

1. **Parties.** This is a contract for personal services between the State of Vermont, Department of Vermont Health Access (hereafter called "State"), and Fletcher Allen Health Care, Inc. ("Fletcher Allen"), with a principal place of business in Burlington, VT (hereafter called "Contractor"). The Contractor's form of business organization is non-profit corporation licensed as a Vermont hospital. The Contractor's local address is 111 Colchester Ave., Burlington, VT 05401. It is the Contractor's responsibility to contact the Vermont Department of Taxes to determine if, by law, the Contractor is required to have a Vermont Department of Taxes Business Account Number.
2. **Subject Matter.** The subject matter of this contract is personal services generally on the subject of Graduate Medical Education. Detailed services to be provided by the Contractor are described in Attachment A.
3. **Maximum Amount.** In consideration of the services to be performed by Contractor, the State agrees to pay Contractor, in accordance with the payment provisions specified in Attachment B, a sum not to exceed \$30,371,217.
4. **Contract Term.** The period of Contractor's performance shall begin on September 30, 2013, and end on June 30, 2014. Upon mutual agreement by both parties, this agreement may be renewed for up to an additional two (2) one (1) year terms.
5. **Prior Approvals.** If approval by the Attorney General's Office or the Secretary of Administration is required, (under current law, bulletins, and interpretations), neither this contract nor any amendment to it is binding until it has been approved by either or both such persons.

Approval by the Attorney General's Office is required.  
Approval by the Secretary of Administration is required.

6. **Amendment.** No changes, modifications, or amendments in the terms and conditions of this contract shall be effective unless reduced to writing, numbered and signed by the duly authorized representative of the State and Contractor.
7. **Cancellation.** This contract may be cancelled by either party by giving written notice at least 30 days in advance. Notwithstanding this provision, if a governmental agency with due authority determines that a program or facility operated by the Contractor, wherein services authorized under this contract are provided, is not in compliance with State and Federal law or is operating with deficiencies the State may terminate this contract immediately and notify the Contractor accordingly. Also, in the event the University of Vermont (UVM) discontinues payment to the State for the non-federal share of the GME funding, or in the event that federal funds supporting this contract become unavailable or are reduced, the State may cancel this contract with no obligation to pay the Contractor from State revenues.
8. **Attachments.** This contract consists of 19 pages including the following attachments, which are incorporated herein:
  - Attachment A - Specifications of Work to be Performed
  - Attachment B - Payment Provisions
  - Attachment C - Customary State Contract provisions
  - Attachment D - Modifications of Customary Provisions
  - Attachment E - Business Associate Agreement
  - Attachment F - Customary Contract Provisions of the Agency of Human Services
  - Appendix I - GME Program Quality Measures

Appendix II - GME Program SFY 2014 Focus Areas

The order of precedence of documents shall be as follows:

- 1). This document
- 2). Attachment D
- 3). Attachment C
- 4). Attachment A
- 5). Attachment B
- 6). Attachment E
- 7). Attachment F
- 8). Other Attachments

**WE THE UNDERSIGNED PARTIES AGREE TO BE BOUND BY THIS CONTRACT.**

**BY THE STATE OF VERMONT:**

**BY THE CONTRACTOR:**

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MARK LARSON, COMMISSIONER                      DATE  
312 HURRICANE LANE  
WILLISTON, VT 05495  
[MARK.LARSON@STATE.VT.US](mailto:MARK.LARSON@STATE.VT.US)  
802-879-5952

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JOHN R. BRUMSTED, M.D. PRESIDENT/CEO    DATE  
FLETCHER ALLEN HEALTH CARE  
PATRICK 101  
111 COLCHESTER AVENUE  
BURLINGTON, VT 05401  
[JOHN.BRUMSTED@VTMEDNET.ORG](mailto:JOHN.BRUMSTED@VTMEDNET.ORG)  
802-847-1124

## ATTACHMENT A SPECIFICATIONS OF WORK TO BE PERFORMED

### Overview:

The Contractor, University of Vermont (UVM), and the UVM Medical Group collectively serve a critical role as the State's only academic medical center, and the Contractor is the largest health care provider in the State. Contractor and UVM Medical Group serve individuals enrolled in Vermont Medicaid programs, serve as the safety net for low-income and uninsured Vermonters, and, together with UVM, play a key role in training the next generation of Vermont's physicians. This Contract is intended to support the Contractor and UVM Medical Group in their continuing role as Vermont's safety net providers for tertiary (and related physician) services, of ensuring access to quality, essential professional health services for Medicaid beneficiaries, and their commitment to teaching.

The Contractor is eligible for two Graduate Medical Education (GME) supplemental payments, as described in the Vermont Medicaid State Plan:

- (1) *Payments for Teaching Physicians.* Supplemental payments for professional services performed by Qualified Teaching Physicians ("QTPs"), who are: licensed by the State of Vermont, where applicable; enrolled as a State of Vermont Medicaid provider; and hold salaried appointments on the faculty of UVM and are employed by UVM Medical Group at Fletcher Allen.
- (2) *Payments for Qualified Teaching Hospitals.* Qualified Teaching Hospitals are facilities that are: licensed by the State of Vermont; enrolled as a State of Vermont Medicaid provider; have a medical residency program; and belong to the Council of Teaching Hospitals or show proof of affiliation with any approved medical education program.

### Quality Assurance:

To assess and monitor program benefits to Medicaid beneficiaries, the Contractor and State have collaborated to identify specific quality assurance measures and improvement focus areas. The Contractor will report to the State annually on its performance on the quality measures and improvement focus areas for Medicaid beneficiaries. The following measures were selected to assess the quality of health care, hospital utilization, and patient satisfaction: Quality of Healthcare Provided to Medicaid Beneficiaries (composite); Inpatient Admission Rates; Emergency Room Visit Rates; 30 Day Readmission Rates; Patient Satisfaction. (See Appendix I for a detailed description of each measure.)

The following improvement focus areas were jointly selected by the Contractor and the State: training a physician workforce; behavioral health; prevention and treatment of addictions; promoting partnerships in care coordination, and; management of psychiatric patients in the emergency department. (See Appendix II for a detailed description of each focus area.)

### Deliverables:

#### (1) Medicaid Supplemental Calculations

The Contractor must supply Medicaid supplemental payment calculations for SFY 2015 to the State no later than April 15, 2014.

#### (2) GME Annual Report

Contractor must submit an annual report documenting improvement focus area status, quality measure

data, quantitative findings, accomplishments, and any difficulties or challenges that arose during the Contract period regarding the improvement focus areas referenced above. The Contractor must submit the report no later than March 15, 2014. By March 31, 2014, the State will notify the Contractor that the report has been approved, or will request that additional information be provided before approving the report. If additional information is requested, the Contractor will have until April 15, 2014 to submit a revised report to the State. By May 9, 2014, the State in conjunction with the Contractor will make a determination on upcoming SFY quality measures and improvement focus areas based on information provided in the report and areas with noted need for improvement.

The Contractor must submit the annual report in the format specified by the State. The State will provide Contractor with the final report template no later than October 31, 2013.

### **Cooperation and Compliance with Federal and State Requests and Audits**

Contractor shall provide any data and/or reports reasonably requested by the State in order to administer the GME Payment program and monitor the appropriateness of payments.

Contractor shall cooperate with the State to provide any materials requested by federal or State agencies. If adverse findings or disallowances are made, the Parties will collaborate to make any necessary program adjustments or modifications to ensure compliance. In the event of any disallowance of federal funding related to GME Payments described in this Contract, Contractor shall be financially responsible for the return of the amount associated with any such disallowance, and the State shall return to the University of Vermont the corresponding non-federal share.

### **Contractor Requirements:**

As a Contractor of federal funds, the recipient is required to adhere to the following federal regulations:

- A-110: “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations” (OMB Circular A-110);
- A-122: “Cost Principles for Non-Profit Organizations” (OMB Circular A-122); and
- A-133: “Audits of States, Local Governments and Non-Profit Organizations” (OMB Circular A-133)

These circulars may be found on the Office of Management and Budget website at:  
<http://www.whitehouse.gov/omb/circulars/index.html>.

## ATTACHMENT B PAYMENT PROVISIONS

The maximum dollar amount payable under this agreement is not intended as any form of a guaranteed amount. The Contractor will be paid for products or services actually performed as specified in Attachment A up to the maximum allowable amount specified in this agreement. The payment schedule for delivered products or services and any additional reimbursements are included in this attachment.

The combined total GME payments cannot:

- Cause FAHC to exceed its hospital limit for DSH purposes;
- Exceed the amount that would be paid for the services furnished under Medicare payment principles in compliance with Upper Payment Level (UPL) regulations in the CFR; and
- Exceed \$9,886,559 million for the calculated teaching hospital supplemental payment amount.

As described in the Vermont Medicaid State Plan (Vermont #11-019), and subject to any modifications resulting from the State Plan Amendment approval process, the Contractor must continue to meet the required criteria for payments for qualified teaching physicians and qualified teaching hospitals, as outlined in Attachment A.

### **Funding Authority for Non-Federal Share**

The State (non-federal) share of the GME Payments shall be provided by UVM (Contract #25199). UVM will certify that funds provided to the State for the non-federal share originate from UVM's general fund appropriation. UVM will maintain an accounting trail of the source of these funds.

The Centers for Medicare and Medicaid Services ("CMS") Special Terms and Conditions ("STCs") for the Global Commitment to Health Section 1115 Demonstration permit the State to use certified General Fund appropriations as a source of non-federal share to the extent such funds are derived from State and local tax revenues and are transferred by units of government within the State (as set forth under STC No. 47d, *State Certification of Public Expenditures*).

### **Implementation and Distribution of Payment**

All payments shall be made in accordance with the approved State Plan (Vermont #11-019). GME payments will be matched with federal funds according to FMAP rates determined by CMS.

The annual GME payments will be made in four (4) equal quarterly payments by the last day of each quarter. The State must review and accept the GME Annual Report provided by Contractor before the final quarterly payment is made.

GME payments are contingent on the following:

1. Federal approval of the funding methodology;
2. State's review and approval of supporting documentation and payment amounts;
3. Contractor meeting all qualifications required to be eligible for GME payments;
4. Timely receipt of sufficient funding from UVM to State; and

4<sup>th</sup> quarterly payment only:

5. State's review and acceptance of the GME Annual Report provided by Contractor.

The combined total GME payments made to Contractor shall not exceed \$30,371,217. Should CMS determine new FMAP rates that apply prospectively to any exchange of payments by and between Contractor, State and/or UVM, all parties will recognize CMS as the determinant of the amount of payments required prospectively from UVM.

The State retains the right to discontinue GME Payments at any time.

UVM retains the right to discontinue making payments at any time, commencing with any period for which corresponding GME Payments have not yet been made by State; Contractor acknowledges and agrees that the discontinuation of payments to State by UVM shall cause the GME Payments to Contractor for the corresponding period, and all future periods, to cease.

The following payment schedule will be applied:

| DEADLINE           | REMITTANCE AND PAYMENT  |
|--------------------|---|
| September 30, 2013 | Quarter 1 GME payment from State to Contractor  |
| December 31, 2013  | Quarter 2 GME payment from State to Contractor  |
| March 31, 2014     | Quarter 3 GME payment from State to Contractor  |
| June 30, 2014      | Quarter 4 GME payment from State to Contractor, contingent upon approval of GME Annual Report |

The following quarterly payments will be made by State to Contractor, upon receipt of funds from UVM for SFY14:

| Payment Category                      | SFY 2014      | Quarterly Payments |
|---------------------------------------|---------------|--------------------|
| Total                                 | \$ 30,371,217 | \$ 7,592,804       |
| Quarterly Teaching Hospital Payment   | \$ 8,818,440  | \$ 2,204,610       |
| Quarterly Teaching Physicians Payment | \$ 21,552,777 | \$ 5,388,194       |

The following deliverable schedule will be applied:

| DEADLINE       | Deliverable   |
|----------------|---|
| March 15, 2014 | GME Annual Report from Contractor to State.   |
| March 31, 2014 | State will notify Contractor of report approval, or request additional Information.               |
| April 15, 2014 | Medicaid supplemental payment calculations from the Contractor to the State.                      |
| April 15, 2014 | Final GME Annual Report submitted to State, if applicable.  |
| May 9, 2014    | Quality Measures and Improvement Focus Areas determined by Contractor and State for upcoming SFY. |

The GME Annual Report should be submitted to:

Kelly Gordon  
[Kelly.Gordon@state.vt.us](mailto:Kelly.Gordon@state.vt.us)  
802-879-5905

Ashley Berliner  
[Ashley.Berliner@state.vt.us](mailto:Ashley.Berliner@state.vt.us)  
802-879-5603

The Medicaid Supplemental Payments Calculations should be submitted to:

Kara Suter  
[Kara.Suter@state.vt.us](mailto:Kara.Suter@state.vt.us)  
802-879-5918

**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 ***\$1,000,000*** per occurrence, and ***\$3,000,000*** 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, the Subrecipient will complete the Subrecipient Annual Report annually within 45 days after its fiscal year end, informing the State of Vermont whether or not a single audit is required for the prior fiscal year. If a single audit is required, the Subrecipient will submit a copy of the audit report to the granting Party within 9 months. If a single audit is not required, only the Subrecipient Annual Report is required.

A single audit is required if the subrecipient expends \$500,000 or more in federal assistance during its fiscal year and must be conducted in accordance with OMB Circular A-133. The Subrecipient Annual Report is required to be submitted within 45 days, whether or not a single audit is required.

**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 21 V.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 this 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.

Party further certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, Party is not presently debarred, suspended, nor named on the State's debarment list at:

<http://bgs.vermont.gov/purchasing/debarment>

**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.

**ATTACHMENT D**  
**MODIFICATION OF CUSTOMARY PROVISIONS**  
**OF**  
**ATTACHMENT C OR ATTACHMENT F**

**1. The requirements contained in Attachment C, Section 7 are hereby modified:**

Notwithstanding Section 7 of Attachment C, the following is hereby deleted from the Agreement with Fletcher Allen Health Care

Liability:

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

and

Automotive:

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

**2. Reasons for Modifications:**

The self insurance mechanism that combines professional liability with other liability coverage precludes additional insured status.

Approval:

**Assistant Attorney General:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**ATTACHMENT F**  
**AGENCY OF HUMAN SERVICES' CUSTOMARY CONTRACT PROVISIONS**

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 United Way/Vermont 211. 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](http://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 Department 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 Department 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.

**Federal Medicaid System Security Requirements Compliance:** All contractors and subcontractors must provide a security plan, risk assessment, and security controls review document within three months of the start date of this agreement (and update it annually thereafter) to support audit compliance with 45CFR95.621 subpart F, *ADP (Automated Data Processing) System Security Requirements and Review Process*.

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. 08-048 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 in the performance of services connected with this agreement, who provides care, custody, treatment, transportation, 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 Protection Registry. (See 33 V.S.A. §4919(a)(3) & 33 V.S.A. §6911(c)(3)).
9. **Reporting of Abuse, Neglect, or Exploitation.** Consistent with provisions of 33 V.S.A. §4913(a) and §6903, any agent or employee of a Contractor who, in the performance of services connected with this agreement, has contact with clients or is a caregiver and who has reasonable cause to believe that a child or vulnerable adult has been abused or neglected as defined in Chapter 49 or abused, neglected, or exploited as defined in Chapter 69 of Title 33 V.S.A. shall make a report involving children to the Commissioner of the Department for Children and Families within 24 hours or a report involving vulnerable adults to the Division of Licensing and Protection at the Department of Disabilities, Aging, and Independent Living within 48 hours. This requirement applies except in those instances where particular roles and functions are exempt from reporting under state and federal law. Reports involving children shall contain the information required by 33 V.S.A. §4914. Reports involving

vulnerable adults shall contain the information required by 33 V.S.A. §6904. The Contractor will ensure that its agents or employees receive training on the reporting of abuse or neglect to children and abuse, neglect or exploitation of vulnerable adults.

10. **Intellectual Property/Work Product Ownership.** All data, technical information, materials first 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 grant - shall be considered "work for hire" and remain the property of the State of Vermont, regardless of the state of completion - unless otherwise specified in this agreement. 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 first developed for the State, all 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, documentation and/or source codes developed.

The Contractor shall not sell or copyright a work product or item produced under this agreement 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. Nothing herein shall entitle the State to pre-existing Contractor's materials.

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.

12. **Computing and Communication:** The Contractor shall select, in consultation with the Agency of Human Services' Information Technology unit, one of the approved methods for secure access to the State's systems and data, if required. Approved methods are based on the type of work performed by the Contractor as part of this agreement. Options include, but are not limited to:

1. Contractor's provision of certified computing equipment, peripherals and mobile devices, on a separate Contractor's network with separate internet access. The Agency of Human Services' accounts may or may not be provided.
2. State supplied and managed equipment and accounts to access state applications and data, including State issued active directory accounts and application specific accounts, which follow the National Institutes of Standards and Technology (NIST) security and the Health Insurance Portability & Accountability Act

(HIPAA) standards.

The State will not supply e-mail accounts to the Contractor.

13. **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.
14. **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.

The Contractor will also not refuse, withhold from or deny to any person the benefit of services, facilities, goods, privileges, advantages, or benefits of public accommodation on the basis of disability, race, creed, color, national origin, marital status, sex, sexual orientation or gender identity under Title 9 V.S.A. Chapter 139.

15. **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.

## APPENDIX I GME PROGRAM QUALITY MEASURES

### Quality of Healthcare

1. **Measure: CMS Core Measure Composite Rate.** Contains a CMS defined cross section of “Core Measure” metrics, which may vary. Only Medicaid or state funded patients are included in this metric. *Rationale for Selection:* Presents a broad cross section of disease state encounters. Residents are a critical component of providing inpatient care; therefore, performance on this measure reflects resident care delivery and an appropriate teaching environment.

### Hospital Utilization

2. **Measure: Inpatient Admission rates per 1000 Patients.**  
*Numerator:* Number of Medicaid and state funded patient admissions.  
*Denominator:* Number of Medicaid and state funded patient encounters for FAHC for the preceding 12 months.  
*Rationale for Selection:* Quantitative indication of Medicaid patients requiring hospitalization and the ability to provide alternative care settings.
3. **Measure: UHC Overall 30 Day Related Readmission Rate.**  
*Numerator:* Number of Medicaid or state funded patients with a related readmission (using UHC related readmission criteria) to Fletcher Allen. Related is defined as being for only clinically related, non-reoccurring readmissions and does not normally include visits considered planned.  
*Denominator:* Number of Medicaid or state funded patients discharged from Fletcher Allen Health Care.  
*Rationale for Selection:* Readmissions are seen as an ongoing quality of care focal point by CMS. Effective coordination of care between the inpatient setting and various outpatient settings is essential to minimizing the potential for readmission back into the acute care setting. A focus on transitions of care is an appropriate part of resident education.  
*Note:* Due to both the lag time for CMS readmission feedback and the lack of granularity of feedback, the readmissions tracked will be Fletcher Allen Health Care only through the University HealthSystem Consortium.
4. **Measure: Overall ED Visits per 1000 Patients.**  
*Numerator:* Number of Medicaid and state funded patient ED visits.  
*Denominator:* Number of Medicaid and state funded patient encounters for the Fletcher Allen Health Care organization for the preceding 12 months.  
*Rationale for Selection:* Quantitative indication of the pattern of ED use by Medicaid beneficiaries.
5. **Measure: Non-Emergency ED Visit Rate.**  
*Numerator:* Number of Medicaid and state funded patient ED visits classified as non-emergency.  
*Denominator:* Number of Medicaid and state funded patient ED visits.  
*Rationale for Selection:* Quantitative indication of the pattern of ED use for non-emergent reasons by Medicaid beneficiaries.

### Patient Satisfaction

6. **Measure: Inpatient Press-Ganey Overall Satisfaction – Percentage of Responses that are 9 or 10.**  
*Numerator:* Number of Medicaid or state funded respondents that gave a 9 or 10 response.  
*Denominator:* Number of Medicaid or state funded respondents to the CMS defined HCAHPS patient satisfaction survey “Overall Satisfaction” question.

*Rationale for Selection:* The voice of the customer is a critical element in the delivery of effective care in a physician training environment. This measure allows the organization to better understand its performance through the lens of the patient.

## APPENDIX II GME PROGRAM SFY14 FOCUS AREAS

### Focus Area 1: Training a Physician Workforce

- Provide an annual listing of residency slots by specialty/ patient population.
- Provide a descriptive narrative of how residency slots are determined for the Graduate Medical Education program.
- Evaluate the potential to expand enrollment in residency programs (consistent with Recommendation #12 of Vermont's *Health Care Workforce Strategic Plan*, January 3, 2013).

### Focus Area 2: Behavioral Health

- Develop best practice strategies for patients who have significant behavioral or adherence issues that impede the ability to deliver care in the office setting.
- Establish a best practice that supports implementation of a "behavior agreement" as part of the approach to continuing care within a Fletcher Allen medical home.

### Focus Area 3: Prevention and Treatment of Addictions

- Increase utilization of the Vermont Prescription Monitoring System (VPMS) by Fletcher Allen Health Care providers through the development of protocols and workflows that support compliance with Act 75.
- Work collaboratively to support a statewide initiative to establish consistent guidelines for the prescribing of controlled substances in the Emergency Department setting.
- Establish a best practice pathway for the appropriate use of controlled substances in the treatment of chronic, non-cancer pain and addiction in the office setting.
- Incorporate evidenced based behavioral screening as part of the medical home annual visit.
  - Utilize PHQ9- for depression screening and GAD-2 for alcohol and substance abuse screening.

### Focus Area 4: Promoting Partnerships in Care Coordination

- Implement a CG-CAHPS measurement tool to track the patient experience over time.
- Track the volume of referrals to the Children's Integrated Services (CIS) from the Fletcher Allen medical home.
- Work collaboratively to increase knowledge and use of community aging network services (e.g., Area Agencies on Aging) upon hospital discharge.

### Focus Area 5: Management of Psychiatric Patients in the Emergency Department

- Implement use of best practice protocols and care delivery models in the treatment of psychiatric patients in the Emergency Department.