Invoice Schedule under the section “Added Services (as utilized)” :

Clinical Specialist

HP will increase the level of support related to the clinical specialist position from 30 hours per week to 40 hours per week. The clinical specialist is responsible for the receipt, review and clinical approval associated with all PT/OT/ST prior authorization requests.

Price Proposal: Increase the annual rate for this position to \$95,413.33 in calendar year 2011 and \$98,275.00 in calendar year 2012.

ICD-10 Project Management

HP will provide ICD-10 Project management support to assist the state with the gap analysis, requirement definitions and implementation approach. This position will be billed monthly on a hourly basis as utilized.

Price Proposal :HP will be reimbursed by DVHA at a rate of \$110.00 per hour for hours used in 2011 and \$112.75 per hour for hours used in 2012.

Business Objects Licenses

HP will provide DVHA with the use of 47 additional business objects end user licenses.

Price Proposal:
HP will be reimbursed by DVHA in the amount of \$81,881.52 which includes the purchase of the additional licenses and maintenance through 12/31/2012. HP will issue a separate on-time invoice for this purchase.

Provider File Address Standardization

DVHA is in the process of analyzing provider geographic data for various internal projects. During the analysis DVHA has identified several questions concerning the standardization of address information in the provider file and the assignment of the appropriate town code. Address standardization is currently maintained through a manual review in the provider

enrollment process. DVHA has approved HP' recommendation on an enhancement to the MMIS which will create a provider file address standardization.

HP will implement system modifications and business process changes to support the use of a subscription service to validate the provider address on an ongoing basis. Modifications to the web provider update process will be made to apply approved updates from the subscription service and modifications to the town assignment process will be made to remove it as a user enterable field and have it determined upon the address zip code.

Price Proposal:

HP will be reimbursed by DVHA in the amount of \$1,000 per year for the annual subscription cost offered by Pitney Bowes. This subscription service is certified as a CASS (Coding Accuracy Support System) to validate and standardize address information. A CASS verifies addresses conform to the standards of the US Postal Service. Use of a CASS greatly improves the deliverability of addresses.

HP will also modify the MMIS to integrate the output from the subscription service into an update process for the provider address and eliminate the manual entry of the resulting town code assignment. The effort associated with these enhancements are presented below. The hours provided are estimates only. HP will produce a monthly bill for the actual hours used each month. The bill will include the hours used for each activity listed below. HP will be reimbursed at the modification hourly rate for additional CSR Hours as described in Section 11 of Amendment #5 of this contract.

ID	Short Description	Description	Hours
PR0207EC	UPDATE TOWN CODE	CREATE DATABASE TRIGGER TO UPDATE TOWN CODE	8
PR0208EC	TOWN CODE	REMOVE USER ENTRY FOR TOWNCODE	41
PR0209EC	PROVIDER ADDRESS	MODIFY PROVIDER ADDRESS UPDATE PROCESS	8
TOTAL			57

Medical Assistance Provider Incentive Repository (MAPIR)

Core MAPIR development:

The State of Vermont has indicated participation in the development of the core MAPIR application in coordination with State of Pennsylvania as evidenced by the attached signed letter of intent (Exhibit A). DVHA agrees to the payment schedule presented below under Total Cost Per State related to the development of the core MAPIR application:

Milestone Deliverable Description	Projected Month to Be Approved by DPW	Per Deliverable Price	Total Cost Per State
MAPIR Scope, High Level Requirements, Design, and Project Plan Approved	November 2010	\$898,822	\$69,140
MAPIR Release 1 Available to States	February 2011	\$1,438,114	\$110,624
MAPIR Release 2 Available to States	April 2011	\$1,258,350	\$96,796
TOTAL		\$3,595,286	\$276,560

A copy of the approved Core IAPD is included as Exhibit B to this document which details scope of work to be performed.

State Specific MAPIR Customization:

The scope of this effort is specific to the integration of the MAPIR application into the VT MMIS environment and any associated custom effort required for Vermont specific needs. These estimates are based on the approved MAPIR Scope Client V4 FINAL.doc, dated August 15, 2010

Exhibit C, titled MAPIR (Medical Assistance Provider Incentive Repository) High Level Scope and Custom Estimate for Vermont document provides the scope of work to be performed.

Estimated Hours for Vermont Integration/Customization

The hours provided below are estimates only. HPES will produce a monthly bill for the actual hours used each month. The bill will include the hours used for each activity listed below. HPES will be reimbursed at the modification hourly rate for additional CSR Hours as described in Section 11 of Amendment #5 of this contract.

MAPIR Installation and Customization	Hours
Environmental Changes (DB2 WebSphere stored procedures)	160
Install MAPIR	40
Provider access to MAPIR	80
Member access to MAPIR	80
User Customization	40
Interface Development	

Claims	40
Soap and XML processing for MAPIR	200
Provider	40
Financial (Receive and Send)	100
Add CCN for provider ID cross reference	40
Project Management	
Project Management	90
Reporting	
FBR and CMS-64 reporting	10
Testing	
Testing of all enhancements listed above	207
Grand Total	1127

National Correct Coding Initiatives (NCCI)

HP will incorporate the NCCI Methodologies in the VT MMIS as directed and authorized by DVHA. The estimates provided below include the Planning, Designing, Construction, Testing and implementation of the NCCI edits as well as the Mutually Unlikely Edits (MUE) unit limitations and CMS require savings reports.

Proposed Approach

MUE

The State of VT MMIS currently has the capability to edit units based on unit parameters within the MMIS. These unit parameters are defined at the procedure code level. The unit limits have been in place in the MMIS since inception. They are used to enforce policy in addition to preventing payments for unlikely situations. CMS requires that states report the savings associated with implementing MUE on a routine basis. For the time being we have assumed usage of the current capability and editing within the MMIS to implement MUE. The reporting of savings must be based on the denial code (EOB) assigned to claims denied because of unit limits. This means that all claims that get denied because of unit limits will be reported, regardless of whether it was the CMS mandated MUE or a State defined MUE.

To remediate, the creation of a separate edit within MMIS is required to enforce the CMS mandated MUE. This will require the creation of a table to house the CMS MUE data and the creation of a separate edit that uses only this table.

The creation of an MMIS screen to display the MUEs at a procedure code level would potentially solve issues with codes requiring RT and LT modifiers. The CMS MUE data lists units of two for codes that require these modifiers, allowing one of each. By implementing a separate unit edit for CMS MUEs, units can be set at the procedure code level and indicate the maximum units of one in these codes. This would differentiate State only MUEs from CMS MUEs, thereby enforcing the CMS MUE rules.

NCCI

NCCI is a series of code pairs that can not be billed on the same date of service by the same attending provider. The NCCI data indicates which procedure code should be paid and which should not be paid. To be in compliance with NCCI an incoming claim would be edited against existing claims history. Vermont plans to strengthen and expand its system to be capable of executing NCCI criteria. If while performing the NCCI edit, the system determines that the current claim should be paid and that the claim in claims history should be recouped, there would need to be some system process that identifies claims for recoupment from historical claims while allowing for payment of the new claim. Further logic will be necessary to deter providers from re-submission of the recouped claim in an effort to be paid for the code that should not have paid, which may be reimbursed at a higher amount. The creation of a table to store NCCI code pairs for reference in auditing a claim would enforce the NCCI rules in the MMIS system. Additional rules flagging recouped claims as unadjustable due to code pair logic would also be necessary.

DVHA has examined the impacts of these changes for the MMIS system as stated above, and has determined that there is no viable option except implementation of the proposed changes. A coordinated and integrated approach between DVHA and HP will allow for a thorough implementation of MUE and NCCI. DVHA and HP will continue to identify the essential associated system changes and effectively implement them. These components will be fully integrated with Medicaid Management Information System (MMIS). Preliminary discussions with business and information technology staff have occurred and will carry on as assessments of implementing these solutions continue.

ASSUMPTIONS

In an effort to book the maximum amount of savings this initiative will create, CMS has indicated that all NCCI editing, both NCCI and MUE, are to be done prior to editing the claim for any other reasons. Because of the way the MMIS is designed it would require major system changes to the current claims engine to move this to the front of processing.

The estimates that follow assume that auditing will remain as it currently resides in the claims cycle engine. Claims would continue to be denied for items such as beneficiary ineligible, provider not on file and date of service missing. These would occur prior to the claims setting in NCCI edits.

Price Proposal:

The hours provided below are estimates only. HPES will produce a monthly bill for the actual hours used each month. The bill will include the hours used for each activity listed below. HPES will be reimbursed at the modification hourly rate for additional CSR Hours as described in Section 11 of Amendment #5 of this contract.

NCCI Enhancements	Hours
NCCI Edits	502.50
MUE Edits	180.00
Reporting	67.50

Total	750
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340B Project Enhancements

The 340B Drug Pricing Program resulted from the enactment of the Veterans Health Care Act of 1992, which is Section 340B of the Public Health Service Act. Providers are able to acquire drugs through that program at significantly discounted rates. Because of the discounted acquisition cost, these drugs are not eligible for the Medicaid Drug Rebate Program. Covered Entities are required to pass along the savings to the Medicaid Program if drugs acquired through 340B are provided to Medicaid beneficiaries (Medicaid Carve In).

State Medicaid programs are obligated to ensure that rebates are not claimed on 340B drugs. The DVHA will work with the Covered Entities in a back end reconciliation process to ensure the Medicaid agency receive a 340B discount.

Beginning on May 1, 2011, HP will implement staffing model adjustments in support of the 340B project using the following agreed upon approach:

Pharmacy Claims Processing

In order for covered entities to identify 340B drugs dispensed in a pharmacy, the covered entity needs to supply DVHA and/or HP Enterprise Services (HPES) with a list of their prescribers NPI numbers and associated pharmacy NPI numbers.

Physician Administered Outpatient/Clinic Claims Processing

In order for providers to identify 340B drugs dispensed in an outpatient or clinic setting, the National Medicaid Electronic Data Interchange HIPAA workgroup has recommended use of the "UD" modifier. Vermont Medicaid has instructed its providers to also bill with the "UD" modifier.

HP Enterprise Services (HPES) will not require an NDC on drugs identified with the "UD" Modifier and will exclude these claims from all rebate activity. There will be no front end process to reduce the provider's payment to ensure compliance with the requirement to pass to Medicaid the 340B savings. The claims will pay according to the existing DVHA fee schedule and policies.

340B Provider Management/Enrollment

In order to manage the 340B carve in for the DVHA, HPES must identify all covered entities carving in the VT Medicaid population. On a monthly basis HPES will query the HRSA website for newly enrolled VT Medicaid Providers that have indicated that they will carve in Medicaid. With HPES will gather provider specific data from each covered entity; list of contracted or owned pharmacies and list of all prescribers in the organization. HPES will also require contracted pharmacies to supply the list of covered entities the pharmacy supports.

Back End Reconciliation Process

HPES will produce a “Monthly 340B Utilization File” for each covered entity. The report will include all paid POS claims with no other insurance amount where the prescriber is identified as associated with a 340B covered entity and the pharmacy is a participating 340B pharmacy. Individual provider reports will be sent to the 340B contact associated with the covered entity.

The report will contain the following data elements:

Report Creation Date	Prescribing Provider NPI	Date of Service
Paid Month	Paid Amount	Date of Payment