

1. **Parties.** This Agreement is hereby entered into by the State of Vermont, Office of Vermont Health Access (hereafter called "State"), and **Chadwick Optical, Inc.**, with a principal place of business in 1763 Old River Road, PO Box 485, White River Junction, VT 05001 (hereafter called "Provider" or "Contractor"). The Provider's form of business organization is a corporation. It is the Provider's responsibility to contact the Vermont Department of Taxes to determine if, by law, the Provider is required to have a Vermont Department of Taxes Business Account Number.
2. **Subject Matter.** The subject matter of this Agreement is generally on the subject of Eyeglasses for Vermont Medicaid. Detailed services to be provided by the Provider are described in Attachment A.
3. **Maximum Amount.** In consideration of the services to be performed by Provider, the State agrees to pay Provider, in accordance with the payment provisions specified in Attachment B, a sum not to exceed \$206,000.00 annually.
4. **Agreement Term.** The period of Provider's performance shall begin on **July 1, 2009** and end on **June 30, 2011**. The Agreement may be extended for two additional one-year periods.
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 Agreement 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 not** required.

Approval by the Secretary of Administration **is not** required.

6. **Amendment.** No changes, modifications, or amendments in the terms and conditions of this Agreement shall be effective unless reduced to writing, numbered and signed by the duly authorized representative of the State and Provider.
7. **Cancellation.** This Agreement may be cancelled by either party by giving written notice at least 90 days in advance.
8. **Attachments.** This Agreement consists of 25 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 E - Business Associate Agreement

Attachment F - Customary Contract Provisions of the Agency of Human Services

Appendix 1 – AHS Consumer Information & Privacy Rule (pages are not numbered as part of this Agreement)

The order of precedence of documents shall be as follows:

- 1). This document
- 2). Attachment C
- 3). Attachment A
- 4). Attachment B
- 5). Attachment E
- 6). Attachment F
- 7). Appendix 1

WE THE UNDERSIGNED PARTIES AGREE TO BE BOUND BY THIS AGREEMENT.

BY THE STATE OF VERMONT:

Date: 6/25/09

Signature: Susan Besio

Name: Susan Besio
Title: Director
Office of Vermont Health Access

BY THE PROVIDER:

Date: June 27, 2009

Signature: Karen Keeney

Name: Karen Keeney
Title: President
Chadwick Optical, Inc.
FEIN: 03-0276192

**ATTACHMENT A
SPECIFICATIONS OF WORK TO BE PERFORMED**

VALUE/QUANTITY:

The annual value and quantities are estimates only based on prior usage; actual purchases may be higher or lower depending on demand.

OVHA CONTACT:

Judy Jamieson, Provider Relations Specialist, Office of Vermont Health Access, 312 Hurricane Lane, Williston, VT 05495-2807, E-mail: judith.jamieson@ahs.state.vt.us, Phone: (802) 879-5929.

PROVIDER CONTACT:

Karen Keeney, President, Chadwick Optical Inc., Phone: (802) 295-5933, E-mail: chadwickoptical@aol.com.

ACRONYMS & DEFINITIONS

AHS	Vermont Agency of Human Services
CMS	Centers for Medicare and Medicaid Services
EDS	Electronic Data Systems, the State's contracted Medicaid fiscal agent
Eyeglass Provider	Provider for resulting Eyeglass Provider Agreement
Eyeglasses	Reference includes eyeglasses, lenses, frames, and related parts
HIPAA	Health Insurance Portability and Accountability Act of 1996
MCO	Managed Care Organization; OVHA is a Medicaid Managed Care Organization
MMIS	Medicaid Management Information System (claims payment system)
OVHA	Office of Vermont Health Access
PA	Prior Authorization
SFY	State Fiscal Year
State	State of Vermont
Vision Care Devices	The provision of eyeglasses, lenses and frames to correct impaired vision
Vision Service Providers	Medicaid enrolled (prescribing/dispensing) ophthalmologists, optometrists, opticians and licensed physicians

EYEGLASS & VISION CARE SERVICES/CONDITIONS FOR COVERAGE:

Eyeglasses, lenses, frames, related parts, repairs and replacements are a covered benefit for eligible Medicaid beneficiaries under this Agreement. Coverage is limited to one pair of eyeglasses every two years per beneficiary. Earlier replacement is limited to the following circumstances:

- Eyeglasses (frames or lenses) have been lost, broken beyond repair, or scratched to an extent that visual acuity is compromised. Dispensing providers will make the decision about being broken beyond repair or visual acuity being compromised.
- When a change of at least one-half diopter in lens strength is documented by the dispensing provider on the Medicaid order form.

BENEFICIARY ELIGIBILITY:

It is the responsibility of the vision service providers to verify Medicaid eligibility before issuing/sending a prescription/order to the Provider. It is strongly recommended that the Provider re-verify that the beneficiary was Medicaid eligible at the time the prescription/order was issued. If the beneficiary was not eligible for the benefit on the date the prescription was issued, the Provider will not be paid by Medicaid. In cases where Medicaid payment is denied, the Provider may bill the vision service provider.

Verification of eligibility will be obtained by accessing the information on the web <http://www.vtmedicaid.com/Interactive/login2.html> or the voice response system (VRS) at EDS (fiscal agent for OVHA/Medicaid) at (800) 925-1706 or (802) 878-7871.

ORDERS FROM DISPENSING PROVIDERS:

Medicaid vision service providers will submit orders directly to the Provider on the form provided. Orders must specify lens material (plastic, polycarbonate or glass), lens power, axis size of the lenses, necessary concentration, frame name, manufacturer, size and color, etc. Eligibility verification number and Prior Authorization (PA) number will be stated on the order.

Lens material is limited to plastic (CR-39), polycarbonate or glass.

PRIOR AUTHORIZATION (PA):

PA is required for replacement of eyeglasses earlier than the coverage limit of one pair of eyeglasses every two years per beneficiary when:

1) lenses are scratched to the extent that visual acuity is impaired (scratched beyond repair, as determined by eye doctor) or

2) a change of at least one-half diopter in lens strength is certified on the order form. PA is not required for lost or broken glasses.

PA is required for medical necessity, special lenses, photo-sensitive lenses and other certain codes as indicated on Attachment B as requiring PA. PA may be requested by the vision service provider for special surfaced high (+) lenses (related to lens thickness). The vision service provider obtains PA from the OVHA Clinical Unit; the Provider will verify that PA was received.

Lens Powers less than plus or minus .50 in any meridian when written in minus form may be subject to review by the OVHA Program Integrity Unit.

PROVIDER RESPONSIBILITIES:

Provider must supply eyeglasses, lenses, frames, and related parts for Medicaid beneficiaries and to perform all of the functions and responsibilities as set forth in this Agreement.

Materials supplied will be first quality and in strict adherence to prescribed guidelines regarding quality and safety, and as presented at time of bid.

Sample frame kits will be available to all vision care providers who request one. The Provider may charge \$17.00 per frame for sample frames or the sample kit and the vision service provider is responsible for payment. The OVHA will not be responsible for payment of costs associated with any sample frame kit.

The Provider will provide the following to providers as soon as possible after notification of award and prior to Agreement start date:

- 1) Notify enrolled active vision care providers regarding the provider agreement;
- 2) Provide a list free of charge, of Vermont Medicaid covered frames;
- 3) Provide ordering form and instructions.

The Provider will provide frame information and assistance to vision service providers on procedures and ordering throughout the term of this Agreement.

Provider will provide appropriate technical and professional service to vision care providers and the OVHA throughout the term of this Agreement.

Provider is encouraged to propose methods and work proactively with the OVHA to positively impact health outcomes and reduce costs.

FRAMES

Frame Standards:

The Provider shall maintain the selection of frames as presented at time of bid and as listed in the response to the RFP (18 frames with a good representation of sizes and colors appropriate to ages 0 to 21, male and female). Variety and selection of frame styles includes options for metal and plastic, colors, eye sizes, bridge sizes and temple lengths, and spring hinges. All frames must meet current federal and state requirements and be sturdy and of good quality. No discontinued or close-out frames or special "Medicaid" frames are permitted.

The Provider will maintain an adequate supply of frames to meet delivery requirements.

Any of the metal frames can be adapted at no additional charge to Cable ends in the eye care provider's office with Cable Conversion Ends (increases frame selection to 30) and fit to the beneficiary. Temples can be lengthened or shortened to the eye care provider's specifications, available under this Agreement at no charge. Vision care provider will need to specify request under "Special Instructions" on the vision form.

Frame Substitution/Potential Problems:

Frames must be current and readily available. If at any time during the term of this Agreement a frame(s) listed in the bid is to be discontinued by the manufacturer, the Provider is required to substitute another frame of equal quality at the same price as the discontinued frame, subject to approval by the OVHA. The OVHA must be notified in writing at least 30 days in advance of the change. The Provider must notify vision care providers and will pay the cost of such notification.

The Provider will notify the OVHA of any potential problems in providing eyeglasses, lenses, frames, etc.

Frame Replacement & Repairs:

Manufacturer warranties cover manufacturing defects only, within 90 days from ship date. Breakage from abuse is not covered. Provider determines what is covered; frame needs to be returned to Provider for evaluation accompanied by original copy of vision form. Ship date on form will be the start date of the warranty period.

Beyond warranty, the Provider must at no cost to the vision care providers or the OVHA, maintain an inventory of replacement parts, temples and hinges for frames offered in the Agreement. The replacement parts will be available to the prescribing provider upon request for the vision care provider to make repairs in his or her office.

If a beneficiary breaks a frame provided under this Agreement, the Provider must send a replacement frame to the vision care provider upon request. If a beneficiary breaks a frame not under this Agreement, the Provider shall replace it with a pair of eyeglasses at the rate per this Agreement. Medicaid shall pay for replacement frames at rates set forth in this Agreement.

LENSES

Lens Standards:

All lenses supplied must be first quality ophthalmic lenses, clear glass, plastic or polycarbonate single vision, bifocal and trifocal lenses and must meet current standards set by the American National Standards Institute (ANSI) Z80.1.

Lens Mounting Requirements:

Lenses ordered with frames under this Agreement shall be hardened, edged and mounted in those frames covered under this agreement. No additional charge is allowed for edging lenses for use with metal frames.

Where lenses alone are ordered and the vision care provider sends along the frames and these frames are not covered under this Agreement, the Provider shall mount these lenses at no additional cost except that:

If the Provider makes a professional judgment that mounting these lenses is either impossible or may reasonably be expected to damage the frames, the Provider will be under no obligation to mount the lenses in such frames; and/or

If the Provider makes a professional judgment that the frames are new frames which have not been worn (e.g., the frames have price tags attached, glass or plastic demo plugs in the lens housing or are otherwise obviously new frames), the Provider will be under no obligation to mount the lenses in such frames.

The Provider is under no obligation to mount lenses in rimless frames.

Whenever the Provider determines that either of the exceptions cited above apply, the frames, along with the prescription, must be returned to the vision care provider with an explanation as to why they were not mounted. In such situations, the lens prescriptions cannot be filled.

Considerations for High (+) Lenses:

The OVHA will consider PA when requested by the prescribing provider for special surfaced high (+) lenses. This may be a consideration for lenses to correct hyperopia in the higher powers (over a +3) when lens thickness is a factor.

Lens Replacement Requirements:

If a beneficiary's lenses are lost, broken or scratched to the extent that visual acuity is compromised (as determined by dispensing provider), the Provider shall replace the lenses at the contracted price. If the lenses are from frames not covered under this Agreement and the lenses cannot be adapted to the frames, then a new pair of lenses and frames must be ordered and dispensed.

Inspection, Defects & Errors:

The Provider shall complete all orders according to vision care provider's instructions. The Provider is responsible for inspection and assuring the product shipped meets requirements (bench adjustments, axis, etc.).

The Provider shall replace, at no cost to the OVHA, lenses containing defects or errors caused in the provision of lenses. Such defects or errors include, but are not limited to, lenses which are broken, scratched or chipped when received by the dispensing provider or lenses which deviate from the provider's prescription beyond deviation standards permitted by the ANSI Z80.1-2005 standard.

Special Lenses & Miscellaneous Services:

The Provider shall supply special lenses and miscellaneous services as necessary to complete a prescription order. Prior Authorization (PA) may be required. It is the responsibility of the Provider to verify that a PA was received by the dispensing provider and a copy accompanies the order form.

PRESCRIPTION & ORDER FORMS

The Provider shall develop, prepare and print order forms for vision care materials which meet format and substantive requirements below and as required by OVHA. These forms, which must be approved by the

OVHA prior to distribution, shall be distributed to all Medicaid enrolled vision care providers by the Provider. The Provider shall bear all costs associated with the design, development, printing and distribution of the order forms.

Order forms must include, but are not limited to, fields for input of the following: the date of order by dispensing provider; date form received by the Provider; date of service; prescribing provider's name, Medicaid provider number and National Provider Identification (NPI) number; Medicaid beneficiary's name and nine digit identification number; all pertinent prescription and order detail including a field for Eligibility Verification number and PA number.

The Provider will be responsible for ensuring there is a PA number obtained by the vision service provider if required. All orders must be in writing; no telephone or fax orders will be accepted.

SHIPPING COSTS

The Provider will be responsible for all shipping and handling costs related to ordering and delivery of eyeglasses, lenses, frames and related parts under this Agreement. No additional charges are allowed.

ACCESSABILITY

The Provider shall maintain a toll-free telephone number accessible from Vermont, New Hampshire, New York and Massachusetts. Live voice response and hours of operation will include 8:00 a.m. through 4:30 p.m. Eastern Standard Time, Monday through Friday excluding holidays.

DELIVERY REQUIREMENTS

The Provider shall fill all orders and ship to the ordering provider within six working days of receiving the order. The first of the six working days will be the work day immediately following the date the order is received; orders shall be date-stamped by the Provider on the date of receipt. The Provider will maintain a delivery system to ensure orders are completed and delivered within these timeframes. The Provider shall promptly notify the provider in instances when a prescription will require more than six working days for completion. The Provider must notify the vision care provider within 48 hours of receipt of order if the prescription cannot be filled as requested.

The Provider will inspect materials with strict adherence to ANSI Z80.1-2005 standard and correct any issues prior to shipping. Successful delivery also includes proper packaging to ensure no damage occurs in transit and the correct material is shipped within the specified period.

REPORTING & AUDIT REQUIREMENTS

The Provider shall furnish the OVHA with workload status reports, indicating the number of eyeglasses, lenses, frames and repairs completed upon request.

The Provider will meet with the OVHA as requested.

The Provider shall maintain files and records of orders, prescriptions and related information for the term of this Agreement and a minimum of three years after and make those available to the OVHA upon request.

BILLING REQUIREMENTS

The Provider will bill directly to Vermont Medicaid. Reimbursement will be made through the Medicaid Management Information System (MMIS) operated by the state's fiscal agent, Electronic Data Systems (EDS). The Provider shall submit a claim/billing invoice to EDS for each order completed.

The Provider must be an enrolled provider in the Vermont Medicaid program prior to start date of the Agreement.

OTHER PROVIDER DUTIES

Liaison:

The Provider shall effect and maintain liaison with and fully cooperate with designated OVHA personnel with respect to the direction and performance of contractual responsibilities.

Performance/Problem Reporting:

The Provider shall, no later than three days after the discovery of any problem that may jeopardize the successful completion of its contractual responsibilities and obligations, notify the OVHA in writing regarding the problem and include a recommendation for expeditious resolution.

Suspected Fraud, Waste & Abuse:

The OVHA's Program Integrity (PI) Unit strives to ensure that Medicaid funds are utilized appropriately through the identification and reduction of Medicaid fraud, waste and abuse. Quality control measures designed to control rising costs and protect diminishing state resources help protect the integrity of the Medicaid program. The Provider shall refer to the OVHA any suspected fraudulent or abusive practices encountered by the Provider in the performance of its contractual responsibilities. The Provider shall provide, on a timely basis, any documentation possessed by the Provider which may be necessary to investigate or document suspected instances of Medicaid fraud or abuse. Additional information and a reporting form is located at <http://ovha.vermont.gov/for-providers/program-integrity-reporting-suspected-fraud-waste-and-abuse>

Security:

The Provider will ensure that all eligibility information is confidentially and securely maintained in conformity with applicable state and federal requirements and the safety and security of all information, data, and procedures is protected in the performance of the Agreement. All hardware and software used to support operations shall comply with the Health Insurance Portability and Accountability Act (HIPAA).

OVHA RESPONSIBILITIES

Purchase of Materials:

The OVHA shall reimburse the Provider for eyeglass materials as described under this Agreement ordered by enrolled Medicaid providers as Vermont Medicaid Program benefits for eligible beneficiaries.

Payment:

The OVHA, through its fiscal agent, shall render full payment to the Provider in accordance with all applicable provisions of the Vermont Medicaid State Plan.

Policy Changes:

The OVHA will notify the Provider of any policy changes that might affect the volume of materials to be dispensed prior to implementation.

Provider List:

The OVHA will provide the Provider with a list of Medicaid-enrolled vision care providers. The list will be updated by the OVHA as necessary. Currently, there are approximately 600 enrolled active vision care providers.

Prior Authorization List:

The OVHA will provide the Provider with a list of vision codes that require PA.

**ATTACHMENT B
PAYMENT PROVISIONS**

The maximum dollar amount payable under this Agreement is not intended as a guaranteed amount. The Provider will be paid for services specified in Attachment A, or services actually performed, up to the maximum allowable amount specified in this Agreement.

The provider will bill directly to Vermont Medicaid. Provider reimbursement will be made through the Medicaid Management Information System (MMIS) operated by the state fiscal agent, Electronic Data Systems (EDS). The provider shall submit a claim/billing invoice to EDS for each order completed.

The payment schedule for delivered products, or rates for services performed, and any additional reimbursements, are included in this attachment. The following provisions specifying payments are:

The pricing under this Agreement is listed on the following Pricing and PA list (4 pages).

Standard frames are \$17.00; temples are \$8.50/pair; fronts are \$8.50. Cable conversion ends and temple length variations are at no charge when accompanied by an order for a frame or temples.

Pricing and PA List/Schedule of Cost

		Price Per Unit		
		Quantity	Price	PA
V2020	Frames (All standard frames per agreement)	n/a	\$17.00	
V2025	Frames (Deluxe)	PA required		
V2100	Sphere, single vision, plano to plus or minus 4.00, per lens	n/a	\$ 20.00	\$ 6.20 \$ 7.20
V2101	Sphere, single vision, plus or minus 4.12 to plus or minus 7.00d, per lens	n/a	\$ 24.00	\$ 9.20 \$ 10.20
V2102	Sphere, single vision, plus or minus 7.12 to plus or minus 20.00d, per lens	n/a	\$ 54.00	\$ 17.60 \$ 18.60
V2103	Sphero-cylinder, single vision, plano to plus or minus 4.00d sphere, 0.12 to 2.00d cylinder, per lens	n/a	\$ 20.00	\$ 6.20 \$ 7.20
V2104	Sphero-cylinder, single vision, plano to plus or minus 4.00d sphere, 2.12 to 4.00d cylinder, per lens	n/a	\$ 20.00	\$ 13.40 \$ 14.40
V2105	Sphero-cylinder, single vision, plano to plus or minus 4.00d sphere, 4.25 to 6.00d cylinder, per lens	n/a	\$ 28.00	\$ 17.00 \$ 18.00
V2106	Sphero-cylinder, single vision, plano to plus or minus 4.00d sphere, over 6.00d cylinder, per lens	n/a	\$ 54.00	\$ 20.60 \$ 21.60
V2107	Sphero-cylinder, single vision, plus or minus 4.25 to plus or minus 7.00 sphere, 0.12 to 2.00d cylinder, per lens	n/a	\$ 24.00	\$ 9.20 \$ 10.20
V2108	Sphero-cylinder, single vision, plus or minus 4.25d to plus or minus 7.00d sphere, 2.12 to 4.00d cylinder, per lens	n/a	\$ 32.00	\$ 13.40 \$ 14.40
V2109	Sphero-cylinder, single vision, plus or minus 4.25 to plus or minus 7.00d sphere, 4.25 to 6.00d cylinder, per lens	n/a	\$ 40.00	\$ 17.00 \$ 18.00
V2110	Sphero-cylinder, single vision, plus or minus 4.25 to 7.00d sphere, over 6.00d cylinder, per lens	n/a	\$ 64.00	\$ 20.50 \$ 21.50
V2111	Sphero-cylinder, single vision, plus or minus 7.25 to plus or minus 12.00d sphere, 0.25 to 2.25d cylinder, per lens	n/a	\$ 54.00	\$ 13.40 \$ 14.40
V2112	Sphero-cylinder, single vision, plus or minus 7.25 to plus or minus 12.00d sphere, 2.25d to 4.00d cylinder, per lens	n/a	\$ 62.00	\$ 24.20 \$ 25.20
V2113	Sphero-cylinder, single vision, plus or minus 7.25 to plus or minus 12.00d sphere, 4.25 to 6.00d, cylinder per lens	n/a	\$ 70.00	\$ 25.40 \$ 26.40
V2114	Sphero-cylinder, single vision, sphere over plus or minus 12.00d, per lens	n/a	\$ 54.00	\$ 27.80 \$ 28.80
V2115	Lenticular (myodisc), per lens, single vision	n/a	\$ 100.00	\$ 50.00 \$ 50.00
V2118	Aniseikonic lens, single vision	n/a	\$ 64.00	\$ 50.00 \$ 50.00
V2121	Lenticular lens, per lens, single	n/a	\$ 100.00	\$ 25.00 n/a
V2199	Not otherwise classified, single vision lens	PA required	\$ 100.00	\$ 100.00 \$ 100.00

Pricing and PA List/Schedule of Cost

V2200	Sphere, bifocal, plano to plus or minus 4.00d, per lens	n/a	\$ 35.00	\$ 14.60	\$ 15.60
V2201	Sphere, bifocal, plus or minus 4.12 to plus or minus 7.00d, per lens	n/a	\$ 39.00	\$ 16.40	\$ 17.40
V2202	Sphere, bifocal, plus or minus 7.12 to plus or minus 20.00d, per lens	n/a	\$ 69.00	\$ 24.80	\$ 25.80
V2203	Spherocylinder, bifocal, plano to plus or minus 4.00d sphere, 0.12 to 2.00d cylinder, per lens	n/a	\$ 35.00	\$ 14.60	\$ 15.60
V2204	Spherocylinder, bifocal, plano to plus or minus 4.00d sphere, 2.12 to 4.00d cylinder, per lens	n/a	\$ 35.00	\$ 16.40	\$ 17.40
V2205	Spherocylinder, bifocal, plano to plus or minus 4.00d sphere, 4.25 to 6.00d cylinder, per lens	n/a	\$ 43.00	\$ 24.80	\$ 25.80
V2206	Spherocylinder, bifocal, plano to plus or minus 4.00d sphere, over 6.00d cylinder, per lens	n/a	\$ 69.00	\$ 30.75	\$ 31.75
V2207	Spherocylinder, bifocal, plus or minus 4.25 to plus or minus 7.00d sphere, 0.12 to 2.00d cylinder, per lens	n/a	\$ 39.00	\$ 18.20	\$ 19.20
V2208	Spherocylinder, bifocal, plus or minus 4.25 to plus or minus 7.00d sphere, 2.12 to 4.00d cylinder, per lens	n/a	\$ 47.00	\$ 20.60	\$ 21.60
V2209	Spherocylinder, bifocal, plus or minus 4.25 to plus or minus 7.00d sphere, 4.25 to 6.00d cylinder, per lens	n/a	\$ 55.00	\$ 27.80	\$ 28.80
V2210	Spherocylinder, bifocal, plus or minus 4.25 to plus or minus 7.00d sphere, over 6.00d cylinder, per lens	n/a	\$ 79.00	\$ 31.80	\$ 32.80
V2211	Spherocylinder, bifocal, plus or minus 7.25 to plus or minus 12.00d sphere, 0.25 to 2.25d cylinder, per lens	n/a	\$ 69.00	\$ 27.80	\$ 28.80
V2212	Spherocylinder, bifocal, plus or minus 7.25 to plus or minus 12.00d sphere, 2.25 to 4.00d cylinder, per lens	n/a	\$ 77.00	\$ 31.35	\$ 32.35
V2213	Spherocylinder, bifocal, plus or minus 7.25 to plus or minus 12.00d sphere 425 to 6.00d cylinder, per lens	n/a	\$ 85.00	\$ 34.95	\$ 35.95
V2214	Spherocylinder, bifocal, sphere over plus or minus 12.00d, per lens	n/a	\$ 69.00	\$ 34.95	\$ 35.95
V2215	Lenticular (myodisc), per lens, bifocal	n/a	\$ 125.00	\$ 75.00	\$ 75.00
V2218	Aniseikonic, per lens, bifocal	n/a	\$ 79.00	\$ 75.00	\$ 75.00
V2219	Bifocal seg width over 28mm	n/a	\$ 20.00	\$ 26.25	\$ 27.25
V2220	Bifocal add over 3.25d	n/a	\$ 20.00	\$ 9.90	\$ 10.90
V2221	Lenticular lens, per lens, bifocal	n/a	\$ 125.00	\$ 75.00	n/a
V2299	Specialty bifocal (by report)	PA required	\$ 125.00	\$ 75.00	\$ 125.00

Pricing and PA List/Schedule of Cost

		PA Required	Base Price	PA Price	PA Pay
V2300	Sphere, trifocal, plano to plus or minus 4.00d, per lens	n/a	\$ 40.00	\$ 24.20	\$ 25.20
V2301	Sphere, trifocal, plus or minus 4.12 to plus or minus 7.00d per lens	n/a	\$ 44.00	\$ 26.55	\$ 27.55
V2302	Sphere, trifocal, plus or minus 7.12 to plus or minus 20.00, per lens	n/a	\$ 74.00	\$ 29.40	\$ 34.40
V2303	Spherocylinder, trifocal, plano to plus or minus 4.00d sphere, 0.12 to 2.00d cylinder, per lens	n/a	\$ 40.00	\$ 24.20	\$ 25.20
V2304	Spherocylinder, trifocal, plano to plus or minus 4.00d sphere, 2.25 to 4.00d cylinder, per lens	n/a	\$ 40.00	\$ 29.00	\$ 30.00
V2305	Spherocylinder, trifocal, plano to plus or minus 4.00d sphere, 4.25 to 6.00 cylinder, per lens	n/a	\$ 48.00	\$ 27.80	\$ 28.80
V2306	Spherocylinder, trifocal, plano to plus or minus 4.00d sphere, over 6.00d cylinder, per lens	n/a	\$ 74.00	\$ 33.75	\$ 34.75
V2307	Spherocylinder, trifocal, plus or minus 4.25 to plus or minus 7.00d sphere, 0.12 to 2.00d cylinder, per lens	n/a	\$ 44.00	\$ 27.80	\$ 28.80
V2308	Spherocylinder, trifocal, plus or minus 4.25 to plus or minus 7.00d sphere, 2.12 to 4.00d cylinder, per lens	n/a	\$ 52.00	\$ 29.00	\$ 30.00
V2309	Spherocylinder, trifocal, plus or minus 4.25 to plus or minus 7.00d sphere, 4.25 to 6.00d cylinder, per lens	n/a	\$ 60.00	\$ 30.15	\$ 31.15
V2310	Spherocylinder, trifocal, plus or minus 4.25 to plus or minus 7.00d sphere, over 6.00d cylinder, per lens	n/a	\$ 84.00	\$ 35.00	\$ 36.00
V2311	Spherocylinder, trifocal, plus or minus 7.25 to plus or minus 12.00d sphere, 0.25 to 2.25d cylinder, per lens	n/a	\$ 74.00	\$ 41.00	\$ 42.00
V2312	Spherocylinder, trifocal, plus or minus 7.25 to plus or minus 12.00d sphere, 2.25 to 4.00d cylinder, per lens	n/a	\$ 82.00	\$ 47.00	\$ 48.00
V2313	Spherocylinder, trifocal, plus or minus 7.25 to plus or minus 12.00d sphere, 4.25 to 6.00d cylinder, per lens	n/a	\$ 90.00	\$ 53.00	\$ 54.00
V2314	Spherocylinder, trifocal, sphere over plus or minus 12.00d, per lens	n/a	\$ 74.00	\$ 61.00	\$ 62.00
V2315	Lenticular, (myodisc), per lens, trifocal	n/a	\$ 200.00	\$ 79.00	\$ 79.00
V2318	Aniseikonic lens, trifocal	n/a	\$ 84.00	\$ 79.00	\$ 79.00
V2319	Trifocal seg width over 28 mm	n/a	\$ 40.00	\$ 32.70	\$ 33.70
V2320	Trifocal add over 3.25d	n/a	\$ 40.00	\$ 9.90	\$ 10.90
V2321	Lenticular lens, per lens, trifocal	n/a	\$ 200.00	\$ 79.00	n/a
V2399	Specialty trifocal (by report)	PA required	\$ 200.00	\$ 79.00	\$ 200.00

Pricing and PA List/Schedule of Cost

		Price (Per Unit)			
		PA	Net	PA	Net
		Required	Price	Required	Price
V2410	Variable asphericity lens, single vision, full field, glass or plastic, per lens	n/a	\$ 35.00	\$ 35.00	\$ 35.00
V2430	Variable asphericity lens, bifocal, full field, glass or plastic, per lens	n/a	\$ 75.00	\$ 75.00	\$ 75.00
V2499	Variable sphericity lens, other type	n/a	\$ 100.00	\$ 100.00	\$ 100.00
V2700	Balance lens, per lens	n/a	\$ 35.00	\$ 35.00	\$ 35.00
V2702	Deluxe lens feature	PA required	\$ 100.00	\$ 64.40	\$ 65.40
V2710	Slab off prism, glass or plastic, per lens	PA required	\$ 75.00	\$ 75.00	\$ 75.00
V2715	Prism, per lens	PA required	\$ 15.00	\$ 10.90	\$ 10.90
V2718	Press-on lens, Fresnel prism, per lens	PA required	\$ 30.00	\$ 30.00	\$ 30.00
V2730	Special base curve, glass or plastic, per lens	PA required	\$ 30.00	\$ 30.00	\$ 30.00
V2744	Tint, photochromatic, per lens	PA required	\$ 35.00	\$ 35.00	\$ 35.00
V2745	Addition to lens; tint, any color, solid, gradient or equal, excludes photochromatic, any lens material, per lens	PA required	\$ 20.00	\$ 10.00	\$ 10.00
V2756	Eye glass case	n/a	\$ 2.00	\$ 2.00	\$ 2.00
V2760	Scratch resistant coating, per lens	n/a		\$ 1.00	n/a
V2762	Polarization, any lens material, per lens	PA required	\$ 75.00	\$ 37.50	\$ 37.50
V2780	Oversize lens, per lens	PA required	\$ 20.00	\$ 7.50	\$ 7.50
V2781	Progressive lens, per lens	PA required	\$ 100.00	\$ 75.00	\$ 75.00
V2784	Lens, polycarbonate or equal, any index, per lens	n/a	\$ 50.00	\$ 50.00	\$ 50.00
V2799	Vision Service, miscellaneous	PA required	\$ 100.00	\$ 100.00	\$ 100.00

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 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.

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.

**ATTACHMENT E
BUSINESS ASSOCIATE AGREEMENT**

This Business Associate Agreement (“Agreement”) is entered into by and between **the State of Vermont Agency of Human Services operating by and through its Office of Vermont Health Access** (“Covered Entity”) and **Chadwick Optical, Inc.** (“Business Associate”) as of **July 1, 2009** (“Effective Date”). This Agreement supplements and is made a part of the Contract to which it is an attachment.

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

The parties agree as follows:

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

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

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

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

2.1 Except as limited in this Agreement, Business Associate may use or disclose PHI to perform Services provided that any use or disclosure would not violate the minimum necessary policies and procedures of Covered Entity. Business Associate shall not use or disclose PHI in any manner that would constitute a violation of the Privacy Rule if used or disclosed by Covered Entity in that manner. Business Associate may not use or disclose PHI other than as permitted or required by this Agreement or as Required by Law.

2.2 Business Associate may make PHI available to its employees who need access to perform Services provided that Business Associate makes such employees aware of the use and disclosure restrictions in this Agreement and binds them to comply with such restrictions. Business Associate may only disclose PHI for the purposes authorized by this Agreement: (a) to its agents (including subcontractors) in accordance with Sections 6 and 14 or (b) as otherwise permitted by Section 3.

3. **Business Activities.** Business Associate may use PHI received in its capacity as a “Business Associate” to Covered Entity if necessary for Business Associate’s proper management and administration or to carry out its legal responsibilities. Business Associate may disclose PHI received in its capacity as “Business Associate” to Covered Entity for Business Associate’s proper management and administration or to carry out its legal responsibilities if a disclosure is Required by Law or if (a) Business Associate obtains reasonable written assurances via a written contract from the person to whom the information is to be disclosed that the PHI shall remain confidential and be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person and (b) the person promptly notifies Business Associate (who in turn will promptly notify Covered Entity) in writing of any instances of which it is aware

in which the confidentiality of the PHI has been breached. Uses and disclosures of PHI for the purposes identified in this Section 3 must be of the minimum amount of PHI necessary to accomplish such purposes.

4. **Safeguards**. Business Associate shall implement and use appropriate safeguards to prevent the use or disclosure of PHI other than as provided for by this Agreement. Business Associate shall identify in writing upon request from Covered Entity all of the safeguards that it uses to prevent impermissible uses or disclosures of PHI.
5. **Reporting**. Business Associate shall report in writing to Covered Entity any use or disclosure of PHI in violation of this Agreement by Business Associate or its agents including its subcontractors. Business Associate shall provide this written report promptly after it becomes aware of such use or disclosure. Business Associate shall provide Covered Entity with the information necessary for Covered Entity to investigate the impermissible use or disclosure. Consistent with 45 CFR 164.502(j)(1) Business Associate may use PHI to report violations of law to federal and state authorities.
6. **Agreements by Third Parties**. Business Associate shall ensure that any agent (including a subcontractor) to whom it provides PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity agrees in a written contract to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such PHI. For example, the written contract must include those restrictions and conditions set forth in Section 12. Business Associate must enter into the written contract before any use or disclosure of PHI by such agent. The written contract must identify Covered Entity as a direct and intended third party beneficiary with the right to enforce any breach of the contract concerning the use or disclosure of PHI. Business Associate shall provide a copy of the written contract to Covered Entity upon request. Business Associate may not make any disclosure of PHI to any agent without the prior written consent of Covered Entity.
7. **Access to PHI**. Business Associate shall provide access to PHI in a Designated Record Set to Covered Entity or as directed by Covered Entity to an Individual to meet the requirements under 45 CFR 164.524. Business Associate shall provide such access in the time and manner reasonably designated by Covered Entity. Business Associate shall promptly forward to Covered Entity for handling any request for access to PHI that Business Associate directly receives from an Individual.
8. **Amendment of PHI**. Business Associate shall make any amendments to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 CFR 164.526, whether at the request of Covered Entity or an Individual. Business Associate shall make such amendments in the time and manner reasonably designated by Covered Entity. Business Associate shall promptly forward to Covered Entity for handling any request for amendment to PHI that Business Associate directly receives from an Individual.
9. **Accounting of Disclosures**. Business Associate shall document disclosures of PHI and all information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528. Business Associate shall provide such information to Covered Entity or as directed by Covered Entity to an Individual, to permit Covered Entity to respond to an accounting request. Business Associate shall provide such information in the time and manner reasonably designated by Covered Entity. Business Associate shall promptly forward to Covered Entity for handling any accounting request that Business Associate directly receives from an Individual.

- 10. Books and Records.** Subject to the attorney-client and other applicable legal privileges, Business Associate shall make its internal practices, books, and records (including policies and procedures and PHI) relating to the use and disclosure of PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity available to the Secretary in the time and manner designated by the Secretary. Business Associate shall make the same information available to Covered Entity (without regard to the attorney-client or other applicable legal privileges) upon Covered Entity's request in the time and manner reasonably designated by Covered Entity so that Covered Entity may determine whether Business Associate is in compliance with this Agreement.
- 11. Termination.**
- 11.1 This Agreement commences on the Effective Date and shall remain in effect until terminated by Covered Entity or until all of the PHI provided by Covered Entity to Business Associate or created or received by Business Associate on behalf of Covered Entity is destroyed or returned to Covered Entity subject to Section 15.11.
- 11.2 If Business Associate breaches any material term of this Agreement, Covered Entity may either: (a) provide an opportunity for Business Associate to cure the breach and Covered Entity may terminate this Contract without liability or penalty if Business Associate does not cure the breach within the time specified by Covered Entity; or (b) immediately terminate this Contract without liability or penalty if Covered Entity believes that cure is not reasonably possible; or (c) if neither termination nor cure are feasible, Covered Entity shall report the breach to the Secretary. Covered Entity has the right to seek to cure any breach by Business Associate and this right, regardless of whether Covered Entity cures such breach, does not lessen any right or remedy available to Covered Entity at law, in equity, or under this Contract, nor does it lessen Business Associate's responsibility for such breach or its duty to cure such breach.
- 12. Return/Destruction of PHI.**
- 12.1 Business Associate in connection with the expiration or termination of this Contract shall return or destroy all PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity pursuant to this Contract that Business Associate still maintains in any form or medium (including electronic) within thirty (30) days after such expiration or termination. Business Associate shall not retain any copies of the PHI. Business Associate shall certify in writing for Covered Entity (1) when all PHI has been returned or destroyed and (2) that Business Associate does not continue to maintain any PHI. Business Associate is to provide this certification during this thirty (30) day period.
- 12.2 Business Associate shall provide to Covered Entity notification of any conditions that Business Associate believes make the return or destruction of PHI infeasible. If Covered Entity agrees that return or destruction is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible for so long as Business Associate maintains such PHI.
- 13. Notice/Training.** Business Associate understands that: (a) there may be civil or criminal penalties for misuse or misappropriation of PHI and (b) violations of this Agreement may result in notification by Covered Entity to law enforcement officials and regulatory, accreditation, and licensure organizations. If requested by Covered Entity, Business Associate shall participate in information security awareness training regarding the use, confidentiality, and security of PHI.

14. **Security Rule Obligations.** The following provisions of this Section 14 apply to the extent that Business Associate creates, receives, maintains or transmits Electronic PHI on behalf of Covered Entity.
- 14.1 Business Associate shall implement and use administrative, physical, and technical safeguards that reasonably and appropriately protect the Confidentiality, Integrity and Availability of the Electronic PHI that it creates, receives, maintains or transmits on behalf of Covered Entity. Business Associate shall identify in writing upon request from Covered Entity all of the safeguards that it uses to protect such Electronic PHI.
- 14.2 Business Associate shall ensure that any agent (including a subcontractor) to whom it provides Electronic PHI agrees in a written contract to implement and use administrative, physical, and technical safeguards that reasonably and appropriately protect the Confidentiality, Integrity and Availability of the Electronic PHI. Business Associate must enter into this written contract before any use or disclosure of Electronic PHI by such agent. The written contract must identify Covered Entity as a direct and intended third party beneficiary with the right to enforce any breach of the contract concerning the use or disclosure of Electronic PHI. Business Associate shall provide a copy of the written contract to Covered Entity upon request. Business Associate may not make any disclosure of Electronic PHI to any agent without the prior written consent of Covered Entity.
- 14.3 Business Associate shall report in writing to Covered Entity any Security Incident pertaining to such Electronic PHI (whether involving Business Associate or an agent, including a subcontractor). Business Associate shall provide this written report promptly after it becomes aware of any such Security Incident. Business Associate shall provide Covered Entity with the information necessary for Covered Entity to investigate any such Security Incident.
- 14.4 Business Associate shall comply with any reasonable policies and procedures Covered Entity implements to obtain compliance under the Security Rule.
15. **Miscellaneous.**
- 15.1 In the event of any conflict or inconsistency between the terms of this Agreement and the terms of the Contract, the terms of this Agreement shall govern with respect to its subject matter. Otherwise the terms of the Contract continue in effect.
- 15.2 Any reference to "promptly" in this Agreement shall mean no more than seven (7) business days after the circumstance or event at issue has transpired. A reference in this Agreement to a section in the Privacy Rule or Security Rule means the section as in effect or as amended or renumbered.
- 15.3 Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to it of a use or disclosure of PHI in violation of any provision of this Agreement.
- 15.4 Business Associate shall cooperate with Covered Entity to amend this Agreement from time to time as is necessary for Covered Entity to comply with the Privacy Rule, the Security Rule, or any other standards promulgated under HIPAA.
- 15.5 Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule, Security Rule, or any other standards promulgated under HIPAA.

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

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 2-1-1. If included, the Contractor will provide accurate and up to date information to their data base as needed. The "Inclusion/Exclusion" policy can be found at www.vermont211.org
3. **Medicaid Program Contractors:**

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

 - Evaluate through inspection or other means the quality, appropriateness, and timeliness of services performed; and
 - Inspect and audit any financial records of such contractor or subcontractor.

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

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

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

7. **Privacy and Security Standards.**

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

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

Other Confidential Consumer Information: The contractor agrees to comply with the requirements of AHS Rule No. 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 Abuse Registry. (See 33 V.S.A. §4919(a)(3) & 33 V.S.A. §6911 (c)(3)).
9. **Child Abuse Reporting.** Consistent with provisions of 33 V.S.A. §4913(a), any agent or employee of a contractor who, in the performance of services connected with this agreement, has contact with clients and who has reasonable cause to believe that a child has been abused or neglected as defined in Chapter 49 of Title 33 V.S.A. shall report the suspected abuse or neglect to the Commissioner for the Department for Children and Families within 24 hours. The report shall contain the information required by 33 V.S.A. §4914.
10. **Work Product Ownership.** All data, technical information, materials gathered, originated, developed, prepared, or obtained as a condition of this agreement and used in the performance of this agreement - including, but not limited to all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and printouts, notes and memoranda, written procedures and documents, which are prepared for or obtained specifically for this agreement - or are a result of the services required under this contract - shall be 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 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 and/or source codes developed.
11. **Security and Data Transfers.** The State shall work with the Contractor to ensure compliance with all applicable State and Agency of Human Services' policies and standards, especially those related to privacy and security. The State will advise the Contractor of any new policies, procedures, or protocols developed during the term of this agreement as they are issued and will work with the Contractor to implement any required.

The Contractor will ensure the physical and data security associated with computer equipment - including desktops, notebooks, and other portable devices - used in connection with this agreement. The Contractor will also assure that any media or mechanism used to store or transfer data to or from the State includes industry standard security mechanisms such as continually up-to-date malware protection and encryption. The Contractor will make every reasonable effort to ensure media or data files transferred to the State are virus and spyware free.

At the conclusion of this agreement and after successful delivery of the data to the State, the Contractor shall securely delete data (including archival backups) from the Contractor's equipment that contains individually identifiable records, in accordance with standards adopted by the Agency of Human Services.

12. **Intellectual Property Ownership.** All work products and items delivered or produced under this agreement will be the exclusive property of the State of Vermont unless otherwise specified in this agreement. This includes, but is not limited to, software, documentation, and development materials. The contractor shall not sell or copyright a work product or item produced under this contract without explicit permission from the State. If the Contractor is operating a system or application on behalf of the State of Vermont then the contractor shall not make information entered into the system or application available for uses by any other party than the State of Vermont, without prior authorization by the State.
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.
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.