

1. **Parties.** This is a contract for personal services between the State of Vermont, Department of Vermont Health Access (hereafter called "State"), and Lake Champlain Capital Management LLC, with a principal place of business in Shelburne, VT (hereafter called "Contractor"). The Contractor's form of business organization is a Corporation. The Contractor's local address is 1018 Cheesefactory Road, Shelburne, VT 05482. It is the Contractor's responsibility to contact the Vermont Department of Taxes to determine if, by law, the Contractor is required to have a Vermont Department of Taxes Business Account Number.
2. **Subject Matter.** The subject matter of this contract is personal services generally on the subject of developing projections and financial modeling related to CMS Demonstration Project. Detailed services to be provided by the Contractor are described in Attachment A.
3. **Maximum Amount.** In consideration of the services to be performed by Contractor, the State agrees to pay Contractor, in accordance with the payment provisions specified in Attachment B, a sum not to exceed \$105,600.
4. **Contract Term.** The period of Contractor's performance shall begin on November 15, 2013 and end on November 14, 2014. Both the State and the Contractor have the option of extending this contract for two (2) additional one-year terms.
5. **Prior Approvals.** If approval by the Attorney General's Office or the Secretary of Administration is required, (under current law, bulletins, and interpretations), neither this contract nor any amendment to it is binding until it has been approved by either or both such persons.

Approval by the Attorney General's Office is required.

6. **Amendment.** No changes, modifications, or amendments in the terms and conditions of this contract shall be effective unless reduced to writing, numbered and signed by the duly authorized representative of the State and Contractor.
7. **Cancellation.** This contract may be cancelled by either party by giving written notice at least 30 days in advance. Notwithstanding this provision, if a governmental agency with due authority determines that a program or facility operated by the Contractor, wherein services authorized under this contract are provided, is not in compliance with State and Federal law or is operating with deficiencies the State may terminate this contract immediately and notify the Contractor accordingly. Also, in the event that federal funds supporting this contract become unavailable or are reduced, the State may cancel this contract with no obligation to pay the Contractor from State revenues.
8. **Attachments.** This contract consists of 20 pages including the following attachments, which are incorporated herein:
 - Attachment A - Specifications of Work to be Performed
 - Attachment B - Payment Provisions
 - Attachment C - Customary State Contract provisions
 - Attachment D - Modifications of Insurance
 - Attachment F - Customary Contract Provisions of the Agency of Human Services
 - Appendix I – Required Forms

The order of precedence of documents shall be as follows:

- 1) This document
- 2) Attachment D (if any)

- 2). Attachment C
- 3) Attachment A
- 4) Attachment B
- 5) Attachment F
- 6) Appendix I – Required Forms

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

BY THE STATE OF VERMONT:

BY THE CONTRACTOR:

MARK LARSON, COMMISSIONER

DATE

GREG PETERS, LAKE CHAMPLAIN CAPITAL

DATE

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

A. Maintain and Continue Evolution of existing Blueprint ROI Model:

A.1. Background:

The Blueprint for Health program has evolved from a pilot program commencing in 2008 in St. Johnsbury and Burlington, to a statewide program focused on community health teams (CHTs) supporting primary care physicians in an effort to improve quality of care, enhance patient experience and reduce cost. All commercial payers in the state – BlueCross BlueShield, MVP, and CIGNA – along with DVHA/Medicaid and Medicare, are supporting the Blueprint through payment of incentives to provider practices to achieve certain NCQA practice standards and pro rata support of the CHTs that support the Blueprint’s clinical initiatives. A Return on Investment (ROI) model was developed in the early stages of the program that was designed to establish a baseline of expenditures, predict the impact of the program interventions, aggregate program costs, and calculate an ROI on the overall program overtime.

A.2. Methodology:

The Contractor will continue evolution of the ROI model to include its application to sub-populations, such as chronic diseases, Support Services at Home (SASH), specialty practices to include mental health and substance abuse, along with other medical and pediatric subspecialties. The basic methodology underlying ongoing evolution of the ROI model and its application to sub-populations will include:

- Data collection by category of delivery of program or service;
- Development of a baseline, or benchmark, reflecting existing expenditures by major category of delivery of the program or service;
- Identify program interventions designed to improve quality of delivery and reduce costs;
- Assess likely outcomes from the interventions based upon review of the literature and other pilot program experience;
- Quantify investment in program intervention costs;
- Calculate the savings as the difference between baseline costs and projected costs as a result of program interventions;

A.3. Deliverables:

The Contractor will develop sub-population models as required and specified by the Blueprint Executive Director. Each model will be interactive and will project expenditures, program costs, anticipated savings, and return on program investment over a 5-year period.

B. Use financial modeling to determine costs and potential savings associated with the statewide expansion of the Blueprint for Health:

Historical Context and Activities:

The initial Blueprint model was developed as a tool to forecast and ultimately track the results of

program interventions upon the target population. With the further maturing of the Blueprint State-wide rollout, actual results are beginning to take shape. As sufficient data is available, it will be possible to target those interventions that produce the most favorable results, modify the initial model assumptions accordingly, and re-forecast future results.

Historical and current data can be assessed by category of payer, such as commercial, Medicaid, Medicare, and so on, to determine program impact on each portion of the patient population. Given the different characteristics of each payer's target population, the value of the Blueprint programs may be uniquely determined and used to facilitate payer ROI and justification for participation in the program.

As additional data is generated, analysis (dashboards) of the Total Cost of Care (TCC) of Blueprint participants can be compared with adjusted non-participants, establishing trend lines reflecting the Blueprint's impact on expenditures, utilization, and unit costs over time. The Contractor will be expected to support these analyses as specified by the Blueprint Executive Director from time to time.

As a next stage of evaluation, it is likely that assessment, to include modeling, of the impact of distribution of the savings between insurers, providers, State, federal, and other stakeholders will be required. As an example, what effect does a potential slowdown in inpatient utilization have upon hospital staffing and fixed and variable cost structures? Similarly, how does the success of the Blueprint impact the practices of certain physician specialty groups? How do providers participate in the "savings" that the Blueprint generates such that it is win-win process? The Contractor may be expected to augment the decision-support process in these areas with appropriate ongoing financial analysis and modeling.

Deliverables:

At least two (2) times per year at the request of the Blueprint Executive Director, the Contractor will deliver:

- A modification of existing financial models and projections based on historical data on Blueprint clinical interventions that produced the most favorable results in order to re-forecast future results for the same or similar programs.
- Breakouts for the modified models will be done by:
 - Category of payer (commercial, Medicaid, Medicare, and so on)
 - Health Service Area (HSA)
 - State
 - PCMH+CHTs vs. comparison group
- Total Cost of Care results based on historical data comparing expenditures, utilization, and unit costs over time of Blueprint participants versus non-participants
- Assessment and modeling of the impact of the distribution of savings generated by Blueprint programs with breakouts by:
 - Insurer
 - Provider
 - State
 - Federal
 - Other Stakeholders as required

The Contractor will deliver the modified models and dashboards of actual results based on historical

data to the Blueprint Executive Director in the form of Excel spreadsheets. Along with these models and dashboards, the Contractor will also write and deliver accompanying general observations on the findings in the model explaining the value of the Blueprint programs (ROI) for each payer and HSA to help provide justification for participation in the Blueprint program.

C. Coordinate with Blueprint staff and other sources, such as Onpoint Health, as required to define, acquire, load, and update data into financial models:

Activities:

As models are developed and program interventions are implemented, data will be required to establish both baseline metrics and track results over time. In order to be effective in establishing those data sources, the Contractor will participate in meetings and discussions with and/or on behalf of Blueprint leadership in VCHURES, Onpoint, and other data collection efforts. The Contractor has knowledge of, and typically working relationships with, leadership and staff within DVHA, the Green Mountain Care Board (GMCB), Vermont Association of Hospitals and Health Systems (VAHHS), Vermont Information Technology Leaders (VITL), the medical society, individual hospitals, commercial payers, Onpoint Health (the contractor managing the multi-payer database), legislative committees, and the Blueprint Executive Committee, among others, that should facilitate performance of this role.

Deliverables:

The Contractor will participate as appropriate in weekly meetings with Blueprint and Onpoint and actively participate in and contribute to discussions around data collection efforts and the establishment of reliable data sources for reporting on the effectiveness, both financially and as it impacts the health of Vermont's population, of the Blueprint program.

The Contractor will maintain relationships with all Blueprint stakeholders and attend meetings as requested by the Blueprint Executive Director.

D. Utilize Data to Evaluate Physician and Hospital Practice Profiles:

Activities:

In concert with, and in support of, the Executive Director of the Blueprint, the Contractor will provide comparative analysis of data reflecting physician and hospital comparative profiles. As an example, favorable physician profile in one practice might be shared with the physician profiles in another practice with the goal of driving delivery system improvement of improved quality, enhanced patient satisfaction, and lower costs (the "Triple Aims").

Deliverables:

The Contractor will use practice profile data generated by Onpoint and VCHIP in the form of practice-level reports, as provided by the Executive Director of the Blueprint for Health, to compare physician performance against other physicians within a practice, an HSA, and the State. Physician performance will be measured on cost per patient, including utilization of high-cost services (imaging, ER visits, inpatient admissions, and so on), patient health outcomes, and patient satisfaction with physician services.

This comparison data will be delivered in a formatted report as specified by the Executive Director of the Blueprint upon request, but at least once per year.

E. Explore Drivers of Health Care Cost in Vermont:

Activities:

Healthcare expenditures in the State of Vermont as a percentage of State economic activity are continuing to escalate. In coordination with the Executive Director of the Blueprint and his staff, the Contractor will explore the drivers of health care cost in the State of Vermont. Analysis will include comparison of trends in expenditure increases with utilization patterns and unit costs. Analysis will also include comparison of Vermont's healthcare expenditures with other metrics in the State's and the national economy, such as domestic product, medical inflation, and employer insurance rates.

Deliverables:

At the request of the Executive Director of the Blueprint, but at least once per year, the Contractor will deliver:

- A financial dashboard based on historical data showing the growth in healthcare costs compared to indices of inflation
- The dashboard will include breakouts by:
 - Gross Domestic Product (GDP)
 - State Domestic Product (SDP)
 - Consumer Price Index (CPI)

The Contractor will deliver the healthcare cost growth dashboards to the Blueprint Executive Director in the form of Excel spreadsheets. Along with these dashboards, the Contractor will also write and deliver accompanying general observations on the findings in the model explaining the drivers of healthcare costs in each geographical area.

F. Meet With Blueprint Executive Director and Assistant Directors:

Given the fluid nature of the contract and the potential for realignment of priorities along the way, communication with Blueprint senior management will be critical.

Deliverables:

It is anticipated that meetings with the Blueprint Executive Director and Assistant Directors will take place at least monthly and more frequently as required to review the prior month's progress and to set priorities, work plan, and timetables for the next month's activity. Progress reports will be generated as a result of each month's meeting.

Project Administration and Blueprint Responsibilities

The Blueprint will have continued responsibility for facilitating data collection and serving as a sounding board for the design and implementation of models during their development, as well as providing direction for other Contractor Specified Activities. The Contractor will be responsible for design, aggregation of data and implementation of program evaluation model(s) and other tools,

utilizing Excel, as required, based upon Blueprint and other stakeholder input, as well as performing other Contractor Specified Activities.

The Contractor will meet at least monthly with the Blueprint Executive Director and Assistant Directors to assess milestones reached in the prior month and priorities and target milestones to be reached in the succeeding month. The Contractor will provide written summaries of these meetings to provide an appropriate audit trail for the Contractor's work and the project's progress.

G. Subcontractor Requirements

Per Attachment C, Section 15, if the Contractor chooses to subcontract work under this agreement, the Contractor must first fill out and submit the Request for Approval to Subcontract Form (Appendix I – Required Forms) in order to seek approval from the State prior to signing an agreement with a third party. Upon receipt of the Request for Approval to Subcontract Form, the State shall review and respond within five (5) business days. Under no circumstance shall the Contractor enter into a sub-agreement without prior authorization from the State. The Contractor shall submit the Request for Approval to Subcontract Form to:

Natalie Elvidge
Department of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, VT 05495
Natalie.Elvidge@state.vt.us

Miki Olszewski, Blueprint Assistant Director
Department of Vermont Health Access
312 Hurricane Lane
Suite 201
Williston, Vermont 05495-2806
Miki.Olszewski@state.vt.us

Should the status of any third party or Subrecipient change, the Contractor is responsible for updating the State within fourteen (14) days of said change.

ATTACHMENT B PAYMENT PROVISIONS

The maximum dollar amount payable under this agreement is not intended as any form of a guaranteed amount. The Contractor will be paid for products or services actually performed as specified in Attachment A up to the maximum allowable amount specified in this agreement. State of Vermont payment terms are Net 30 days from date of invoice, payments against this contract will comply with the State's payment terms. 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:

1. Contractor invoices shall be submitted monthly for services performed under this contract and shall include the number of hours worked during the specified billing period and the total amount billed. Monthly program reports will outline progress toward completing deliverables as noted in Attachment A, as well as the work planned for the next month. Contractor will be paid only after a monthly progress report is received and accepted by the State. The monthly program report will be in sufficient detail as to document progress toward and/or achievement of deliverables described in Attachment A. The State shall pay the Contractor at the rate of \$199.24 per hour for up to 530 hours. The hourly rates are inclusive of travel expenses. Services performed between August 1, 2013 and the start of this contract are in conformity with Attachment A can be billed under this contract. Monthly invoices shall not exceed \$8,800 per month for professional services (hours billed), including expenses.
2. No benefits or insurance will be reimbursed by the State.
3. Invoices should reference this contract number. An electronic copy of all reports and a **hard copy of invoices with original signature** should be sent to:

Natalie Elvidge, Contract and Grant Management Specialist
Department of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, VT 05495
Natalie.Elvidge@state.vt.us

4. An electronic copy of the Monthly Progress Report should be sent to:

Miki Olszewski, Blueprint Assistant Director
Department of Vermont Health Access
312 Hurricane Lane
Suite 201
Williston, Vermont 05495-2806
Miki.Olszewski@state.vt.us

5. The total maximum amount payable under this contract shall not exceed \$105,600.00
6. Both the State and the Contractor have the option of extending this contract for two (2) additional one-year terms at the same billing rate of \$199.24 per hour plus a CPI cost inflator upon mutual agreement.
7. All work products (deliverables) are subject to review and approval by the State before being accepted. Each work product will be evaluated based on any and all descriptions listed within Attachment A, as

well as all direction and input discussed and agreed upon between the State and the Contractor during the term of this Agreement as it aligns with the specifications of work. Any work product deemed unacceptable by the State will be subject to revision by the Contractor based upon a remediation plan that the State and the Contractor will develop. Payment will be contingent upon the State accepting each work product and any stipulations listed above.

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

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

10. **Records Available for Audit:** The Party will maintain all books, documents, payroll papers, accounting records and other evidence pertaining to costs incurred under this agreement and make them available at reasonable times during the period of the Agreement and for three years thereafter for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved. The State, by any authorized representative, shall have the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this Agreement.

11. **Fair Employment Practices and Americans with Disabilities Act:** Party agrees to comply with the requirement of Title 21V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement. Party further agrees to include this provision in all subcontracts.

12. **Set Off:** The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.

13. **Taxes Due to the State:**

- a. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
- b. Party certifies under the pains and penalties of perjury that, as of the date the Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
- c. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.
- d. Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.

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

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

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

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

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

- 16. No Gifts or Gratuities:** Party shall not give title or possession of any thing of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this Agreement.

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

- 18. Certification Regarding Debarment:** Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs, or programs supported in whole or in part by federal funds.

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

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

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

ATTACHMENT D

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

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

Under the *Automotive Liability*: section, delete the following language:

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.

And replace with the following language

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:

Bodily injury liability limit:	\$500,000 each person
	\$500,000 each occurrence
Property Damage liability limit:	\$10,000 each occurrence

2. Requirements of other Sections in Attachment C are hereby modified:

N/A

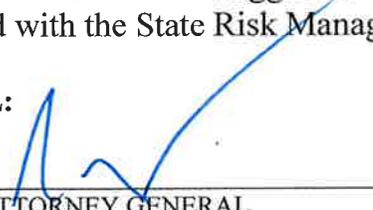
3. Requirements of Sections in Attachment F are hereby modified:

N/A

4. Reasons for Modifications:

Modifications to the automotive liability are allowable in that LCCM is a one person operation and does not require the level of suggested insurance coverage. The Contractor's auto liability limits were discussed with the State Risk Manager, Bill Duchac, who states that "... the limits are fine".

APPROVAL:



ASSISTANT ATTORNEY GENERAL

DATE: 11/7/13

ATTACHMENT F
AGENCY OF HUMAN SERVICES' CUSTOMARY CONTRACT PROVISIONS

1. **Agency of Human Services – Field Services Directors** will share oversight with the department (or field office) that is a party to the contract for provider performance using outcomes, processes, terms and conditions agreed to under this contract.
2. **2-1-1 Data Base**: The Contractor providing a health or human services within Vermont, or near the border that is readily accessible to residents of Vermont, will provide relevant descriptive information regarding its agency, programs and/or contact and will adhere to the "Inclusion/Exclusion" policy of Vermont's United Way/Vermont 211. If included, the Contractor will provide accurate and up to date information to their data base as needed. The "Inclusion/Exclusion" policy can be found at www.vermont211.org

3. **Medicaid Program Contractors**:

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

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

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

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

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

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

4. **Non-discrimination Based on National Origin as evidenced by Limited English Proficiency**. The Contractor agrees to comply with the non-discrimination requirements of Title VI of the Civil Rights Act of 1964, 42 USC Section 2000d, et seq., and with the federal guidelines promulgated pursuant to Executive

Order 13166 of 2000, which require that contractors and subcontractors receiving federal funds must assure that persons with limited English proficiency can meaningfully access services. To the extent the Contractor provides assistance to individuals with limited English proficiency through the use of oral or written translation or interpretive services in compliance with this requirement, such individuals cannot be required to pay for such services.

5. **Voter Registration.** When designated by the Secretary of State, the Contractor agrees to become a voter registration agency as defined by 17 V.S.A. §2103 (41), and to comply with the requirements of state and federal law pertaining to such agencies.
6. **Drug Free Workplace Act.** The Contractor will assure a drug-free workplace in accordance with 45 CFR Part 76.
7. **Privacy and Security Standards.**

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

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

Other Confidential Consumer Information: The Contractor agrees to comply with the requirements of AHS Rule No. 08-048 concerning access to information. The Contractor agrees to comply with any applicable Vermont State Statute, including but not limited to 12 VSA §1612 and any applicable Board of Health confidentiality regulations. The Contractor shall ensure that all of its employees and subcontractors performing services under this agreement understand the sensitive nature of the information that they may have access to and sign an affirmation of understanding regarding the information's confidential and non-public nature.

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

8. **Abuse Registry.** The Contractor agrees not to employ any individual, use any volunteer, or otherwise provide reimbursement to any individual in the performance of services connected with this agreement, who provides care, custody, treatment, transportation, or supervision to children or vulnerable adults if there is a substantiation of abuse or neglect or exploitation against that individual. The Contractor will check the Adult Abuse Registry in the Department of Disabilities, Aging and Independent Living. Unless the Contractor holds a valid child care license or registration from the Division of Child Development, Department for Children and Families, the Contractor shall also check the Central Child Protection Registry. (See 33 V.S.A. §4919(a)(3) & 33 V.S.A. §6911(c)(3)).
9. **Reporting of Abuse, Neglect, or Exploitation.** Consistent with provisions of 33 V.S.A. §4913(a) and §6903, any agent or employee of a Contractor who, in the performance of services connected with this agreement, has contact with clients or is a caregiver and who has reasonable cause to believe that a child or vulnerable adult has been abused or neglected as defined in Chapter 49 or abused, neglected, or exploited as defined in Chapter 69 of Title 33 V.S.A. shall make a report involving children to the Commissioner of the Department for Children and Families within 24 hours or a report involving vulnerable adults to the Division of Licensing and Protection at the Department of Disabilities, Aging, and Independent Living within 48 hours. This requirement applies

except in those instances where particular roles and functions are exempt from reporting under state and federal law. Reports involving children shall contain the information required by 33 V.S.A. §4914. Reports involving vulnerable adults shall contain the information required by 33 V.S.A. §6904. The Contractor will ensure that its agents or employees receive training on the reporting of abuse or neglect to children and abuse, neglect or exploitation of vulnerable adults.

10. **Intellectual Property/Work Product Ownership.** All data, technical information, materials first gathered, originated, developed, prepared, or obtained as a condition of this agreement and used in the performance of this agreement - including, but not limited to all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and printouts, notes and memoranda, written procedures and documents, which are prepared for or obtained specifically for this agreement - or are a result of the services required under this grant - shall be considered "work for hire" and remain the property of the State of Vermont, regardless of the state of completion - unless otherwise specified in this agreement. Such items shall be delivered to the State of Vermont upon 30 days notice by the State. With respect to software computer programs and / or source codes first developed for the State, all the work shall be considered "work for hire," i.e., the State, not the Contractor or subcontractor, shall have full and complete ownership of all software computer programs, documentation and/or source codes developed.

The Contractor shall not sell or copyright a work product or item produced under this agreement without explicit permission from the State.

If the Contractor is operating a system or application on behalf of the State of Vermont, then the Contractor shall not make information entered into the system or application available for uses by any other party than the State of Vermont, without prior authorization by the State. Nothing herein shall entitle the State to pre-existing Contractor's materials.

11. **Security and Data Transfers.** The State shall work with the Contractor to ensure compliance with all applicable State and Agency of Human Services' policies and standards, especially those related to privacy and security. The State will advise the Contractor of any new policies, procedures, or protocols developed during the term of this agreement as they are issued and will work with the Contractor to implement any required.

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

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

1. Contractor's provision of certified computing equipment, peripherals and mobile devices, on a separate Contractor's network with separate internet access. The Agency of Human Services' accounts may or may not be provided.
2. State supplied and managed equipment and accounts to access state applications and data, including State

issued active directory accounts and application specific accounts, which follow the National Institutes of Standards and Technology (NIST) security and the Health Insurance Portability & Accountability Act (HIPAA) standards.

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

13. **Lobbying.** No federal funds under this agreement may be used to influence or attempt to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, continuation, renewal, amendments other than federal appropriated funds.
14. **Non-discrimination.** The Contractor will prohibit discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under Title IX of the Education Amendments of 1972, or on the basis of race, color or national origin under Title VI of the Civil Rights Act of 1964. No person shall on the grounds of sex (including, in the case of a woman, on the grounds that the woman is pregnant) or on the grounds of religion, be excluded from participation in, be denied the benefits of, or be subjected to discrimination, to include sexual harassment, under any program or activity supported by state and/or federal funds.

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

15. **Environmental Tobacco Smoke.** Public Law 103-227, also known as the Pro-children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, child care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such Federal funds.

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

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

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

Department of Vermont Health Access Request for Approval to Subcontract

Date of Request: _____

Original Grantee Name:	_____	Grantee #:	_____
Address:	_____		
Phone Number:	_____		
Contact Person:	_____		
Agreement #:	_____	Signature:	_____

Subcontractor Name: _____

Address: _____

Phone Number: _____

Contact Person: _____

Scope of Subcontracted Services: _____

Is any portion of the work being outsourced outside of the United States? YES NO
(Note to Business Office: If Yes, do not proceed further with approval until reviewed with Finance & Mgmt)

Dollar Amount of Subcontracted Services: \$ _____

Date Range for Subcontracted Services: Start: _____ End: _____

DVHA Contact Person:	_____	Signature:	_____
Phone Number:	_____		

Business Office Review

Comments: _____

Approval: _____ Title: _____ Date: _____

Required: Contractor cannot subcontract until they receive this signed approval from the State of Vermont. On the reverse side of this form there is language that must be included by the contractor in all subcontracting agreements.

Language to be included from State of Vermont Bulletin 3.5 in all subcontracting agreements:

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:

- e. 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.
- f. 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.
- g. 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.