

AMENDMENT

It is hereby agreed by and between the State of Vermont, Agency of Human Services, Office of Vermont Health Access (formerly know as Department of Prevention, Assistance, Transition, and Health Access (hereafter referred to as the "State" or the "Department") and Electronic Data Systems, LLC (EDS), a Delaware Corporation (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 (hereafter referred to as the "Contract"), is hereby amended effective upon execution by the Department's Director, as follows:

On contract page 1 of the base contract, replace Section 5 in its entirety with the following Section 5:

"5. Maximum Amount: The State agrees to pay the Contractor pursuant to the payment provisions specified in Attachment B, a sum not to exceed \$96,411,472.

On contract page 1 of the base contract, replace Section 6 in its entirety with the following Section 6.

"6. Contract Term: The period of Contractor performance shall begin on January 1, 2004 and end on December 31, 2012.

By adding on page 2 of Section 10, Attachment F, EDS Narrative and Price Proposal to Include the following:

Attachment F Part VI: EDS Narrative Proposal and Price Submitted for Operational Service date August 29, 2008 which can be found on page 16 of this agreement.

By deleting on page 6 of 29, Section 11 and substituting in lieu thereof the following Section 11:

The Contractor agrees to provide the following number of Customer Service (CSRs) hours to the State:

January 1, 2004 – December 31, 2004 –	5,000 CSR Hours
January 1, 2005 – December 31, 2005 –	6,000 CSR Hours
January 1, 2006 – December 31, 2006 –	6,000 CSR Hours
January 1, 2007 – December 31, 2007 –	8,000 CSR Hours
January 1, 2008 – December 31, 2008 –	14,500 CSR Hours
January 1, 2009 – December 31, 2009 –	8,000 CRS Hours
January 1, 2010 – December 31, 2010 –	8,000 CRS Hours
January 1, 2011 – December 31, 2011 –	6,000 CRS Hours
January 1, 2012 – December 31, 2012 –	5,000 CRS Hours

Any unused CSR hours may be carried over to the following year. The CSR hours outlined

above are included in the Contractor's Operational Fixed Price.

Effective January 1, 2010, the modification hourly rate for additional CSR hours will be increased from the base rate of \$105.00 per hour at the Consumer Price Index (CPI) inflation rate and the per hour State reimbursement for any hours remaining at the termination of the contract will also be increased at the Consumer Price Index (CPI) inflation rate. The based rate for unused hours will be \$45.00.

By adding on page 9, of Attachment A the following:

15. Security Controls and Framework

The work enacted for this contract should adhere to the National Institute of Standards and Technology (NIST) Special Publication 800-53 rev 2 recommended security controls, moderate impact baseline (<http://csrc.nist.gov/publications/nistpubs/800-53-Rev2/sp800-53-rev2-annex2.pdf> with exception to CA-6 Security Accreditation) or equivalent security framework.

By adding on page 14, of Attachment B the following:

Operational Invoice/Payment Schedule
 January 1, 2009 - December 31, 2009

<u>VOLUME PARAMETERS</u>	<u>Claims Processing</u>	<u>Drug Transactions</u>
High Estimate	7,500,000	4,500,000
Median Estimate	6,000,000	3,500,000
Low Estimate	4,500,000	2,500,000
<u>FIXED PRICE</u>		<u>Annual Amount</u>
Claims Processing		\$ 6,435,307.34
Drug Payment Transactions		\$ 167,150.84
Provider Relations		\$ 1,337,206.72
Management Reporting (Business Objects,CRLS,MAR,SURS)		\$ 417,877.10
Subtotal		\$ 8,357,542.00
<u>Added Services (As Utilized)</u>		
Clinical Specialist		\$ 66,162.00
DAIL Project Coordinator		\$ 47,656.00
Translator Services		\$ 100,000.00
Subtotal		\$ 213,818.00
Total Fixed Price		\$ 8,571,360.00
<u>Operations Cost Reimbursement (Pass Through)</u>		

Amount
 involved
 each Month
 \$696,462

STATE OF VERMONT
 CONTRACT FOR PERSONAL SERVICES - AMENDMENT
 ELECTRONIC DATA SYSTEMS, LLC (EDS)

Contract #8430

Change # 5

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Operational Invoice/Payment Schedule
 January 1, 2010 - December 31, 2010

<u>VOLUME PARAMETERS</u>	<u>Claims Processing</u>	<u>Drug Transactions</u>
High Estimate	7,500,000	4,500,000
Median Estimate	6,000,000	3,500,000
Low Estimate	4,500,000	2,500,000
<u>FIXED PRICE</u>		<u>Annual Amount</u>
Claims Processing		\$ 7,915,807.13
Drug Payment Transactions		\$ 205,605.38
Provider Relations		\$ 1,644,843.04
Management Reporting (Business Objects,CRLS,MAR,SURS)		\$ 514,013.45
Subtotal		\$ 10,280,269.00
<u>Added Services (As Utilized)</u>		
Clinical Specialist		\$ 68,808.00
DAIL Project Coordinator		\$ 49,563.00
Translator Services		\$ 100,000.00
Subtotal		\$ 218,371.00
Total Fixed Price		\$ 10,498,640.00
<u>Operations Cost Reimbursement (Pass Through)</u>		

Amount
invoiced
each Month
\$856,689

Cost Proposals:

Operational Invoice/Payment Schedule
 January 1, 2011 - December 31, 2011

<u>VOLUME PARAMETERS</u>	<u>Claims Processing</u>	<u>Drug Transactions</u>
High Estimate	7,500,000	4,500,000
Median Estimate	6,000,000	3,500,000
Low Estimate	4,500,000	2,500,000
<u>FIXED PRICE</u>		<u>Annual Amount</u>
Claims Processing		\$ 8,215,351.76
Drug Payment Transactions		\$ 213,385.76
Provider Relations		\$ 1,707,086.08
Management Reporting (Business Objects,CRLS,MAR,SURS)		\$ 533,464.40
Subtotal		\$ 10,669,288.00
<u>Added Services (As Utilized)</u>		
Clinical Specialist		\$ 71,560.00
DAIL Project Coordinator		\$ 51,545.00
Translator Services		\$ 100,000.00
Subtotal		\$ 223,105.00
Total Fixed Price		\$ 10,892,393.00
<u>Operations Cost Reimbursement (Pass Through)</u>		
Postage		\$ 94,870.00
Printing		\$ 84,023.00
Telephone Toll Charges and Communications		\$ 99,300.00
Total Estimated Pass Through		\$ 278,193.00

Amount
invoiced
each Month
\$889,107

Operational Invoice/Payment Schedule
January 1, 2012- December 31, 2012

<u>VOLUME PARAMETERS</u>	<u>Claims Processing</u>	<u>Drug Transactions</u>
High Estimate	7,500,000	4,500,000
Median Estimate	6,000,000	3,500,000
Low Estimate	4,500,000	2,500,000
<u>FIXED PRICE</u>		<u>Annual Amount</u>
Claims Processing		\$ 8,271,639.53
Drug Payment Transactions		\$ 214,847.78
Provider Relations		\$ 1,718,782.24
Management Reporting (Business Objects,CRLS,MAR,SURS)		\$ 537,119.45
Subtotal		\$ 10,742,389.00
Added Services (As Utilized)		
Clinical Specialist		\$ 74,423.00
DAIL Project Coordinator		\$ 53,607.00
Translator Services		\$ 100,000.00
Subtotal		\$ 228,030.00
Total Fixed Price		\$ 10,970,419.00
Operations Cost Reimbursement (Pass Through)		
Postage		\$ 97,716.00
Printing		\$ 86,544.00
Telephone Toll Charges and Communications		\$ 102,279.00
Total Estimated Pass Through		\$ 286,539.00

Amount
 invoiced
 each Month
 \$ 895,199

By replacing Attachment C Customary State Contract Provision (revised 8/95) on page 18 of the based contract with Attachment C Customary State Contract Provision (revised 5/23/08) which is an attachment of this amendment on page 6.

By adding Attachment D Part 3 – Effective January 1, 2009 Revision to Request for Proposals for the Medicaid Management Information Systems Core Claims Processing Takeover Issued on January 22, 2003 which is an attachment of this amendment on page 7.

By replacing Attachment E Business Associate Agreement on page 23 of the based contract with Attachment E Business Associates Agreement (revised 3/26/06) which is an attachment of this amendment on page 10.

By adding Attachment F Part VI EDS Narrative and Price Proposal Submitted on August, 29, 2008 for MMIS fiscal agent services and the operations and enhancement of the systems which comprise the MMIS for the duration of January 1, 2009 through December 31, 2012 which is an attachment of this amendment on page 16.

By adding Attachment G Customary Contract Provisions for Agency of Human Services (revised 4/11/08) which is an attachment of this amendment on page 21.

This amendment consists of 24 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
CONTRACT FOR PERSONAL SERVICES - AMENDMENT
ELECTRONIC DATA SYSTEMS, LLC (EDS)

Contract #8430
Change #5
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STATE OF VERMONT

Office of Vermont Health Access

By: Susan W Besio
Susan Besio, Director

Date: 12/29/08

CONTRACTOR:

Electronic Data Systems, LLC
(Formerly known as Electronic Data Systems Corporation)

By: Susan Arthur
Susan Arthur, General Manager
US Government, State and Local
NE Region

Date: 12/29/08

**ATTACHMENT C
CUSTOMARY STATE CONTRACT PROVISIONS**

1. **Entire Agreement.** This contract represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
2. **Applicable Law.** This contract will be governed by the laws of the State of Vermont.
3. **Appropriations.** If this contract extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this contract, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriations authority.
4. **No Employee Benefits for Contractors.** The contractor understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers' compensation or other benefits or services available to State employees, nor will the State withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the contract. The contractor understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the contractor, and information as to contract income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
5. **Independence, Liability.** The contractor will act in an independent capacity and not as officers or employees of the State. The contractor shall defend the State and its officers and employees against all third party claims or suits arising in whole or in part from any act or omission of the contractor or of any agent of the contractor. The State shall notify the contractor in the event of any such claim or suit, and the contractor shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit. The contractor shall notify its insurance company and the State within 10 days of receiving any claim for damages, notice of claims, pre-claims, or service of judgments or claims, for any act or omissions in the performance of this contract.

After a final judgment or settlement the contractor may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The contractor shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the contractor.

The contractor shall indemnify the State and its officers and employees in the event that the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the contractor.

6. **Insurance.** Before commencing work on this contract the contractor must provide certificates of insurance to show that the following minimum coverage is in effect. The contractor must notify the State no more than 10 days after receiving cancellation notice of any required insurance policy. It is the responsibility of the contractor to maintain current certificates of insurance on file with the State through the term of the contract. Failure to maintain the required insurance shall constitute a material breach of this contract.

Workers' Compensation: With respect to all operations performed, the contractor shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the contract, the contractor shall carry general liability insurance having all major divisions of coverage including, but not limited to:

- Premises – Operations
- Products and Completed Operations
- Personal Injury Liability
- Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

- \$1,000,000 Per Occurrence
- \$1,000,000 General Aggregate
- \$1,000,000 Products/Completed Operations Aggregate
- \$ 50,000 Fire/Legal Liability

Automotive Liability: The contractor shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the contract. Limits of coverage shall not be less than: \$1,000,000 combined single limit.

Professional Liability: Before commencing work on this contract and throughout the term of this contract, the contractor shall procure and maintain professional liability insurance for any and all services performed under this contract, with minimum coverage of *\$N/A* per occurrence, and *\$N/A* aggregate.

No warranty is made that the coverage and limits listed herein are adequate to cover and protect the interests of the contractor for the contractor's operations. These are solely minimums that have been established to protect the interests of the State.

Contractor shall name the State of Vermont and its officers and employees as additional insured for liability arising out of this contract.

7. **Reliance by the State on Representations:** All payments by the State under this contract will be made in reliance upon the accuracy of all prior representations by the contractor, including but not limited to bills, invoices, progress reports and other proofs of work.
8. **Records Available for Audit.** The contractor will maintain all books, documents, payroll, papers, accounting records and other evidence pertaining to costs incurred under this agreement and make them available at reasonable times during the period of the contract and for three years thereafter for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved. The State, by any authorized representative, shall have the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this contract.
9. **Fair Employment Practices and Americans with Disabilities Act:** Contractor agrees to comply with the requirement of Title 21 V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Contractor shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the contractor under this contract. Contractor further agrees to include this provision in all subcontracts.
10. **Set Off:** The State may set off any sums which the contractor owes the State against any sums due the contractor under this contract; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.
11. **Taxes Due to the State:**
 - a. Contractor understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
 - b. Contractor certifies under the pains and penalties of perjury that, as of the date the contract is signed, the contractor is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
 - c. Contractor understands that final payment under this contract may be withheld if the Commissioner of Taxes determines that the contractor is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.
 - d. Contractor also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the contractor has failed to make an

appeal within the time allowed by law, or an appeal has been taken and finally determined and the contractor has no further legal recourse to contest the amounts due.

12. **Child Support.** (Applicable if the contractor is a natural person, not a corporation or partnership.) Contractor states that, as of the date the contract is signed, he/she:
- is not under any obligation to pay child support; or
 - is under such an obligation and is in good standing with respect to that obligation; or
 - has agreed to a payment plan with the Vermont Office of Child Support and is in full compliance with that plan.

Contractor makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the contractor is a resident of Vermont, contractor makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

13. **Subcontractors.** Contractor shall not assign or subcontract the performance of this agreement or any portion thereof to any other contractor without the prior written approval of the State. Contractor also agrees to include in all subcontract agreements a tax certification in accordance with paragraph 11 above.

Notwithstanding the foregoing, the State agrees that the contractor may assign this contract, including all of the contractor's rights and obligations hereunder, to any successor in interest to the contractor arising out of the sale of or reorganization of the contractor.

14. **No Gifts or Gratuities.** Contractor shall not give title or possession of any thing of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this contract.
15. **Copies.** All written reports prepared under this contract will be printed using both sides of the paper.
16. **Certification Regarding Debarment.** Contractor certifies under pains and penalties of perjury that, as of the date that this contract is signed, neither contractor nor contractor's principals (officers, directors, owners or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs or programs supported in whole or in part by federal funds.

**ATTACHMENT D
MODIFICATIONS TO CUSTOMARY CONTRACT PROVISIONS**

1. Attachment C, Paragraph 16 is modified by the addition of the phrase “involved in the performance of this Contract”, to read as follows: “16. **Certification Regarding Debarment.** Contractor certifies under pains and penalties of perjury that, as of the date that this contract is signed, neither contractor nor contractor's principals involved in the performance of this Contract (officers, directors, owners or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs or programs supported in whole or in part by federal funds.”
2. Attachment F, Paragraph 10, “Work Product Ownership,” is intended to apply to the materials listed therein only when fully and directly funded by the State.
3. Attachment F, Paragraph 10, “Intellectual Property Ownership,” is modified by the addition of the following, at the end of the paragraph: “Notwithstanding anything to the contrary in this Agreement, CONTRACTOR will continue to own, and will be free to use, the Development Tools and the Residual Technology, so long as such use does not breach CONTRACTOR’ obligations of confidentiality set forth herein or does not otherwise infringe on State’s rights. No licenses will be deemed to have been granted by Contractor to any of its patents, trade secrets, trademarks or copyrights, except as otherwise expressly provided in this Agreement. Nothing in this Agreement will require CONTRACTOR to violate the proprietary rights of any third party in any software or otherwise.”

Attachment D Part 3

Effective January 1, 2009 Revision to Request for Proposals for the Medicaid Management Information Systems Core Claims Processing Takeover Issued on January 22, 2003

This addendum to the RFP addresses changes of specific requirements included within the original Request for Proposal for the MMIS Core Claim Processing Takeover which was issued on January 22, 2003.

2.7.5.2.1. Provider Payments – Include cash control activities which include opening incoming financial mail, validate that check is intended for deposit to MMIS, communicate with district offices, OVHA, Office of Child Support and/or recipients when supporting documentation not present; sort incoming checks by financial reason code (TPL/Cost Settlement/Provider etc.); send original documentation and copy of checks to the COB business process owner; log all checks into MMIS for deposit with 24 hours of receipt and send original checks to EDS deposit clerk.

2.7.8 Early and Periodic Screening Diagnosis and Treatment Subsystem – The production of routine beneficiary Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) notices based on periodicity schedule define by State has been transferred from the GCR to the MMIS.

2.7.10.6. b. Ad-Hoc (EVAH) Subsystems – Contractors Responsibilities in maintaining reporting database claims history retention from 7 year to 10 years.

Attachment E
BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT (“AGREEMENT”) IS ENTERED INTO BY AND BETWEEN THE STATE OF VERMONT AGENCY OF HUMAN SERVICES OPERATING BY AND THROUGH ITS OFFICE OF VERMONT HEALTH ACCESS (“COVERED ENTITY”) AND ELECTRONIC DATA SYSTEMS CORPORATION (“BUSINESS ASSOCIATE”), AS OF JANUARY 01, 2009 (“EFFECTIVE DATE”).

Covered Entity and Business Associate enter into this Agreement to comply with standards promulgated under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) including the Standards for the Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164 (“Privacy Rule”) and the Security Standards at 45 CFR Parts 160 and 164 (“Security Rule”).

The parties agree as follows:

1. **Definitions.** All capitalized terms in this Agreement have the meanings identified in this Agreement, 45 CFR Part 160, or 45 CFR Part 164.

The term “Services” includes all work performed by the Business Associate for or on behalf of Covered Entity that requires the use and/or disclosure of protected health information to perform a business associate function described in 45 CFR 160.103 under the definition of Business Associate.

The term “Individual” includes a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g). All references to “PHI” mean Protected Health Information. All references to “Electronic PHI” mean Electronic Protected Health Information.

2. **Permitted and Required Uses/Disclosures of PHI.**

- 2.1 Except as limited in this Agreement, Business Associate may use or disclose PHI to perform Services provided that any use or disclosure would not violate the minimum necessary policies and procedures of Covered Entity. Business Associate shall not use or disclose PHI in any manner that would constitute a violation of the Privacy Rule if used or disclosed by Covered Entity in that manner. Business Associate may not use or disclose PHI other than as permitted or required by this Agreement or as Required by Law.
- 2.2 Business Associate may make PHI available to its employees who need access to perform Services provided that Business Associate makes such employees aware of the use and disclosure restrictions in this Agreement and binds them to comply with such restrictions. Business Associate may only disclose PHI for the purposes authorized by

this Agreement: (a) to its agents (including subcontractors) in accordance with Sections 6 and 14 or (b) as otherwise permitted by Section 3.

3. **Business Activities.** Business Associate may use PHI received in its capacity as a “Business Associate” to Covered Entity if necessary for Business Associate’s proper management and administration or to carry out its legal responsibilities. Business Associate may disclose PHI received in its capacity as “Business Associate” to Covered Entity for Business Associate’s proper management and administration or to carry out its legal responsibilities if a disclosure is Required by Law or if (a) Business Associate obtains reasonable written assurances via a written contract from the person to whom the information is to be disclosed that the PHI shall remain confidential and be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person and (b) the person promptly notifies Business Associate (who in turn will promptly notify Covered Entity) in writing of any instances of which it is aware in which the confidentiality of the PHI has been breached. Uses and disclosures of PHI for the purposes identified in this Section 3 must be of the minimum amount of PHI necessary to accomplish such purposes.
4. **Safeguards.** Business Associate shall implement and use appropriate safeguards to prevent the use or disclosure of PHI other than as provided for by this Agreement. Business Associate shall identify in writing upon request from Covered Entity all of the safeguards that it uses to prevent impermissible uses or disclosures of PHI.
5. **Reporting.** Business Associate shall report in writing to Covered Entity any use or disclosure of PHI in violation of this Agreement by Business Associate or its agents including its subcontractors. Business Associate shall provide this written report promptly after it becomes aware of such use or disclosure. Business Associate shall provide Covered Entity with the information necessary for Covered Entity to investigate the impermissible use or disclosure. Consistent with 45 CFR 164.502(j)(1) Business Associate may use PHI to report violations of law to federal and state authorities.
6. **Agreements by Third Parties.** Business Associate shall ensure that any agent (including a subcontractor) to whom it provides PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity agrees in a written contract to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such PHI. For example, the written contract must include those restrictions and conditions set forth in Section 12. Business Associate must enter into the written contract before any use or disclosure of PHI by such agent. The written contract must identify Covered Entity as a direct and intended third party beneficiary with the right to enforce any breach of the contract concerning the use or disclosure of PHI. Business Associate shall provide a copy of the written contract to Covered Entity upon request. Business Associate may not make any disclosure of PHI to any agent without the prior written consent of Covered Entity.
7. **Access to PHI.** Business Associate shall provide access to PHI in a Designated Record Set to Covered Entity or as directed by Covered Entity to an Individual to meet the requirements under 45 CFR 164.524. Business Associate shall provide such access in the time and

manner reasonably designated by Covered Entity. Business Associate shall promptly forward to Covered Entity for handling any request for access to PHI that Business Associate directly receives from an Individual.

8. **Amendment of PHI.** Business Associate shall make any amendments to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 CFR 164.526, whether at the request of Covered Entity or an Individual. Business Associate shall make such amendments in the time and manner reasonably designated by Covered Entity. Business Associate shall promptly forward to Covered Entity for handling any request for amendment to PHI that Business Associate directly receives from an Individual.
9. **Accounting of Disclosures.** Business Associate shall document disclosures of PHI and all information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528. Business Associate shall provide such information to Covered Entity or as directed by Covered Entity to an Individual, to permit Covered Entity to respond to an accounting request. Business Associate shall provide such information in the time and manner reasonably designated by Covered Entity. Business Associate shall promptly forward to Covered Entity for handling any accounting request that Business Associate directly receives from an Individual.
10. **Books and Records.** Subject to the attorney-client and other applicable legal privileges, Business Associate shall make its internal practices, books, and records (including policies and procedures and PHI) relating to the use and disclosure of PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity available to the Secretary in the time and manner designated by the Secretary. Business Associate shall make the same information available to Covered Entity (without regard to the attorney-client or other applicable legal privileges) upon Covered Entity's request in the time and manner reasonably designated by Covered Entity so that Covered Entity may determine whether Business Associate is in compliance with this Agreement.
11. **Termination.**
 - 11.1 This Agreement commences on the Effective Date and shall remain in effect until terminated by Covered Entity or until all of the PHI provided by Covered Entity to Business Associate or created or received by Business Associate on behalf of Covered Entity is destroyed or returned to Covered Entity subject to Section 15.11.
 - 11.2 If Business Associate breaches any material term of this Agreement, Covered Entity may either: (a) provide an opportunity for Business Associate to cure the breach and Covered Entity may terminate this Contract without liability or penalty if Business Associate does not cure the breach within the time specified by Covered Entity; or (b) immediately terminate this Contract without liability or penalty if Covered Entity believes that cure is not reasonably possible; or (c) if neither termination nor cure are feasible, Covered Entity shall report the breach to the Secretary. Covered Entity has the right to seek to cure any breach by Business Associate and this right, regardless of

whether Covered Entity cures such breach, does not lessen any right or remedy available to Covered Entity at law, in equity, or under this Contract, nor does it lessen Business Associate's responsibility for such breach or its duty to cure such breach.

12. Return/Destruction of PHI.

12.1 Business Associate in connection with the expiration or termination of this Contract shall return or destroy all PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity pursuant to this Contract that Business Associate still maintains in any form or medium (including electronic) within thirty (30) days after such expiration or termination. Business Associate shall not retain any copies of the PHI. Business Associate shall certify in writing for Covered Entity (1) when all PHI has been returned or destroyed and (2) that Business Associate does not continue to maintain any PHI. Business Associate is to provide this certification during this thirty (30) day period.

12.2 Business Associate shall provide to Covered Entity notification of any conditions that Business Associate believes make the return or destruction of PHI infeasible. If Covered Entity agrees that return or destruction is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible for so long as Business Associate maintains such PHI.

13. Notice/Training. Business Associate understands that: (a) there may be civil or criminal penalties for misuse or misappropriation of PHI and (b) violations of this Agreement may result in notification by Covered Entity to law enforcement officials and regulatory, accreditation, and licensure organizations. If requested by Covered Entity, Business Associate shall participate in information security awareness training regarding the use, confidentiality, and security of PHI.

14. Security Rule Obligations. The following provisions of this Section 14 apply to the extent that Business Associate creates, receives, maintains or transmits Electronic PHI on behalf of Covered Entity.

14.1 Business Associate shall implement and use administrative, physical, and technical safeguards that reasonably and appropriately protect the Confidentiality, Integrity and Availability of the Electronic PHI that it creates, receives, maintains or transmits on behalf of Covered Entity. Business Associate shall identify in writing upon request from Covered Entity all of the safeguards that it uses to protect such Electronic PHI.

14.2 Business Associate shall ensure that any agent (including a subcontractor) to whom it provides Electronic PHI agrees in a written contract to implement and use administrative, physical, and technical safeguards that reasonably and appropriately protect the Confidentiality, Integrity and Availability of the Electronic PHI. Business Associate must enter into this written contract before any use or disclosure of Electronic PHI by such agent. The written contract must identify Covered Entity as a

direct and intended third party beneficiary with the right to enforce any breach of the contract concerning the use or disclosure of Electronic PHI. Business Associate shall provide a copy of the written contract to Covered Entity upon request. Business Associate may not make any disclosure of Electronic PHI to any agent without the prior written consent of Covered Entity.

- 14.3 Business Associate shall report in writing to Covered Entity any Security Incident pertaining to such Electronic PHI (whether involving Business Associate or an agent, including a subcontractor). Business Associate shall provide this written report promptly after it becomes aware of any such Security Incident. Business Associate shall provide Covered Entity with the information necessary for Covered Entity to investigate any such Security Incident.
- 14.4 Business Associate shall comply with any reasonable policies and procedures Covered Entity implements to obtain compliance under the Security Rule.

15. Miscellaneous.

- 15.1 In the event of any conflict or inconsistency between the terms of this Agreement and the terms of the Contract, the terms of this Agreement shall govern with respect to its subject matter. Otherwise the terms of the Contract continue in effect.
- 15.2 Any reference to “promptly” in this Agreement shall mean no more than seven (7) business days after the circumstance or event at issue has transpired. A reference in this Agreement to a section in the Privacy Rule or Security Rule means the section as in effect or as amended or renumbered.
- 15.3 Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to it of a use or disclosure of PHI in violation of any provision of this Agreement.
- 15.4 Business Associate shall cooperate with Covered Entity to amend this Agreement from time to time as is necessary for Covered Entity to comply with the Privacy Rule, the Security Rule, or any other standards promulgated under HIPAA.
- 15.5 Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule, Security Rule, or any other standards promulgated under HIPAA.
- 15.6 In addition to applicable Vermont law, the parties shall rely on applicable federal law (e.g., HIPAA, the Privacy Rule and Security Rule) in construing the meaning and effect of this Agreement.
- 15.7 This Agreement may be amended or modified, and any right under this Agreement may be waived, only by a writing signed by an authorized representative of each party.

- 15.8 Nothing express or implied in this Agreement is intended to confer upon any person other than the parties hereto any rights, remedies, obligations or liabilities whatsoever. Notwithstanding the foregoing, the Covered Entity in this Agreement is the Agency of Human Services operating by and through its Department, Office, or Division of **Office of Vermont Health Access**. Covered Entity and Business Associate agree that the term "Covered Entity" as used in this Agreement also means any other Department, Division or Office of the Agency of Human Services to the extent that such other Department, Division, or Office has a relationship with Business Associate that pursuant to the Privacy or Security Rules would require entry into an agreement of this type.
- 15.9 As between Business Associate and Covered Entity, Covered Entity owns all PHI provided by Covered Entity to Business Associate or created or received by Business Associate on behalf of Covered Entity.
- 15.10 Business Associate shall abide by the terms and conditions of this Agreement with respect to all PHI it receives from Covered Entity or creates or receives on behalf of Covered Entity under this Contract even if some of that information relates to specific services for which Business Associate may not be a "Business Associate" of Covered Entity under the Privacy Rule.
- 15.11 The provisions of this Agreement that by their terms encompass continuing rights or responsibilities shall survive the expiration or termination of this Agreement. For example: (a) the provisions of this Agreement shall continue to apply if Covered Entity determines that it would be infeasible for Business Associate to return or destroy PHI as provided in Section 12.2 and (b) the obligation of Business Associate to provide an accounting of disclosures as set forth in Section 9 survives the expiration or termination of this Agreement with respect to accounting requests, if any, made after such expiration or termination.
- 15.12 This Agreement constitutes the entire agreement of the parties with respect to its subject matter, superseding all prior oral and written agreements between the parties in such respect.

(Rev: 3/28/06)

Attachment F, Part VI
EDS Narrative and Price Proposal for Additional Services, August 29, 2008

EDS submits the following proposal in response to the request from OVHA to execute the option years in the current contract for the period of January 1, 2009 through December 31, 2012.

EDS will implement system enhancements and staffing model adjustments in support of the following modifications to *existing* contractor requirements:

- Increase adhoc reporting database claims history retention from 7 years to 10 years.
-
- Modify the annual allotment of CSR hours as follows:
 - January 1, 2009 – December 31, 2009 – 8,000 CSR Hours
 - January 1, 2010 – December 31, 2010 – 8,000 CSR Hours
 - January 1, 2011 – December 31, 2011 – 6,000 CSR Hours
 - January 1, 2012 – December 31, 2012 – 5,000 CSR Hours
- Modification to the per hour SE rate to include an annual increase equal to the Consumer Price Index (CPI) inflation rate. 2009 base SE Hourly Rate is \$105.00
- Modification to the per hour State reimbursement for any hours remaining at the termination of the contract to be increased at the same inflation rate as the SE rate. 2009 base reimbursement rate for unused hours is \$45.00
- Eliminate requirement to mail copy of ‘Non-response Letter’ to district office as part of the casualty processing requirement. In lieu letter generation, EDS will inform the district office worker of the recipient non-compliance through an entry into the State’s eligibility (ACCESS) system.
- Modify the annual Drug Transaction volume parameters from 3 – 5 million to 2.5 – 4.5 million. This reduction is to account for the decrease in the volume resulting from the implementation of Medicare Part D.
- Modify the provider relations/communications plan to definition to be:
 - On a quarterly basis, EDS is required to produce a comprehensive provider relations/communications plan to be reviewed and approved by the OVHA prior to implementation. EDS must provide the plan to the OVHA for review by:
 - December 1 for the implementation period January 1 – March 31
 - March 1 for the implementation period April 1 – June 30
 - June 1 for the implementation period July 1 – September 30
 - September 1 for the implementation period October 1 – December 31

The OVHA will review and respond with approval or request for changes by the 15th of December, March, June and September.

At a minimum, the plan must include a recap/continuation of activities and data from the previous quarter, and should address, as applicable, the who, what, where, when, why, how and schedule for activities and data related to provider site visits, training, provider associations/organizations, publications, web, mailings, and surveys. As applicable, EDS should identify, and the plan should provide for, process improvements, accomplishments, challenges, opportunities and special projects. As applicable, the plan should provide for any resource allocation that might be required from OVHA. The plan must include a schedule for meetings between EDS Provider Services team and OVHA Provider Services team; the meeting schedule to be agreed upon in advance by EDS and OVHA.

Any substantive deviations from the plan should be reported in writing to the OVHA in advance; otherwise as soon as the deviation is known.

EDS is required to produce a draft plan format to be provided to the OVHA for review and approval within 15 days of contract signing.

- Modify RFP requirement (2.7.4.A.6.1.a) to return to provider (RTP) claims from 24 hours to 5 days.
- Modify RFP requirement 2.5.2.1 by removing Data Entry and Suspense resolutions from the list of functions that must be performed at the Vermont Facility.

EDS will implement system enhancements and staffing model adjustments in support of the following *new* contractor requirements:

- Perform a HIPAA Risk Assessment to be completed in 2011.. Provide summary of assessment to the State to include remediation plan for all 'high risk' items as appropriate.
- Perform the following Provider Accounts Receivable Processing activities:
 - Research all aged provider account receivables
 - Coordinate with the provider community, Secretary of States Office, Office of Vermont Health Access, and State Attorney General's office to recover funds due to overpayment or recovery of provider advancements.
 - Transfer accounts receivable balance to active provider numbers when applicable.
 - If collection is deemed not possible due to Death or other circumstances, forward requests to OVHA for possible write off.
 - Send notices to providers who decertify from the Medicaid program and whom owe balances to the program
 - Coordinate with the OVHA Program Integrity Unit to initiate recoupment and/or recovery from providers.
 - Respond to calls from provider with questions on their outstanding balance.
 - Send initial letter via USPS mail to providers when account receivables age 30 days.
 - Send second letter via Certified USPS mail to providers when account receivables age 60 days.
 - Research returned mail for incorrect address. Notify the enrollment unit at EDS for MMIS update and resend letters.
 - Forward to the OVHA Business Office a report of all provider account receivables aged greater than 90 days and provide recovery activity.
- Perform the following cash control activities:
 - Open all incoming financial mail
 - Validate that check is intended for deposit to MMIS:
 - Communicate with district offices, OVHA, Office of Child Support and/or recipients when supporting documentation not present
 - Sort incoming checks by financial reason code (TPL/Cost Settlement/Provider etc).

- Send original documentation and copy of checks to the COB business process owner.
- Log all checks into MMIS for deposit within 24 hours of receipt
- Send original checks to EDS deposit clerk
- Produce routine beneficiary Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) notices based on periodicity schedule defined by OVHA. CSR hours provided under the base contract will be used for any system modifications necessary to develop this capability. EDS will produce a print file that will be sent to the State's print facility for production and mailing.
- Produce weekly Provider Call statistics to include at a minimum the following data elements:
 - AVR Calls Received
 - PSU Calls Received
 - PSU Calls Answered
 - PSU Calls Out
 - PSU Calls Answered + Out (sub-total)_
 - Average Daily Calls
 - % Abandon
 - Average TTA Seconds
 - Average Length
 - Longest Wait
 - % Answered < 2 min.
 - % answered < 4 min.
 - Complaints

Additionally, EDS will perform the necessary hardware and software upgrades to ensure vendor support throughout the duration of the contract period. The following items will be upgraded as part of the technology refresh project:

- Production Server – host for the MMIS base operating system.
- Application Server – Primary DNS and NIS servers; backup eligibility application server.
- Storage – SAN subsystem that provides storage for the MMIS
- Voice Response System – provider self service functions - a call center front end.
- Uninterrupted Power Supply – battery power backup for EDS computer room.
- Tape Jukebox – used to produce off-site DRA tapes

STATE OF VERMONT
 CONTRACT FOR PERSONAL SERVICES - AMENDMENT
 ELECTRONIC DATA SYSTEMS, LLC (EDS)

Contract #8430
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Operational Invoice/Payment Schedule
 January 1, 2009 - December 31, 2009

<u>VOLUME PARAMETERS</u>	<u>Claims Processing</u>	<u>Drug Transactions</u>
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		\$ 6,435,307.34
Drug Payment Transactions		\$ 167,150.84
Provider Relations		\$ 1,337,206.72
Management Reporting (Business Objects,CRLS,MAR,SURS)		\$ 417,877.10
	Subtotal	\$ 8,357,542.00
Added Services (As Utilized)		
Clinical Specialist		\$ 66,162.00
DAIL Project Coordinator		\$ 47,656.00
Translator Services		\$ 100,000.00
	Subtotal	\$ 213,818.00
Total Fixed Price		\$ 8,571,360.00
Operations Cost Reimbursement (Pass Through)		

Amount
 invoiced
 each Month
 \$696,462

Operational Invoice/Payment Schedule
 January 1, 2010 - December 31, 2010

<u>VOLUME PARAMETERS</u>	<u>Claims Processing</u>	<u>Drug Transactions</u>
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		\$ 7,915,807.13
Drug Payment Transactions		\$ 205,605.38
Provider Relations		\$ 1,644,843.04
Management Reporting (Business Objects,CRLS,MAR,SURS)		\$ 514,013.45
	Subtotal	\$ 10,280,269.00
Added Services (As Utilized)		
Clinical Specialist		\$ 68,808.00
DAIL Project Coordinator		\$ 49,563.00
Translator Services		\$ 100,000.00
	Subtotal	\$ 218,371.00
Total Fixed Price		\$ 10,498,640.00
Operations Cost Reimbursement (Pass Through)		

Amount
 invoiced
 each Month
 \$886,689

STATE OF VERMONT
 CONTRACT FOR PERSONAL SERVICES - AMENDMENT
 ELECTRONIC DATA SYSTEMS, LLC (EDS)

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Cost Proposals:

Operational Invoice/Payment Schedule

January 1, 2011 - December 31, 2011

<u>VOLUME PARAMETERS</u>	<u>Claims Processing</u>	<u>Drug Transactions</u>
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		\$ 8,215,351.76
Drug Payment Transactions		\$ 213,385.76
Provider Relations		\$ 1,707,086.08
Management Reporting (Business Objects,CRLS,MAR,SURS)		\$ 533,464.40
Subtotal		\$ 10,669,288.00
Added Services (As Utilized)		
Clinical Specialist		\$ 71,560.00
DAIL Project Coordinator		\$ 51,545.00
Translator Services		\$ 100,000.00
Subtotal		\$ 223,105.00
Total Fixed Price		\$ 10,892,393.00
Operations Cost Reimbursement (Pass Through)		
Postage		\$ 94,870.00
Printing		\$ 84,023.00
Telephone Toll Charges and Communications		\$ 99,300.00
Total Estimated Pass Through		\$ 278,193.00

Amount
 invoiced
 each Month
 \$889,107

STATE OF VERMONT
 CONTRACT FOR PERSONAL SERVICES - AMENDMENT
 ELECTRONIC DATA SYSTEMS, LLC (EDS)

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Operational Invoice/Payment Schedule
 January 1, 2012- December 31, 2012

<u>VOLUME PARAMETERS</u>	<u>Claims Processing</u>	<u>Drug Transactions</u>
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		\$ 8,271,639.53
Drug Payment Transactions		\$ 214,847.78
Provider Relations		\$ 1,718,782.24
Management Reporting (Business Objects,CRLS,MAR,SURS)		\$ 537,119.45
Subtotal		\$ 10,742,389.00
Added Services (As Utilized)		
Clinical Specialist		\$ 74,423.00
DAIL Project Coordinator		\$ 53,607.00
Translator Services		\$ 100,000.00
Subtotal		\$ 228,030.00
Total Fixed Price		\$ 10,970,419.00
Operations Cost Reimbursement (Pass Through)		
Postage		\$ 97,716.00
Printing		\$ 86,544.00
Telephone Toll Charges and Communications		\$ 102,279.00
Total Estimated Pass Through		\$ 286,539.00

Amount
 invoiced
 each Month
 \$ 895,199

ATTACHMENT G
CUSTOMARY CONTRACT PROVISIONS FOR AGENCY OF HUMAN SERVICES

1. **Agency of Human Services – Field Services Directors** will share oversight with the department (or field office) that is a party to the contract for provider performance using outcomes, processes, terms and conditions agreed to under this contract.
2. **2-1-1 Data Base:** The Contractor providing a health or human services within Vermont, or near the border that is readily accessible to residents of Vermont, will provide relevant descriptive information regarding its agency, programs and/or contact and will adhere to the "Inclusion/Exclusion" policy of Vermont's 2-1-1. If included, the Contractor will provide accurate and up to date information to their data base as needed. The "Inclusion/Exclusion" policy can be found at www.vermont211.org
3. **Medicaid Program Contractors:**

Inspection of Records: Any contracts accessing payments for services through the Global Commitment to Health Waiver and Vermont Medicaid program must fulfill state and federal legal requirements to enable the Agency of Human Services (AHS), the United States Department of Health and Human Services (DHHS) and the Government Accounting Office (GAO) to:

Evaluate through inspection or other means the quality, appropriateness, and timeliness of services performed; and

Inspect and audit any financial records of such contractor or subcontractor.

Subcontracting for Medicaid Services: Having a subcontract does not terminate the contractor, receiving funds under Vermont's Medicaid program, from its responsibility to ensure that all activities under this agreement are carried out. Subcontracts must specify the activities and reporting responsibilities of the contractor or subcontractor and provide for revoking delegation or imposing other sanctions if the contractor or subcontractor's performance is inadequate. The contractor agrees to make available upon request to the Agency of Human Services; the Office of Vermont Health Access; the Department of Disabilities, Aging and Independent Living; and the Center for Medicare and Medicaid Services (CMS) all contracts and subcontracts between the contractor and service providers.

Medicaid Notification of Termination Requirements: Any contractor accessing payments for services under the Global Commitment to Health Waiver and Medicaid programs who terminates their practice will follow the Office of Vermont Health Access, Managed Care Organization enrollee notification requirements.

Encounter Data: Any contractor accessing payments for services through the Global Commitment to Health Waiver and Vermont Medicaid programs must provide encounter data to the Agency of Human Services and/or its departments and ensure that it can be linked to enrollee eligibility files maintained by the State.

4. **Non-discrimination Based on National Origin as evidenced by Limited English Proficiency.** The contractor agrees to comply with the non-discrimination requirements of Title VI of the Civil Rights Act of 1964, 42 USC Section 2000d, et seq., and with the federal guidelines promulgated pursuant to Executive Order 13166 of 2000, which require that contractors and subcontractors receiving federal funds must assure that persons with limited English proficiency can meaningfully access services. To the extent the contractor provides assistance to individuals with limited English proficiency through the use of oral or written translation or interpretive services in compliance with this requirement, such individuals cannot be required to pay for such services.
5. **Voter Registration.** When designated by the Secretary of State, the contractor agrees to become a voter registration agency as defined by 17 V.S.A. §2103 (41), and to comply with the requirements of state and federal law pertaining to such agencies.
6. **Drug Free Workplace Act.** The contractor will assure a drug-free workplace in accordance with 45 CFR Part 76.

7. **Privacy and Security Standards.**

Protected Health Information: The contractor shall maintain the privacy and security of all individually identifiable health information acquired by or provided to it as a part of the performance of this contract. The contractor shall follow federal and state law relating to privacy and security of individually identifiable health information as applicable, including the Health Insurance Portability and Accountability Act (HIPAA) and its federal regulations.

Substance Abuse Treatment Information: The confidentiality of any alcohol and drug abuse treatment information acquired by or provided to the contractor or subcontractor shall be maintained in compliance with any applicable state or federal laws or regulations and specifically set out in 42 CFR Part 2.

Other Confidential Consumer Information: The contractor agrees to comply with the requirements of AHS Rule No. 96-23 concerning access to information. The contractor agrees to comply with any applicable Vermont State Statute, including but not limited to 12 VSA §1612 and any applicable Board of Health confidentiality regulations. The contractor shall ensure that all of its employees and subcontractors performing services under this agreement understand the sensitive nature of the information that they may have access to and sign an affirmation of understanding regarding the information's confidential and non-public nature.

Social Security numbers: The contractor agrees to comply with all applicable Vermont State Statutes to assure protection and security of personal information, including protection from identity theft as outlined in Title 9, Vermont Statutes Annotated, Ch. 62.

8. **Abuse Registry.** The contractor agrees not to employ any individual, use any volunteer, or otherwise provide reimbursement to any individual who provides care, custody, treatment, services, or supervision to children or vulnerable adults if there is a substantiation of abuse or neglect or exploitation against that individual. The contractor will check the Adult Abuse

Registry in the Department of Disabilities, Aging and Independent Living. Unless the contractor holds a valid child care license or registration from the Division of Child Development, Department for Children and Families, the contractor shall also check the Central Child Abuse Registry. (See 33 V.S.A. §4919 & 33 V.S.A. §6911).

9. **Child Abuse Reporting.** Notwithstanding the provision of 33 V.S.A. §4913(a) any agent or employee of the contractor who has reasonable cause to believe that a child has been abused or neglected as defined in Chapter 49 of Title 33 V.S.A. shall report the suspected abuse or neglect to the Commissioner of the Department for Children and Families within 24 hours. The report shall contain the information required by 33 V.S.A. §4914.
10. **Work Product Ownership.** All data, technical information, materials gathered, originated, developed prepared, or obtained as a condition of this agreement and used in the performance of this agreement - including, but not limited to all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and printouts, notes and memoranda, written procedures and documents, which are prepared for or obtained specifically for this agreement - or are a result of the services required under this contract - shall be, and remain, the property of the State of Vermont, regardless of the state of completion. Such items shall be delivered to the State of Vermont upon 30 days notice by the State. With respect to software computer programs and / or source codes developed for the State, the work shall be considered "work for hire," i.e., the State, not the contractor or subcontractor, shall have full and complete ownership of all software computer programs and/or source codes developed.
11. **Security and Data Transfers.** The State shall work with the Contractor to ensure compliance with all applicable State and Agency of Human Services' policies and standards, especially those related to privacy and security. The State will advise the Contractor of any new policies, procedures, or protocols developed during the term of this agreement as they are issued and will work with the Contractor to implement any required.

The Contractor will ensure the physical and data security associated with computer equipment - including desktops, notebooks, and other portable devices - used in connection with this agreement. The Contractor will also assure that any media or mechanism used to store or transfer data to or from the State includes industry standard security mechanisms such as continually up-to-date malware protection and encryption. The Contractor will make every reasonable effort to ensure media or data files transferred to the State are virus and spyware free. At the conclusion of this agreement and after successful delivery of the data to the State, the Contractor shall securely delete data (including archival backups) from the Contractor's equipment that contains individually identifiable records, in accordance with standards adopted by the Agency of Human Services.

Intellectual Property Ownership. All work products and items delivered or produced under this agreement will be the exclusive property of the State of Vermont. This

includes, but is not limited to, software, documentation, and development materials. The contractor shall not sell or copyright a work product or item produced under this contract without explicit permission from the State. If the Contractor is operating a system or application on behalf of the State of Vermont then the contractor shall not make information entered into the system or application available for uses by any other party than the State of Vermont, without prior authorization by the State.

12. **Lobbying.** No federal funds under this agreement may be used to influence or attempt to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, continuation, renewal, amendments other than federal appropriated funds.
13. **Non-discrimination.** The contractor will prohibit discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under Title IX of the Education Amendments of 1972, or on the basis of race, color or national origin under Title VI of the Civil Rights Act of 1964. No person shall on the grounds of sex (including, in the case of a woman, on the grounds that the woman is pregnant) or on the grounds of religion, be excluded from participation in, be denied the benefits of, or be subjected to discrimination, to include sexual harassment, under any program or activity supported by state and/or federal funds.
14. **Environmental Tobacco Smoke.** Public Law 103-227, also known as the Pro-children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, child care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such Federal funds.

The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where Women, Infants, & Children (WIC) coupons are redeemed.

Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity.

Contractors are prohibited from promoting the use of tobacco products for all clients. Facilities supported by state and federal funds are prohibited from making tobacco products available to minors.