

AMENDMENT

It is agreed by and between the State of Vermont, Department of Vermont Health Access (hereafter called the “State”) and Pacific Health Policy Group (hereafter called the “Contractor”) that the contract on the subject of development of the integration strategy and administrative simplification plan relating to Vermont’s Health Insurance Exchange, effective February 10, 2012, is hereby amended effective October 15, 2012, as follows:

1. By deleting on page 1 of 21, Section 4 (Contract Term) and substituting in lieu thereof the following Section 4:

4. **Contract Term.** The period of the Contractor’s performance shall begin on February 10, 2012 and end on April 30, 2013. The State and the Contractor have the option of renewing this contract for up to two (2) one-year extensions.

2. By deleting on pages 5 of 21, Attachment A, Contract Deliverables Program Integration of Existing Coverage Groups Deliverables table and replacing with the following:

Program Integration of Existing Coverage Groups Deliverables		
#	Description	Due Date
I.1	Project work plan	February 15, 2012
I.2	Draft inventory of existing coverage programs and functional overlaps with the Exchange	60 days from receipt of State guidance
I.3	Draft list of options for functional integration with the Exchange	April 15, 2012
I.4	Draft analysis of state preferred options, to include impact assessments (see bulleted list above), ACA opportunities and estimated implementation timelines	May 30, 2012
I.5	Draft Summary of Promising Functional Overlaps Between Exchange and Non-Exchange Coverage Plans	June 12, 2012
I.6	Draft MOUs between DVHA & other state departments (e.g., DCF, BISHCA, DHR, Corrections) detailing roles & responsibilities	60 days from receipt of State guidance
I.7	Additional tasks as identified by the State	90 days from receipt of State guidance
I.8	Summaries and presentations to stakeholders	As needed

3. By deleting on pages 6 of 21, Attachment A, Contract Deliverables Administrative Simplification Deliverables table and replacing with the following:

Administrative Simplification Deliverables		
#	Description	Due Date
II.1	Project work plan	February 15, 2012
II.2	Draft inventories of:	April 15, 2012

	<ul style="list-style-type: none"> <li>• Past and current VT administrative simplification strategies</li> <li>• Administrative simplification strategies under the ACA</li> <li>• Administrative simplification strategies in other states and in the commercial insurance market</li> <li>• Administrative simplification ideas from Vermont Stakeholders</li> </ul>	
II.3	Draft Summary of Promising Administrative Simplification Opportunities and Next Steps	60 days from receipt of State guidance
II.4	Additional tasks as identified by the State	90 days from receipt of State guidance
II.5	Summaries and presentations to stakeholders	As needed

**4. By striking the last sentence on pages 6 of 21, Attachment A, Contract Deliverables Ad Hoc Tasks and replacing with the following:**

Work for all tasks under this contract, including Ad Hoc Tasks, may not exceed the contract total dollar amount specified in Attachment B, Payment Provisions.

**5. By inserting on pages 6 of 21, Attachment A, Contract Deliverables Ad Hoc Tasks the following paragraph and table:**

As identified by the State, one such task is as follows:

Exchange Appeals Processes Deliverables		
#	Description	Due Date
III.1	Draft Inventory of Exchange Decisions Appealable by Individuals, including levels and types of appeals  Draft Inventory of Exchange Decisions Appealable by Small Employers, including levels and types of appeals	June 15, 2012
III.2	Draft Inventory of Relevant Existing State Appeals Processes for Individuals  Draft Inventory of Relevant Existing State Appeals Processes for Small Employers	June 30, 2012
III.3	Draft Inventory of Exchange Appeals Processes for Individuals under Development by other states or the federal government  Draft Inventory of Exchange Appeals Processes for Small Employers under Development by other states or the federal government  Initial Identification of Appeals Process Steps that could be automated via a software solution	July 31, 2012
III.4	Draft Summary of State Options and Draft Implementation Plan for Appeals Processes for Individuals, to include estimates of new required resources (e.g., staff, contracts) and implementation steps / timelines	60 days from receipt of State guidance

	Draft Summary of State Options and d Draft Implementation Plan for Appeals Processes for Small Employers, to include estimates of new required resources (e.g., staff, contracts) and implementation steps / timelines	
III.5	Summaries and presentations to stakeholders	As needed

**6. By striking the last sentence on pages 7 of 21, Attachment B, 2. Payment Schedule: Ad Hoc Tasks at the end of the second paragraph.**

**7. By inserting on pages 7 of 21, Attachment B at the end of item 5 the following:**

If funds remain under the contract limit once the deliverables for Integration of Existing Coverage Groups & Administrative Simplification are completed, these remaining funds may be applied to Ad Hoc Tasks, subject to the provisions under Payment Schedule: Ad Hoc Tasks.

**8. By deleting on pages 9 of 21, Attachment C and substituting in lieu thereof, Attachment C, which is included as part of this amendment on page 4.**

This amendment consists of 7 pages. Except as modified by this amendment and any previous amendments, all provisions of this contract, (#21397) dated February 10, 2012 shall remain unchanged and in full force and effect.

**STATE OF VERMONT  
 DEPARTMENT OF VERMONT HEALTH ACCESS**

**CONTRACTOR  
 PACIFIC HEALTH POLICY GROUP**

\_\_\_\_\_  
 MARK LARSON, COMMISSIONER                      DATE

\_\_\_\_\_  
 SCOTT WITTMAN, CORPORATE DIRECTOR      DATE

**ATTACHMENT C  
CUSTOMARY PROVISIONS FOR CONTRACTS AND GRANTS**

1. **Entire Agreement.** This Agreement, whether in the form of a Contract, State Funded Grant, or Federally Funded Grant, 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 Agreement will be governed by the laws of the State of Vermont.
3. **Definitions:** For purposes of this Attachment, "Party" shall mean the Contractor, Grantee or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement.
4. **Appropriations:** If appropriations are insufficient to support this Agreement, the State may cancel on a date agreed to by the parties or upon the expiration or reduction of existing appropriation authority. In the case that this Agreement is funded in whole or in part by federal or other non-State funds, and in the event those funds become unavailable or reduced, the State may suspend or cancel this Agreement immediately, and the State shall have no obligation to fund this Agreement from State revenues.
5. **No Employee Benefits For Party:** The Party 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 Agreement. The Party 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 Party, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
6. **Independence, Liability:** The Party will act in an independent capacity and not as officers or employees of the State.

The Party shall defend the State and its officers and employees against all claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit. The Party 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 Agreement.

After a final judgment or settlement the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party 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 Party.

The Party 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 Party.

7. **Insurance:** Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverage is in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the state through the term of the Agreement. No warranty is made that the coverage and limits listed herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.

**Workers Compensation:** With respect to all operations performed, the Party 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 Agreement, the Party 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

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

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

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

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

8. **Reliance by the State on Representations:** All payments by the State under this Agreement will be made in reliance upon the accuracy of all prior representations by the Party, including but not limited to bills, invoices, progress reports and other proofs of work.
9. **Requirement to Have a Single Audit:** In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, and if this Subrecipient expends \$500,000 or more in federal assistance during its fiscal year, the Subrecipient is required to have a single audit conducted in accordance with the Single Audit Act, except when it elects to have a program specific audit.

The Subrecipient may elect to have a program specific audit if it expends funds under only one federal program and the federal program's laws, regulating or grant agreements do not require a financial statement audit of the Party.

A Subrecipient is exempt if the Party expends less than \$500,000 in total federal assistance in one year.

The Subrecipient will complete the Certification of Audit Requirement annually within 45 days after its fiscal year end. If a single audit is required, the sub-recipient will submit a copy of the audit report to the primary pass-through Party and any other pass-through Party that requests it within 9 months. If a single audit is not required, the Subrecipient will submit the Schedule of Federal Expenditures within 45 days. These forms will be mailed to the Subrecipient by the Department of Finance and Management near the end of its fiscal year. These forms are also available on the Finance & Management Web page at: <http://finance.vermont.gov/forms>

- 10. Records Available for Audit:** The Party 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 Agreement 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 Agreement.
- 11. Fair Employment Practices and Americans with Disabilities Act:** Party agrees to comply with the requirement of Title 21V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement. Party further agrees to include this provision in all subcontracts.
- 12. Set Off:** The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; 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.
- 13. Taxes Due to the State:**

  - a. Party 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. Party certifies under the pains and penalties of perjury that, as of the date the Agreement is signed, the Party 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. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party 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. Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.

**14. Child Support:** (Applicable if the Party is a natural person, not a corporation or partnership.) Party states that, as of the date the Agreement is signed, he/she:

- a. is not under any obligation to pay child support; or
- b. is under such an obligation and is in good standing with respect to that obligation; or
- c. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.

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

**15. Sub-Agreements:** Party shall not assign, subcontract or subgrant the performance of his Agreement or any portion thereof to any other Party without the prior written approval of the State. Party also agrees to include in subcontract or subgrant agreements a tax certification in accordance with paragraph 13 above.

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

**16. No Gifts or Gratuities:** Party 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 Agreement.

**17. Copies:** All written reports prepared under this Agreement will be printed using both sides of the paper.

**18. Certification Regarding Debarment:** Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party'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.

**19. Certification Regarding Use of State Funds:** In the case that Party is an employer and this Agreement is a State Funded Grant in excess of \$1,001, Party certifies that none of these State funds will be used to interfere with or restrain the exercise of Party's employee's rights with respect to unionization.