AMENDMENT

It is agreed by and between the State of Vermont, Department of Vermont Health Access (hereafter called the "State") and Paylogix LLC (hereafter called the "Contractor") that the contract on the subject of financial administration of ongoing broker fees, effective December 23, 2013, is hereby amended effective August 26, 2014, as follows:

1. **By deleting Section 5 (Broker Fee Invoice Delivery and Payment Mechanism) of Attachment A on page 4 of 29 of the base agreement and substituting in lieu thereof the following Section 5:**

5. Broker Fee Invoice Delivery and Payment Mechanism

The Contractor shall provide individuals and employers with the option of paying their broker fees via EFT or paper check free of any additional fees. Credit and Debit card payment options shall be available if the employer or individual pays a 4% convenience fee. Bill delivery/notification options shall include traditional mail, email, or Web-based delivery. In the event that an invoice is returned as undeliverable, Contractor shall provide the State with access to any documentation received, envelope and any additional information though the VHC broker.com website at: https://vermonthealth.paylogix.com. Upon submission to the State, Contractor shall send an email notifying the State's Vermont broker team. Submission to the State will be through the VHC broker.com.

State will reconcile and update the address of record for the undeliverable invoice via the VHC broker.com website at: https://vermonthealth.paylogix.com and notify the broker of any delay in billing.

Contractor shall perform all services under this contract in accordance with the schedule set forth in Attachment G.

2. **By deleting Section 7 (Fee Aggregation and Remittance to Brokers) of Attachment A on page 5 of 29 of the base agreement and substituting in lieu thereof the following Section 7:**

7. Payment Postings, Fee Aggregation, and Remittance to Brokers

Contractor shall ensure any payments are posted within 3 business days of deposit. The contractor shall submit a copy of the front of check and any additional documents for any checks that cannot be posted within 24 hours. Upon submission to the State, Contractor shall send an email notifying the State of Vermont broker team. Submission to the State will be through the VHC broker.com File Exchange at: https://vermonthealth.paylogix.com/Common/cpFTPFileList.aspx?AssociationID=384.

Contractor shall disburse payments from employers and individuals to the respective brokers via electronic funds transfer or paper check. Disbursements shall be aggregated into one payment on a monthly basis per broker. Brokers will have online access to corresponding reporting with line itemization identifying all fees collected at the rates identified below.

Contractors Fees	
Credit/Debit Card Fees	**4% Convenience Fee**

3. **By deleting Section 8 (Non-Payment Responses) of Attachment A on page 5 of 29 of the base agreement and substituting in lieu thereof the following Section 8:**

8. Non-Payment Reponses

Contractor shall bill for any past due fees on future invoices.

Contractor shall continue to provide and deliver paper bills throughout the contract term if the customer doesn't select a preference of online billing.

4. **By deleting Section 9 (Customer Service) of Attachment A on page 5 of 29 of the base agreement and substituting in lieu thereof the following Section 9:**

9. Customer Service

The Contractor's Project Manager (PM) is the primary contact and oversees account activity including: receiving and providing updates to and from the State, preparation of the billing to the employer or individual , receipt of payment and data remittance from the employer or individual and, upon successful reconciliation, disbursement of collected fees to the respective broker(s). The PM takes the lead in addressing any discrepancies and communicates with the State when problems arise. The Contractor's hours of customer service shall be 9am-5pm EST, Monday through Friday. When feasible, Contractor should notify VHC prior to any changes to customer facing information on the VHC broker website. If not prior, no later than 24 hours after the change. This will ensure VHC can notify customers in advance of any changes.

After the State or clients contacts the Contractor with an inquiry, the contractor shall respond within 24 hours with acknowledgement of receipt or to provide resolution of inquiry. The contractor shall respond within 48 hours with any necessary follow up. The contractor shall provide the State notification when a client contacts them directly with any supporting documentation or summery of any issue.

5. **By deleting Section 11 (Reporting Requirements) of Attachment A, as amended by Amendment 1, on page 6 of 29 of the base agreement and substituting in lieu thereof the following Section 11:**

11. Reporting Requirements of Broker Fee Activity Summaries

- The Contractor will provide the State with the ability to run monthly, quarterly and annual summary reports on broker fee activities via secure online access through the VHC broker.com website at: https://vermonthealth.paylogix.com.
- These reports will be inclusive of the last day of the reporting period and made available within 5 business days.
- The Contractor shall provide the State with online access to three reports in data forms approved and accepted by the State identified below. The three reports include: General Reporting, Employer Broker Fee Reimbursement, and Employer Broker Fee QA file.
- Contractor shall provide the State with an online means to generate correction files for any records the State reports to the Contractor in the Broker Fee Reimbursement Report as being in error. The file will include corrected records, not a complete file.

General Reporting Requirements:

1) Fee Summary By Broker
   i. List all designated brokers
   ii. Number of Employees and Individuals designated per broker
   iii. Monthly fees invoiced for each broker
   iv. Monthly fees collected for each broker

2) Total Broker Fee Activity by Month
   i. List Total number of all registered brokers
   ii. Indicate % receiving broker fees
   iii. Average monthly fees invoiced for each broker
   iv. Average monthly fees collected for each broker
   v. Total fees invoiced for month
   vi. Total fees collected for month

3) Total Annual Broker Fee Activity
   i. List all designated brokers
   ii. Number of Employees and Individuals per broker
   iii. Annual fees invoiced for each broker
   iv. Annual fees collected for each broker
   v. Total fees invoiced for year
   vi. Total fees collected for year

4) Fee Summary By Employer
   i. List all employers
   ii. Number of Employees designated per employer
   iii. Monthly fees invoiced for each employer
   iv. Monthly fees collected for each employer
   v. Monthly fees payment posted dates for each employee
   vi. List all employer names, EIN and billing addresses
   vii. Quarterly fees invoiced to each employer
   viii. Quarterly fees collected from each employer

- The Contractor shall submit a file in the following data form:

Employer Broker Fee Reimbursement (EBR) Report

Comment: The VISION Interface file must be created in ASCII format with a line feed at the end of each record in the file.

Row Type 1 (Header): (One Header per file.)

Position 1 – 3: Trans Code, "EBR". Field length 3.

Position 4 – 19: Grand Total dollar amount ($7.00 per employee included in employer's check). Right justified; Signed number; Dollars and cents (no decimal point). Zeroes for any other characters, Field length 16. (ex. +000000000000700 = $7.00)
Position 20 – 24: File Transaction Line Count (number of total checks within file. Right justified. Zeroes for any other characters. Field length 5. (ex. 00099 = 99 transaction lines)

Row Type 2 (Transaction line): (One Transaction line per payment / voucher request)
Position 1 – 3: Trans Code, "EBR". Field length 3.
Position 4 – 8: Business Unit, "03410". Field length 5.
Position 9 – 16: Voucher ID, leave blank. Field length 8.
Position 17 – 21: Voucher Line #, leave blank. Field length 5.
Position 22 – 32: Vendor ID, leave blank. Field length 11.
Position 33 – Indicator, leave blank. Field length 1.
Position 34 – 73: Vendor Name, Employer name to be paid. Left justified. Field length 40.
Position 74 – 113: Name 2, leave blank. Field length 40..
Position 114 – 148: Address. Left justified. Field length 35.
Position 149 – 178: City. Left justified. Field length 30.
Position 179 – 180: State, 2 character abbreviation. Field length 2.
Position 181 – 189: Postal Code. Last four digits as zeroes if not known or blank. Field length 9.
Position 190 – 219: Invoice ID, "Broker Fee Reimbursement Quarter 1". (Quarter number to vary as appropriate per file. Left justified. Blanks at end. Field length 30.
Position 220 – 227: Invoice Date, (Quarter end date as appropriate per file). Ex. "03312014" (for first quarter reimbursements). Field length 8.
Position 228 – 243: Line Amount, $7.00 per employee included in employer's check. Right justified. Dollars and cents (no decimal point). Zeroes for any other characters. Field length 16. (ex. +000000000000700 = $7.00)
Position 244 – 249: Account Number, "519000". Field length 6.
Position 250 – 254: Fund," 22005". Field length 5.
Position 255 – 264: Dept.ID, "3410010600". Field length 10.
Position 265 – 269: Program, "41704". Field length 5.
Position 270 – 274: Class; Leave blank Field length 5.
Position 275 – 289: Project; Leave blank. Field length 15.
Position 290 – 319: Descr; Leave blank. Field length 30.
Position 320 – 354: Agency Use; Leave blank. Field length 35.
Position 355 – 384: Error; Leave blank. Field length 30.

Employer Broker Fee Reimbursement Voucher QA Report

Quarter
Employer name
Broker Name/Agency
Employee name (last & first)
Invoiced Month
Payment Amt.
Payment Post Date

Summary:
Employer Name
Number of Employee payments
Total Employer Payment
Total Employer reimbursement Fee

Quarter 1

Employer name	Broker Name/Agency	Employee	Invoiced Month	Payment Amt.	Payment Post Date
ABC Company	Marsh Agency	Smith, John	January	$20.00	2/18/14
ABC Company	Marsh Agency	Smith, Rick	January	$20.00	2/18/14
ABC Company	Marsh Agency	Smith, John	February	$20.00	3/26/14

Summary:	Number of Employee payments	Total Employer Payment	Total Employer Fee (based on the $7 reimbursement)
ABC Company	3	$60.00	$21

6. **By deleting Section 14 (Implementation Deliverables) of Attachment A on page 9 of 29 of the base agreement and substituting in lieu thereof the following Section 14:**

14. Implementation Deliverables

The Contractor shall complete the following deliverables and present to the State for acceptance by the associated dates. Contractor shall not be held liable in the event of delay that is attributable in any material respect to the failure of State or its Third Party Resources to perform their obligations as set forth in this contract or that arise out of causes beyond the reasonable control and without any material error, negligence or breach of Contractor obligations.

No.	Deliverables	Date
1	**Project Management and Implementation Plan Complete** • Establish implementation schedule/details • Review/amend process flows • Confirm/decide methodologies used • Establish weekly call schedule • Draft billing and collection timeline	**January 7, 2014**
	Welcome Kit • Determine Welcome Kit customizations • Determine timing of Welcome Kit	**January 7, 2014**
	Invoice Procedures Complete • Establish initial billing • Encourage/require EFT • Finalize billing and collection timeline, not sufficient funds, grace periods • Finalize language in all notices	**January 7, 2014**
2	**Communication Plan to Brokers Finalized** • Finalize Welcome Kit	**January 7, 2014**

	• Deliver Communications	
	Testing Completed • Test State production and sending Contractor Seibel Report • Test receipt and verification of Siebel Report • Test Invoice process to Employers • Test Payment to broker process	**January 15, 2014**
	Successfully Tested and Implemented System • System has passed testing and is ready to go-live	**January 20, 2014**
	Unique Identifier System Development • System Coding Revisions to Establish and Manage Unique Member Identifier • Test new functionality of system	**February 12, 2014**
3	**First Monthly Invoice to Employers/Individuals**	**February 12, 2014**
4	**First Monthly Payment to Brokers**	**March 5, 2014**
5	**Test Production/Sending of Employer's Payment Report**	**March 15, 2014**
6	**Test State Receipt/Verification of Employer Report**	**March 20, 2014**
7	**Provide Quarterly Employer Report to State in format identified in Section 11 for July 2014 – February 2015.**	**July 25, 2014**
8	**Employer Broker Fee Reimbursement Report Enhancement**	**July 18, 2014**
9	**Modify file generation utility in order to provide Employer Broker Fee Reimbursement error file as needed or requested by the State.**	**July 18, 2014**

7. **By deleting Attachment B on page 11 of 29 of the base contract and substituting in lieu thereof the following Attachment B:**

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 shall invoice for deliverables according to the Development Costs table below and monthly for variable costs according to the Administrative Fee Table. Invoices shall include an invoice number, date of submission, and vendor name, and contract number. The State shall pay the Contractor for deliverables upon the State's acceptance. Broker fee subsidies will be paid monthly upon the State's acceptance of the required reporting documentation further defined in Attachment A. Contractor shall submit a final invoice no later than 30 days after the end date of the contract.

Development and Implementation Costs

Payment No.	Deliverable Based Payments for Implementation	Deliverable Due	Invoice Submittal Date	Amount
1	Communication Plan to Brokers Finalized	December 23, 2013	January	$3,600.00
	Testing Completed			
	Successfully Tested and Implemented System			
2	First Monthly Invoice to Employers/Individuals	January 5, 2014	February	$3,600.00
3	System Coding Revisions to Establish and Manage Unique Member Identifier	February 12, 2014	February	$23,550.00
4	State Receives Quarterly Employer Report to State in format identified in Section 11.	April 25,2014	May	$2,800.00
5	Employer Broker Fee Reimbursement Report Enhancement	July 18, 2014	July	$1,375.00
6	Modify file generation utility in order to provide Employer Broker Fee Reimbursement error file as needed or requested by the State.	July 18, 2014	July	$1,650.00
			Total Deliverable Based Payments	**$36,575.00**

Administration Fee Subsidy

Fee	Amount

Broker Processing Fee Subsidy	1.00/Per Member Enrolled (individually or through an employer)
Total	**$213,425.00**

2. If Contractor fails to provide the State with an acceptable system by the deliverable due dates in the chart above, the State reserves the right to withhold payment, until deliverables are accepted and approved by the State. Although a deliverable must be accepted by the State in order to release payment, the Contractor shall not be held liable in the event of delay that is attributable in any material respect to the failure of State or its Third Party Resources to perform their obligations as set forth in this contract. Contractor will notify the State upon completion of the deliverables. Within five (5) business days of such notice, the State will notify Contractor as to whether it accepts and approves or rejects the deliverables. The State will not unreasonably withhold any such acceptance and approval.

3. No benefits or insurance will be reimbursed by the State.

4. Invoices should reference this contract number and be submitted to:

   Emily Trantum, Contracts and Grants Administrator
   Business Office, Contracting Unit
   Department of Vermont Health Access
   312 Hurricane Lane, Suite 201
   Williston, VT 054953

5. The total maximum amount payable from the State to the Contractor under this contract shall not exceed $250,000.00

8. By deleting on page 12 of 29, of the base contract, Attachment C (revised 11/7/2012) and substituting in lieu thereof Attachment C (revised 6/9/2014) included as a part of this amendment on page 10

This amendment consists of 12 pages. Except as modified by this amendment and any previous amendments, all provisions of this contract, (#25896) dated January 6, 2014 shall remain unchanged and in full force and effect.

STATE OF VERMONT

DEPARTMENT OF VERMONT HEALTH ACCESS

E-SIGNED by Lori Collins on 2014-08-26 18:36:56 GMT August 26, 2014

MARK LARSON, COMMISSIONER DATE
312 Hurricane Lane, Suite 201
Williston, VT 05495-2087
Phone: 802-879-5901
Email: Mark.Larson@state.vt.us

CONTRACTOR

PAYLOGIX LLC

E-SIGNED by Richard Pfadenhauer on 2014-08-25 18:13:13 GMT August 25, 2014

RICHARD PFADENHAUER, PRESIDENT DATE
1025 Old Country Rd, Ste. 310
Westbury, NY 11590
Phone: 516-408-7800 Ext. 301
Email: Richardp@paylogix.com

ATTACHMENT C
CUSTOMARY PROVISIONS FOR CONTRACTS AND GRANTS

1. **Entire Agreement.** This Agreement, whether in the form of a Contract, State Funded Grant, or Federally Funded Grant, represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.

2. **Applicable Law.** This Agreement will be governed by the laws of the State of Vermont.

3. **Definitions:** For purposes of this Attachment, "Party" shall mean the Contractor, Grantee or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement.

4. **Appropriations:** If appropriations are insufficient to support this Agreement, the State may cancel on a date agreed to by the parties or upon the expiration or reduction of existing appropriation authority. In the case that this Agreement is funded in whole or in part by federal or other non-State funds, and in the event those funds become unavailable or reduced, the State may suspend or cancel this Agreement immediately, and the State shall have no obligation to fund this Agreement from State revenues.

5. **No Employee Benefits For Party:** The Party understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers compensation or other benefits or services available to State employees, nor will the state withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The Party understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Party, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.

6. **Independence, Liability:** The Party will act in an independent capacity and not as officers or employees of the State.

   The Party shall defend the State and its officers and employees against all claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit. The Party shall notify its insurance company and the State within 10 days of receiving any claim for damages, notice of claims, pre-claims, or service of judgments or claims, for any act or omissions in the performance of this Agreement.

   After a final judgment or settlement the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party.

The Party shall indemnify the State and its officers and employees in the event that the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Party.

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

Workers Compensation: With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the Agreement, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations
Products and Completed Operations
Personal Injury Liability
Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

$1,000,000 Per Occurrence
$1,000,000 General Aggregate
$1,000,000 Products/Completed Operations Aggregate
$ 50,000 Fire/ Legal/Liability

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

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

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

Professional Liability*:** Before commencing work on this Agreement and throughout the term of this Agreement, the Party shall procure and maintain professional liability insurance for any and all services performed under this Agreement, with minimum coverage of ***$____ 1,000,000_____ per occurrence, and ***$____ 2,000,000_____*** aggregate.

8. **Reliance by the State on Representations:** All payments by the State under this Agreement will be made in reliance upon the accuracy of all prior representations by the Party, including but not limited to bills, invoices, progress reports and other proofs of work.

9. **Requirement to Have a Single Audit:** In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, the Subrecipient will complete the Subrecipient Annual Report

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

For fiscal years ending before December 25, 2015, 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. For fiscal years ending on or after December 25, 2015, a Single Audit is required if the subrecipient expends $750,000 or more in federal assistance during its fiscal year and must be conducted in accordance with 2 CFR Chapter I, Chapter II, Part 200, Subpart F. 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.