

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

Contract # 6669  
 Change # 1

**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 (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 Sections 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 \$51,017,210.

**In Attachment A, Section 12 - Enhancement Activity Dates page 9, add Part II for Fraud & Abuse Detection System Activities Dates:**

FRAUD & ABUSE DETECTION SYSTEM (FADS) ACTIVITIES	PLANNED DATES	
	Start	Finish
Software/Hardware	4/15/2005	4/15/2005
Requirement Specification Document	4/22/2005	5/15/2005
Design Specification Document	4/16/2005	6/16/2005
Development	6/24/2005	10/23/2005
Testing	7/22/2005	11/27/2005
Users Acceptance Testing	10/23/2005	12/29/2005
Training	12/14/2005	1/6/2005
Operational Readiness Report	12/20/2005	12/31/2005

**Attachment B, Part 2: Enhancement Invoice Schedule page 15, add the following:**

Fraud and Abuse Detection System (FADS)	Invoice Date	Invoiced Amount
Software/Hardware	4/15/2005	\$72,100.00
Requirement Specification Document	5/15/2005	\$72,851.23
Design Specification Document	6/16/2005	\$33,931.27
Development	10/23/2005	\$134,914.42
Testing	11/27/2005	\$33,931.27
Users Acceptance Testing	12/29/2005	\$33,931.27
Training	1/6/2005	\$33,931.27
Operational Readiness Report	12/31/2005	\$50,799.28
	TOTAL	\$466,390.00

**In Attachment B, Part 3: Invoice/Payment Clarifications replace #2 with the following:**

"2. Subject to any excused delays, the Contractor will meet the start and finish dates as established in Attachment A, Paragraph 13 of this Contract. Enhancement payments shall be rendered

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based on acceptance of each milestone/deliverable set forth Part 2 of this Attachment, by the State official cited in Part 3, Paragraph 3 of this Attachment, or a duly designated representative of the State. The total maximum amount payable under this Contract for the design, development and implementation of enhancements shall not exceed \$7,049,615. The State shall not be responsible for expenses of the Contractor not already accounted for in the amounts set forth in Part 2 of this Attachment.

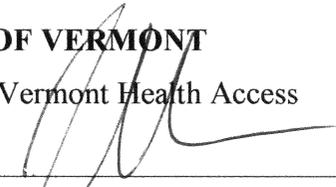
Attachment F -- Part I – Electronic Data Systems (EDS) Proposal Date April 4, 2003 Submitted in Response to the State’s MMIS Core Claims Processing Takeover RFP

Part II - EDS Narrative Proposal and Price Proposal Submitted for the Fraud and Abuse Detection System Dated February 13, 2005

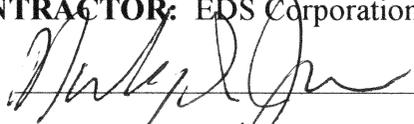
**APPROVED AS TO FORM**

  
\_\_\_\_\_  
Attorney General's Office  
Date: 5/11/05

**STATE OF VERMONT**

Office of Vermont Health Access  
By:   
\_\_\_\_\_  
Title: Director  
Date: 6-1-2005

**CONTRACTOR:** EDS Corporation

By:   
\_\_\_\_\_  
Title: VP STATE & LOCAL GOV'T  
Date: 5/25/05

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## **Attachment F Part II**

### **Enhanced Surveillance and Utilization Review (SUR) Functionality for the State of Vermont**

To best support the need for SUR functionality in the Vermont AIM system, EDS proposes that the requirements for the Fiscal and Budget Application Enhancement be modified to encompass the provision of a FADS (Fraud and Abuse Detection System) enhanced decision support SUR system, with a BusinessObjects user interface. This approach will allow the State to rapidly receive the benefits of an enhanced SUR system, with far greater functionality than the existing system, as well as enhanced ease of use over the existing system. This will also support the State's direction in making more data directly accessible to the user, as this new SUR system is a specialized data mart within the EVAH Ad Hoc system. BusinessObjects queries in this system are run in real-time (rather than in a batch cycle mode as in the current SUR system), and can be fine-tuned directly by the user.

### **Efficient User Interface**

The core of the SUR system will be built as a specialty FADS data warehouse. The remaining components of the solution are the query and reporting tools and the services provided to gain the most from the data. BusinessObjects, the award-winning business intelligence software, is the query and reporting tool for the FADS offering, and it is already in use for Vermont Medicaid and familiar to many users. EDS has extensive experience with BusinessObjects, including the Vermont EVAH system, six DSS solutions, and three current DSS/FADS implementations.

### **DSSProfiler—Flexible Reporting Module**

In addition to leveraging the BusinessObjects query and reporting tool, EDS will transfer its DSSProfiler. The DSSProfiler is in use in Arkansas, Alabama, Oklahoma, Pennsylvania, and Kansas and is being installed in California, Indiana, and Tennessee.

This module sits on top of the FADS BusinessObjects data warehouse. The DSSProfiler takes in detailed claims data and processes it against user-defined case type files. These files are used essentially for data groupings. The advantage of this approach is that virtually any element within the data store can be used for data grouping—from provider types to procedures to combinations of diagnosis and program identification codes. State users will have complete control over the setup of the case type files.

To start the process, we will bring Vermont base case type files from other states. This will provide guidance to the analyst and also leverage experiences from other states. The DSSProfiler is variable and can run as needed for the State. Given the volume of quality output data to be reviewed and the flexible nature of ad hoc queries for interim research, EDS suggests that the DSSProfiler process run quarterly (this is not a system restriction, but merely a suggestion; the DSSProfiler can be run more frequently if required). The DSSProfiler comes with approximately

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50 pre-defined reports, which are described later in this proposal. These reports include provider report cards, treatment analysis evaluations, and identification of outliers or exceptions. All reports are presented in BusinessObjects. Many of these reports are prompted reports allowing the user to quickly filter down to the exact, provider, beneficiary and peer group of their choosing.

### **Leveraged Infrastructure**

Existing BusinessObjects licenses will be leveraged as much as possible. We will survey the potential system users and identify which of them do and do not have BusinessObjects licenses allocated to them. Then we will evaluate whether existing licenses may be transferred to these users before we conclude how many licenses must be purchased in support of this implementation.

Additionally, we will leverage the existing database server that supports the EVAH BusinessObjects installation. This will result in a significant savings over procuring and supporting another database server.

### **Technical and Functional Capabilities**

This portion of the proposal presents the details behind the EDS interChange FADS solution. In this section, we will demonstrate how the EDS solution is innovative and places an emphasis on ease of use.

Two primary factors play a role in our ability to focus on ease of use. The first is our experience in transferring and customizing similar solutions. Each of our data warehouse based solutions has been developed on time and has been well received by clients. Through these prior implementations, the EDS team has been able to continually refine our processes for successful deliveries. The second reason we can focus on ease of use is that we essentially have a head start on this project—our AIM solution and existing EVAH system provide an excellent underpinning for the FADS installation.

The EDS solution leverages the database infrastructure, AIM and EVAH systems, BusinessObjects software, and communication networks, as well as the established working relationships between EDS and the State.

### **Federally Required Functions**

Given EDS' long history in the Medicaid market space, it is likely that no other vendor is as knowledgeable about the critical nature of CMS certification. EDS has helped more states receive certification than the other vendors combined. This success comes from two basic EDS' strengths: a strong solution to perform the SURS business functions and a dedicated staff to assist during each stage of the certification process.

The EDS team will install and customize the FADS offering to meet SURS certification requirements of:

- Performing peer comparisons
- Performing exception identification
- Performing treatment analysis reporting

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The above fundamental certification requirements are found in Chapter 11 of the State Medicaid Manual. In addition to building a system to meet these requirements, the EDS team will guide the State user group through certification with CMS. Every Medicaid solution developed by EDS has been fully certified by CMS, thus maximizing the State's return.

EDS will assist the State to obtain any needed federal certification by:

- Developing and producing all FADS reports to meet the certification process requirements
- Assisting the State with the development of a FADS draft and final certification report
- Attending, at the State's direction, any meetings to discuss the federal certification process
- Providing walkthroughs of the FADS for CMS representatives
- Correcting any deficiencies discovered during the certification process and making any required corrections to system documentation, user documentation, federal reports, State reports, and the final certification report.

### **Federally Required Data Elements**

The EDS interChange FADS solution will contain all of the federally required data elements.

The DSSProfiler is an EDS-developed offering that takes in detailed level claims and encounter data as the primary inputs. Typically, a year's worth of data is processed at a time, allowing for a comprehensive view of the activities. The data is run against flexible "case type" files that control the investigative grouping and comparing of the data. EDS has existing base case type files that can be used as a basis either for initial runs or as the development starting point. EDS will work closely with the State to assist in defining the business requirements for the State Medicaid process that likely contain activities warranting detailed investigations. The open and flexible nature of the EDS case type files allows virtually any element of a claim (such as diagnosis, procedure, provider number, type, and locality) to be used alone or in conjunction with other variables for grouping of the data. The data output is age/gender adjusted, allowing for yet another level of research to be performed on the same data set.

As part of the solution EDS will deliver 50 standard DSSProfiler reports that act as provider and recipient "report-cards", as well as detailed reports for research and analysis. Additionally, the output of the DSSProfiler is stored directly back into the FADS specific data mart, allowing for direct user ad hoc reporting against the output files. Thus, the reporting capabilities are endless. In the next section is a listing of DSSProfiler reports that will be transferred in as part of the base FADS solution.

The second major component to meeting the algorithm needs for Vermont is the leveraging of existing algorithms used in other states. EDS will leverage our algorithms from our Texas Medicaid Fraud and Abuse System (MFADS). This solution was the first advanced fraud and abuse contract in the country. Instead of simply running the State's data against these rules, EDS will have algorithm-planning sessions with the State. During this time each algorithm will be

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discussed in relation to the Vermont state health care environment. The focus of the algorithms will likely be modified at this time, leading to a high quality of identification of true cases of fraud and abuse.

The following are some examples of algorithms used in other states:

Targeted Queries	Description
Personal Care, Excessive Daily	Identifies cases of private duty nurses billing for care hours that appear excessive
Personal Care: Excessive Weekly Workload	Identifies cases of private duty nurses billing for care hours that appear excessive
Personal Care: Daily Client Overbilling	Identifies cases of private duty nurses billing for care hours that appear excessive
Personal Care: Hospital Stay	Identifies occurrences of private duty nursing services that have been billed independently of the inpatient claim
Lab and X-Ray Duplicate Billing	Identifies cases of a provider being paid for an interpretation or technical component when a provider was paid for the full component on the same day
EPSDT Lab Duplicate Billing	Identifies cases of a screen and lab work included in a screen being billed for the same client on the same day
Dentist Excessive Use of Stainless Steel Crowns	Identifies cases of clients receiving application of multiple crowns under anesthesia in an inpatient or outpatient hospital setting
Dental Anesthesia Certification	Identifies cases of a dentist billing for anesthesia and the Board of Dental Examiners records indicate that the dentist was not certified on that date to give anesthesia
LMSW-ACP/LPC Daily Overbilling	Finds all claim details billed by Licensed Master Social Workers (LMSWs)-Advanced Clinical Practitioners (ACPs) and Licensed Professional Counselors (LPCs) and Licensed Marriage and Family Therapists (LMFTs) billing for more than 16 hours in a single day per provider
PT/OT Daily Overbilling	Identifies providers billing for more than 16 hours of physical or occupational therapy (PT/OT) services in a single day

The final component of the user friendly EDS interChange FADS offering is the user’s ability to perform ad hoc queries against detailed level data. From their own desktops, users can create and run queries as needed. The EDS solution allows for non-technical users to create queries through simple point-and-click exercises.

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**DSSProfiler Reporting**

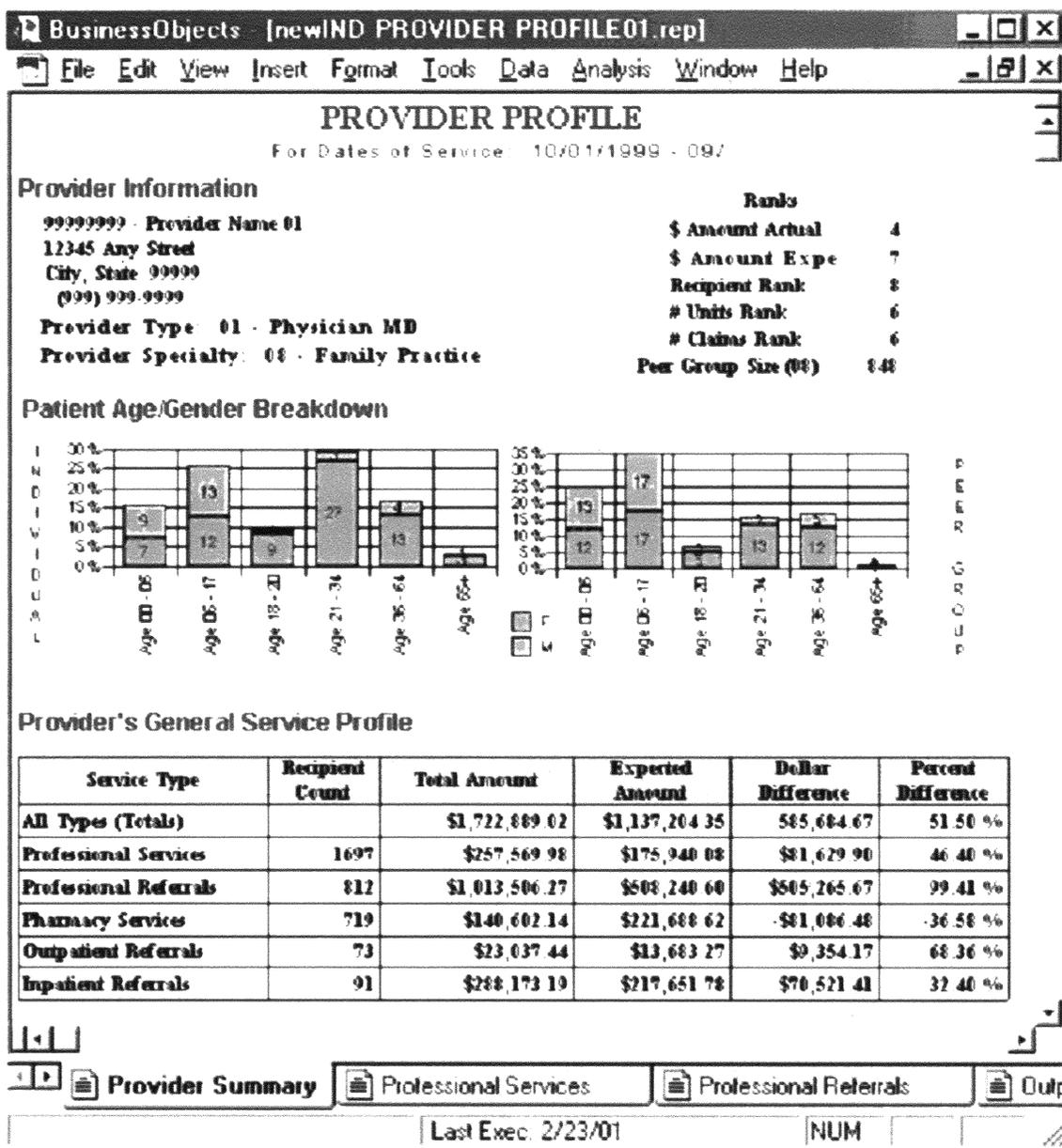
These report cards compare the patterns of a selected provider to those of his or her peers. The *DSSProfiler* produces a series of reports, two of which are presented below to demonstrate the flexibility in data presentation.

The Provider Profile report card adjusts information for age and gender. This report shows at a glance the health status and age/gender comparisons of a provider's Medicaid patients. This report is helpful when providers insist that their patients are sicker than other providers' patients within their specialty group. A simple glance at the charts will indicate whether this is true.

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### Provider Report Card



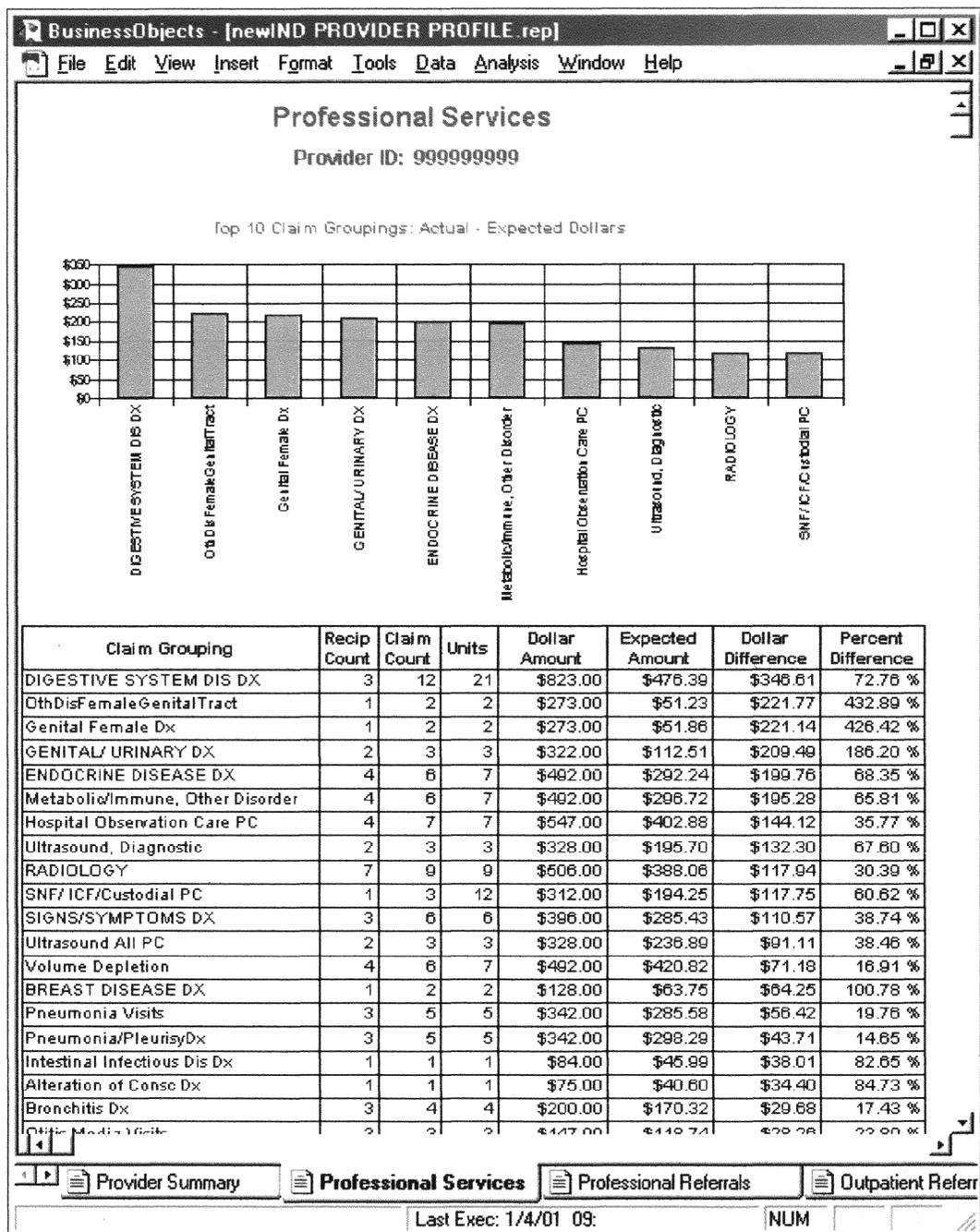
The Provider Profile report compares the health of a provider's patients. The data is presented in both graphical and tabular form in one report.

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The Service Characteristics section of the report card compares high-level service type amounts to the calculated expected amount based on age and gender adjustments. The report looks at professional services, professional referrals, inpatient referrals, and outpatient referrals as well as pharmacy services. The report can be used to analyze the practice patterns of a particular physician and may flag physicians that exceed the accepted norm within the peer group. Each of the service categories can also be analyzed to identify services that are driving the exception.

**Provider Service Profile**



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The high-level service categories on the report card are broken down into service profiles. This is important because a provider may be using a specific disease condition in an attempt to receive additional payments. Service profiles are customer-defined, in addition to the variable formatting of any given report. The preceding example also demonstrates that a report can have multiple tabs in one report. The two reports shown were actually two tabs of one report. This flexibility in report organization allows users to centralize all of the decision-making information they need on a subject in one place, saving time and making presentations more meaningful and complete.

Beneficiary-based information also provides a comprehensive view of a beneficiary's care, which can support the identification of quality-of-care issues or beneficiary utilization issues, such as doctor shopping.

This next graphic is a sample 'ad hoc' study performed in Arkansas in conjunction with their State Medical Director. Using the specialized DSSProfiler data mart and guidance from the Medical Director, a study of potential avoidable hospitalizations was performed. Using the report the Medical Director was able to compare these results with published norms, and concluded the practice patterns in Arkansas were in line with services rendered outside of the state. The following report is part of the study that was performed using this specialized data warehouse.

**Beneficiary Utilization Information**

	Asthma	Bacterial Pneumonia	Colitis	Diabetes without complications	Diabetes with complications	Hypertension	Hypothyroidism	Injured Prevent Cards	TOTALS	MCASURC
<b>Total Recip =</b>	399	880	137	57	82	13,476	39	11	15,081	3.36 %
ARKANSAS	3	6		2	3	136			150	3.78 %
ASHLEY	6	15	5	2	1	228	2		257	5.19 %
BAXTER	3	4			1	68			76	1.63 %
BENTON	7	24	3		2	563		1	600	4.85 %
BOONE	12	29	2			199	1		243	4.38 %
BRADLEY		1			1	39	1		42	1.65 %
CALHOUN	1					18			19	2.04 %
CARROLL	1	5			1	48			55	1.67 %
CHICOT	10	27	6			229			272	5.99 %
CLARK	3	4	3			57			67	1.93 %
CLAY		8	4		1	77	1		91	2.91 %
CLEBURNE	1	5				58		1	65	1.98 %
CLEVELAND	3	2	1	1	1	57			65	4.73 %
COLUMBIA		1	1			77			79	1.51 %
CONWAY	2	1				48			51	1.37 %
CRAIGHEAD	5	26	6	1	2	292	1		333	2.61 %
CRAWFORD	14	35	3	2	2	311	2		369	4.12 %
CRITTENDEN	8	16	2	4	3	217	3		253	2.07 %
CROSS	4	8	2	2		166			182	4.09 %
DALLAS	1	4				57			62	2.81 %
DESHA	1	7	2		1	132			143	3.55 %
DREW	4	10	1	1		214	1	1	232	6.21 %
FAULKNER	4	8		1	1	92			106	1.04 %
FRANKLIN	1	10	1	2		113			127	4.17 %

This report identifies avoidable hospitalizations.

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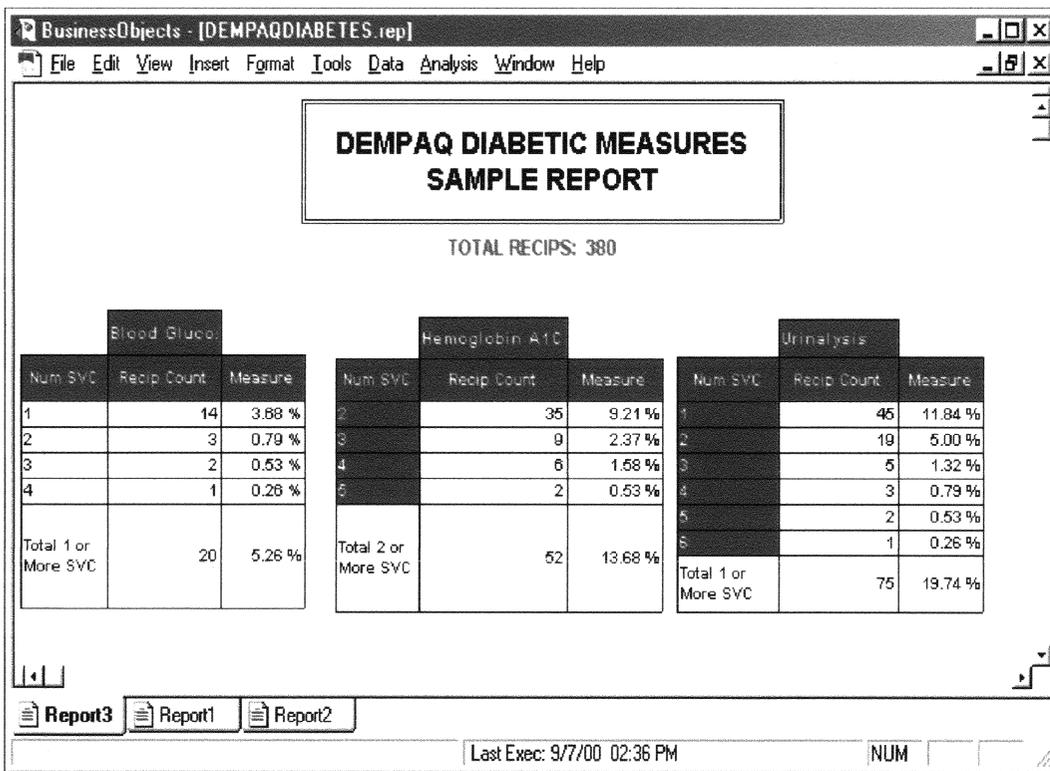
**Other Uses of the DSSProfiler**

The *DSSProfiler* can be modified to meet a variety of investigative needs. The system can measure prescribing practice patterns to identify providers outside of the norm. An analyst could compare nursing home prescribing patterns and retail outpatient prescribing patterns. Only major therapeutic drug groups, or specific drugs and associated labwork, can be measured.

The *DSSProfiler* can be adapted for pharmacies, nursing homes, durable medical equipment suppliers, home health providers, or any provider group where normative information can be developed and measurable elements are identified.

The *DSSProfiler* provides the capability to customize claim groupings, as illustrated in the graphic below. A knowledgeable staff is needed to identify diagnosis codes, procedure codes, medical relationships, and measurable criteria to develop the claim groupings.

**Diabetic Measures Sample Report**



*This report shows common groupings of patients with diabetes.*

The *DSSProfiler* offers the State the capability to obtain usable and concise information on providers and to monitor the quality of care provided to beneficiaries. Although the tool is easy to use, the OVHA clinical analysts would be required to define the measures and medical relationships used in the data compilation and to evaluate the data. Technical support is required to adapt the tool to the ever-changing needs of the State. EDS will have experienced technical staff

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available through the use of CSRs to assist the State in modifying or updating the tool as needed. This will assist the State in controlling program expenditures and influencing quality of care.

### **Ad Hoc Reporting Capabilities**

Through the EDS interChange FADS solution; users will have direct access to detailed level records from their desktops. The EDS interChange FADS solution puts an emphasis on empowering the users with unparalleled, unfiltered, no procedural delay data access.

The benefits of the FAD solution are;

- Ease of use – The FAD allows the clinical support team to be productive right from the beginning.
- Technical Support not required to query database – The system does not require a systems or technical person to create the reports out of the FAD. The basic Business Objects user will be able to easily develop and query data to obtain potential SURS leads on fraudulent or improper billing.
- Business Objects Training – The EDS staff provides quarterly Business Objects training to new users. This training provides the user ability to quickly and easily access, sort, manipulate and create SURS reports
- Proven System – Proven Success – Multiple states have implemented the FAD solution and have quickly identified SURS cases which have provided savings to their Medicaid program
- Clinical Benefits – The results gained from the FAD solution are being used creatively in many states. Dr. McGhee has found the FAD profiler results extremely useful in educating the providers in her home state.

We look forward to working with OVHA to enhance and improve the SURS program and believe the FAD solution is the right solution – at the right time.

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Electronic Data Systems (EDS)

QUALITY IMPROVEMENT PRICE PROPOSAL WORKSHEET				
STAFF				
LIST BY TITLE	COMPENSATION DOLLARS	BENEFIT DOLLARS	NUMBER OF FTES	TOTALS AUTOMATICALLY CALCULATE
Systems Support	\$ 13,000		13.5	\$ 175,500
SURS Subject Matter Expert	\$ 9,000		5	\$ 45,000
Project Management Support	\$ 15,000		9.5	\$ 142,500
				\$ -
				\$ -
<b>Sub-Total Staff - AUTOMATICALLY CALCULATES</b>	<b>\$ 37,000</b>	<b>\$ -</b>	<b>28</b>	<b>\$ 363,000</b>
HARDWARE/SOFTWARE				
				Computer Hardware (purchase) \$ 47,710
				Computer Hardware (lease) \$ -
				Software (purchase) \$ 2,940
				Software (license) \$ 21,450
				Hardware Maintenance \$ -
				Software Maintenance \$ -
				Other 1 (specify) \$ -
				<b>Sub-Total Hardware/Software - AUTOMATICALLY CALCULATES</b> \$ 72,100
OFFICE EXPENSES				
				Equipment (desk, cubicle, chair, etc) \$ -
				Telephone (include license maintenance) \$ -
				Utilities \$ -
				Office Space: Lease \$ -
				Office Equipment (copier, fax) \$ -
				Travel \$ 9,000
				Training \$ 22,290
				Other 2 (specify) \$ -
				Other 3 (specify) \$ -
				<b>Sub-Total Office Expenses - AUTOMATICALLY CALCULATES</b> \$ 31,290
OVERHEAD & RATE OF RETURN				
				Corporate Overhead \$ -
				Profit \$ -
				<b>Sub-Total Overhead &amp; Rate of Return - AUTOMATICALLY CALCULATES</b> \$ -
ALL OTHER EXPENSES				
				Other 1 (specify) \$ -
				Other 2 (specify) \$ -
				Other 3 (specify) \$ -
				<b>Sub-Total Other Expenses - AUTOMATICALLY CALCULATES</b> \$ -
				<b>TOTAL PRICE - AUTOMATICALLY CALCULATES</b> \$ 466,390
MILESTONES/DELIVERABLES				
Name of Milestone/Deliverable	Start Date	End Date	Price	
Software/Hardware	04/15/05	04/15/05	\$ 72,100	
Requirement Specification Document	04/22/05	05/15/05	\$ 72,851	
Design Specification Document	04/16/05	06/16/05	\$ 33,931	
Development	06/24/05	10/23/05	\$ 134,914	
Testing	07/22/05	11/27/05	\$ 33,931	
User Acceptance Testing	10/23/05	12/29/05	\$ 33,931	
Training	12/14/05	01/29/06	\$ 33,931	
Operational Readiness Report	12/20/05	12/21/05	\$ 50,799	
			<b>TOTAL MILESTONE/DELIVERABLE PRICE - AUTOMATICALLY CALCULATES</b> \$ 466,390	