l. Parties. This is a contract for services between the State of Vermont, Department of Vermont Health Access (hereafter called "State"), and HP Enterprise Services, LLC, a Delaware limited liability company with a principal place of business in 5400 Legacy Drive, Plano, Texas 75024 (hereafter called "Contractor"). The Contractor's form of business organization is a Limited Liability Company. The Contractor's local address is 312 Hurricane Lane, Williston, VT 05495. 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 services generally on the subject of MMIS ("Medicaid Management Information System") and Fiscal Agent Services. 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 $45,141,350.66.

4. Contract Term. The period of Contractor's performance shall begin on January 1, 2017 and end on December 31, 2019. This Contract may be extended at the option of the State for up to two (2) one-year renewals.

5. Prior Approvals. If approval by the Attorney General's Office or the Secretary of Administration is required, (under current law, bulletins, and interpretations), neither this contract nor any amendment to it is binding until it has been approved by either or both such persons.

Approval by the Attorney General's Office is required.
Approval by the Secretary of Administration is required.
Approval by the Department of Information and Innovation 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. Contacts and Notices: The contacts for this award are as follows:

	State Fiscal Manager	State Program Manager	For the Contractor
Name:	Meaghan Kelley	Lori Collins	Cherie Bergeron
Phone #:	802-241-0393	802-241-0246	1-802-857-2934
E-mail:	Meaghan.Kelley@vermont.gov	Lori.Collins@vermont.gov	Cherie.bergeron@hpe.com

To the extent notices are made under this agreement, such notices shall only be effective if committed to writing and sent to the following persons as representatives of the parties:

CONTRACTOR:
Cherie Bergeron
312 Hurricane Lane
Suite 101
Williston, VT 05495
Cherie.bergeron@hpe.com

STATE:
DVHA General Counsel
Department of Vermont Health Access (DVHA)
NOB 1 South, 280 State Drive
Waterbury, VT 05671-1010
AHS.DVHALegal@vermont.gov

Written notices may be sent by electronic mail except for the following notices, which must be sent by United States Postal Service certified mail: termination of contract, contract actions, damage claims, breach notifications, alteration of this paragraph.

8. **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. Any cancellation or termination shall be consistent with payment requirements in Attachment B, Section 14.

9. **State Monitoring of Contract.**
The parties agree that the State has assigned an official State Program Manager who is solely responsible for the review of invoices presented by the Contractor. A Project Manager (PM) for the State may be assigned by the State Program Manager to lead the implementation of an authorized project. This PM will act as the Authorized State Representative, solely per the tasks associated and up to the maximum amount per the tasks in that project. The State Project Manager assigned to a specific request, is the sole person to assign work to the Contractor under that particular project request.

10. **Subcontractor Requirements.** Per Attachment C, Section 19, if the Contractor chooses to subcontract work under this agreement, the Contractor must first fill out and submit the Subcontractor Compliance Form (Appendix A – Required Forms) in order to seek approval from the State prior to signing an agreement with a third party. Upon receipt of the Subcontractor Compliance Form, the State shall review and respond within five (5) business days. A fillable PDF version of this Subcontractor Compliance Form is available upon request from the State Fiscal Manager. Under no circumstance shall the Contractor enter into a sub-agreement without prior authorization from the State. The Contractor shall submit the Subcontractor Compliance Form to: Ahs.grantscontracts@vermont.gov

    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.

11. **Attachments.** This contract consists of 106 pages including the following attachments, which are incorporated herein:

    Attachment A - Specifications of Work to be Performed
        Exhibit 1 – Functional and Technical Requirements
        Exhibit 2 – Service Level Requirements
    Attachment B - Payment Provisions
    Attachment C – Standard State Provisions for Contracts and Grants
    Attachment D - Other Provisions
        Exhibit 1 – Standard State Rider
    Attachment E - Business Associate Agreement
    Attachment F - Agency of Human Services' Customary Contract Provisions
    Appendix A – Required Forms

    The order of precedence of documents shall be as follows:

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

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

BY THE STATE OF VERMONT:

e-Signed by Steven Costantino
on 2016-12-30 13:57:53 GMT

STEVEN COSTANTINO, COMMISSIONER DATE
AHS/DVHA
NOB 1 South, 280 State Drive
Waterbury, VT 05671-1010
Phone: 802-241-0239
Email: Steven.Costantino@vermont.gov

BY THE CONTRACTOR:

e-Signed by Stuart Bailey
on 2016-12-29 21:56:45 GMT

STUART BAILEY, VICE PRESIDENT DATE
STATE AND LOCAL GOVERNMENT HEALTHCARE
7910 Sawgrass CT
Pleasanton, California 94588
Phone: 1-925-858-0231
Email: stu.bailey@hpe.com

ATTACHMENT A
SPECIFICATIONS OF WORK TO BE PERFORMED

I. MMIS Base Operations: Application Software and Services

The Contractor shall provide the following applications and staff services set forth in this Section I. The Services shall meet the functional and technical requirements of the State set forth in Exhibit 1 to this Attachment A ("Requirements") and the service levels set forth in Exhibit 2 to this Attachment A, Service Level Agreement.

A. Provider Management

The Contractor shall capture, manage, and maintain information for the State's prospective or enrolled health care Providers ("Providers") and support the eligibility determination and enrollment business processes ("Provider Management"). The Contractor shall support the business processes involved in communications between the State and the prospective or enrolled Providers. Communication management functions include functions such as: Provider correspondence and notifications, outreach and education, enrollment and revalidation, and Provider appeal management and tracking.

The Contractor shall provide services and applications to support Provider Management, including but not limited to the following Impacted MITA ("Medicaid Information Technology Architecture") Business Processes areas:

i. EE05 Determine Provider Eligibility
ii. EE06 Enroll Provider
iii. EE07 Disenroll Provider
iv. EE08 Inquire Provider Information
v. PM01 Manage Provider Information
vi. PM02 Manage Provider Communication
vii. PM03 Perform Provider Outreach
viii. PM07 Manage Provider Grievance and appeal
ix. PM08 Terminate Provider

See Exhibit 1 to this Attachment A for Functional and Technical Requirements.

B. Member Management

The Contractor shall capture, manage, and maintain information for the State's enrolled Medicaid program participants ("Members"). The Contractor shall also support the enrollment business processes as well as the Member eligibility verification process ("Member Management").

The Contractor shall provide services and applications to support Member Management, including but not limited to the following Impacted MITA Business Processes areas:

i. EE02 Enroll Member
ii. EE04 Inquire Member Eligibility
iii. ME01 Manage Member Information
iv. ME02 Manage Member Communication

See Exhibit 1 to this Attachment A for Functional and Technical Requirements.

C. Operations Management

The Contractor shall establish benefits, authorize medical activities, process claims for payment, and adjust claims after the fact ("Operations Management"). This includes services such as:

i. The receipt and adjudication of Provider claims to generate the appropriate disposition;
ii. Applying mass adjustments to previously adjudicated claims and all activities related to recovering funds that are determined to be overpaid due to third party liabilities;
iii. Detailing the plan(s), benefit(s), and rate information that must be created and maintained within the MMIS in order to successfully adjudicate the claims;
iv. Receiving the request for a prior authorization for a referral or service;
v. Tracking the authorization status and the information that must be referenced when processing the claim for the pre-authorized action; and
vi. Third Party Recovery activities.

The Operations Management capabilities required in this Contract align with two (2) MITA 3.0 Business Areas: OM ("Operations Management) and CM ("Care Management") for PA ("prior authorization"). In Vermont, it includes any third-party recovery activities that are categorized as FM ("Financial Management") within the MITA 3.0 framework.

The Contractor shall provide services and applications to support Operations Management, including but not limited to the following Impacted MITA Business Processes areas:

i. OM05 Apply Mass Adjustment
ii. OM07 Process Claims
iii. OM14 Generate Remittance Advice
iv. OM18 Inquire Payment Status
v. OM20 Calculate Spend-Down Payment
vi. OM27 Prepare Provider Payment
vii. OM29 Process Encounters
viii. CM07 Authorize Referral
ix. CM08 Authorize Service
x. CM09 Authorize Treatment Plan
xi. FM02 Manage TPL Recovery

See Exhibit 1 to this Attachment A for Functional and Technical Requirements

D. Financial Management

Financial Management functionality supports the ability to manage the financial services across State organizations and to manage multiple funds. The MMIS is the core Financial Management system for all Medicaid-funded programs in Vermont. The Financial Management services include: provider and member payments; financial data management and reporting; 1099 production; accounts payable and receivable processing; and general cash management activities.

The Contractor shall provide services and applications to support Financial Management, including but not limited to the following Impacted MITA Business Processes areas:

i. FM01 Manage Provider Recoupment
ii. FM05 Manage Cost Settlement
iii. FM06 Manage Accounts Receivable Information
iv. FM07 Manage Accounts Receivable Collection/Refund

v. FM08 Prepare Member Premium Invoice
vi. FM10 Manage Member Financial Participation
vii. FM11 Manage Capitation Payment
viii. FM12 Manage Incentive Payment
ix. FM13 Manage Accounts Payable Information
x. FM14 Manage Accounts Payable Disbursement
xi. FM15 Manage 1099
xii. FM17 Manage Budget Information
xiii. FM18 Manage Fund
xiv. FM19 Generate Financial Report
xv. OM14 Generate Remittance Advice

See Exhibit 1 to this Attachment A for Functional and Technical Requirements

E. Plan Management

The Plan Management functionality supports the ability to detail the plan, benefits, rates, and payment methodologies required to process the claims. The activities include, but are not limited to:

i. Plan Tracking and Reporting;
ii. Provide the data and reports required to analyze potential Benefits Plan changes;
iii. Policy Review / monitoring; and
iv. Manage and update reference information.

The Contractor shall provide services and applications to support Plan Management, including but not limited to the following Impacted MITA Business Processes areas:

i. PL03 Maintain Program Policy
ii. PL04 Manage Health Plan Information
iii. PL06 Manage Health Benefit Information
iv. PL07 Manage Reference Information
v. PL08 Manage Rate Setting

See Exhibit 1 to this Attachment A for Functional and Technical Requirements

F. Contractor & Business Relationship Management

The Contractor and Business Relationship work stream includes consideration of oversight and management of subcontractors in alignment with MITA 3.0 processes for these 2 MITA areas. This includes relevant management of contracts and contractors on behalf of the State at the State's direction. It also includes oversight of business relationships associated with Memoranda's of Understanding, Data Use Agreements, and work streams associated with the MMIS, as agreed upon by the State and Contractor. At the time of execution, there are no current subcontractors in place as part of this scope of work.

G. Performance Management

The Performance Management and Data Analytics functionality includes consideration of reporting and analytics across all processes, data, and aspects of the MMIS. The solution includes integrated capabilities that provide simple and efficient access to all MMIS data including Claims, Financial, Provider, and Member details through the deployment of Business Intelligence and Reporting services that enable:

i. Development of additional reports, dashboards, and analytical models;
ii. Self-service capabilities that allow end-users to:
    a. Run a variety of prebuilt standard/parameterized reports and dashboards
    b. Interactively query and drill into data and create reports and dashboards
    c. Interactively model a variety of patterns, trends, scenarios and outcomes using prebuilt modeling and data mining applications
    d. Administer and manage the library of reporting and analytics assets;
iii. Identify, prioritize, and plan additional analytics capabilities needed;
iv. Collaborate with the State to define requirements, acquire, and implement such capabilities; and
v. Provide analytics onsite training and support, as needed, for use of MMIS data, tools, and techniques to develop the State's analytics staff skills and knowledge.

The Contractor shall provide services and applications to support Performance Management, including but not limited to the following Impacted MITA Business Processes areas:

i. OM28 Manage Data
ii. PE01 Identify Utilization Anomalies

See Exhibit 1 to this Attachment A for Functional and Technical Requirements

H. Contractor Staff Requirements

The Contractor will maintain a staffing structure of sufficient background, expertise, size, and scope to perform Services and meet the Functional and Technical Requirements and service levels as set forth in this Contract. The Contractor shall deliver a Staffing plan which includes, at a minimum, the following Key staff positions:

i. Account Executive
ii. Financial Services Manager
iii. Claims Manager
iv. Systems Manager
v. Provider Services Manager
vi. Technology Infrastructure Manager
vii. Publications Coordinator
viii. Privacy & Security Coordinator
ix. Provider Representatives

The Contractor will notify the State within 2 business days of receipt of resignation from, or upon termination of, any key staff listed above. The Contractor shall notify the State within 10 days of receipt of resignation from, or upon termination of any non-key staff assigned to this contract.

During times of significant modification of the system, and when performing Technology Planning to comply with CMS ("Centers for Medicare and Medicaid Services") standards, the Contractor will propose staffing of additional roles. These project roles may include Project Management, Systems Integrator services, Solutions/Transition Architect, and other roles as warranted for the project.

I. Location of Services

All Key Staff positions must be filled with employees physically located in the State of Vermont. The Contractor will perform the following Services at the Contractor's Vermont facility:

i. Claim Receipt and Prescreening
ii. Checkwrite-related activities
iii. Business Operations (e.g. manual checks, accounts receivable, cash activity)
iv. Provider Enrollment
v. Provider Call Center
vi. Print and Distribution
vii. Suspense Resolution
viii. Quality Assurance
ix. Clinical Specialist (PT ("Physical Therapy")/OT ("Occupational Therapy")
x. Minimum 5 Application Developers on site in VT
xi. Minimum 3 Business Analysts
xii. Minimum 3 Data Analytics Reporting Specialists

The following services may be performed outside of Vermont but within the continental United States:

xiii. Data Center / Operations / Data Processing
xiv. Claims Input (data entry / OCR ("Optical Character Recognition")
xv. Network Administration
xvi. Application development (to supplement onsite staff)
xvii. Data Analytics Reporting Specialist (to supplement onsite staff)
xviii. Reference File Maintenance

Permanent changes to staffing location requirements shall be presented to the State prior to any candidate selection process and can be modified upon mutual agreement in advance of filling the position.

II. MMIS Base Operations: System Hosting, Administration, Operations, and Maintenance

The Contractor shall provide system applications that conform to the specifications as outlined below and in Exhibit 1 - Functional and Technical Requirements.

The State's existing MMIS systems are a combination of web-based and client-server applications hosted in Contractor-provided infrastructure and hosted in a Contractor-managed data center. The Contractor shall provide dedicated private network connectivity between the Williston, Vermont Contractor office location and the Contractor's data center, with connectivity to the State intranet. State staff will access the MMIS applications through the State intranet. Providers will access the Contractor's web-based portal found at vtmedicaid.com, via the internet.

The application services hosted and supported by the Contractor as part of the MMIS platform include:

i. MMIS online application;
ii. Citrix application servers for hosting of MMIS desktop client applications;
iii. Provider website for static content and secure login to MMIS Provider transactions and MAPIR ("Medical Assistance Provider Incentive Repository") EHRIP ("Electronic Health Record Incentive Payment") application;
iv. EDI ("Electronic Data Interchange" Safe harbor application for standardized trading partner file exchange;
v. OnDemand document management application for access to MMIS systems reports and claims facsimiles;

vi. Business analytics application for ad-hoc queries and reporting; and
vii. Provider help desk phone system including Automated Voice Response capabilities.

A. Data and Application Services

The Contractor shall host, operate, and maintain available MMIS systems, services, and data set forth in Exhibit 1, Functional and Technical Requirements and Exhibit 2, Service Level Agreement. The Contractor shall ensure system availability by performing backups of MMIS data, files, and software, and by providing Disaster Recovery services and plans for specified MMIS components as detailed in Exhibit 1, Functional and Technical Requirements.

The following table provides a summary of the functional software service description provided with the MMIS systems, along with technology components utilized to deliver the service. Technology changes may occur over time to these areas, in support of State technology plans and modernization projects, and will be addressed through the Change Management process. The Contractor will provide the required computer hardware and software to host these services within Contractor data center facilities.

Business Area	Application Service Description	Software Vendor and Technology
All	MMIS Core - AIM ("Advanced Information Management") MMIS online and batch application functions	AIMsoftware, (C, COBOL, PowerBuilder), CA Autosys (batch scheduler), Microfocus COBOL, SAP Powerbuilder, IBM DB2
Operations (Claims) Management	DRG ("Diagnosis Related Grouping") grouping and pricing for inpatient claims	CMS MS-DRG software,
Operations Management	EDI services for EDI transaction file exchange and processing. Includes safe harbor EDI file exchange.	SAP (Sybase) ECRTP and ECMAP, Oracle Tuxedo (for EDI transaction management), Contractor EDI services offering
Operations Management	Paper claims processing	Impression Technology software (OCR) and services
Provider Management, Eligibility & Enrollment Management	Provider credentialing, Provider data maintenance	Lexis Nexis data service (for obtaining provider credentialing data), Contractor shared Address Validation service (planned for 2017, based on AddressDoctor COTS), Contractor's AIM software
Provider	Provider portal web	Contractor's AIM

Management	application for Provider communications and self-service transactions	software, IBM Websphere, Microsoft IIS web server
Provider Management	Provider help desk and outreach, AVR ("Automated Voice Response") transactions	Avaya software and telecom systems, AIM software
Member Eligibility & Enrollment Management	ID card production	AIM software
Plan Management	T-MSIS reporting	Contractor common solution product for T-MSIS
All	Reporting	SAP Business Objects Desktop/Web Intelligence software, IBM OnDemand software, IBM DB2
EHRIP Program	Online application and CMS interfaces for Provider attestations and incentive payments	MAPIR product

B. Security

The Contractor shall be compliant and maintain compliance with HIPAA and all other applicable State andfederal laws, rules, and regulations regarding the confidentiality of Protected Health Information (PHI or ePHI), including the FIPS ("Federal Information Processing Standards"). The Contractor shall meet the confidentiality requirements set forth in detail in Exhibit 1 to this Attachment A, Functional and Technical Requirements, and Attachments D and E to this Contract.

C. Change Management

The Contractor shall, in consultation with the State and Providers, implement new or changes to existing Federal, CMS, or Vermont business and technical requirements. Changes are defined as enhancements or modifications to the Required Services, as set forth in this Attachment A and the Exhibits hereto and/or enhancements to the technical system features maintained by the Contractor for the State.

Changes to Service and systems requirements may be caused by events such as:

i. New state or federal policy;
ii. Changes to existing state or federal policy;
iii. Change in industry standards followed by the Contractor or the State;
iv. Changes to data sets or integration of Contractor supported services with services maintained by the State or other business partners;
v. The desire for new or enhanced services or functionality; or
vi. A change in circumstance for previously approved changes or projects.

Contractor assistance in support of changes include but are not limited to the following types of activities:

i. Revisions to memoranda of understanding, grant agreements and contracts;

ii. Project Management and Planning;
iii. Research, analysis, and documentation of business and technical requirements;
iv. Design, Construction, Testing, and Implementation of technical changes;
v. Development and Delivery of educational materials to State staff, to Contractor and other business partner staff, and to Providers;
vi. Communication and outreach to Providers and State departments; and
vii. Other business and technical assistance, as defined by the State

1. Change Management Plan

Customer Service Requests, Change Orders, and Task Orders, as described below, will be governed through a Change Management Plan. The Contractor shall adhere to a comprehensive Change Management Plan developed by the Contractor and the State.

i. The Contractor shall deliver a comprehensive Change Management Plan to the State that outlines how changes shall be documented, controlled, and implemented by the Contractor, including any process changes the State specifically requires. The plan shall describe how the CCB ("Change Control Board") shall manage the process for review, acceptance, and rejection of change requests. For any decisions that cannot be made by the CCB or project management team, the decision shall be escalated.
ii. In the Change Management Plan, the Change Order shall be:
    a. Drafted by the Contractor
    b. Reviewed and edited by the State Project Manager
    c. Approved or rejected by the CCB with direction from State management, as necessary
    d. Implemented by the Contractor, as necessary
iii. The Contractor shall use the Change Management Plan to ensure clear documentation of additions or changes to the baseline contract requirements and to better define change process differences based upon the size of the change and the impact.
iv. The Change Management Plan will include provisions for the following:
    a. Procedures for a Change Control Board composed of both Contractor and Client representation;
    b. Procedures for how the Change Control Board (CCB) shall manage the process for review, acceptance, rejection, and escalation of change requests;
    c. Contractor's response to requests within fifteen (15) business days after receipt, advising the State of any cost or schedule impact;
    d. Criteria for establishing project management practices and deliverables when required for oversight of larger, more complex, or higher risk change efforts; and
    e. Criteria for the Contractor to escalate significant changes to the project schedule and cost estimates when change requests are approved.
v. A Project Manager ("PM") for the State may be assigned by the State Program Manager to lead the implementation of an authorized project. This PM will act as the Authorized State Representative, solely per the tasks associated and up to the maximum amount per the tasks in that project. The State Project Manager assigned to a specific authorized project is the sole person to assign work to the Contractor under that project request.

2. CSRs ("Customer Service Requests")

A Customer Service Request is a State requested change for modifying the MMIS system or system outputs. CSRs are intended to be used for routine maintenance system modifications which typically require less than 200 hours of work. However, the State may request that routine maintenance

requiring more than 200 hours of work be considered a CSR under this section.

An annual budget of effort hours for CSRs is established within this contract in Attachment B as part of the fixed cost. The CSR hours outlined below are included in the Contractor's Operational Fixed Price (see Attachment B Payment provisions).

Any CSR request must be reviewed and formally approved by the appropriate State representative following a documented change process before being implemented by the Contractor. Prior to submission to the Contractor, all CSRs must be documented and submitted for review in the manner specified in the Change Management Plan. CSRs shall be approved for the State by the State Program Manager or designee and for the Contractor by an authorized signatory.

3. Change Orders

The State may, at any time by a written Change Order, propose changes to the scope of work. Such changes may include changes to the technical requirements or business services under this Contract. Change Requests are to be used for more intensive work than that for which CSRs are used and for identified projects as defined in the Modernization Projects described below and within Attachment B Payment Provisions. Remediation to the MMIS in order to comply with Federal and CMS requirements will be performed in association with a CMS APD ("Advanced Planning Document") and handled as a project. The Change Order will specify the scope of the change and any required delivery dates.

Any Change Order shall be subject to the same terms and conditions of this agreement. Approved Change Orders shall be executed for the State by the Commissioner and for the Contractor by an authorized signatory. Changes which require a material modification to project scope or deliverables, increases to the Contract Maximum Amount, an extension of the term, or modifications to Attachment C or Attachment D shall require a Contract amendment. All Change Orders, occurring since the time of the last Contract amendment, shall be consolidated into a Contract amendment when the next amendment is required hereunder.

Except as may be agreed to by the State, the Contractor will receive Change Orders in writing as specified in the Change Management Plan. The parties will negotiate, in good faith and in a timely manner, all aspects of the proposed Change Order. No Change Order will have any force or effect unless executed as described above.

Change Orders will be governed through a Change Control Board composed of both Contractor and State representation. Change Orders shall be used for more intensive work than that which CSRs are used. Any work which consumes more than 500 hours must be characterized as a project and managed accordingly. Those of less than 500 hours may be conducted as a project if warranted, as determined by the State. In general, these changes shall result in enhancements or adjustments to the baseline scope of work performed by Contractor for the State.

Such changes encompass but are not limited to:

i. New state or federal policy;
ii. Changes to existing state or federal policy;
iii. Change in industry standards followed by the Contractor or the State;
iv. Changes to data sets or systems maintained by our business partners;
v. The desire for new or enhanced services or functionality; or

vi. A change in circumstance requiring change to approved or planned activities or projects.

4. Task Orders

Task Orders are intended to bridge a gap in funding due to regulatory changes to approved projects and to clarify and augment the existing tasks or scope of work within this context. Task Orders may be necessary when an Advanced Planning Document is needed to secure Federal funding; however, the work needs to comply with federal regulations and is already mandated or underway.

Clarified and/or additional tasks under the Task Order section of this agreement shall be submitted as specified by the Change Management Plan, in the form of a request for a Task Order proposal to the Contractor by the State, or to the State from the Contractor. The Contractor has the right to submit modifications or deny any Task Order submitted by the State. The State can submit modifications or deny proposed Task Order submitted by the Contractor.

The final Task Order document shall receive approval by the State, and be signed by the Contractor, the State Authorized Representative, and the DVHA Business Office. The Task Order must indicate: scope, intended source of funds, payment provisions, points of contact, ownership of data and any applicable data use agreement, and project specifics.

No Task Order may increase the maximum amount payable under this contract, substantially deviate from the scope of this contract, or deviate from any term in any part or attachment to or of this contract. The Task Order process shall not be used in lieu of the Change Request and amendment process where an amendment is appropriate.

Each Task Order must clearly define payment either by rate per hour or deliverable received and approved. Each Task Order must be pre-approved before any work shall begin. The State will not pay for services that are not previously approved in a Task Order by both authorized representatives responsible for the Task. The State Authorized Representative and the DVHA Business Office have final authority over whether a Task Order is initiated under this agreement. Task Orders must be approved by the parties listed in the Change Management Plan.

The budget for work under Task Orders shall not exceed $500,000 during the term of this agreement.

D. Project Management

1. Work that is authorized, initiated, and performed as described in the Change Management section will be delivered by applying commercially reasonable industry standard practices and deliverables as defined within IT delivery methodologies and standards equivalent to PMI (“Project Management Institute”), PMBOK (“Project Management Body of Knowledge”), and ITIL (“Information Technology Infrastructure Library”) (hereby collectively known as “commercially reasonable practices”). Deliverables and level of oversight will be tailored to the size of the change effort, as agreed to by the parties. For all work, standard practices and tools will be utilized to manage service delivery, including but not limited to:
    i. Change Management for defining, tracking, authorizing, and delivering specific enhancements to services and systems features;
    ii. Quality Management practices such as producing requirements and testing deliverables for software changes, utilizing documented operational procedures, and verifying outcomes of fiscal agent operational activities;

iii. Configuration Management tools and practices for controlling technical environment configurations, software versioning, and versioning and reviews of formally managed documents and deliverables; and

iv. Issues Management for restoration of services and for correcting and preventing service disruptions.

2. For work that is mutually identified and agreed to by both parties as being managed as a project, additional project management practices and deliverables will be utilized. Project Management practices shall include but are not limited to:

i. Project Governance roles and deliverables
ii. Project Work Management tools and activities
iii. Risk Management
iv. Scope and Cost Management
v. Communication Management

3. When the Contractor is requested by the State to provide Project Management services for a project, the Contractor shall develop a set of documents in conjunction with the State that, when taken together, constitute the Project Management Plan. The Plan provides a road map for accomplishing the desired business outcomes via the project. The deliverables that constitute the Project Management Plan will be mutually agreed upon for each project, and the set of deliverables may be tailored to meet the requirements of each project. Typical deliverables include the following:

i. Project Charter/Cost Management Plan(s) - The Contractor is responsible for developing plans that identify the high level scope, cost, and budget for the project, and for how project costs/budget shall be incurred, controlled, and reported. Cost-related progress reporting shall be developed and included by the Contractor, and must include a tracking of costs to the project budget baseline;
ii. Risk Management Plan - includes a baseline Risk Assessment to the State's Project Manager within one month of the project initiation, and regular updates and reviews of potential and realized risks. Risk management planning should also identify how the Contractor's Change Management Plan (for all work) will be used to control the project;
iii. Quality Management - identifies project deliverables and associated acceptance criteria, and key quality processes, including the deliverable review process;
iv. Scope and Schedule Management - identifies roles and responsibilities, work planning deliverables, and how the project shall be monitored for status and variances, including roles and responsibilities for both parties for maintaining the project schedule. This should include how the existing Change Management Plan (for all Contractor work) will be utilized on behalf of this specific project;
v. Communication Plan - identifies project deliverables, frequency of delivery, and consumers of information regarding the project; and
vi. Implementation and Closure Plans - defines success criteria, implementation and post-implementation activities, and procedures necessary to implement and close out the Project.

E. Modernization Planning

At least once per year, the Contractor will, in consultation with the State, develop and update the MMIS Technology Plan to include the following topics:

i. Identify risks and limitations of current services, including identifying dependencies between the Contractor's provided technology and other Vermont enterprise systems;

ii. Define a roadmap of opportunities for incremental modernization and leveraging of software service and infrastructure components, in alignment with State technology architecture; and
iii. Define maintenance and operations approach and timelines, for updates to infrastructure and software.

The MMIS Technology Plan, in support of the State's relevant Technology and Business Plans, will identify opportunities to update business or technical components of Vermont Medicaid systems. The common objective of these initiatives is to become more aligned the CMS MITA Framework, including the CMS Seven Conditions and Standards for Medicaid technology investments.

Such plans will align with CMS and State standards, in particular:
i. Federal Standards Compliance
ii. Seven Conditions and Standards
iii. Technical Assistance related to CMS requirements
iv. Change order and APD management

For Modernization Planning purposes, the Contractor shall make the State aware of new Contractor products which utilize or comply with SOA ("Service Oriented Architecture") and MITA principles, wherever possible, and leverage shared services which the State utilizes. The products recommended by the Contractor shall meet commercially reasonable practices.

To assist the State in planning the transition of the MMIS in order to meet the State's strategic plan, the Contractor shall provide a transition architect to augment the current technical staff for the project. A leveraged technical architect will provide an industry perspective of both commercial and State health care technology strategy.

The Contractor shall make available a technical architect to:
i. Participate in the state's governance board in planning the tactical strategies associated with the State's strategic technology plan for the enterprise;
ii. Provide leadership and guidance for transition of the Vermont MMIS to support the State's tactical plan for the new level of functionality;
iii. Coordinate with the State's technical leadership and the Vermont MMIS leadership;
iv. Provide guidance for integration of VT MMIS processes with the State's governance processes and infrastructure; and
v. Recommend new technology to support the State's strategic planning association with the project.

III. Additional One-time, Ongoing, and Future MMIS Modernization Projects

This section provides a summary of the current projects that are planned or in progress as of 1/1/2017. The Change Management process will be followed for State authorization of the Contractor's project work outlined in this section. This work is not included in the base scope detailed within Section I and II of this Attachment A or included in the base price detailed within Attachment B. The State, at its sole discretion and upon availability of funding, may choose to initiate, continue, or stop work under any of these projects independently or otherwise. The parties will agree to the timing and schedule of each of these projects. The Contractor will produce a monthly bill for the actual hours worked each month. Any work performed in excess of the maximum hours set forth in the tables in subsections A-G below will require approval by the State prior to the Contractor performing the additional hours. The bill will include the hours used for each activity listed. The Contractor will be reimbursed at the CSR hourly rate described in Attachment B, unless

the parties have agreed the project will be performed for a fixed price.

The Contractor must employ accessibility standards, processes, and commercially reasonable practices and apply these to all end-user applications. As independent external IT delivery methodologies and standards (such as those listed in Section II.D.a) are modified, commercially reasonable practices shall be enhanced and applied to any projects affected.

A. Provider 6028 Project

The VT Provider 6028 Project is supported by an existing, approved Implementation Advance Planning Document (IAPD) with CMS.

ACA Rule 6028 introduced guidelines to State Medicaid Agencies regarding Provider Credentialing and Certification for Providers who are participating and being reimbursed by the Medicaid program. This project is to identify and perform several enhancements to the MMIS system and identify process changes to meet these compliance guidelines.

The Provider project scope includes detailed process analysis, systems design, construction, testing, and project management of required enhancements in the following areas:

Item #	Item	Hours	Provider 6028 Project Description
1	**MMIS LexisNexis File Exchange**	292 hours	MMIS System and Integration Testing Phase of the LexisNexis File Exchange process and LexisNexis Base Package Files. MMIS Construction, System and Integration Testing of the Advanced Package Files. Ref. 42 CFR § 455.412(a)(b), § 455.436, § 455.452
2	**Collection of Provider Enrollment Fees**	1,000 hours	Create a Manual Process for Collecting of Provider Enrollment Fees and MMIS modification to create a new screen to capture if they have paid the fee to Medicare, to another Medicaid program, or to Vermont Medicaid. Create new financial transactions to capture the enrollment fee under the refund functionality in the MMIS. Assumption: Estimate assumes a manual process for updating the new Enrollment Fee information in the MMIS. Ref. 42 CFR § 455.46
3	**LexisNexis – MMIS Automated Processes**	3,176 hours	The **Provider Updates 2014** Project introduced the LexisNexis Advanced Package of data files to the MMIS. This item is to build upon the data available in these files. The Contractor will work with the State to review data in the post-production data feeds and recommend processes to automate data updates in the MMIS. Possible items that could be built under this item include: Updating Provider License Expiration Dates, Updating Provider DEA, and DEAX Expiration Dates, Adding/Updating/Deleting Provider Service Address Information, Modification to Provider Risk Assessment Level, etc. Ref. 42 CFR § 455.412(a)(b), § 455.436

Item #	Item	Hours	Provider 6028 Project Description
4	**Automated Welcome Letters and Revalidation Acknowledgement Letters**	240 hours	Welcome Letters are manually generated when new Providers are enrolled in the Vermont Medicaid Program. There are four different types of letters generated. A new requirement to the MMIS is to generate an acknowledgement when a provider revalidates their credentials and renews their enrollment in the Vermont Medicaid Program. This item is to automate the generation of both the Welcome Letters and the Revalidation Acknowledgement Letters.
5	**Fingerprint Background Screenings for Providers and Disclosing Entities**	440 hours	This item includes time to incorporate Fingerprinting into the MMIS Provider Credentialing Process. There is not currently enough information at this time to provide a detail analysis of impacts to the MMIS. Estimate includes efforts to create a Screen to capture those providers who have been Fingerprinted, when that occurred, and simple Provider Reports to list the new Fingerprinting data. Assumption: Estimate assumes a manual process for updating the Fingerprinting data in the MMIS. (DAIL's Fingerprinting Efforts is separate from the MMIS Fingerprinting efforts/process.) Estimate does not include any cost associated with Third Party Vendors which may be necessary to perform Fingerprinting and the background checks. Ref. 42 CFR § 455.434 (a) and (b)(1)(2) and § 455.450

B. Medical Assistance Provider Incentive Repository (MAPIR) Core Development

The VT MAPIR Project is supported by an existing, approved Implementation Advance Planning Document (IAPD).

The State participates in the development of the core MAPIR application in coordination with multiple states. The scope of Core MAPIR is for software enhancements due to CMS requirement changes, and for deployment of the Core MAPIR application updates and patches. Core MAPIR development payments will be invoiced a quarterly basis at amounts indicated within Attachment B. Pricing may be adjusted if the number of members in the MAPIR Collaborative increases or decreases.

C. Vermont Specific MAPIR Integration/Customization

The scope of this effort is specific to the integration of the Core MAPIR enhancements into the Vermont MMIS environment; any associated custom effort required for Vermont specific needs and ongoing technical production activities.

The Installation and Customization of Core MAPIR releases consists of the following activities. The project budget for the duration of the contract, is based on the annual estimates below:

MAPIR Customization Activity	Annual Hour Maximums
Environmental Changes (DB2,Websphere/Stored procedures)	120
MAPIR Installation	120
State Configuration	80
Additional Customization	300
Project Management	300
Testing	120
Subtotal	**1040**
Technical Support of VT production environment	500
Annual Customization Hours	**1540**

D. APM ("All Payer Model") Project

Vermont is currently adopting Medicaid payment reform, in alignment with the CMS Next Generation ACO ("Accountable Care Organization") Model for Medicare. MMIS claims processing application supported by the Contractor will be modified and configured to support capitated payments to one or more Vermont ACO's. The EVAH ("Enhanced Vermont Ad-Hoc") reporting tools and reports will be updated to provide the reporting required to support the ACO program as well as continued reporting for Fee for Service claims.

The following table provides the high-level descriptions for scope of the Contractor systems work and initial estimates for each area. The estimates are for the initial Phase 1 scope of work; future phases of work may be addressed via future contract amendments.

Systems Area	Description of Changes	Project Activity	Maximum Hours
MMIS Reporting	Update MMIS-generated reporting for state audit reporting, T-MSIS, and others as needed	Analysis and Design	50
		Software Development	330
		Functional Testing	55
EVAH (user-generated) Reporting	Update configuration of Business Objects software, universes, and underlying data structure for new ACO information; update ETL processes; modify existing reports and develop new reports; provide training and updated documentation for Contractor and state data analysts	Analysis and Design	300
		Tools Configuration and Report Modifications and Development	1000
		Functional Testing	220
		Training, Documentation, and Support	200
Contractor Project	Project management and status reporting.		200

Management			
Provider Outreach and ACO Support	Additional Provider outreach and documentation during transition to ACO payment model; ACO documentation and training		140
Support for Operational Readiness	Contractor support of operational readiness phase activities with the State		100
Project Contingency	State management reserve for mitigating risks due to unknown requirements, including changes due to future contract negotiation with ACO.		425
Estimated Hours for MMIS and EVAH, Phase 1			**3020**

E. Medicaid Pathways

MMIS enhancement work for Medicaid Pathways project would require future definition and funding through a contract amendment or other work authorization mechanism.

The State of Vermont, Health Care Innovation Project is funding a workgroup to develop options for an organized delivery system for serving individuals with Mental Health, Substance Abuse Treatment, and Developmental Service needs. This project is also referred to as Medicaid Pathway to and Integrated Health Care System.

MMIS system enhancements will be required for the State to implement the resulting approved delivery system design.

Medicaid Pathways Activity	Hour Estimates
Project Management	100
Analysis and Design	500
Subtotal Hours Estimate	**600**

F. SSNRI ("Social Security Number Removal Initiative")

MMIS enhancement work for SSNRI project would require future definition and funding through a contract amendment or other work authorization mechanism. The State anticipates submitting an IAPD to CMS for support of this project including work that will need to be done in eligibility and enrollment systems.

Congress passed the MACRA ("Medicare Access and Children's Health Insurance Program Reauthorization Act") of 2015 (PL 114-10) on April 16, 2015. Section 501 of MACRA requires CMS to remove the Social Security Numbers (SSNs) from Medicare cards and replace with a MBI ("Medicare Beneficiary Identifier"). New Medicare cards will be issued with a new MBI to approximately 60 million beneficiaries by April 2019.

In order for states to be fully compliant, policies and systems must be examined and the appropriate changes identified and modifications tested prior to CMS distributing new Medicare cards (est. April

2018). MMIS will require modification to integrate with other State systems in order to accommodate the load, storage, display, and reporting of a new MBI identifier for members.

SSNRI Activity	Hour Estimates
Analysis and Design	120
Construction and Testing	240
Project Management	40
Subtotal Hours Estimate	**400 hours**

G. Technology Updates

Due to the age of current technologies and known business drivers, the following areas of MMIS technology have been identified as needing to be addressed within the first twenty-four months of this Contract term. These projects will require additional definition and funding through a contract amendment, change order, or other work authorization mechanism.

i. **Capability to process new and updated electronic transaction formats**

The State anticipates submitting an IAPD to CMS for support of this Electronic Data Interchange (EDI) project.

In support of ongoing processing of claims and other ASC ("Accredited Standards Committee") X12 EDI standard health insurance transactions for calendar year 2017, the Contractor shall prepare for updated ANSI ("American National Standards Institute") transaction standards and requirements. A technical need exists to migrate off the SAP Sybase (third-party) software platform which is no longer being supported by the vendor SAP. The Contractor shall migrate the Vermont MMIS to interface with a new SOA leveraged EDI service as an initial project phase in advance of a second phase to implement new transaction standards (once finalized);

EDI Services Phase 1	Hour Estimates
Analysis and Design	418
Construction and Testing	1400
Project Management	300
Subtotal Hours Estimate	**2118 hours**

ii. **Enhance report generation and analytic capabilities to better support the new MMIS APM ("All Payer Model" Project and other State reform initiatives.**

The Contractor will update the commercial software technology and configuration of the tools used for ad-hoc queries and reporting of MMIS Claims and Provider data, as performed by the State and the Contractor's employees. The APM project includes effort to implement new Medicaid reports;

iii. **Migrate MMIS report and document archival to the standardized Content Management (CM) platform:** In support of the State's HSEP ("Health Services Enterprise Platform"), the

Contractor shall migrate to a standard Content Management solution for storage of MMIS documents including claims facsimiles and MMIS-generated operational reports. The current IBM OnDemand (third party) software and server platform is at end-of-life for Contractor support.

Content Management	Budgetary Hour Estimates
Analysis and Design, including records management evaluation	400
Construction and Testing, integration of MMIS with standard CM services	1000
Migration of claims facsimiles and reports	1400
Project Management	200
Subtotal Hours Estimate	**3,000 Hours**

iv. **The technology supporting provider applications for Medicaid enrollment and revalidation is highly manual and counterproductive to attracting and retaining solid provider network. The State anticipates pursuing an IAPD for modernization of the enrollment and credentialing functionality currently contained within MMIS.**

The Contractor shall support MMIS integration with a modular, automated credentialing service for Medicaid Providers. The credentialing service will enable online provider enrollment and revalidation, automated credentialing and workflow, and ongoing credentialing checks, and other functionality in compliance with ACA regulations.

IV. Transition Services

The Contractor shall provide assistance in turning over some or all MMIS services to the State or to another contractor. This section describes the facets of turnover planning and activities that are to occur at least six calendar months prior to the conclusion of this Agreement, or immediately upon notification from the State. Turnover must be smooth, timely, and without adverse impact on Providers, beneficiaries and users.

A. Turnover Plan

Prepare the Turnover Plan at least six calendar months prior to the conclusion of the MMIS contract, or within 30 calendar days upon notification from the State. The Turnover Plan shall be based on all facets of turnover occurring within 120 calendar days:

i. Approach;
ii. Staffing;
iii. Tasks;
iv. Schedule;
v. Operational documentation and work artifacts; and

vi. Code, hardware, software, licenses.

The Contractor shall provide a Turnover Results Report that documents completion and results of each step of the Turnover Plan.

B. Statement of Resources

As requested by the State or its designated agent, the Contractor must furnish a Statement of Resources based on the Contractor's actual experience and resources with a detailed and comprehensive organizational chart depicting the Contractor's entire operation.

At a minimum, the statement must identify all staff by type of activity, number, and include all facilities and any other resources required to operate the MMIS and perform fiscal agent services.

The Contractor will, at the request of the State, meet with the State or another Contractor for coordinating turnover of knowledge and turnover of duties within the last six (6) months prior to contract expiration.

C. Technology Turnover

The Contractor will transfer all up-to-date source code for those customized components of the Vermont AIM non-leveraged software that are developed under this contract and paid for by the State. The Parties acknowledge that customized components developed under contract #8430A by the Contractor and paid for by the State that are up-to-date and being utilized by the Contractor at the time of the transition from contract #8430A to this contract #32822 may also be transferred at the Turnover as required by the terms of contract #8430A. This includes but is not limited to:

i. All necessary data and reference files on electronic media;
ii. All production computer programs and scripts on electronic media;
iii. All other documentation, including, but not limited to: user, provider, and operation manuals needed to operate and maintain the system;
iv. Procedures for updating computer programs, batch job scripts, and other documentation; and
v. Arrange for the transfer of equipment and software leases, licenses and maintenance agreements to the State to the extent allowed under the third-party license agreement.

Transition services do not include implementing transferred or new replacement solutions of MMIS technologies. Transition services do not include the transfer of shared service components. Shared service components are where multiple Medicaid states are supported by the Contractor to leverage the same software product component licenses and shared Contractor support staff. Technology projects may be supported by the Contractor's technical staff by utilizing the CSR or the Change Order processes. The Contractor will include technical transition activities and transition project management as a component of Project Management Plans, as requested by the State.

The Contractor will train a designated State employee or designated new contractor staff for each area in the operation of the MMIS. The Contractor will provide up to 200 hours of such training to be completed at least two months prior to the end of this Agreement or as mutually agreed.

Training includes:

i. Claims processing data entry;
ii. Computer operations, including cycle monitoring procedures;
iii. Controls and balancing procedures;

iv. Exception claims processing; and
v. Other manual procedures.

The Contractor shall provide post-turnover services, at no additional charge to the State, including the services of an on-site Systems Engineer, who has worked on the Vermont MMIS at least one year, to work on-site for 90 workdays following termination of this Agreement. The proposed Systems Engineer must be approved by the State. The State will provide workspace and assign work to be done on a full-time basis to support post-turnover activity.

At the State's direction, and within 90 workdays following Contract termination, the Contractor shall correct, at no charge, any malfunctions caused by the Contractor, and which existed in the MMIS prior to turnover or which were caused by the Contractor not meeting the Turnover requirements.

D. Turnover Milestones

i. State approval of each Deliverable;
ii. State request for turnover services;
iii. Completion of turnover training; and
iv. Completion of turnover.

E. Transition Deliverables

i. Turnover Plan;
ii. Statement of Resources;
iii. MMIS software, files, and operations documentation;
iv. Turnover Results Report;
v. Operational infrastructure; and
vi. Web-portal, translator, and translator software.

Exhibit 1
Functional and Technical Requirements for Base Services

The Contractor shall perform the following specifications for services as set forth in Attachment A, Section I and II:

A. Providers

Req. #	Requirements
1.1	Process the following inputs: Enrollment and application forms and provider agreements from Providers Written and verbal Inquiries from providers Additions and/or changes to provider data
1.2	Accept additions and/or changes to the provider master file within MMIS.
1.3	Accept National Provider Identifier as the Vermont Medicaid provider number when appropriate.
1.4	Accept MMIS updates of review or restriction indicators and dates on a Provider's record to assist the State in monitoring a Provider's medical practice.
1.5	Accept group provider numbers, and relate individual Providers to their groups, and the group to its individual Providers, with effective dates.
1.6	Accept retroactive rate adjustments to the provider file.
1.7	Accept changes to provider type categories and convert history records to reflect new provider type categories.
1.8	Deactivate provider records meeting specific criteria (e.g., no provider billing for three years).
1.9	Edit screen-entered data for presence, format, and consistency with other data in the update transaction and on the provider master file
1.10	Edit to prevent duplicate provider enrollment during an “add” transaction.
1.11	Monitor provider enrollment to ensure that each provider has one provider number for each specified program and/or facility.
1.12	Monitor State licensure and certification data on a continuing basis.
1.13	Cross-reference inactive provider numbers (including old and new Medicare UPIN) that would identify the current active number for that entity.
1.14	Maintain provider applications from receipt to final disposition (approval/rejection) and indicate in MMIS.
1.15	Maintain MMIS to charge files to accumulate facility-specific case mix and level of care information.
1.16	Maintain rates by type of capitation, recipient program category, specific demographic classes, covered services, type of plan, and service area for prepaid health plan, or managed care providers.
1.17	Maintain MMIS update capability for multiple, Provider-specific reimbursement rates (e.g., per diems, case mix, rates based on levels of care, preferred provider agreements, volume purchase contracts or other cost containment initiatives) with beginning and ending effective dates for up to 10 segments.
1.18	Maintain audit trails of Provider name and number (including old and new Medicare numbers), or status changes.
1.19	Provide online access to up to 10 years of historical provider file data (e.g., provider rates and effective dates, provider program and status codes, and summary payment data).

Req. #	Requirements
1.20	Provide online access to the provider master file with inquiry by provider and group name and number, (Medicaid ID number or NPI)
1.21	Maintain the full Provider name, which may include the Provider's title if applicable, in the provider master file as a single field, at least 45 characters long, except for mailing purposes.
1.22	Maintain Providers' professional title (e.g., MD), if applicable.
1.23	Maintain effective dates for provider group membership, enrollment status, EMC billing data, restriction and on-review data, certification(s), specialty, claim types, and other user-specified provider status codes and indicators.
1.24	Maintain the number of beds and level of care, in addition to other State-specified data elements in up to 10 date-specific segments for LTC facilities (e.g., NF, SNF, ICF-MR) and other institutional providers (e.g., inpatient).
1.25	Maintain Provider enrollment status codes with associated date spans. At a minimum, enrollment codes include: Application pending Enrolled for all programs Enrolled only for special programs (e.g., waiver) Preferred provider arrangement Enrollment suspended Terminated
1.26	Maintain enrollment specific codes (e.g., CLIA lab certification codes) which restrict the services for which providers may bill.
1.27	Maintain summary-level accounts receivable and payable data in the provider file that is automatically updated after each claims processing payment cycle by calendar and SFY to-date totals.
1.28	Identify services, procedure codes and/or specialty codes that restrict a Provider's billing.
1.29	Identify the entity through which a provider bills, if a billing service or a clearinghouse is used.
1.30	Identify Providers that use electronic submittal of claims, electronic remittances, and/or electronic funds transfer
1.31	Identify multiple practice locations for a single provider.
1.32	Identify multiple addresses for a provider, including, but not limited to: Pay-to Mail-to Email-to Services location(s) Legal Prior Authorization
1.33	Identify Providers due for re- validation or re-licensing 90 calendar days; identify providers not responding within 45 calendar days of original notice.
1.34	Identify Agency or department funding source based on provider type or specialty if applicable.
1.35	Perform mass updates to provider rate information.
1.36	Produce enrollment approval letters. Produce enrollment denial letters when applicable.
1.37	Produce re- validation notices.
1.38	Verify provider's certification on the provider licensure date during process of Provider recertification.

Req. #	Requirements
1.39	Enroll all Providers that are listed on a claim.
1.40	Create and maintain an excluded Provider list process. Static list manually posted to the State and/or Contractor Website.
1.41	Identify and capture disclosing entities from providers
1.42	Perform monthly database checks with third party Contractor(s) to perform Death, Sanctions, Exclusions and Medical license Verification checks for providers and disclosing entities.
1.43	Maintain Risk Assessment assignment on provider record
1.44	Produce group mailings (including e-mail) and provider labels based on selection parameters such as provider type, zip code, specialty, district, town, county, and special program participation.
1.45	Produce alphabetic and numeric provider lists that can be restricted by selection parameters such as provider type, specialty, county, town, district, and enrollment status.
1.46	Maintain audit trails of changes to provider file data.
1.47	Produce provider cross-reference listings for FEIN, SSN, and license numbers.
1.48	Produce provider 1099 reports and associated payment reports.
1.49	Produce information required for institutional rate setting.
1.50	Produce standard reports depicting: The status of provider applications in process. Providers due for re- validation or re-licensing within 90 calendar days Providers to be deactivated/purges due to inactivity Growth in the number of active providers by provider type and specialty over time Providers who have changes practice arrangements (e.g., from group to individual) by provider type
1.51	Provide MMIS inquiry screens that accommodate basic information is displayed on a single screen (e.g., name, location, number, provider type, specialty, certification dates, etc.)
1.52	Provide MMIS inquiry screens that accommodate charge file data
1.53	Provide MMIS inquiry screens that accommodate accounts receivable and payable data
1.54	Provide MMIS inquiry screens that accommodate information, such as addresses, group data, summary calendar, and State YTD claims submittal and payment data
1.55	Provide MMIS inquiry screens that accommodate listings by selection parameters such as provider type, specialty, county, town, district, and enrollment status
1.56	Provide MMIS inquiry screens that accommodate the number of beds in the facility and reimbursement rates for institutional providers.
1.57	Provide MMIS inquiry screens that accommodate on-review and special data (e.g., lab certification data).
1.58	Provide the Pharmacy Benefit Manager (PBM) – with provider enrollment and status data on an agreed upon scheduled basis.
1.59	Provide the Office of Inspector General (OIG), Medicare with provider data on an ad-hoc basis as required.
1.60	Maintain the provider master data set or master file.
1.61	Maintain methods to edit and verify accuracy of provider data.
1.62	Maintain a physical file on approved and denied providers. The approved provider file contains applications, provider agreements, copy of the provider license, and all correspondence relating to certification, enrollment or resulting in provider file updates. Files for denied providers

Req. #	Requirements
	include applications and documentation regarding the reason for the denial.
1.63	Maintain MMIS inquiry capability for prompt access to the provider files for State personnel.
1.64	Maintain regular communication with the applicable State agencies to perform certification and licensure verification. Verify certification in neighboring states for certifying out-of-state providers.
1.65	Maintain staffed toll-free telephone lines for provider inquiries about enrollment, billing, or claims.
1.66	Maintain a log of written and telephone inquiries that identify caller, nature of the inquiry, and outcome.
1.67	Maintain records of providers (by provider type) who participate in training sessions and submit to the State.
1.68	Maintain an inventory control on all forms.
1.69	Maintain PES (Provider Electronic Software), including updates, and make available to providers at no charge.
1.70	Update the provider master file daily to reflect changes brought to the attention of the Contractor by the State, providers, or from within.
1.71	Utilize National Provider Identifier File (NPF) if required by Federal or State rule.
1.72	Receive requests for enrollment and mail enrollment packets to providers.
1.73	Process provider enrollment applications, including reviewing returned packets for completeness and obtaining missing information. Enroll providers eligible to provide medical assistance services.
1.74	Notify providers of acceptance/rejection as a Vermont Medicaid provider and send accepted providers a Welcome letter containing the information for participation in and for billing the State for Medicaid services, to eligible recipients.
1.75	Verify required licenses, exclusions and certifications.
1.76	Educate providers about the Vermont Medicaid programs, the claims processing system and proper billing procedures through workshops, training sessions, presentations at professional association meetings, individual training, as needed, and the production and distribution of provider manuals and notifications.
1.77	Establish an organizational unit within the Contractor's Vermont operations site that is responsible for provider communications, relations and training in a proactive manner and that assists providers with electronic claims submission procedures and processes.
1.78	Provide the State with monthly reports on all calls answered and on timeliness of written correspondence.
1.79	Print and distribute, at no charge to providers: Provider Manuals All consent forms (e.g., sterilization, abortion, hysterectomy, etc.). And other State-specific attachments.
1.80	Inform providers about ECS, automated remittance, and EFT options, and work with providers to finalize appropriate formats for the data transfer.
1.81	Annually re- validate providers based on scheduled end dates
1.82	Annually review and/or amend requirements for the Provider Training Plan, at the beginning of each contract year, and submit to the State for approval. Quarterly submit Provider Training Plan to the State for review.

Req. #	Requirements
1.83	Annually write, obtain State approval of, print when applicable, and distribute satisfaction questionnaires to providers.
1.84	Perform mass updates of the provider file.
1.85	Write, obtain State approval of, print when applicable, provide online and distribute: Provider Manuals Revisions to Provider Manuals Banner Publications (e.g., bimonthly Medicaid Advisory) Biller education training materials Annual Provider Satisfaction surveys
1.86	Update, maintain and distribute Provider Manuals and its supplements to providers. Provider Manuals must be available in both hardcopy and online versions. The online version will have a web-based interface and search capability.
1.87	The State in consultation with the Contractor will determine if more or fewer supplements are required, and conditions and billing requirements change. The State shall approve all content.
1.88	The Contractor agrees that the State retains a perpetual nonexclusive license to the source code for the Provider Electronic Solutions (PES) system.

B. Members

Req. #	Requirements
2.1	Process the following inputs: Access Eligibility updates Monthly member data reconciliation with ACCESS TPL information that updates the member record
2.2	Accept daily updates of member eligibility master file records from ACCESS
2.3	Accept changes to selected fields on the member record through online, real-time entry for maintenance by State personnel.
2.4	Perform monthly reconciliation of member eligibility master file records with ACCESS.
2.5	Perform State Data Exchange (SDX), other Medicare data exchanges using CMS data exchange protocols.
2.6	Edit data transferred from ACCESS for completeness and consistency, according to edit criteria established by the State.
2.7	Cross-reference current and prior member ID numbers, including any temporary ID numbers.
2.8	Accept changes to member data from claims processing.
2.9	Archive inactive records to an accessible archive file based on criteria established by the State.
2.10	Identify potential duplicate member records during update processing.
2.11	Maintain historical member eligibility data online for up to 10 years for inquiry by member ID number, name or partial name, and other selection parameters (e.g., date of birth).
2.12	Maintain Medicare Part A and B and Buy-In indicators and effective dates.
2.13	Maintain current and historical date-specific eligibility data for basic and special program eligibility, Medicare coverage, and other member data that supports claims processing, and

Req. #	Requirements
	reporting.
2.14	Maintain a unique ID for each member.
2.15	Maintain the full legal member name in distinct fields, and cross-reference multiple surnames for the same member if an update transaction changes a member's name.
2.16	Maintain reason codes for eligibility termination dates (may not be required).
2.17	Maintain member restriction data to support claims processing (e.g., restriction type, provider number, and effective dates).
2.18	Maintain member limitation indicators.
2.19	Maintain online screens accommodate, at a minimum: Basic demographic data Historical eligibility segments Restriction data Medicare and Buy-in data TPL Information
2.20	Generate reports and update transactions to ACCESS based on eligibility and Medicare information from CMS data exchanges, and other member data from MMIS processes.
2.21	Generate weekly medical assistance ID cards to members
2.22	Assist the State in researching member file discrepancies.
2.23	Notify the State in a timely manner of discrepancies or errors identified in ACCESS eligibility files, including discrepancies in member data, and evidence of unsuccessful file transfer.
2.24	Produce member error reports for each eligibility transaction that fails one or more edits and deliver them to the State for resolution if the Contractor cannot resolve them.
2.25	Maintain the capacity to accept both manual and electronic input (e.g., HIV-AIDS eligibility process).
2.26	Appropriate controls and audit trails to ensure that the most current member data is used during each claims processing cycle.
2.27	Apply daily updates to the member file from ACCESS.
2.28	Perform monthly reconciliation between the member file and ACCESS.
2.29	Generate medical assistance member ID swipe cards Weekly. Minimize mailing costs by mailing all ID cards to the same household in a cost-efficient manner.
2.30	Assign a unique authorization number to each eligibility transaction on the day it is received by the Contractor.
2.31	Maintain day-specific member eligibility; the AVRS accesses or extracts from the updated member file daily to ensure that only the current member eligibility data is transmitted to providers.
2.32	Maintain member eligibility data, including, but not limited to: Date of Birth Third-party coverage information Restrictions Benefit Exhaustion Copayment information
2.33	Assign a unique inquiry verification number to each eligibility inquiry.
2.34	Produce standard reports, including: Inquiry Summary with the number of inquiries received during the month, average wait

Req. #	Requirements
	time for inquiries by hour segment by day. System Downtime Number of inquiries by provider type, district and individual providers
2.35	Maintain an Automated Voice Response System (AVRS) for providers to inquire about member eligibility.
2.36	Maintain a database containing all eligibility, TPL, and restriction information to operate a AVRS.
2.37	Supply the necessary HIPAA-compliant claim submission software (PES – Provider Electronic Software), free of charge, to providers.
2.38	Provide toll-free number to access the AVRS
2.39	Transmit a unique inquiry verification number to providers for each eligibility authorization.
2.40	Update AVRS source file daily, with data from the most up-to-date member file.
2.41	Provide for tracking all calls from providers.
2.42	Maintain systems with capability to identify: Screening and well-child claims for services Abnormal conditions, by screening date, and whether the condition was treated or referred for treatment per procedure code modifiers Providers who deliver EPSDT services and payment enhancements made to them.
2.43	Maintain online update and inquiry capability for access to the EPSDT files for State personnel.
2.44	Identify and report (from paid claims) members receiving EPSDT services.
2.45	Apply service enhancements to provider payments as directed by the State
2.46	Generate routine EPSDT notices based on periodicity schedule as defined by the State and send to State Print facility for production and mailing
2.47	Maintain system to support processing of batch and interactive 270 – Eligibility and 271 Eligibility Response transactions submitted by providers in compliance with HIPAA 5010 Standards

C. Operations

Req. #	Requirements
3.1	Provide technical assistance to respond to providers who utilize ECS and are experiencing use and/or transmission problems.
3.2	Provide HIPAA compliant protocols for claim submissions.
3.3	Ensure that technical assistance is provided for designing the interface requirements of the provider's computer software to meet current or revised billing requirements
3.4	Provide claim Provider Electronic Software (PES) to providers that: Is user friendly Requires little user training Allows for as much editing as feasible before transmission
3.5	Produce Remittance Advices (RAs) that are HIPAA-compliant
3.6	Maintain logs of all transmissions (e.g., successful, failed).
3.7	Maintain all current EDI standards in place as of execution of contract Any future changes to the EDI Standards will be initiated through the change management process.

Req. #	Requirements
3.8	Include all appropriate electronic billing information in the Provider Manual.
3.9	Designate an appropriate signer for provider trading partner agreements; the Contractor is authorized to sign provider trading partner agreements.
3.10	May not process a claim that is older than 24 months from the date of service without an override authorization from the State.
3.11	Ensure that all payments made through the MMIS to enrolled providers are for approved services, and in accordance with Federal and State payment laws, regulations, procedures and guidelines.
3.12	Identify claims that have been incorrectly processed, and enact appropriate action to correct processing outcomes.
3.13	When the Resolutions error rate exceeds threshold the Contractor must provide corrective action plan for reducing the error rate.
3.14	Provide standard monthly reports to the State depicting overall error rate for Resolutions.
3.15	Coordinate with the State in resolving claims according to Federal and State laws, regulations and policies.
3.16	Staff and coordinate with the State any edits/audits workgroup whose function is an ongoing analysis of resolution, edit and audit issues.
3.17	Properly distinguish paper claims and attachments.
3.18	Pre-screen and sort paper claims.
3.19	Assign an internal control number (ICN) to all paper claims; batch as appropriate
3.20	Assign the appropriate attachment code to paper claims to ensure proper association with TPL edits during the claims payment process and reporting.
3.21	Refer questions concerning attachments to the State or appropriate Contractor staff in order to properly handle paper claims.
3.22	Implement and operate a courier service to distribute mail in-house and between the Contractor's Vermont facility in Williston and the State offices in Williston.
3.23	Prepare and control incoming and outgoing claims-related mail, paper claims, attachments and other correspondence are retrieved and delivered at/to any site designated by the State, in the most effective and efficient means available.
3.24	Maintain controls to ensure no mail, claims, or checks are misplaced after receipt.
3.25	Identify upon receipt, each claim, encounter, adjustment, and financial transaction with a unique internal control number (ICN) that includes date of receipt, batch number, and sequence of document within the batch.
3.26	Identify activated claim batches that fail to balance to control counts.
3.27	Monitor the movement and distribution of claim batches once entered to ensure an accurate trail from receipt of claims through data entry to final disposition.
3.28	Track all claims, encounters, adjustments, and financial transactions from receipt to final disposition.
3.29	Maintain an electronic image of all paper claims, encounters, attachments, adjustment requests, and other documents.
3.30	Maintain batch controls and audit trails for all paper and ECS claims.
3.31	Maintain an audit trail for each claim record depicting each processing stage, the date the claim entered in into each stage, and any error codes posted to the claim at each stage in processing.
3.32	Maintain positive control over the location of all claims, from data entry to adjudication.
3.33	Maintain online inquiry to claims, adjustments, and financial transactions, from data entry to

Req. #	Requirements
	adjudication, with access by member ID, provider ID, and/or ICN to include pertinent claim data and claim status.
3.34	Edit to prevent duplicate entry of electronic media claims.
3.35	Produce inventory management analysis by claim type, processing location, and age
3.36	Produce input control listings
3.37	Produce exception reports of claims in suspense in a particular processing location for more than a user-specified number of days
3.38	Reconcile all keyed paper claims to batch processing cycle input and output figures.
3.39	Retain paper documents and claims until the batch is fully adjudicated.
3.40	Log ECS media upon receipt and assign batch number and ICN when loading
3.41	Reconcile all ECS claims to batch cycle input and output.
3.42	Maintain balancing processes to ensure control within processing cycles.
3.43	Produce online and standard balancing and control reports.
3.44	Accept CMS-1500, Dental ADA and UB-04 paper forms as applicable
3.45	Accept and process X12N standards 827D-Dental; 837I-Institutional; 837P-Professional.
3.46	Accept and process the following additional forms: Claim adjustment forms TPL EOMBs Sterilization, abortion, and hysterectomy consent forms
3.47	Accept paper or electronic claim formats from providers, billing services, clearinghouses, translators, and Medicare carriers and intermediaries.
3.48	Identify claims for services covered under various State programs, and those for programs covered under other State agencies and departments.
3.49	Allow online correction to claims suspended as a result of data entry errors.
3.50	Provide the capacity for key re-verification of critical fields, OCR data entry software editing, supervisor audit verification of keyed claims, or other methods, as determined acceptable by the State.
3.51	To perform all required edit/audit checks, and pass claims on to subsequent processing, Edit/Audit has the capability to: Reformat claims into common processing formats. Integrate multiple edit processing runs into a single audit processing run.
3.52	Identify error codes to claims that fail processing edits.
3.53	Identify status of claims (suspend or deny) that fail edits, based on the edit disposition file.
3.54	Identify potential TPL (including Medicare) and review the claim if it is for a covered service under a third-party resource.
3.55	Identify exact and suspect duplicate claims based on a cross-reference of group and rendering provider, multiple provider locations, and across provider and claim types.
3.56	Track edits and audits posted to the claim in a single cycle.
3.57	Disposition claims (return to provider for correction, fiscal agent correction, deny), based on the edit status or force code with the highest severity
3.58	Edit that TPL has been satisfied and that a TPL attachment is present if required; suspend claims for prepayment review for potential TPL based on amount billed, claim type, modifier, procedure code, diagnosis code, and other State-specified criteria.
3.59	Edit that services for which payment is requested are covered by the Vermont medical assistance

Req. #	Requirements
	programs.
3.60	Edit that attachments, per edit/audit requirements, are present.
3.61	Edit that allowable diagnosis and procedure codes are present on all appropriate claim types.
3.62	Edit for cost-sharing requirements on applicable claims.
3.63	Edit for suspend claims requiring provider or member prepayment review.
3.64	Edit for member eligibility on date(s) of service.
3.65	Edit for valid member using eight characters of last name and three characters of first name.
3.66	Edit for member participation in special programs against program services and restrictions.
3.67	Edit for authorization requirements and that a prior authorization number matches to an active prior authorization number.
3.68	Edit for daily limits on dollars or units, as needed.
3.69	Edit provider eligibility to perform type of service rendered on date of service.
3.70	Edit each data element of the claim record for required presence, format, consistency, reasonableness, and/or allowable values.
3.71	Edit nursing home claims against member placement level and admit/discharge information.
3.72	Edit prior authorized claims and reduce billed units or dollars, as appropriate, to remaining allowed units or dollars.
3.73	Edit each line on a multi-line claim independently and suspend or deny as appropriate
3.74	Edit each claim record completely during an edit or audit cycle.
3.75	Edit billing, attending, referring, and prescribing provider IDs for validity.
3.76	Maintain edit disposition to deny claims for services that require PA if no PA is identified or active.
3.77	Maintain flexibility in setting claim edits to allow dispositions and exceptions to edits based on bill/claim type, submission media and provider type.
3.78	Maintain up to 10 error code occurrences per claim header and up to 10 error code occurrences per claim detail or more as required by HIPAA.
3.79	Maintain a record of services needed for audit processing where audit criteria covers a period longer than 24 months (such as once-in-a-lifetime procedures).
3.80	Maintain functionality to process claims against an edit/audit criteria table and an error disposition file (maintained in the Reference Subsystem) to provide flexibility in edit and audit processing.
3.81	Perform automated Crosschecks and relationship edits on all claims.
3.82	Perform automated Audit processing using claims history, suspended claims, and same cycle claims.
3.83	Perform automated Edits using duplicate audit and suspect-duplicate criteria to validate against history and same cycle claims.
3.84	Provide, for each error code, a resolution code, an override, force or deny indicator, and the date that the error was resolved, forced, or denied; forced claims shall carry the user ID.
3.85	Accept overrides of claim edits and audits in accordance with State guidelines.
3.86	Update claim history files with paid and denied claims from the previous audit run.
3.87	Easily change the disposition of edits to suspend/ignore or deny for a specific claim type(s), provider types(s), media,
3.88	Produce an explanatory message printed on the provider remittance advice.
3.89	Manually and systematically review claims that suspend based on any of the edit/audit criteria.
3.90	Process "special" claims, including:

Req. #	Requirements
	Late billing approved for payment by State personnel Member retroactive-eligibility (e.g., 3 months retroactive, spend-down, fair hearing) Out-of-state emergency Services required as a result of a fair hearing or M108 decision Others, according to State instructions
3.91	Maintain the edit/audit disposition indicator on an error disposition file in the Reference Subsystem. This file shall also indicate whether a particular edit can be forced or overridden.
3.92	Identify the price claims per the date-specific pricing data and reimbursement methodologies on date of service on the claim.
3.93	Identify and deny claims for bundled services (e.g., hospital outpatient, certain pre-natal care and school health services) otherwise covered for items included in rates for inpatient stays.
3.94	Maintain access by State personnel to pricing and reimbursement methodologies.
3.95	Maintain fee schedules and RBVRs for physicians, dentists, and other practitioners
3.96	Maintain per diems for inpatient and certain waiver services
3.97	Maintain Fee schedules for laboratory and radiology outpatient services
3.98	Maintain Fee schedules for some bundled hospital outpatient services
3.99	Maintain multiple prices for: Revenue codes based on the claim type of bill and service Procedure codes based on provider type and specialty.
3.100	Price modifiers attached to procedure codes.
3.101	Accept and deduct co-payments.
3.102	Deduct patient liability amounts when pricing nursing home claims
3.103	Deduct TPL amounts, as appropriate.
3.104	Maintain sufficient staff to manually price certain claims per State-specified criteria.
3.105	Maintain a method to process any specific claim(s) for payment, as directed by the State, on an exception basis, and maintain an audit trail.
3.106	Maintain the capacity to test new logic and pricing against all edits/audits and other adjudication rules using model office.
3.107	Price claims per State policy, benefits, and limitations.
3.108	Process Medicare co-insurance and deductible charges from providers on paper and electronic media.
3.109	Make available, upon request of the State, pricing logic and/or fee schedules for a defined set of modifier or procedure codes.
3.110	Provide online claims resolution for all claim types.
3.111	Provide access to related provider data through windowing, split screen, or other electronic technique.
3.112	Provide access to related member data through windowing, split screen, or other electronic technique.
3.113	Provide access to related reference data through windowing, split screen, or other electronic technique.
3.114	Provide access to the status of related limitations for which the member has had services, such as the number of office visits paid per month
3.115	Maintain claim correction screens that display claims data as entered or subsequently corrected.
3.116	Maintain inquiry and update capability to claim correction screens with access by ICN, provider

Req. #	Requirements
	ID, member ID, and/or claim location.
3.117	Maintain claims in suspense until corrected, automatically recycled, or automatically denied per State specifications.
3.118	Maintain error codes and messages that clearly identify the reason(s) for the suspension; display failed edits on screens to facilitate claim correction.
3.119	Identify and provide access to potential duplicate claims and related claims data from the claims history and status files through windowing, split screen, or other electronic technique.
3.120	Identify users who can perform a force or override on an error code based on individual user IDs or authorization level.
3.121	Assign a claim status of "pended" to claims to be corrected.
3.122	Completely re-edit corrected claims
3.123	Refer claims to the State for correction per policy.
3.124	Correct manually and systematically suspended claims from edit and audit processing.
3.125	Override claim edits and audits in per State guidelines.
3.126	Monitor the use of override codes during the claims correction process to identify potential abuse, per State guidelines.
3.127	Manually review claims that suspend for medical review, and refer claims to State medical personnel as needed.
3.128	Maintain online access to claims and sufficient information to produce claims processing reports for State and Contractor personnel.
3.129	Maintain 5 years of adjudicated (paid and denied) claims history on a current, active claims history file for use in audit processing, online inquiry and update, and printed claims inquiries, including, at a minimum: Diagnosis code at the header and detail level Up to five procedure codes Billing, submitting and attending provider ID Up to 10 error codes at the detail level, or more as required by HIPAA Billed, allowed, and paid amounts, including other insurance payments Date of service, date of adjudication, date of payment
3.130	Maintain a record of services that, due to State policy, are required for processing for a longer span of time than that covered by the active claims history (such as once-in-a-lifetime procedures) on active claims history for audit processing.
3.131	Maintain batch detail reporting by submission number and provider ID.
3.132	Maintain claim detail reporting by provider ID or member ID.
3.133	Provide online inquiry to suspended claims and their current status, showing claim detail and the edits/audits applied to the claim, with access by control number, provider ID, member ID, and/or location code/status within the MMIS.
3.134	Provide online inquiry to summary screens with claim files with the number and dollar amounts of claims, based on multiple selection criteria, including, but not limited to: Member number Provider number Claim control number Dates of service Dates of payment

Req. #	Requirements
	Claim status Claim type Provider type Remittance number
3.135	Perform daily, at a minimum edit, audit and pricing
3.136	Perform weekly, at a minimum one payment processing cycle.
3.137	Track, update and report claims inventory after each claims processing cycle
3.138	Accept and process a weekly pharmacy claim adjudication file from the PBM prior to the weekly financial cycle.
3.139	Produce a Daily Prescriber file with all applicable prescriber enrollment data for the PBM
3.140	Produce a Daily Pharmacy file with all applicable pharmacy enrollment data for the PBM.
3.141	Produce a Weekly Adjudicated claims file with all paid, adjusted or voided claims for the PBM.
3.142	At a minimum, provide standard reports that depict the following: Claims Inventory management analysis by claim type, claim processing location and activity, and claim age. Claim receipts and production, by type of media, and processed to a finalized status. Inventory trends. Claims and payments after each payment cycle, by claim type and MARS category of service. Status of paper claims and ECS transmissions Error code analysis by claim type, provider and/or input media Edit/audit over-ride analysis by claim type, edit/audit and user ID. Prompt payment reports (30 and 90 day) Dental Missed appointment reporting Denied claims – trend by Month Deleted claims – trend by Month
3.143	Provide online inquiry and access to claims history files and the status of suspended claims for Contractor and State personnel.
3.144	Provide upon request, the State with paper claims, adjustments, and attachments.
3.145	Provide audit trail of the PBM interface claims data which includes transaction dates, records received, record status
3.146	Maintain a claims control and inventory system
3.147	Provide system with capability to identify the status of claims where PA was referred for payment (e.g., paid, suspended, and denied).
3.148	Maintain a modified PA record based on claims processing to indicate that the authorized service has been completely or partially used, including units and/or dollar value.
3.149	Maintain a data set with the following information in order to update the modified record: Unique PA number ID of the requesting provider Member ID for whom services are being requested
3.150	Provide online inquiry screens with access to the PA data set, which includes, but is not limited to approved, denied, and pended PAs for contractor and State personnel.
3.151	Provide standard reporting including frequency of service codes requested and authorized.
3.152	Interface with the State contractor for PA functions to receive and process prior authorization

Req. #	Requirements
	information.
3.153	Provide clinical specialist FTE responsible for receipt, review and clinical approval associated with all PT/OT/ST prior authorization requests.
3.154	Maintain complete audit trails of adjustment processing activities on claims history files.
3.155	Maintain original claims and the results of adjustment transactions in claims history; link all claims and subsequent adjustments by ICN.
3.156	Maintain an adjustment reason code that indicates the reason for the adjustment and the disposition of the claim (e.g., additional payment, recovery, history only) for use in reporting the adjustment.
3.157	Maintain an online mass-adjustment selection screen, limited to select users, to enter selection parameters such as time period, provider number(s), member number(s), service code(s), and claim type(s); claims meeting the selection criteria will be displayed for initiator review, and the initiator will have the capability to select or unselect chosen claims for continued adjustment processing.
3.158	Maintain a mass adjustment process which identifies claims affected by the adjustment, create adjustment records for them, reprocess them, and maintain a link between the original and adjusted claim.
3.159	Update claims history with appropriate financial records and reflect adjustments in subsequent reporting, including TPL claim-specific recoveries.
3.160	Identify the claim to be adjusted, display it on a screen, and adjust the fields with minimal entry of new data.
3.161	Reverse the amount previously paid and then process the adjustment.
3.162	Process the adjustment offset in the same payment cycle as the adjusting claim.
3.163	Re-edit, re-price, and re-audit each adjustment, including checking for duplication against other regular and adjustment claims, in history and in process.
3.164	Allow online changes to the adjustment claim record to reflect corrections or changes to information during the claim correction (suspense resolution) process.
3.165	Mass-adjust to re-price claims for retroactive pricing changes, member or provider eligibility changes, and other changes necessitating reprocessing of multiple claims.
3.166	Prevent multiple adjustments to a single claim record; apply successive adjustments to the most current version of the claim.
3.167	Maintain third-party information by member including: Name, ID number, date of birth, date of death, SSN of eligible member Policy number or Medicare HIC number and group number Name of policyholder, relationship to eligible member, SSN of policyholder Assignment/subrogation Cost-avoidance bypass indicator Origin code Employer name and address Type of policy and coverage, effective date of coverage Insurance carrier ID
3.168	Maintain third-party insurance carrier information including: Carrier ID and name Correspondence address

Req. #	Requirements
	Contact person and phone number Claims submission address
3.169	Maintain, for each member: 15 date-specific TPL resources (including Medicare). Historical information on third-party resources.
3.170	Cross-reference insurance carrier data with employer data.
3.171	Accept online inquiry and updates of TPL and carrier data.
3.172	Accept batch updates to TPL data from ACCESS.
3.173	Accept user-defined input selection parameters to identify paid claims for tracking and potential recovery.
3.174	Maintain online inquiry TPL data by member name, member ID, policy number, HIC number, coverage type and SSN
3.175	Maintain insurance carrier data by carrier name and carrier number.
3.176	Edit online transaction data for presence, format, validity, and consistency with other data in the update transaction and TPL files.
3.177	Edit all batch input transactions from interfacing systems and data match processes to ensure consistency and validity of data.
3.178	Identify members for whom insurance premiums are to be paid, including effective dates and amount of payment.
3.179	Identify cost avoided payments due to established TPL.
3.180	Identify previously paid claims when TPL resources are identified or verified retroactively, and generate claim facsimiles for submission to insurance carriers for recovery.
3.181	Generate claim facsimiles for all claim types, with selection by member ID, provider ID, claim type, and dates of service.
3.182	Produce and maintain an insurance carrier receivable for post-payment recoveries.
3.183	Track individual and multiple claims that reach a set State-defined threshold (e.g., $200) for post-payment recovery on trauma cases.
3.184	Produce standard reports including: Amounts billed and collected, current and YTD, by insurance carrier Potential trauma or accident claims, including those exceeding threshold allowances. Services subject to potential recovery when date of death is reported Unduplicated cost-avoidance by medical assistance program category and type of service, with subtotals and totals Insurance carrier file listings Audit trails of changes to TPL data. Summary and detail reports on premiums paid
3.185	Generate automated letters to insurance carriers and members when recoveries are initiated
3.186	Generate claim facsimiles to insurance carriers in CMS-1500, Dental ADA or UB-04
3.187	Provide online update and inquiry access to TPL carrier file, resource file, case tracking, and AR file for State personnel.
3.188	Produce claim facsimiles to bill insurance carriers for paid claims when retroactive resources have been identified, and mail out with appropriate cover letter.
3.189	Perform follow-up and verification of changes to member coverage identified during claims processing.

Req. #	Requirements
3.190	Produce inquiry letters and mail to members, providers, and carriers in specified situations.
3.191	Maintain member date-specific LTC data including: Admission and discharge dates Home leave of absence and hospital hold bed days Patient financial liability information Member placement level Date of death
3.192	Maintain provider/facility date-specific LTC data including: Current and historical data to support claims processing and reporting. Bed classification Reimbursement rate Type of facility (e.g., NF, SNF, ICF-MR)
3.193	Identify member liability amounts, Medicare and other third-party resources, and deduct them from payments to providers.
3.194	Track member liability amounts owed to the State
3.195	Track member leave days
3.196	Produce standard reports, including: Member liability amounts owed – credit balance report Member share discrepancy Audit trail of changes to LTC data
3.197	Report all suspected provider fraud and abuse to the State

D. Financial Services

Req. #	Requirements
4.1	Maintain payment mechanisms (e.g., checks, EFT) to providers.
4.2	Maintain provider ARs and deduct appropriate amounts from processed payments.
4.3	Generate capitation and insurance premium payments with supporting detailed documentation.
4.4	Generate checks for insurance premiums for TPL identified recipients
4.5	Suppress check generation for certain State programs, as directed by the State, but identify expenditures for budget reconciliation
4.6	Suppress zero-balance checks generation but still generate associated RAs.
4.7	Automatically establish an accounts receivable for a provider if the net transaction of claims and financial transactions results in a negative amount, and the provider has no active accounts receivable on file.
4.8	Update provider payment data and 1099 data on the Provider data set.
4.9	Generate HIPAA-compliant remittance advices (RAs).
4.10	Print banner page text messages on RAs, with multiple messages available on a user-maintainable text file, with parameters such as provider type, claim type, and payment cycle date(s).
4.11	Maintain a process to identify overpayments.
4.12	Once an overpayment is resolved, flag the transaction which created the overpayment.

Req. #	Requirements
4.13	Provide a written factual determination as to how overpayment arose with the amount of the overpayment, for new overpayments each week.
4.14	The Contractor must obtain prior approval from the State before initiating recovery activities from providers that are not considered routine. The Contractor may recoup routine overpayments from providers without State approval.
4.15	The following steps may be employed by the Contractor to recoup overpayments from providers: Reduce subsequent provider reimbursement by the overpayment amount Deny subsequent claims with subsequent problem until overpayment is satisfied. Issue a demand letter to the provider if the provider has no further claims activity within 30 calendar days of the first RA reflecting the overpayment. If the provider is unresponsive or has no further claims activity, continue to mail demand letters at 60 and 90 days. Once the account receivable has aged 120 days, it will be turned over to the State's Program Integrity Unit.
4.16	Maintain online access and update to an accounts receivable file to process and report financial transactions by type of transaction and provider or other entity (e.g., carrier). The file, at a minimum, includes: Provider number/entity identification Account balance Percent or dollar amount to be withheld from future payments Reason indicator Type of collection Authorizing party Due date for recoupment Program and authorizing agency to be charged Lien holder and amount of lien 1099 adjustment indicator
4.17	Maintain online inquiry to financial information with access by provider ID or entity ID; at a minimum including: Overpayment information Receivable account balance and established date Percentages and/or dollar amounts to be deducted from payments Type of collections made and date Both financial transactions (non-claim-specific) and adjustments (claim- specific) Data to meet CMS-64 reporting
4.18	Maintain online lien and assignment information to be used in directing or splitting payments to the provider and lien holder
4.19	Provide cash management techniques that meet the requirements of the Cash Management Improvement Act of 1990, using the "Zero Balance" or "Checks Paid" method.
4.20	Track cash received at the contractor's facility.
4.21	Track each financial transaction, balance each batch, and maintain appropriate audit trails on the claims history file.
4.22	Track financial transactions, by source, including TPL recoveries, fraud and abuse recoveries, provider payments, etc.
4.23	Set up provider accounts receivables that can be either automatically recouped from claims

Req. #	Requirements
	payments or satisfied by repayments from the provider, or both.
4.24	Accept claim-specific and gross recoveries, regardless of submitter (provider, carrier, recipient); apply gross recoveries to providers or recipients as identifiable.
4.25	Apply monies received toward recoupment to the accounts receivable file, including the RA date, number, and amount, and transfer that data to an online provider paid claims summary.
4.26	Identify a type and disposition on refunds or payouts.
4.27	Identify providers with credit balances and no claim activity during a State-specified number of months.
4.28	Identify and track shared expenditures with other departments.
4.29	Link refunds to the specific claim affected, per cost-effective State guidelines.
4.30	Generate provider 1099 reports annually, which indicate the total paid claims minus recoupments or credits.
4.31	Generate overpayment letters to providers when establishing accounts receivables.
4.32	Adjust provider 1099 reports with payout or recoupment amounts issued in the accounts receivable file.
4.33	Accommodate manually issued checks as required by the State, and posting to the specific provider's account to adjust the provider's 1099 report and set up recoupment criteria.
4.34	Accommodate issuance and tracking of non-provider-specific payments (e.g., refund of an insurance company overpayment) and adjust expenditure reporting proportionately.
4.35	Process fiscal pends, wherein payments are held on adjudicated claims per State criteria, to include claim type, provider type, specific ID, and dollar value; the State will specify release of fiscal pends based on the above, or other established criteria.
4.36	Generate standard reports designed for ease of use and interpretation, that include the following, at a minimum: Expenditures by department, program, and special Federal funding categories Counts of adjustments and other financial transactions, by provider type, claim type, entity type, etc. Standard accounting balance and control reports Remittance summaries and payment summaries Detailed financial transaction registers Zero-balance account control reports Range of recoupments by amount and time period for providers Outstanding accounts receivables, with flags on those that have no activity within a State-specified period of time Cash receipts and returned funds Account receivables set-up during the reporting period Check registers Retroactive rate adjustments requested and performed Reports that segregate and identify claim-specific and non-claim-specific adjustments by type of transaction (e.g., payout, recoupment, or refund) and provider type or entity type, monthly
4.37	Produce remittance advices
4.38	Produce electronic payments to providers and other entities
4.39	Produce manually issued checks

Req. #	Requirements
4.40	Interface with Bank(s) for processing of electronic file transfer (EFT)
4.41	Perform adjustments to original and adjusted claims, and maintain records of the previous processing.
4.42	Perform payment processing at least weekly.
4.43	Present all messages on the RA in HIPAA-compliant, non-technical language that is understandable to providers.
4.44	Maintain security and monitoring for the location and disposition status of incoming checks.
4.45	Receive, sort and log incoming checks from the State, third-party payers, and providers.
4.46	Update claim history and online financial files with the check number, date of payment, and amount paid after the claims payment cycle.
4.47	Establish a procedure to reimburse providers outside of the MMIS as directed to do so by the State.
4.48	Monitor the status of each AR, and report monthly to the State in aggregate and/or individual accounts.
4.49	Comply with Federal and State guidelines for collecting outstanding ARs.
4.50	Provide online access to financial information per State specifications.
4.51	Enter non-claim-specific financial transactions received and processed at the Contractor's location.
4.52	Maintain monthly general ledger and trial balance that reconciles to the bank statement. Perform reconciliation within 30 days of month end
4.53	Maintain documentation for all Electronic funds request and supporting documentation.
4.54	Be responsive and accommodating to State bank reconciliation requirements.
4.55	Establish, monitor, and manage ARs to recover funds owed by providers, and provide a monthly summary report of activity and collections.
4.56	Prepare expenditure summarization category (planned) data for the Statewide accounting system (VISION), as directed by the State.
4.57	Prepare other reports and/or files required by the State.
4.58	Generate CMS-64 data and worksheet, as directed by the State, at minimum Monthly and Quarterly. Monthly due no later than end of day 5 business days after monthly financial cycle, Quarterly due no later than end of day 10 business days after quarterly financial cycle.
4.59	Provide appropriate staff for the Fiscal Workgroup
4.60	Meet regularly with designated State personnel for purpose of: Resolving Financial Subsystem and fiscal funds flow issues. Internal audit of reported expenditures data.
4.61	Coordinate with the provider community, Secretary of State Office, Office of Vermont Health Access, and State Attorney General's office to recover funds due to overpayment or recovery of provider advancements.
4.62	Transfer accounts receivable balance to active provider numbers when applicable
4.63	If collection is deemed not possible due to death or other circumstances, forward requests to the State for possible write-off
4.64	Send notices to providers who decertify from Medicaid program and whom own balances to the program.
4.65	Coordinate with the State Program Integrity Unit to initiate recoupment and/or recover from

Req. #	Requirements
	providers.
4.66	Respond to calls from provider with questions on their outstanding account receivable balances
4.67	Research returned mail for incorrect address. Notify the enrollment unit at Contractor for MMIS update and resend letters as appropriate
4.68	Forward to the State's Business Office and Program Integrity department a monthly report of all provider account receivables aged greater than 120 days and provide recovery activity performed.
4.69	Process all incoming financial mail
4.70	Validate that the check is intended for deposit into MMIS
4.71	Communicate with State district offices, DVHA, Office of Child Support and/or recipients when supporting documentation not present
4.72	Sort incoming checks by financial reason code (TPL/Cost Settlement/Provider etc.)
4.73	Send original documentation and copy of checks to the COB business process owner.
4.74	Provide sufficient staff to handle all incoming provider calls associated with the resolution of Medicare Part D Premiums
4.75	Produce monthly Pharmacy Part D (PDP) premium payments to insurance carriers
4.76	Provide sufficient staff to respond to insurance carrier inquiries regarding monthly PDP payments
4.77	Produce provider incentive payments compliant with the ARRA guidelines (MAPIR Application)
4.78	Report all incentive payments as income on the annual 1099
4.79	Remittance Advices will include the incentive payment information as financial transactions
4.80	MAPIR application calculate incentive payment, including adjustments, and provide weekly transactions to the MMIS prior to financial processing cycle.
4.81	Installation/Customization of Core MAPIR releases and technical support of Vermont's MAPIR environment includes integration of Core MAPIR enhancements into the VT MMIS environment, and all associated activities to support pre-payment validation and post-payment audit functions. The Contractor will utilize the VITL Help Desk environment to track technical support issues and will respond to VITL tickets during technical support activities. • Resolve issues of VT Medicaid access and MAPIR access to provider applications: Assist providers with instructions on access and facilitate changes to Provider information to allow appropriate provider access to the VT Medicaid portal and MAPIR; maintain procedures for doing this work. • Assist in the resolution of patient volume discrepancies between Providers' submitted Medicaid encounter data and MAPIR results during pre-payment review: Request additional information from providers; Perform data analysis within the MMIS and EVAH; report results and any requirements for additional details. • Provide monthly reports of recouped and returned incentive payments. • Respond to requests to verify Medicaid claims. • Provide Business Objects query support. • Provide MMIS screen and data information.

Req. #	Requirements
	• Provide enrollment information as needed, for example, to verify provider group relationships. • Perform queries of MMIS data to support audit risk factor analysis. • Perform requests to support audit procedures, including patient volume analysis, MAPIR attestation analysis, and queries to assess predominant Medicaid practice location.
4.82	Perform reporting of beneficiaries' out-of -pocket expenses to discover instances where total cost sharing exceeded 5% of household income. The State will determine frequency; quarterly or monthly.
4.83	Issue approved payments to head of households for any identified overpayments.
4.84	Produce Draw Request and Letters – with summary information for expenditures for the financial cycle requesting funds necessary to cover the payments from each of the State Department for whom claims and transactions were processed in the financial cycle.
4.85	Produce, balance and reconcile a Financial Balance Report (FBR) with summary details for each State Department with expenditures incurred in the current financial cycle. Weekly due Tuesday at 2:00 p.m., Monthly due no later than end of day 5 business days after monthly financial cycle, Quarterly due no later than end of day 10 business days after quarterly financial cycle.
4.86	Generate CMS-21 data and worksheet monthly and quarterly, as directed by the State. Monthly due no later than end of day 5 business days after monthly financial cycle, Quarterly due no later than end of day 10 business days after quarterly financial cycle.
4.87	Generate Quarterly CMS Overpayment Report
4.88	Generate Monthly and Quarterly – Incurred But Not Reported Reports, as directed by the State. Monthly due no later than end of day 5 business days after monthly financial cycle, Quarterly due no later than end of day 10 business days after quarterly financial cycle.
4.89	Produce a weekly summary of all cash received during previous week.
4.90	Produce 340B Invoices to providers on a designated schedule. Produce monthly 340B summary reports monthly.
4.91	Perform a process to identify claims with dates of service that occurred after a beneficiary's date of death. Once identified recoup the claims from the providers.
4.92	Generate letters to providers advising them when their direct deposit/electronic funds transfer information has been updated.
4.93	Identification of claims and financial transactions paid to providers who have been retroactively terminated in the program. Activities necessary to recoup and recover those payments.
4.94	Perform a process to receive and utilize NCCI and MUE guidelines from CMS, to inform claims processing and edit claims according to those guidelines. When updated NCCI and MUE information is received with retroactive effective dates, identify any claims already process that are not compliant and reprocess those claims under the new guidelines.
4.95	Utilizing patient share data from the State, deduct the amount of patient share owed from the claims payment from the identified highest paid provider. Track the outstanding balance of patient share and deduct it from any subsequent claims received from the provider.
4.96	Create a report to identify any unpaid Patient Share balances.
4.97	When Patient share payments are received in the form of a refund check, ensure proper

Req. #	Requirements
	credit of the payment to the patient's outstanding balance of patient share.

E. Performance Management

Req. #	Requirements
5.1	Maintain a database for reporting that contains, at a minimum, MMIS claims information, MMIS provider information, MMIS reference information, and beneficiary identifier information (related to claims)
5.2	Maintain online access to a reporting database via a web-browser for State personnel to generate reports by user-defined selection parameters.
5.3	Provide analytics reporting staff to assist with descriptive report development, in support of fiscal agent operations and State program needs. Prioritize state report and training requests in order of receipt or as directed by State leaders.
5.4	Provide analytics staff to assist with advanced analysis including Policy research and predictive analytics such as cost impact of policy changes.
5.5	Maintain 10 years of claims history and supporting reference file data for reporting use.
5.6	Provide appropriate licensing and maintenance agreement for the business analytics application, for up to the current level of State users.
5.7	Provide technical assistance to state users of the reporting database and reporting tool (e.g., development of specifications, problem research and resolutions, review of production output, and report formats).
5.8	Provide training on MMIS data and reporting/analytics tool use () for State users, upon request. Training activities will include up to two group training sessions per quarter and up to eight hours of assistance per week for individuals.
5.9	Update EVAH database on a weekly basis with data from the MMIS.

F. Data Services Technical Non-Functional

Req. #	Requirements
6.1	Maintain MMIS systems documentation, in adherence to recognized systems development life cycle structured approaches and state-specific documentation standards, including: - Vermont MMIS System Documentation, including documentation of subsystems - Edit and audit listing with detailed criteria (e.g. Reso page specifications) - Pricing rules documentation (e.g. Claims Pricing Manual) - Software Development Documentation - Systems Test Documentation - Operating Procedures for MMIS systems support (automated and manual) - Business Continuity and Disaster Recovery Plan - Database documentation (e.g. MMIS Data Dictionary) - Value tables with code value listing and descriptions (i.e. Codes Reference Manual)
6.2	The Contractor shall transfer data copies of production database tables to AHS via a formal

Req. #	Requirements
	Extraction Transformation and Loading (ETL) process on a mutually agreed upon means and routine periodic basis (e.g. weekly)
6.3	The State has the authority to audit the currency of all system documentation with 10 workdays of notice. If documentation is not current, the Contractor will update it within 30 calendar days or a period of time mutually agreed to by the State and the Contractor.
6.4	Provide for offsite disaster recovery of core MMIS online and batch applications, excluding OnDemand and Business Objects, at a backup data center location, in the event of a disaster impacting the availability of core MMIS at the primary data center location
6.5	The MMIS must be protected against hardware failure, software malfunction, and human error. The MMIS includes appropriate checkpoint/restart capability and other features to ensure reliability and recovery, including telecommunications reliability. For purposes of this contract, “disaster” means an occurrence(s) of any kind that adversely affects, in whole or in part, the error-free and continuous operation of the MMIS, and/or affects the performance, functionality, efficiency, accessibility, reliability, and security of the system. Disaster events may include natural disasters, human error, computer virus, sabotage, terrorism or a malfunctioning of the hardware or electrical supply.
6.6	Prepare, provide to the State prior to the start of operations, a Business Continuity and Disaster Recovery Plan. At a minimum, the preliminary Business Continuity and Disaster Recovery Plan must include specifics regarding: - Checkpoint/restart capabilities. - Hardware backup for MMIS application servers and storage. - Contractor telecommunications equipment. - Network backup for telecommunications to ensure that committed transactions are backed-up off-site. - Continued processing of transactions (e.g., claims), assuming the loss of the Contractor's primary processing site; this will include interim support for MMIS online functionality. - Back-up procedures and support to accommodate the loss of online communication - Contractor's processing site; these procedures will not only provide for the batch entry of data and provide the Contractor with access to information necessary to adjudicate claims, but will also provide the State with access to the MMIS online application necessary to perform its functions. - File and software backup accommodations and procedures, including the off-site storage and retention of crucial transaction and master files; plan and procedures will include a detailed schedule for backing up critical files and their rotation to an off-site storage facility; the off-site storage facility will also provide for comparable security of the data stored there, including fire, sabotage, and environmental considerations. - Maintenance of current system documentation and source program libraries at an off-site location. - Develop back-up procedures to support requirements for State approval, including safe off-site storage and copying of programs and data files of the MMIS.
6.7	Establish and maintain:

Req. #	Requirements
	- Complete daily backups that are adequate and securely stored, for all software and operating programs; data, files, and system, operations, and user documentation (in electronic and hardcopy). - A complete weekly backup that is adequate and securely stored in an approved off-site location, for all software and operating programs; data, files, and system, operations, and user documentation (in electronic and hardcopy). - Complete backups that support the restoration and recovery of lost or corrupted data or software within two calendar days.
6.8	Maintain or otherwise arrange for an alternative site for use in the event of a catastrophic or other serious disaster event. This site must provide for complete restoration of normal operations, as well as other system and services deemed necessary by the State
6.9	Specify the respective time frames deemed reasonably necessary for complete recovery. The recovery period shall not exceed two calendar days for critical functions: claims processing and paying providers. The recovery period for all MMIS functions shall not exceed 30 calendar days. Implement all steps necessary to fully recover the data and/or system from the effects of a disaster and to reasonably minimize the recovery period.
6.10	Demonstrate full disaster recovery capability no less than every calendar year or coincident with significant changes to MMIS core systems. Documentation of failover test results must be provided to the State.
6.11	If the MMIS becomes unavailable during the contract period, the State may require the Contractor to convert to the failover site. In this event, the Contractor will not be allowed to return to the original site without State approval. State approval will depend upon the Contractor's ability to demonstrate that the original site is again fully operational and that all systems are available.
6.12	Maintain reporting database claims history retention for 10 years

G. Systems and Application Hosting and Support

Req. #	Requirements
7.1	Maintain an MMIS application that meets the current needs of the State, and meets the requirements of the State and CMS. MMIS application primary activities include: - Receiving and processing medical claims and claims adjustment requests - Receiving processed drug claims from the State PBM Contractor - Receiving beneficiary data from State eligibility systems - Maintaining edits, audits, codes, and rates used in claims processing - Maintaining prior authorizations for services - Maintaining claims history - Maintaining third party insurance information and coordination of benefit recovery information - Maintaining Medicaid Provider enrollment information - Producing EFT and paper check payments to Providers - Producing remittance advices and other transactional responses to Providers - Producing State and Federal operational reporting and notices

Req. #	Requirements
7.2	Provide and maintain telecommunications circuits between the Contractor's local facility and the data center(s) hosting in-scope Contractor systems and services
7.3	Provide and maintain eligibility verification with automated voice response
7.4	Support the MMIS inputs, processing functions, outputs, interfaces, files, and data elements necessary to meet State business requirements
7.5	Provide data transfers to MMIS and other State data marts
7.6	Provide and maintain access and online application inquiry capabilities that allow authorized personnel to access MMIS files and data for ad-hoc and system generated reporting
7.7	Provide Electronic Claims Submission (i.e., data entry and transmission) software for use by all providers to submit claims electronically
7.8	Provide technical assistance to respond to providers who utilize electronic claims submission software and are experiencing use and/or transmission problems
7.9	Provide and maintain MMIS test environments with the capability to: Allow for unique identification, and processing of test provider and beneficiary data, and claim processing files Simulate actual production results except for the change being tested Process test data/files separate from routine processing Separate and identify test data/files output from routine processing output Test data/files in various formats (e.g., paper, online, electronically) Support acceptance testing functions, files and data including Provider Trading Partner EDI file acceptance tests
7.10	Install and operate a telephone and e-mail system at the Contractor facility that allows for each staff person to have voice mail and email, and to support Provider Services call center operations
7.11	Provide and Maintain: The capability for providers to exchange trading partner transactions with MMIS using methods compliant with current EDI and ACA standards. The capability for providers to accept Remittance Advices (RAs) via HIPAA-compliant EDI file formats logs of all EDI transmissions (e.g., successful, failed)
7.12	Utilize EDI translator services, in conjunction with other states, for purposes such as HIPAA compliance verification, acknowledgement and 999 generation, and file format translation
7.13	Provide the State with a technology refresh plan on a periodic basis (minimum annually) to include approach to infrastructure updates including hardware/software purchases, upgrades, installation timelines as well as change results and technical documentation updates following implementation of changes.
7.14	Provide an MMIS Systems Security Plan annually to include Management Controls, Operational Controls, Technical Controls, and Equipment Inventory Lists

H. Plan Management

Req. #	Requirements

8.1	Provide a consolidated source of reference information to be accessed during claims processing
8.2	Provide coding and pricing verification during claims processing for approved claim types and reimbursement methodologies.
8.3	Maintain flexibility in reference parameters and file capacity for the MMIS to accommodate Medicaid program and data element changes.
8.4	Accept and process state-approved edit/audit criteria, file updates for modifiers, procedure, diagnosis, edit/audit criteria, and edit disposition files.
8.5	Accept and process HCPCS updates from the State
8.6	Accept and process ICD-CM diagnosis and procedure updates
8.7	Accept and process American Medical Association (AMA) Common Procedural Terminology (CPT) updates
8.8	Accept and process CDT procedure updates from American Dental Association (ADA)
8.9	Accept and process Medicare Resource Based Relative Value (RBRV) unit descriptions, information and updates
8.10	Maintain pricing files for procedures, and other general reference files such as diagnoses, edit/audit criteria, edit dispositions, and error and remittance text information.
8.11	Maintain current and historical reference data to be used in claims processing.
8.12	Maintain a data set containing five-character HCPCS, CDT and CPT codes for medical, surgical, dental, and other professional services, two-character HCPCS pricing modifiers, and ICD-CM surgical, obstetrical, and miscellaneous diagnostic and therapeutic procedure codes. The data set includes, at a minimum: 10 date-specific pricing segments, including a pricing action code for each segment RBRV weights and/or values State-specified restrictions on conditions to be met for a claim to be paid (e.g., provider types, member age restrictions, modifiers permitted) Multiple modifiers Descriptions of procedure codes Indication as to special funding source Accident-related indicators for TPL Federal cost-sharing indicators Prior authorization required
8.13	Maintain the Diagnosis Data Set of medical diagnosis codes utilizing 3-7 ICD-CM coding system, with relationship edits for each diagnosis code, including: Age Gender Place of service Third-Party Liability criteria Description of the diagnosis
8.14	Maintain the Drug Data Set of the 11-digit National Drug Code (NDC), which accommodates updates, at a minimum: 10 date-specific pricing segments of multiple pricing methodologies Description of the drug code
8.15	Maintain the Revenue Code Data Set for use in processing hospital, and other skilled and acute care claims.
8.16	Maintain an Edit/Audit Criteria table to provide a user-controlled method of implementing service frequency, quantity limitations, and service conflicts for selected procedures and diagnoses, with online update capability.

8.17	Maintain pricing files based on: Fee schedule Medicare RBRVs Contracted amounts for certain services Per diem rates Capitation fee for prepaid health plans and/or case manager services Case-mix rates for long-term care Level of care, by peer group Bundled services
8.18	Maintain user-controlled and online update capability for claim Edit Disposition Data Set with disposition information for each edit used in claims processing, including the disposition (pay, suspend, deny) by submission medium within claim type, the description of errors, and the related Explanation of Benefits (EOB) codes.
8.19	Maintain user-controlled and online update capability for EOB messages.
8.20	Maintain online access to Reference files with inquiry by the appropriate code, depending on the file or table being accessed.
8.21	Maintain inquiry to procedure and diagnosis files by key alpha name.
8.22	Accommodate edit/audit criteria limits on types of service by procedure code, revenue code and diagnosis codes, based on: Member age, gender, eligibility status Variable pricing by procedure code Diagnosis Provider type, specialty Place of service Third-Party Liability Tooth and surface codes Floating or calendar year period Months or days periods
8.23	Accommodate multiple reimbursement methodologies, including per diem for inpatient hospital care, case-mix-based payment structure for nursing homes, fee-for-service payments for laboratory and radiology services rendered as outpatient hospital care and other types.
8.24	Accept online and batch updates to all reference files.
8.25	Produce audit trail records depicting before and after image of changed data, the user ID, and the change date.
8.26	Produce listings of the Procedure, Diagnosis, Revenue Code, Medical Criteria, Usual and Customary Charge, and other files based on variable, user-defined selection and sort criteria with all pertinent record contents on one listing.
8.27	Maintain reference files to ensure that the most current information is used in claims processing and ad-hoc reporting.
8.28	Provide the State with online inquiry and update capability to Reference files.
8.29	Provide the required reports and lists of the reference files to the State within one calendar week of receipt of the request.
8.30	Provide a reference, capitation, cash control, claims analysis, drug claims, financial, financial balancing, institutional, LTC, phone, prior authorization, professional claims and provider universes in Business Objects.
8.31	Contract with updating services to update diagnosis, procedure, and any other reference files.
8.32	Perform mass updates to the Reference files as specified by the State.

8.33	Identify and advise the State of changes to edits and audits to enhance processing and efficiency.
8.34	Perform monthly quality review process to ensure accuracy of reference file updates received and processed.

I. Change Management

Req. #	Requirements
9.1	State or Contractor-initiated requests to develop, modify, or upgrade applications software, code, screens, business processes or production interfaces are called Customer Service Requests (CSRs). The Contractor will facilitate State review and pre-approval of all CSRs and funded projects through documented Change Control procedures.
9.2	The Contractor will propose system and process enhancements when it is determined to increase efficiency and/or streamline operations, and when needed to support State policy and business process changes.
9.3	Provide the State with a fixed number of enhancement CSR hours per year included in the annual operations fixed price. Not charge for any computer resources, modifications to provider manuals, bulletins, newsletters or any other cost items associated with implementing improvements or modifications without prior approval. Charges shall be approved in advance by the State, and in accordance with the agreed upon change orders and/or amendments, and contract amendments.
9.4	Track and report progress on CSRs to the State with: Weekly Progress Reports as to the current status of system changes. Monthly Summary Reports of effort hours expended per CSR and monthly status reports for managed projects.
9.5	Retain electronic documentation of all artifacts produced for each CSR audit purposes.
9.6	Acknowledge all State-initiated CSRs by providing a written response within 10 workdays of receipt of the CSR or as negotiated with State requestors. CSR definition will include documentation of changes to MMIS systems specifications to accommodate the business change. Assessment of any perceived problems that may impact operations. Constraints and assumptions. Solutions for any perceived problems. Approach to implement the solution. Schedule for completion. Estimated effort detailed as appropriate by Labor in hours, Equipment, General and administrative support in hours Ongoing support requirements Provider and/or user training Documentation updates Impact to Contract costs per contract year
9.7	Complete CSRs by the State's requested date. If the CSR cannot be completed by the target date, the Contractor must submit a revised completion date to the State, and seek State approval of that date.
9.8	Correct all deficiencies with Contractor produced custom software identified by the State or the Contractor, at no charge to the State, and within Department-approved time frames.

Req. #	Requirements
	Escalate deficiencies with third party software to the appropriate software Contractor and manage issues to resolution. Submit a Corrective Action Plan to the State, subject to Department approval, within 10 workdays of notification of system deficiencies impacting Service Levels or contractual requirements. Implement the Correction Action Plan once approved within the time frame established in the Plan.

J. Privacy and Security Requirements

Plan of Action and Milestones Remediation Requirements (POAM) and Credits		
Req #	**Type**	**Service Level**
10.1	Commencement	Upon acceptance by the Contractor as a vulnerability that has been ranked and entered onto the SoV/CMS POAM
10.2	Description	Once a finding from a given assessment source has been identified as a vulnerability specifically assigned to the Contractor, the vulnerability will be provided to DII-Security with a proposed ranking, milestones, owner and due dates. DII-Security will confirm the ranking per CMS standards, approve the risk content and the risk will be entered into the POAM.
10.3	Reporting Period	Per POAM Item.
10.4	Calculation	The Service Level will be measured from the time a POAM item has been entered into the POAM until it has been
10.5	Data Sources	Including independent Third Party assessments, vulnerability assessments, pen test or incident/risk reports.
10.6	Service Level Metric for POAM entries	High ranked risks – 30 days Moderate ranked risks – 180 days Low ranked risks – 365 days Risk ranking will be based on common Vulnerability Scoring System (CVSS).
10.7	Service Level Credit	See Attachment B, Incentive Payments

Plan of Action and Milestones Resource Assignment and Credits		
Req #	**Type**	**Service Level**
10.8	Commencement	Upon agreement of ownership of a POAM for a security audit or test finding, assigned to Contractor
10.9	Description	Once a finding has been agreed as owned by Contractor, the Contractor will identify resources, provide a milestone description and target dates for completion of each milestone.

Plan of Action and Milestones Resource Assignment and Credits		
10.10	Reporting Period	Per finding.
10.11	Calculation	The Service Level will be measured from the time a POAM item has been accepted.
10.12	Data Sources	Including independent Third Party assessments, vulnerability assessments, pen test or incident/risk reports.
10.13	Service Level Metric for POAM entries	M&O will identify resources, provide a milestone description and target dates for completion of each milestone w/in 10 business days

Exhibit 2
Service Level Requirements

A. Provider Service Level Metrics

Req #	SLR NAME	SERVICE LEVEL REQUIREMENT	SERVICE LEVEL REQUIREMENT DEFINITION	FREQUENCY
1.1.1	Provider Services	Return all calls within 48 hours	Provide the State with monthly reports on all calls received and answered. Provide call metrics to include Average Speed of Answer (ASA) and Average Handle Time (AHT)	Monthly
1.1.2	Provider Services	Resolve and close all open call logs within 14 days excluding time, when call or inquiry is sent to State for resolution	Provide weekly reports on call log status, include those awaiting State resolution.	Weekly
1.1.3	Provider Services	Response to all written inquiries within 14 days of receipt, sent to the State no later than the 15th day, excluding the time lost when the inquiry is sent to State for resolution.	Provide weekly reports on timeliness of all Provider Reconsideration requests including those pending resolution from State.	Weekly
1.1.4	Provider Services	Maintain provider call center Monday through Friday from 8:00 am. to 5:00 pm	Provide the State with any exceptions to call center operational hours other than State Holidays	As Required by the State
1.1.5	Provider Services	Maintain call abandon rate of less than 10%	Provide the State with monthly reports on call abandonment rates	Monthly
1.1.6	Provider Survey	90% of Providers surveyed rate Contractor provider call center services and provider relations representative's	Perform annual provider satisfaction survey sent to minimum of 1,000 providers. Provide State with summary of results within 60 days of completing survey	Annually

		services as satisfied or very satisfied.		
1.1.7	Provider Enrollment	Complete all new and revalidation requests for enrollment within 120 days of receipt of complete application	Provide the State with a monthly report on the timeliness of enrollments	Monthly

B. Member Service Level Metrics

Req #	SLR NAME	SERVICE LEVEL REQUIREMENT	SERVICE LEVEL REQUIREMENT DEFINITION	FREQUENCY
2.1.1	Eligibility Verification System Availability	Provide Back-up solution for Automated Voice Response System (AVRS) to ensure downtime is limited to maximum of 30 continuous minutes	Report on any unplanned AVRS downtime on a weekly basis. All scheduled downtime should be coordinated and backup systems in place to avoid disruption	Weekly

C. Service Level Metrics for Operations Services

Req #	SLR NAME	SERVICE LEVEL REQUIREMENT	SERVICE LEVEL REQUIREMENT DEFINITION	FREQ. OF SLR
3.1.1	Claim Processing Incident Management	Notify the State within 2 business days of the discovery of overpayments, duplicate payments or incorrect payments, regardless of cause	Report incidents on a weekly basis to the state. When applicable, provide verbal and/or written notification to the appropriate State business owner and the Deputy Commissioner	Weekly
3.1.2	Claim Processing Incident Management	Within 10 days of the notification, provide the State with a corrective action plan for any errors that result in potential provider overpayment or other incorrect with recommended adjustment process	Report incidents on a weekly basis to the state. When applicable, provide verbal and/or written notification to the appropriate State business owner and the Deputy Commissioner	Weekly

		to recoup overpayments or mistakes		
3.1.3	TPL Processing	Produce claim facsimiles within one week of State's request.	Report any exceptions on a weekly basis to the State	Weekly
3.1.4	TPL Processing	Produce and mail questionnaires to members within 30 days from cycle date.	Report on the status weekly	Weekly
3.1.5	TPL Processing	Produce and mail follow-up letters within 45 days from the first questionnaire mailing date	Report on the status weekly	Weekly
3.1.6	TPL Processing	Perform follow-up and verification of changes on all TPL referrals from providers within 30 days of receipt.	Report on referral statistics weekly	Weekly
3.1.7	TPL Processing	Process all TPL EOBs within 60 days of receipt.	Track and report weekly	Weekly
3.1.8	Claim Processing Timeliness	Adjudicate 90% of clean claims received within 30 days of receipt (excluding drug transactions)	Provide monthly report with measurements by claim type.	Monthly
3.1.9	Claim Processing Timeliness	Adjudicate 99% of claim claims received within 90 days of receipt (excluding drug transactions)	Provide monthly report with measurements by claim type.	Monthly
3.1.10	Claim Processing Timeliness	Load all electronic claim files within 24 hours of receipt.	Report on any exceptions on a weekly basis to the State	Weekly
3.1.11	Claim Processing Timeliness	Process drug transactions within 48 hours of receipt.	Report on any exceptions on a weekly basis to the state	Weekly
3.1.12	Claim Processing Accuracy	Maintain a maximum error rate of 3% on all claims	Provide monthly report with 12 months of historical trend based on a statistically valid	Monthly

		processed (resolutions error rate). Quality Assurance shall include all provider files, member files received by ACCESS, reference files, 3rd Party Liability files, and edits and audits.	sample that can be used to calculate a total error rate.	
3.1.13	Adjustment Processing	Complete provider submitted claim adjustments within 60 days of receipt	Report on the status / age of all adjustments weekly	Weekly
3.1.14	Adjustment Processing	Complete Medicare Retro claim adjustments processing monthly	Report on the status / age of all adjustments monthly	Monthly

D. Financial Service Level Metrics

Req #	SLR NAME	SERVICE LEVEL REQUIREMENT	SERVICE LEVEL REQUIREMENT DEFINITION	FREQUENCY
4.1.1	Cash Management	Deposit incoming checks into a specified account within 24 hours of receipt	Report any exceptions on a weekly basis to the State.	Weekly
4.1.2	Cash Management	Disposition all cash receipts within 45 days of deposit into the MMIS account.	Report on the status / age of all cash receipts on a weekly basis to the State.	Weekly
4.1.3	1099 Processing	Timely production and distribution of 1099 forms / files	Provide State with confirmation that the 1099 forms were mailed to the providers and the file submitted to the IRS by January 31st each year	Annually
4.1.4	Account Receivable Processing	Send initial letter via USPS mail to providers when account receivables age 30 days.	Track and report to State on volume and compliance monthly	Monthly
4.1.5	Account Receivable Processing	Send second letter via USPS mail to providers when account receivables	Track and report to State on volume and compliance monthly.	Monthly

		age 60 days.		
4.1.6	MAPIR Support	Respond to VITL Help Desk tickets within 7 business days	Refers to the VITL tickets that the State EHRIP Team submits to Contractor for response. Contractor reports back to the State EHRIP team as part of weekly meeting	Weekly
4.1.7	MAPIR Support	Provide monthly reports of recouped and returned MAPIR incentive payments.	Track and report to State on monthly basis	Monthly
4.1.8	MAPIR Support	Configure a 'Super Data Extract' report of specified data elements in MAPIR attestations	Report generated by MAPIR every business day	Daily (M-F)
4.1.9	Bank Reconciliation	Perform bank reconciliation within 30 days of month end	Report any exceptions monthly to the State.	Monthly
4.1.10	Financial Reporting	Produce Financial Cycle Draw Report and Letters within 2 business days after the completion of the financial payment cycle.	Draw Report and Letters to the State weekly	Weekly
4.1.11	Financial Report	Produce Weekly Financial Balance Report (FBR) within 2 business days after the completion of the financial payment cycle.	FBR Report to the State Weekly	Weekly

E. Plan Management Service Level Metrics

Req #	SLR NAME	SERVICE LEVEL REQUIREMENT	SERVICE LEVEL REQUIREMENT DEFINITION	FREQUENCY
5.1.1	Reference File Maintenance	Apply reference file updates within 5 workdays of receipt of complete, authorized request from State or within 5 workdays of the effective date of change	Report any exceptions monthly	Monthly
5.1.2	Reference	Maintain 1% or less	Measure, track and report	Monthly

	File Quality	error rate on all reference file updates applied.	monthly	

F. Change Management Service Level Metrics

Req #	SERVICE LEVEL REQUIREMENT	SERVICE LEVEL REQUIREMENT DEFINITION	FREQUENCY
6.1.1	Disaster recovery test	Perform failover test every calendar year	Recovery test report submitted within two weeks of recovery test completion
6.1.2	Systems change requests	Acknowledge all State-initiated systems change requests (CSRs) by providing a written response within 10 workdays of receipt of the CSR	Initial response to systems change requests within 10 workdays
6.1.3	System Availability	Maintain State and Contractor user access to MMIS internal online applications 6:00 a.m. to 6:00 p.m., local time, Monday through Friday, with 99.5% of availability per month. Additional access hours will be provided with one workday's notice.	Monthly
6.1.4	Provider Systems Availability	Maintain Provider website and EDI transactions facilities (including AVR based eligibility) with 99.5% of availability per month	Monthly
6.1.5	System Access	Provide MMIS access to designated State personnel within five workdays of the request.	Monthly

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 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. The total maximum amount payable under this contract shall not exceed $45,141,350.66.

2. Contractor invoices shall be submitted no more frequently than monthly, but no later than quarterly. For services set forth in Sections I and II of Attachment A, the Contractor shall submit monthly invoices not to exceed 1/12th of the annual amount listed in number 5 of this Attachment B. Invoices for services set forth in Section III of Attachment A shall include the number of hours worked by employee during the specified billing period and the total amount billed, and reference the specific project being billed. Invoices shall reference this contract number, include date of submission, invoice number, amount billed for each scope of work, total amount billed, and be signed by the authorized representative of the Contractor.

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

4. Invoices and any required reports shall reference this contract number and be submitted electronically to: Meaghan.Kelley@vermont.gov
AHS.DVHAGrantsContracts@vermont.gov

5. **MMIS Operations**
   A. The following Operational Invoice Payment Schedules depict the maximum amounts payable to the Contractor for MMIS services as set forth in Attachment A, Sections I and II, to this Contract based on claims processing and drug transaction volume parameters, known as "base services". The Contractor shall invoice the State monthly for 1/12th of the annual amounts listed in the table below:

FIXED PRICE	1/1/17 – 12/31/17	1/1/18-12/31/18	1/1/19-12/31/19	Total Three Year MMIS Cost
Provider Enrollment	$1,546,698.54	$1,569,899.01	$1,668,216.29	$4,784,813.84
Financial Management	$1,036,424.46	$1,051,970.82	$1,117,852.07	$3,206,247.35
Operations Management	$3,264,964.42	$3,313,938.88	$3,521,479.27	$10,100,382.57
Drug Payment Transactions	$583,300.72	$592,050.24	$629,128.27	$1,804,479.23
Plan Management	$1,195,339.85	$1,213,269.94	$1,289,252.79	$3,697,862.58
Provider Management	$697,809.25	$708,276.39	$752,633.26	$2,158,718.89
MES IT Support	$2,216,483.24	$2,249,730.49	$2,390,623.24	$6,856,836.97
MES System	$ 2,829,273.57	$2,871,712.67	$3,051,557.99	$8,752,544.23
Fixed Price Subtotal	**$ 13,370,294.04**	**$13,570,848.45**	**$14,420,743.18**	**$41,361,885.66**
Passthrough				
Postage (estimate only billed as utilized)	$108,000.00	$108,000.00	$108,000.00	**$324,000.00**
Total Annual Spend	**$13,478,294.04**	**$13,678,848.45**	**$14,528,743.18**	**$41,685,885.66**

Optional Years 4 and 5:

Option Year 1/1/2020 - 12/31/2020	Option Year 1/1/2021 - 12/31/2021
$1,662,484.99	$1,675,480.09
$1,114,011.59	$1,122,719.46
$3,509,380.92	$3,536,812.60
$626,966.84	$631,867.64
$1,284,823.45	$1,294,866.50
$750,047.52	$755,910.39
$2,382,410.04	$2,401,032.56
$3,041,074.09	$3,064,845.17
$ 14,371,199.45	**$ 14,483,534.41**
$108,000.00	$108,000.00
$ 14,479,199.45	**$ 14,591,534.41**

B. Volume Accounting and Reconciliation

Volume Parameters

VOLUME PARAMETERS	Claims Processing	Drug Transactions
High Estimate	**7,500,000**	**4,500,000**
Median Estimate	**6,000,000**	**3,500,000**
Low Estimate	**4,500,000**	**2,500,000**

i. Claim volume accounting and reconciliation of changes in Contractor reimbursement

The following definitions of a claim delineate between claim types, and shall apply to administrative claims processing adjudication counts tracked and reported by the Contractor:

a. For all institutional based services (Hospice (H), Inpatient/Outpatient (I/O), Home Health (Q), Institutional Crossovers (W,X), Nursing Home (N), a claim is a paper document or and EMC (X12N) record of services rendered during a statement period or date range for which there are one or more service, accommodation, HCPCS and/or ancillary codes.

b. For all professional based services (Dental (L), Physician (M), Vision (P), Professional Crossovers (Y), a claim is a line item on paper document or an EMC (X12N) record of services rendered for a service date(s) for which there is a service code.

Financial Adjustment

c. Claim Transactions: The total amount payable each year shall remain fixed unless the claims volume falls outside the estimated parameters for that year. Should the actual claims volume, for a given year, fall outside the estimated parameters, a year-end financial adjustment to the amount payable for operations for that year may be made using the following process:

d. A unit value will be calculated by dividing the Operations Management price for the applicable year by the midpoint claims estimate for that year.
e. If the actual claims volume falls below the low estimate claim parameter, the Contractor shall reimburse the State a portion of the fixed price per the following calculation:
   Low Claims Volume Estimate minus **Actual Claims Volume** x 60% of the calculated unit value for the same contract year.
f. If the actual claims volume exceeds the high claims parameter for the contract year, the State will make an additional payment to the Contractor per the following calculation:
   Actual Claims Volume minus **High Claims Volume Estimate** x 60% of the calculated unit value for the same contract year

An adjustment in the fixed price payment to the Contractor for operations shall depend on verification and certification that actual claims volume counts are accurate and consistent with the definition of a claim as set forth in this section B.i.

ii. Drug transaction volume accounting and reconciliation of changes in Contractor reimbursement

The following definition of a drug transaction processing shall apply:

a. The Contractor shall process weekly drug transactions from the State's PBM ("Pharmacy Benefits Manager"). These transactions shall consist of a record of an adjudicated drug claim. Drug transactions are loaded into the MMIS financial cycle and reporting databases so that payments are made to the providers.

Financial Adjustment

b. Drug Transactions: The total amount payable each year shall remain fixed unless the drug transactions volume falls outside the estimated high and low parameters for that year. Should the actual claims volume, for a given year, fall outside the high and low estimated parameters, a year-end financial adjustment to the amount payable for operations for that year may be made using the following process:
c. A unit value will be calculated by dividing the Drug Transactions price for the applicable year by the median drug transactions estimate for that year.
d. If the actual drug transaction volume falls below the low estimate drug transaction parameter, the Contractor shall reimburse the State a portion of the fixed price per the following calculation:
   Low Drug Transactions Volume Estimate minus **Actual Drug Transactions Volume** x 60% of the calculated unit value for the same contract year.
e. If the actual drug transactions volume exceeds the high estimate drug transactions parameter for the contract year, the State will make an additional payment to the Contractor per the following calculation:
   Actual Drug Transactions minus **High Drug Transactions Volume Estimate** x 60% of the calculated unit value for the same contract year

An adjustment in the fixed price payment to the Contractor for operations shall depend on verification and certification that actual drug transaction counts are accurate and consistent with the definition of a claim as set forth this Section B.ii.

C. Postage

The State and the Contractor agree with the following reimbursement of postage:

a. Postage fulfillment is provided by the third-party shipping agents or US Postal Service;

b. The Contractor is acting in an agent role for postage fulfillment;
c. The Contractor is not liable for non-delivery except as a result of mislabeling of material by Contractor;
d. The Contractor will be paid for its services, including postage, for non-delivery by third parties or the US Postal Service;
e. The Contractor will be paid for any reshipments/second mailings required due to miss-delivery by third parties; and
f. The Contractor will invoice postage as a separate line item on monthly invoices for regular fixed and variable fees.

6. MAPIR Collaborative Quarterly Payment

The State shall remit a quarterly payment to the Contractor for its membership to the MAPIR Collaborative upon receipt of invoice in accordance with the terms of this Attachment B. The cost to the State shall be dependent on the on the number of states participating in the collaborative. The State payment shall be made on a quarterly basis as set forth in the following Table:

Time Period	Date of Pay	Quarterly Price with 14 States	Quarterly Price with 13 States	Quarterly Price with 12 States	Quarterly Price with 11 States	Quarterly Price with 10 States	Quarterly Price with 9 States
Jan 2017 – Mar 2017	Mar 2017	$59,541.96	$64,122.12	$69,465.63	$75,780.68	$83,358.75	$92,620.83
Apr 2017 – June 2017	Jun 2017	$59,541.96	$64,122.12	$69,465.63	$75,780.68	$83,358.75	$92,620.83
Jul 2017 – Sep 2017	Sep 2017	$59,541.96	$64,122.12	$69,465.63	$75,780.68	$83,358.75	$92,620.83
Oct 2017 – Dec 2017	Dec 2017	$59,541.96	$64,122.12	$69,465.63	$75,780.68	$83,358.75	$92,620.83
Jan 2018 – Mar 2018	Mar 2018	$59,541.96	$64,122.12	$69,465.63	$75,780.68	$83,358.75	$92,620.83
Apr 2018 – Jun 2018	Jun 2018	$59,541.96	$64,122.12	$69,465.63	$75,780.68	$83,358.75	$92,620.83

Jul 2018 – Sep 2018	Sep 2018	$59,541.96	$64,122.12	$69,465.63	$75,780.68	$83,358.75	$92,620.83
TOTAL FOR 21 MONTHS PER STATE		$416,793.72	$448,854.84	$486,259.41	$530,464.76	$583,511.25	$648,345.81

7. Project Retainage

The Contractor agrees to a 10% retainage of each project invoice amount, for **One-time, Ongoing, and Future MMIS Modernization Projects** defined in Section III of Attachment A, and when the State has defined the initiative to be managed as a project. The State will only authorize the retainage payment for each individual project if all the following occur:

a. Contractor completes all deliverables associated with the project or specific payment in accordance with the acceptance criteria. The acceptance criteria shall be mutually agreed upon by the parties;
b. State accepts all the milestones/deliverables for the project or specific payment based on the acceptance criteria.
c. Project enhancements are successfully operational for 30 calendar days to be qualified for reimbursement of the retained amount.

After all the above occur, the Contractor may submit a final invoice for payment of the total 10% retainage amount for that specific project. Hardware, software and license payments are not subject to retainage. For projects that span beyond the State's fiscal year (ending June 30th), the Contractor shall submit an interim invoice and receive payment for the retainage for all deliverables completed and approved as described above by June 30th of that year.

8. Customer Service Request Hours (CSRs)

The Contractor agrees to provide 5,000 Customer Service hours per year to the State for making requested modifications to MMIS systems in each of the following years. This effort is included in the monthly fixed cost set forth in Section 5(A) of this Attachment B:

January 1, 2017 – December 31, 2017
January 1, 2018 – December 31, 2018
January 1, 2019 – December 31, 2019
January 1, 2020 – December 31, 2020
January 1, 2021 – December 31, 2021

Unused hours shall expire each calendar year, except unused hours up to 1,000 hours may be used in the next calendar year but expire at the end of that year or terminate at the end of the contract. Unused hours from the previous calendar year that are carried forward in the next calendar year shall be used first by the Contractor, then the Contractor shall use the CSR hours purchased for that calendar year. The base rate for the reimbursement of up to 1,000 unused hours shall be 90% of the rate at which the State paid for the hours in each calendar year, as specified in Section 9 of this Attachment B.

9. Rate per Hour Billing

Effective January 1, 2017, the modification hourly rate will be increased annually from the base rate of $118.13 per hour at the Consumer Price Index (CPI) inflation rate. The Contractor shall bill the State for Task Order hours and Change Order hours utilizing this rate mechanism. The Contractor shall reimburse the State for unused CSR hours at 90% of the cost at which they were purchased, inclusive of the annual CPI inflation rate mechanism described within this Section.

10. Task Order Hours

Task Orders shall be billed in accordance with this Attachment B, the Task Order specifications as agreed upon by both Parties, and this Attachment B. Task Order hours shall be billed at the CSR rate or for such fixed rate as the parties may agree, not to exceed $500,000 over the term of this Agreement.

11. Service Level Credits

The Contractor must adhere to the Technical and Function Requirements and the Service Level Requirements set forth in Exhibit 1 and Exhibit 2 to Attachment A, unless otherwise directed or authorized by the State in writing. This section describes the process by which the State may be entitled to an adjustment to the Service Credits for the Services.

Any remedy provided in this section for Contractor's failure to achieve a Service Level, including Service Level credits ("SLCs"), shall not limit or prevent the State from availing itself it of concurrent or subsequent actions as stated within this Agreement and permitted under State or federal laws. Based on this evaluation, the State may be entitled to adjustment to the Service Level Credits for the Services.

The following procedures shall govern this section:

a. Notification of Performance Failure: Written notification of each failure to meet a Service Level shall be given to the Contractor prior to assessing SLCs. The Contractor shall have five (5) business days from the date of receipt of written notification of a failure to perform to specifications to cure the failure. However, additional days can be approved by the State's Program Manager if deemed necessary. If the failure is not resolved within this 5-day warning/cure period, SLCs may be imposed from the date of the failure.
b. Determining Applicability of SLCs: After providing notice, and if the failure is not resolved within the warning/cure period, the State may (at its sole discretion) offset SLCs from the next subsequent monthly payment. The following SLCs shall apply:

SLC Condition ("Service Level default" or "Service Levels")	**If the SLC Condition is met, the State is entitled to the following SLC:**
Under staffing – The Contractor does not have the contractually required number of key-staff positions (hired within 60 days of the vacancy) for the Contractor's operations at the Vermont location per this Agreement.	State is entitled to a maximum of **$6,000.00 per month per key staff vacant position** after the 60-day period. Election of this SLC for one month does not bar the State from being entitled to this same SLC in subsequent or future time periods. If Contractor neglects, omits, or misrepresents the status of a vacancy or the date of the vacancy, the State shall be entitled to retroactively apply this SLC as permitted under

	the terms of this agreement and deduct from the monthly invoice after the 60-day period.
Service or Product Failure – if the Contractor submits a deliverable, as defined in a CSR (a "CSR Deliverable"), or performs a service, that requires testing prior to submission, and after accepting, the deliverable does not perform as warranted or to the standard as specified by Attachment A. Both the CSR deliverable and acceptance criteria will be defined in the CSR.	(1) If the Contractor notifies the State within thirty (30) calendar days of formal acceptance by State or operational date of the deliverable (as determined by the Agreement or by the Program Management Plan), whichever is applicable and later, of the defect or error that caused the deliverable's non-performance, the State shall not be entitled to an SLC under this provision. (2) Notwithstanding paragraph (1), the State is entitled to a maximum of **twenty percent (20%) recoupment of total CSR-related hours invoiced to that deliverable** after the 30-day period per paragraph (1). The recoupment shall be credited back toward the State's yearly allowance of CSR-related hours. The State is entitled to this SLC once per related deliverable submission.
Stoppage or Omission of Work – (1) The Contractor fails to fully complete (determined by proper submission and formal acceptance by the State) any deliverable as specified by this Agreement or any Project Management Plan; AND (2) as a direct result of (1), the State incurs: (a) fees, fines, penalties, or FFP losses or reductions per federal law, rules, or regulations; OR (b) actual expenses in recouping funds or property from a third party. *NOTE: this exclude claims processing accuracy, which has its own SLC (see below).*	State is entitled to a maximum of **the amount(s) under (2)(a) and (b)** less the actual repayment from a medical provider to the State, should the State determine an overpayment.
If: (1) the MMIS system has any unexcused downtime ("unexcused downtime" shall mean any downtime that is not permitted by this Agreement, Project Management Plan, or as agreed upon by the Parties) which results in external transactions (those exchanged with a trading partner or another non0MMIS system) being processed less than 99.5% of availability per month; OR (2) State and Contractor user access to MMIS	State is entitled to a maximum of **$375.00 per each fifteen (15) minute interval (with time being rounded up to 15 minutes) per (1) or (2)** If an event causes both (1) and (2) to apply, the State must elect either (1) or (2).

internal online applications (6:00 a.m. to 6:00 p.m., local time, Monday through Friday) with less than 99.5% of availability per month.	
Submission of 1099 Files – If the Contractor does not timely and accurately submit 1099 files to the IRS by January 31st each year.	State is entitled to a maximum of **The penalty amount imposed by the IRS for each and every individual incident**
Failed Quality Assurance – If the Contractor has a maximum error rate of greater than 3% of monthly claims processed. This Quality Assurance metric applies to all errors in claims processing that result from errors in all provider files, member files induced by the Contractor's translation or loading of the files received by ACCESS, reference files, third party liability files, and edits and audits.	State is entitled to a maximum of **$5,000.00 per month for any month with a maximum error rate greater than 3%.**

The amount of total SLCs in a single calendar month shall not exceed the At-Risk Amount. If the State elects to seek other remedies and is awarded damages under this Contract, any Service Credits paid about or related to such failures or delays shall be deducted from any damages awarded or agreed upon.

If any of Contractor's reports or documentation to the State contain or state explicit information about failure to meet an SLC Condition per the above Table, then the State is automatically entitled to the applicable SLC and does not need to follow the process in Section c below.

c. Reporting SLCs to Contractor: Within 30 calendar days following an SLC being triggered, the State shall inform the Contractor of the SLC by sending written notice to the Contractor and the notice shall contain the following information:
    1. The applicable performance failure and the applicable performance requirement;
    2. Any documentation evidencing Contractor's failure to adhere to performance requirements;
    3. Brief statement of the State's position and the appropriateness of the SLC; and
    4. The SLC amount and the appropriateness of the amount of the SLC.
d. Contractor's Response / Dispute Resolution: Contractor's sole response to State's notice of SLC (if elected) shall be Dispute Resolution. The parties agree to be governed by the Dispute Resolution provision stated in Attachment D.
e. General Terms and Conditions of SLCs:
    1. The State may elect to apply SLCs against invoices or payment for any of the following:
        i. MMIS "operations";
        ii. Current Project Scope;
        iii. Customer Service Requests;
        iv. Change Requests;
        v. Final invoice for payment of the total 10% retainage amount for any specific project.
    2. Upon termination or expiration of the Agreement, any unused SLCs shall expire.
    3. If more than one event triggering a Service Level default has occurred within a single month, the sum of the corresponding SLCs (up to the At-Risk Amount) may be claimed by State. In the

event a single event triggers multiple SLA's failures, the State, at its sole discretion, shall choose one SLC condition to apply.

4. Regardless of the SLC's origin or basis, SLCs may be applied against any invoice from or payment to Contractor that is consistent with this section.
5. The SLCs may not applied to any payments or funds due to Contractor outside the scope of this Agreement.

f. Parties' Mutual Understanding of SLCs: SLCs credited here under shall not be deemed a penalty, but rather a cost adjustment attributable to the lower level of service delivery. Contractor acknowledges and agrees that Services delivered hereunder which meet the SLC Conditions set forth herein have inherently less value for the State and the SLCs represent a fair value for the services actually delivered; provided, however, the State shall retain all of its remedies in law or at equity in the event that the State is entitled to an SLC in any given month, subject to the Contractor's actual limitation on damages as set forth in Attachment D to this Contract.

g. At-Risk Amount: The At-Risk Amount is the maximum amount of SLCs under this Contract that the State may receive in the aggregate for Service Level defaults occurring during a single calendar month unless otherwise specified in this Section. The "At-Risk Amount" shall be 20% percent of any monthly invoice, as determined in accordance with Attachment B, Payment Provisions, that are payable by State to Contractor during a calendar month in accordance with the terms and conditions of Attachment B.

h. Excused Performance: Contractor(s) shall only be responsible to the extent a failure to meet the Service Levels was solely and directly caused by acts or omissions of Contractor(s) and/or Contractor's subcontractor. Contractor shall not be responsible to the extent cause by:

1. any act(s) or omission(s) of third parties (excluding third parties provided by Contractor or other third parties engaged by Contractor in relation to these or any other services provided under an agreement with the State); or
2. Force Majeure events (as defined in Attachment C, Section 26), except that a Force Majeure Event shall not excuse, delay or suspend Contractor's obligation to invoke and follow its Project Management Plan or any other business continuity or disaster recovery obligations set forth in this Contract in a timely fashion.

i. The Contractor shall:

1. be liable for, and indemnify State from and against any negligent, unlawful or wrongful acts or omissions all acts or omissions of the Contractor (including their subcontractors, agents, and employees) which arise out of or directly relate to a loss or reduction of FFP (applicable to the services and deliverables under this agreement, and loss or reduction based on the maximum possible FFP eligible as if it were properly carried out), including their subcontractors, agents, and employees, except to the extent that such losses or reductions in FFP result from, in whole or in part, the negligence, unlawful or wrongful acts or omission of the State. This provision, and Contractor's responsibility thereunder, shall survive the term of this agreement to the extent allowed under state and federal law. The obligations in this Section will not exceed the limits on the Contractor's Liability as set forth in Section 8 of Attachment D.
2. If there is reasonable certainty that FFP will be, or is, lost or reduced per subsection (a), the State may exercise any and all remedies available under this agreement, including but not limited to, the set off provision in Attachment C. Election of remedies under this agreement shall not foreclose, waive, or limit the State's ability to take further actions against Contractor (or its subcontractors, agents, and employees) to the extent allowed by law.

12. Incentive Payments

In addition to fixed and variable costs per Attachment B, the State may pay an additional incentive to Contractor if the following conditions are met:

Table: Incentive Payments

SLR Name	If the SLR meets or exceeds the following	Then the incentive payment is (subject to the conditions noted):	Document(s) required for State to determine if SLR meets or exceeds the incentive payment standard(s):
Provider Service - Maintain call abandon rate of less than 10%	(1)(a) Call abandonment rate less than 10% but greater than 5% annually OR (1)(b) Call abandonment rate less than or equal to 5% annually.	(1)(a) = $60,000.00annually (1)(b) = $120,000.00 annually The payment amounts under (1)(a) or (1)(b) are fixed sum amounts.	Monthly reports on call abandonment rates submitted quarterly to the State during each calendar year.
Provider Enrollment	Complete all new requests for enrollment equal to or less than an average of 90 days (based upon the previous 90 consecutive day period), from receipt of complete application	$10,000.00 available every quarter (previous 90 consecutive day period). A maximum of $40,000.00 is available per year.	Monthly report on the timeliness of enrollments submitted quarterly to the State during each calendar year.

a. SLR and Documentation: To be eligible for an incentive payment, Contractor's SLR performance (per Attachment A) for the applicable inventive payment category must have met or exceeded the applicable performance standard as stated in the table, and the State's determination will be based on the documentation as stated in the table. The State shall have the final determination of whether Contractor earned an incentive payment, the applicable reporting period the incentive payment applies to, and the amount of the incentive payment.

2. The incentive payment shall be determined by the applicable document(s) as articulated in the table. The State will pay Contractor for any incentive payments to which Contractor is entitled under this Section upon acceptance by the State of the applicable document(s) as listed in the table above, less any SLCs owed at the time the incentive is billed. The Contractor shall invoice the State for Incentive payments owed, less any SLCs owed in accordance with the invoice requirements in Number 2 of this Attachment B, Net30. Incentive payments are conditioned on Contractor's proper submission and State's formal acceptance of the applicable document(s). If the State reasonably rejects the applicable document(s), then Contractor is not entitled to the incentive payment. If the State accepts the applicable document(s) and reasonably determines that Contractor is not entitled to the incentive payment, then any found or

noticed errors or omissions in the applicable document(s) made by Contractor or later changes or amendments to the applicable document(s) by the Contractor that were not accepted by the State (that would result in the Contractor being entitled to the incentive payment) shall not be allowed.

3. Contractor and State agree that Project Management Plans may explain or clarify the requirements of this section, and that the Project Management Plans may differ in respect to the standards set forth in the table. In no case, may the Project Management Plan substitute, abrogate, adjust, or materially change the terms and conditions of this Section. This Agreement must be amended to change the terms and conditions of this Section.
4. Payment: Incentive payment shall be based on services performed and remit to the Contractor within the Net payment terms specified within this Attachment B. The Contractor shall invoice the State for an incentive payment upon State approval of the incentive payment condition, either quarterly or annual based on the conditions above. Payment of the incentive payment shall be final and not subject to adjustment or reconsideration, except that the State may apply any SLC or incentive either alone or as an offset to each.
5. The Contractor is not allowed to receive retroactive incentive payments or incentive payments beyond those enumerated in this section. Some of the incentive payments will not be available to the Contractor until a certain time has elapsed from the date of execution and are noted in the table. Incentive payments are not guaranteed to be paid to Contractor under this Agreement, and Contractor has no right or expectation interest under the law to these payments without meeting the conditions as stated in this Section.

13. Total Budget

Total Budget 1/1/2017 - 12/31/2019	
MMIS Operations 3-year cost (includes postage)	$41,685,885.66
Ad Hoc	$500,000.00
Incentive Payments ($160,000 max per year)	$480,000.00
Provider 6028 Project: 5,148 hours*	$617,760.00
MAPIR Core Development	$648,345.00
MAPIR Integration/Customization: 1,540 hours*	$184,800.00
All Payer Model: 3,020 hours*	$362,400.00
SSNRI: 400 hours*	$48,000.00
Technology Updates - EDI: 2,118 hours*	$254,160.00
Technology Updates - CM Platform: 3,000 hours*	$360,000.00
	$45,141,350.66

*****project hours are based on an estimated average of $120 per hour, to vary depending on the CPI rate as described in Section 9 of this Attachment B.

14. Payments Upon Termination. At the time of termination, whether partial or full, the Contractor shall invoice and State shall issue payment for partially completed services or deliverables satisfactorily delivered to and not yet approved by the State and reasonable shut down expenses for which Contractor can provide sufficient evidence and shall be at a price mutually agreed upon by the Contractor and the State.

ATTACHMENT C: STANDARD STATE PROVISIONS FOR CONTRACTS AND GRANTS
REVISED JULY 1, 2016

1. 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. "Agreement" shall mean the specific contract or grant to which this form is attached.

2. 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.

3. Governing Law, Jurisdiction and Venue; No Waiver of Jury Trial: This Agreement will be governed by the laws of the State of Vermont. Any action or proceeding brought by either the State or the Party in connection with this Agreement shall be brought and enforced in the Superior Court of the State of Vermont, Civil Division, Washington Unit. The Party irrevocably submits to the jurisdiction of this court for any action or proceeding regarding this Agreement. The Party agrees that it must first exhaust any applicable administrative remedies with respect to any cause of action that it may have against the State with regard to its performance under the Agreement.

Party agrees that the State shall not be required to submit to binding arbitration or waive its right to a jury trial.

4. Sovereign Immunity: The State reserves all immunities, defenses, rights or actions arising out of the State's sovereign status or under the Eleventh Amendment to the United States Constitution. No waiver of the State's immunities, defenses, rights or actions shall be implied or otherwise deemed to exist by reason of the State's entry into this Agreement.

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: The Party will act in an independent capacity and not as officers or employees of the State.

7. Defense and Indemnity: The Party shall defend the State and its officers and employees against all third party claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party in connection with the performance of this Agreement. 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 State retains the right to participate at its own expense in the defense of any claim. The State shall have the right to approve all proposed settlements of such claims or suits. In the event the State withholds approval to settle any such claim, then the Party shall proceed with the defense of the claim but under those circumstances, the Party's indemnification obligations shall be limited to the amount of the proposed settlement initially rejected by the State.

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 in connection with the performance of this Agreement.

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 or an agent of the Party in connection with the performance of this Agreement.

The Party agrees that in no event shall the terms of this Agreement nor any document required by the Party in connection with its performance under this Agreement obligate the State to defend or indemnify the Party or otherwise be liable for the expenses or reimbursement, including attorneys' fees, collection costs or other costs of the Party except to the extent awarded by a court of competent jurisdiction.

8. Insurance: Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverages are 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 coverages 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. Vermont will accept an out-of-state employer's workers' compensation coverage while operating in Vermont provided that the insurance carrier is licensed to write insurance in Vermont and an amendatory endorsement is added to the policy adding Vermont for coverage purposes. Otherwise, the party shall secure a Vermont workers' compensation policy, if necessary to comply with Vermont law.

General Liability and Property Damage: With respect to all operations performed under this 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 Each Occurrence

$2,000,000 General Aggregate

$1,000,000 Products/Completed Operations Aggregate

$1,000,000 Personal & Advertising Injury

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 $500,000 combined single limit. If performance of this Agreement involves construction, or the transport of persons or hazardous materials, limits of coverage shall not be less than $1,000,000 combined single limit.

Additional Insured. The General Liability and Property Damage coverages required for performance of this Agreement shall include the State of Vermont and its agencies, departments, officers and employees as Additional Insureds. If performance of this Agreement involves construction, or the transport of persons or hazardous materials, then the required Automotive Liability coverage shall include the State of Vermont and its agencies, departments, officers and employees as Additional Insureds. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

Notice of Cancellation or Change. There shall be no cancellation, change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without thirty (30) days written prior written notice to the State.

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

10. False Claims Act: The Party acknowledges that it is subject to the Vermont False Claims Act as set forth in 32 V.S.A. § 630 *et seq.* If the Party violates the Vermont False Claims Act it shall be liable to the State for civil penalties, treble damages and the costs of the investigation and prosecution of such violation, including attorney's fees, except as the same may be reduced by a court of competent jurisdiction. The Party's liability to the State under the False Claims Act shall not be limited notwithstanding any agreement of the State to otherwise limit Party's liability.

11. Whistleblower Protections: The Party shall not discriminate or retaliate against one of its employees or agents for disclosing information concerning a violation of law, fraud, waste, abuse of authority or acts threatening health or safety, including but not limited to allegations concerning the False Claims Act. Further, the Party shall not require such employees or agents to forego monetary awards as a result of such disclosures, nor should they be required to report misconduct to the Party or its agents prior to reporting to any governmental entity and/or the public.

12. Federal Requirements Pertaining to Grants and Subrecipient Agreements:

A. 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.

B. Internal Controls: In the case that this Agreement is a Grant that is funded in whole or in part by Federal funds, in accordance with 2 CFR Part II, §200.303, the Party must establish and maintain effective internal control over the Federal award to provide reasonable assurance that the Party is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States and the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

C. Mandatory Disclosures: In the case that this Agreement is a Grant funded in whole or in part by Federal funds, in accordance with 2CFR Part II, §200.113, Party must disclose, in a timely manner, in writing to the State, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures may result in the

imposition of sanctions which may include disallowance of costs incurred, withholding of payments, termination of the Agreement, suspension/debarment, etc.

13. Records Available for Audit: The Party shall maintain all records pertaining to performance under this agreement. "Records" means any written or recorded information, regardless of physical form or characteristics, which is produced or acquired by the Party in the performance of this agreement. Records produced or acquired in a machine readable electronic format shall be maintained in that format. The records described shall be made available at reasonable times during the period of the Agreement and for three years thereafter or for any period required by law 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.

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

15. 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.

16. 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.

17. Taxation of Purchases: All State purchases must be invoiced tax free. An exemption certificate will be furnished upon request with respect to otherwise taxable items.

18. Child Support: (Only 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.

19. 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 shall be responsible and liable to the State for all acts or omissions of subcontractors and any other person performing work under this Agreement pursuant to an agreement with Party or any subcontractor.

In the case this Agreement is a contract with a total cost in excess of $250,000, the Party shall provide to the State a list of all proposed subcontractors and subcontractors' subcontractors, together with the identity of those subcontractors' workers compensation insurance providers, and additional required or requested information, as applicable, in accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act No. 54).

Party shall include the following provisions of this Attachment C in all subcontracts for work performed solely for the State of Vermont and subcontracts for work performed in the State of Vermont: Section 10 ("False Claims Act"); Section 11 ("Whistleblower Protections"); Section 14 ("Fair Employment Practices and Americans with Disabilities Act"); Section 16 ("Taxes Due the State"); Section 18 ("Child Support"); Section 20 ("No Gifts or Gratuities"); Section 22 ("Certification Regarding Debarment"); Section 23 ("Certification Regarding Use of State Funds"); Section 31 ("State Facilities"); and Section 32 ("Location of State Data").

20. No Gifts or Gratuities: Party shall not give title or possession of anything 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.

21. Copies: Party shall use reasonable best efforts to ensure that all written reports prepared under this Agreement are printed using both sides of the paper.

22. 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

23. 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.

24. Conflict of Interest: Party shall fully disclose, in writing, any conflicts of interest or potential conflicts of interest.

25. Confidentiality: Party acknowledges and agrees that this Agreement and any and all information obtained by the State from the Party in connection with this Agreement are subject to the State of Vermont Access to Public Records Act, 1 V.S.A. § 315 et seq.

26. Force Majeure: Neither the State nor the Party shall be liable to the other for any failure or delay of performance of any obligations under this Agreement to the extent such failure or delay shall have been wholly or principally caused by acts or events beyond its reasonable control rendering performance illegal or impossible (excluding strikes or lock-outs) ("Force Majeure"). Where Force Majeure is asserted, the nonperforming party must prove that it made all reasonable efforts to remove, eliminate or minimize such cause of delay or damages, diligently pursued performance of its obligations under this Agreement, substantially fulfilled all non-excused obligations, and timely notified the other party of the likelihood or actual occurrence of an event described in this paragraph.

27. Marketing: Party shall not refer to the State in any publicity materials, information pamphlets, press releases, research reports, advertising, sales promotions, trade shows, or marketing materials or similar communications to third parties except with the prior written consent of the State.

28. Termination: In addition to any right of the State to terminate for convenience, the State may terminate this Agreement as follows:

A. Non-Appropriation: If this Agreement extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this Agreement, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority. In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, and in the event federal funds become unavailable or reduced, the State may suspend or cancel this Grant immediately, and the State shall have no obligation to pay Subrecipient from State revenues.

B. Termination for Cause: Either party may terminate this Agreement if a party materially breaches its obligations under this Agreement, and such breach is not cured within thirty (30) days after delivery of the non-breaching party's notice or such longer time as the non-breaching party may specify in the notice.

C. No Implied Waiver of Remedies: A party's delay or failure to exercise any right, power or remedy under this Agreement shall not impair any such right, power or remedy, or be construed as a waiver of any such right, power or remedy. All waivers must be in writing.

29. Continuity of Performance: In the event of a dispute between the Party and the State, each party will continue to perform its obligations under this Agreement during the resolution of the dispute until this Agreement is terminated in accordance with its terms.

30. Termination Assistance: Upon nearing the end of the final term or termination of this Agreement, without respect to cause, the Party shall take all reasonable and prudent measures to facilitate any transition required by the State. All State property, tangible and intangible, shall be returned to the State upon demand at no additional cost to the State in a format acceptable to the State.

31. State Facilities: If the State makes space available to the Party in any State facility during the term of this Agreement for purposes of the Party's performance under this Agreement, the Party shall only use the space in accordance with all policies and procedures governing access to and use of State facilities which shall be made available upon request. State facilities will be made available to Party on an "AS IS, WHERE IS" basis, with no warranties whatsoever.

32. Location of State Data: No State data received, obtained, or generated by the Party in connection with performance under this Agreement shall be processed, transmitted, stored, or transferred by any means outside continental United States, except with the express written permission of the State.
(Revised 7/1/16 - End of Standard Provisions)

ATTACHMENT D
OTHER TERMS AND CONDITIONS

1. INTELLECTUAL PROPERTY

1.1 Contractor Property. All software, information and materials and all intellectual property rights in and to such software, information and materials owned by Contractor prior to the Effective Date (collectively "Contractor Property") shall be the sole and exclusive property of Contractor. Should the State require a license for the use of Contractor Property in connection with its internal or required federal use of items that Contractor is required to deliver to the State under this Contract, including Work Product ("Deliverables"), the Contractor shall grant the State a royalty-free license for its internal use (or any required federal use). For the avoidance of doubt, Work Product shall not be deemed to include Contractor Property, provided the State shall be granted an irrevocable, perpetual, non-exclusive royalty-free license to any such Contractor Property that is incorporated into Work Product. That license shall not extend rights to use to the Contractor Intellectual Property outside of the Work Product in which it is embedded.

1.2 State Property. The State shall retain all right, title and interest in and to (i) all content and all property, data and information furnished by or on behalf of the State or any agency, commission or board thereof, and to all information that is created under this Contract, including, but not limited to, all data that is generated under this Contract as a result of the use by Contractor, the State or any third party of any technology systems or knowledge bases that are developed for the State and used by Contractor hereunder, and all other rights, tangible or intangible; and (ii) all State trademarks, trade names, logos and other State identifiers, Internet uniform resource locators, State user name or names, Internet addresses and e-mail addresses obtained or developed pursuant to this Contract (collectively, "State Property").

Contractor may not use State Property for any purpose other than as specified in this Contract. Upon expiration or termination of this Contract, Contractor shall return or destroy all State Property and all copies thereof, and Contractor shall have no further right or license to such State Property.

Contractor acquires no rights or licenses, including, without limitation, intellectual property rights or licenses, to use State Property for its own purposes. In no event shall the Contractor claim any security interest in or other restrictions on the transfer of State Property.

1.3 Work Product. Upon payment to Contractor in accordance with Attachment B, all "Work Product" shall belong exclusively to the State, with the State having the sole and exclusive right to apply for, obtain, register, hold and renew, in its own name and/or for its own benefit, all newly created patents and copyrights, and all applications and registrations, renewals and continuations thereof and/or any and all other appropriate protection. To the extent exclusive title and/or complete and exclusive ownership rights to newly created intellectual property in and to any Work Product may not originally vest in the State by operation of law or otherwise as contemplated hereunder, Contractor shall immediately upon request, unconditionally and irrevocably assign, transfer and convey to the State all right, title and interest therein.

"Work Product" means original software and software code, middleware, shared services, data interfaces, data dictionaries, logical data models, physical data models, tangible or intangible ideas, inventions, improvements, modifications, discoveries, development, customization, configuration, methodologies or processes, designs, models, drawings, photographs, reports, formulas, algorithms, patterns, devices, compilations, databases, work of authorship, specifications, operating instructions, procedures manuals or other documentation, technique, know-how, secret, or other

related intellectual property (whether patentable or not patentable or registerable under copyright or similar statutes or subject to analogous protection), that is specifically made, conceived, discovered or reduced to practice by Contractor, either solely or jointly with others, in the performance of this Contract. Work Product does not include Contractor Property or third party intellectual property.

To the extent delivered under this Contract, upon full payment to Contractor in accordance with Attachment B, and subject to the terms and conditions contained herein, Contractor hereby (i) assigns to State all newly created rights in and to all Deliverables, except to the extent they include any Contractor Intellectual Property; and (ii) grants to State a, non-exclusive, irrevocable, royalty-free license to use for State's internal business purposes, any Contractor Intellectual Property included in the Deliverables in connection with its use of the Deliverables. Contractor must deliver all Work Product to the State in a manner that ensures the Department of Health and Human Services, obtain a royalty-free, nonexclusive and irrevocable right to reproduce, publish or otherwise use the Work Product for Federal Government purposes, and to authorize others to do so in accordance with 45 C.F.R. §95.617. Except for the foregoing license, Contractor or its licensors retain all rights in and to all Contractor Property.

The Contract will not assert a claim of copyright or other property interest in Deliverables. The Contractor shall not sell or copyright a Deliverable 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.

Upon notice to the State, the State shall grant to Contractor a perpetual, non-exclusive, royalty free license to reproduce, publish, use, copy and modify the Deliverables under this Contract that were developed solely at the State's expense for the purpose of providing services to its other state customers or for other governmental use for which the Contractor performs work similar to the services under this Contract. The Contractor shall provide notice of the use of such license to the State.

1.4 Infringement Indemnity. Contractor shall indemnify the State against any and all third-party claims for infringement of any copyright or patent arising out of the, use, service, operations, or performance of work under this Contract by Contractor. The foregoing obligations shall not apply to the extent such infringement results from or is based on (i) any use of the product or service or modifications to the product or service by the State that was not contemplated by Contractor or described in this Contract, or (ii) the combination by the State of such product or service with any equipment, software or other materials that were not provided or expressly approved by Contractor.

If Contractor is found to have infringed on a patent, copyright, trademark, trade secret or other intellectual property right while performing its obligations under this Contract, Contractor shall, at the Contractor's option: (i) obtain for the State or Contractor the right to use such products and services; (ii) replace any product involved with non-infringing products or modify them so that they become non-infringing; or, (iii) if neither of the foregoing alternatives are reasonably available, remove any infringing products and refund the price paid therefore to the State.

1.5 License to Third Party Property.

For any property or intellectual property rights of third parties, including without limitation software, used in or incorporated in the Services by Contractor, or necessary for the use of the Deliverables by the State, (collectively "Third Party Property" as set forth in Attachment A, Section I), Contractor shall obtain and

maintain, without additional cost to the State, all necessary rights for Contractor and the State to use all Third Party Property for the purposes contemplated by this Contract.

Except as set forth herein, any Third Party Property is subject to the applicable third party license, end-user license, or subscription agreement. The Contractor will attempt to obtain, at no additional cost to the State, a perpetual, non- transferable, and non-exclusive license to use and reproduce all Third-Party Property and related documentation. For any third party software licenses, end user licenses, and subscription agreements procured by Contractor on behalf of the State, and which must be agreed directly between the State and the provider of Third Party Property, Contractor shall provide the provider of Third Party Property with notice of the State's Standard Rider, attached to this Attachment D as Exhibit 1. The State's use of any Third Party Property shall be subject to the State's Standard Rider.

To the extent possible the licenses procured on behalf of the State will include the right to fixes, updates, upgrades, enhancements, and configurable modifications as long as maintenance is paid.

2. CONFIDENTIALITY AND NON-DISCLOSURE; SECURITY BREACH REPORTING

2.1 Confidentiality of Contractor Information. The Contractor acknowledges and agrees that this Contract and any and all Contractor information obtained by the State in connection with this Contract are subject to the State of Vermont Access to Public Records Act, 1 V.S.A. § 315 et seq. The State will not disclose information for which a reasonable claim of exemption can be made pursuant to 1 V.S.A. § 317(c), including, but not limited to, trade secrets, proprietary information or financial information, including any formulae, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to the Contractor, and which gives the Contractor an opportunity to obtain business advantage over competitors who do not know it or use it.

The State shall immediately notify Contractor of any request made under the Access to Public Records Act, or any request or demand by any court, governmental agency or other person asserting a demand or request for Contractor information. Contractor may, in its discretion, seek an appropriate protective order, or otherwise defend any right it may have to maintain the confidentiality of such information under applicable State law within three business days of the State's receipt of any such request. Contractor agrees that it will not make any claim against the State if the State makes available to the public any information in accordance with the Access to Public Records Act or in response to a binding order from a court or governmental body or agency compelling its production. Contractor shall indemnify the State for any costs or expenses incurred by the State, including, but not limited to, attorneys' fees awarded in accordance with 1 V.S.A. § 320, in connection with any action brought in connection with Contractor's attempts to prevent or unreasonably delay public disclosure of Contractor's information if a final decision of a court of competent jurisdiction determines that the State improperly withheld such information and that the improper withholding was based on Contractor's attempts to prevent public disclosure of Contractor's information.

The State agrees that (a) it will use the Contractor information only as may be necessary in the course of performing duties, receiving services or exercising rights under this Contract; (b) it will provide at a minimum the same care to avoid disclosure or unauthorized use of Contractor information as it provides to protect its own similar confidential and proprietary information; (c) except as required by the Access to Records Act, it will not disclose such information orally or in

writing to any third party unless that third party is subject to a written confidentiality agreement that contains restrictions and safeguards at least as restrictive as those contained in this Contract; (d) it will take all reasonable precautions to protect the Contractor's information; and (e) it will not otherwise appropriate such information to its own use or to the use of any other person or entity.

Contractor may affix an appropriate legend to Contractor information that is provided under this Contract to reflect the Contractor's determination that any such information is a trade secret, proprietary information or financial information at time of delivery or disclosure.

2.2 Confidentiality of State Information. In performance of this Contract, and any exhibit or schedule hereunder, the Party acknowledges that certain State Data (as defined below), to which the Contractor may have access may contain individual federal tax information, personal protected health information and other individually identifiable information protected by State or federal law. In addition to the provisions of this Section, the Party shall execute the HIPAA Business Associate Agreement attached as Attachment E. Before receiving or controlling State Data, the Contractor will have an information security policy that protects its systems and processes and media that may contain State Data from internal and external security threats and State Data from unauthorized disclosure, and will have provided a copy of such policy to the State. State Data shall not be stored, accessed from, or transferred to any location outside the United States.

Unless otherwise instructed by the State, Contractor agrees to keep confidential all information received and collected by Contractor in connection with this Contract ("State Data"). The Contractor agrees not to publish, reproduce, or otherwise divulge any State Data in whole or in part, in any manner or form or authorize or permit others to do so. Contractor will take reasonable measures as are necessary to restrict access to State Data in the Contractor's possession to only those employees on its staff who must have the information on a "need to know" basis. The Contractor shall use State Data only for the purposes of and in accordance with this Contract. The Contractor shall provide at a minimum the same care to avoid disclosure or unauthorized use of State Data as it provides to protect its own similar confidential and proprietary information.

The Contractor shall promptly notify the State of any request or demand by any court, governmental agency or other person asserting a demand or request for State Data to which the Contractor or any third party hosting service of the Contractor may have access, so that the State may seek an appropriate protective order.

2.3 Security of State Information. The Contractor shall maintain during the term of this Contract industry standard administrative, technical, and physical safeguards and controls consistent with NIST *Special Publication 800-53* (version 4) and *Federal Information Processing Standards Publication* 200 and designed to (i) ensure the security and confidentiality of State Data; (ii) protect against any anticipated security threats or hazards to the security or integrity of the State Data; and (iii) protect against unauthorized access to or use of State Data. Such measures shall include at a minimum: (1) access controls on information systems, including controls to authenticate and permit access to State Data only to authorized individuals and controls to prevent the Contractor employees from providing State Data to unauthorized individuals who may seek to obtain this information (whether through fraudulent means or otherwise); (2) industry-standard firewall protection; (3) encryption of electronic State Data while in transit from the Contractor networks to external networks; (4) measures to store in a secure fashion all State Data which shall include multiple levels of authentication; (5) dual control procedures, segregation of duties, and pre-employment criminal background checks for employees with responsibilities for or access to State Data; (6) measures to ensure that the State Data shall not be altered or corrupted without the prior written consent of the State; (7) measures to protect against destruction, loss or damage of State Data

due to potential environmental hazards, such as fire and water damage; (8) staff training to implement the information security measures; and (9) monitoring of the security of any portions of the Contractor systems that are used in the provision of the services against intrusion on a twenty-four (24) hour a day basis. Any future changes to NIST *Special Publication 800-53* (version 4), or the *Federal Information Processing Standards Publication* 200 requirements will be evaluated and processed as needed through the change control procedure.

2.4 Back-Up Policies: The Contractor's back-up policies have been made available to the State upon execution of this Contract under separate cover. The Contractor shall provide the State with not less than thirty (30) days advance written notice of any material amendment or modification of such policies.

2.5 Security Breaches; Security Breach Reporting. To the extent the Contractor or its subcontractors, affiliates or agents handles, collects, stores, disseminates or otherwise deals with State Data, the Contractor acknowledges that in the performance of its obligations under this Contract, it will be a "data collector" pursuant to Chapter 62 of Title 9 of the Vermont Statutes (9 V.S.A. §2430(3)). The Contractor shall have policies and procedures in place for the effective management of Security Breaches, as defined below.

In addition to the requirements set forth in any applicable Business Associate Agreement as may be attached to this Contract, in the event of any actual security breach or reasonable belief of an actual security breach the Contractor either suffers or learns of that either compromises or could compromise State Data (including, as applicable, PII, PHI or ePHI) in any format or media, whether encrypted or unencrypted (for example, but not limited to: physical trespass on a secure facility; intrusion or hacking or other brute force attack on any State environment; loss or theft of a PC, laptop, desktop, tablet, smartphone, removable data storage device or other portable device; loss or theft of printed materials; or failure of security policies) (collectively, a "Security Breach"), the Contractor shall immediately determine the nature and extent of the Security Breach, contain the incident by stopping the unauthorized practice, recover records, shut down the system that was breached, revoke access and/or correct weaknesses in physical security. Contractor shall analyze and document the incident and provide the required notices, as set forth below.

In accordance with Section 9 V.S.A. §2435(b)(3), the Contractor shall notify the Office of the Attorney General, or in the case of a Security Breach by a data collector regulated by the Vermont Department of Financial Regulation ("DFR"), DFR, within fourteen (14) business days of the Contractor's discovery of the Security Breach. The notice shall provide a preliminary description of the breach. The foregoing notice requirement shall be included in the subcontracts of any of Contractor's subcontractors, affiliates or agents which may be "data collectors" hereunder. Except to the extent delayed upon request of law enforcement in accordance with 9 V.S.A. §2435(b)(4), within thirty days of the Security Breach or when the Contractor provides notice to consumers pursuant to this Contract, whichever is sooner, the Contractor shall report to the State: (i) the nature of the Security Breach; (ii) the State Data used or disclosed; (iii) who made the unauthorized use or received the unauthorized disclosure; (iv) what the Contractor has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure; and (v) what corrective action the Contractor has taken or shall take to prevent future similar unauthorized use or disclosure. The Contractor shall provide such other information, including a written report, as reasonably requested by the State.

The Contractor agrees to fully cooperate with the State, assume responsibility for notice to all consumers affected by a Security Breach (excluding those Security Breaches caused by the State or its agents), and assume all costs associated with a Security Breach, including but not limited to, notice, outside investigation and services (including mailing, call center, forensics, counsel and/or crisis management), and/or credit monitoring.

The Contractor agrees to comply with all applicable laws, as such laws may be amended from time to time (including, but not limited to, Chapter 62 of Title 9 of the Vermont Statutes and all applicable State and federal laws, rules or regulations) that require notification in the event of unauthorized release of personally-identifiable information or other event requiring notification.

In addition to any other obligations in this Contract, the Contractor shall be liable and save harmless the State from any costs, loss or damage to the State resulting from a Security Breach or the unauthorized disclosure of State Data caused by the negligent acts of the Contractor, its officers, agents, employees, and subcontractors under this Contract.

3. SUBCONTRACTORS

Contractor shall be responsible for directing and supervising each of its subcontractors and any other person performing any of the Work under an agreement with Contractor. Contractor has provided to the State a list of all subcontractors and subcontractors' subcontractors, together with the identity of those subcontractors' workers compensation insurance providers. Contractor shall be responsible and liable to the State for all acts or omissions of subcontractors and any other person performing any of the Services under an agreement with Contractor or any subcontractor.

4. CONTRACTOR'S REPRESENTATIONS AND WARRANTIES

4.1 General Representations and Warranties. The Contractor represents, warrants and covenants that:

(i) The Contractor has all requisite power and authority to execute, deliver and perform its obligations under this Contract and the execution, delivery and performance of this Contract by the Contractor has been duly authorized by the Contractor.

(ii) There is no pending litigation, arbitrated matter or other dispute to which the Contractor is a party which, if decided unfavorably to the Contractor, would reasonably be expected to have a material adverse effect on the Contractor's ability to fulfill its obligations under this Contract.

(iii) The Contractor will comply with all laws applicable to its performance of the services and otherwise to the Contractor in connection with its obligations under this Contract.

(iv) The Contractor (a) owns, or has the right to use under valid and enforceable agreements, all intellectual property rights reasonably necessary for and related to delivery of the services and provision of the Deliverables as set forth in this Contract; and (b) shall be responsible for and have full authority to license all proprietary and/or third party software modules, including algorithms and protocols, that Contractor incorporates into its product.

(v) The Contractor has resources as stated in the agreed staffing plan to fulfill its obligations under this Contract.

(vi) Neither Contractor nor Contractor's subcontractors has past state or federal violations, convictions or suspensions relating to miscoding of employees in NCCI job codes for purposes of differentiating between independent contractors and employees.

4.2 Contractor's Performance Warranties. Contractor represents and warrants to the State that:

(i) All Deliverables will be free from material errors and shall perform in accordance with the specifications therefor.

(ii) Each and all the services shall be performed in a timely, diligent, professional and work person like manner, in accordance with professional or technical standards applicable to such services, by qualified persons with the technical skills, training and experience to perform such services in the planned environment. At its own expense and without limiting any other rights or remedies of the State hereunder, if the State does not accept a Deliverable pursuant to mutually agreed

acceptance criteria, the Contractor shall take reasonable steps, including re-performance of work, to conform Deliverable to its acceptance criteria.

(iii) Any time software is delivered to the State, whether delivered via electronic media or the internet, no portion of such software or the media upon which it is stored or delivered will to the Contractor's knowledge, after due diligence and inquiry, have any type of software routine or other element which is designed to facilitate unauthorized access to or intrusion upon; or unrequested disabling or erasure of; or unauthorized interference with the operation of any hardware, software, data or peripheral equipment of or utilized by the State. Notwithstanding the foregoing, Contractor assumes no responsibility for the State's negligence or failure to protect data from viruses, or any unintended modification, destruction or disclosure.

4.3 Limitation on Disclaimer. The express warranties set forth in this Contract shall be in lieu of all other warranties, express or implied.

4.4 Effect of Breach of Warranty. If, at any time during the term of this Contract, software or the results of Contractor's work fail to perform per any warranty of Contractor under this Contract, the State shall promptly notify Contractor in writing of such alleged nonconformance, and Contractor shall cure the defect at no additional cost of any kind to the State.

5. STATE INDEMNIFICATION

The Contractor acknowledges and agrees that the laws and the public policy of the State of Vermont prohibit the State from agreeing to indemnify contractors and other parties. The Contractor agrees that, to the extent a Contractor Document expressly provides for or implies indemnification of the Contractor and/or other third parties by the State, such sections shall be waived and shall have no force and effect with respect to the State.

6. PROFESSIONAL LIABILITY AND CYBER LIABILITY INSURANCE COVERAGE

In addition to the insurance required in Attachment C to this Contract, before commencing work on this Contract and throughout the term of this Contract, Contractor agrees to procure and maintain (a) Technology Professional Liability insurance for any and all services performed under this Contract, including first party Breach Notification Coverage, with minimum third party coverage of five (5) million dollars per claim, five (5) million dollars aggregate.

Before commencing work on this Contract the Contractor must provide certificates of insurance to show that the foregoing minimum coverages are in effect.

7. LIMITATION OF LIABILITY.

IN NO EVENT WILL THE CONTRACTOR'S LIABILITY FOR ANY DAMAGES TO THE STATE EVER EXCEED TWO TIMES THE MAXIMUM AMOUNT OF THE CONTRACT, AS THE SAME MAY BE AMENDED FROM TIME-TO-TIME. LIMITS OF LIABILITY FOR STATE CLAIMS SHALL NOT APPLY TO CLAIMS ARISING OUT OF: (A) PERSONAL INJURY, DEATH, OR DAMAGE TO REAL OR PERSONAL PROPERTY; (B) CONTRACTOR'S GROSS NEGLIGENCE, FRAUD OR INTENTIONAL MISCONDUCT; OR (C) VIOLATIONS OF THE STATE OF VERMONT FRAUDULENT CLAIMS ACT.

NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL OR SPECIAL DAMAGES, DAMAGES WHICH ARE UNFORESEEABLE TO THE PARTIES AT THE TIME OF CONTRACTING, DAMAGES WHICH ARE NOT PROXIMATELY CAUSED BY A PARTY, SUCH AS LOSS OF ANTICIPATED BUSINESS, OR LOST PROFITS, INCOME, GOODWILL, OR

REVENUE IN CONNECTION WITH OR ARISING OUT OF THE SUBJECT MATTER OF THIS CONTRACT.

The provisions of this Section shall apply notwithstanding any other provisions of this Contract or any other agreement, and shall survive the expiration or termination of this Contract.

8. SOVEREIGN IMMUNITY

The Contractor acknowledges that the State reserves all immunities, defenses, rights or actions arising out of the State's sovereign status or under the Eleventh Amendment to the United States Constitution. No waiver of any such immunities, defenses, rights or actions shall be implied or otherwise deemed to exist by reason of the State's entry into this Contract.

9. DISPUTE RESOLUTION

9.1 Governing Law; Jurisdiction. The Contractor agrees that this Contract, including any Contractor Document, shall be governed by and construed in accordance with the laws of the State of Vermont and that any action or proceeding brought by either the State or the Contractor in connection with this Contract shall be brought and enforced in the Superior Court of the State of Vermont, Civil Division, Washington Unit. The Contractor irrevocably submits to the jurisdiction of such court in respect of any such action or proceeding. The State shall not be liable for attorneys' fees in any proceeding.

9.2 Contractor Default. The Contractor shall be in default under this Contract if Contractor commits any material breach of any covenant, warranty, obligation or certification under this Contract, fails to perform the Services in conformance with the specifications and warranties provided in this Contract, or clearly manifests an intent not to perform future obligations under this Contract, and such breach or default is not cured, or such manifestation of an intent not to perform is not corrected by reasonable written assurances of performance within thirty (30) days after delivery of the State's notice period, or such longer period as the State may specify in such notice or as otherwise agreed by the parties..

9.3 State Default. State shall be in default under this Contract if State commits any material breach or default of any covenant, warranty, or obligation under this Contract and State fails to cure such failure within thirty (30) business days after delivery of Contractor's notice or such longer period as Contractor may specify in such notice or as otherwise agreed by the parties.

9.4 Informal Dispute Resolution. The parties desire that all disputes arising under this Contract be resolved expeditiously and amicably between the Contractor and the State Program Manager. The parties shall use good faith to resolve any disputed matter. In the event a material dispute remains unresolved between the Contractor and the State after a seven (7) business day period, the dispute should be elevated to the Vice President of State and Local Government Healthcare for the Contractor and the Commissioner or Commissioner's designee for the State.

9.5 Trade Secret, Patent, and Copyright Infringement. The State shall not be deemed to waive any of its rights or remedies at law or in equity in the event of Contractor's trade secret, patent and/or copyright infringement.

10. REMEDIES FOR DEFAULT

In the event either party is in default under this Contract, the non-defaulting party may, at its option, pursue any or all of the remedies available to it under this Contract, including termination for cause, and at law or in equity. Any payments made to the State to address a State claim for damages shall count toward Contractor's limit of liability as set forth in this Attachment D.

11. TERMINATION

Consistent with the Turnover Plan set forth in Attachment A, upon termination of this Contract for any reason whatsoever, Contractor shall immediately deliver to the State all Property, State Data and any Deliverables for which State has made payment in whole or in part ("State Materials"), that are in the possession or under the control of Contractor in whatever stage of development and form of recordation such State property is expressed or embodied at that time.

In the event the Contractor ceases conducting business in the normal course, becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets or avails itself of or becomes subject to any proceeding under the Federal Bankruptcy Act or any statute of any state relating to insolvency or the protection of rights of creditors, the Contractor shall immediately return all State Materials to State control; including, but not limited to, making all necessary access to applicable remote systems available to the State for purposes of downloading all State Materials.

Contractor shall reasonably cooperate with other parties in connection with all services to be delivered under this Contract, including without limitation any successor provider to whom State Materials are to be transferred in connection with termination. Contractor shall assist the State in exporting and extracting the State Materials, in a format usable without the use of the Services and as agreed to by State, at no additional cost.

12. ACCESS TO STATE DATA:

The State may export State Materials in part or in whole at its sole discretion at any time as scheduled for the AIM production transactional database, and during production hours (as defined within Attachment A) for other exports, during the term of this Contract or for up to [three (3) months] after the Term (so long as the State Materials remain in the Contractor's possession) without interference from the Contractor in a format usable without the Service and in an agreed-upon file format and medium at no additional cost to the State.

The Contractor must allow the State access to information such as system logs and latency statistics that affect its State Materials and or processes.

The Contractor's policies regarding the retrieval of data upon the termination of services have been made available to the State upon execution of this Contract under separate cover. The Contractor shall provide the State with not less than thirty (30) days advance written notice of any material amendment or modification of such policies.

13. DESTRUCTION OF STATE DATA

At any time during the term of this Contract within (i) thirty days of the State's written request or (ii) [three (3) months] of termination or expiration of this Contract for any reason, and in any event after the State has had an opportunity to export and recover the State Materials, Contractor shall at its own expense securely destroy and erase from all systems it directly or indirectly uses or controls all tangible or intangible forms of the State Materials, in whole or in part, and all copies thereof except such records as are required by law or this contract. The destruction of State Data and State Intellectual Property shall be performed according to National Institute of Standards and Technology (NIST) approved methods. Contractor shall certify in writing to the State that such State Data has been disposed of securely. To the extent that any applicable law or system limitation prevents Contractor from destroying or erasing State Materials as set forth herein, Contractor shall retain, in its then current state, all such State Materials then within its right of control or possession in accordance with the confidentiality, security and other requirements of this Contract, and perform its obligations under this section as soon as such law or system limitation no longer prevents it from doing so.

Further, upon the relocation of State Data, Contractor shall securely dispose of such copies from the former data location and certify in writing to the State that such State Data has been disposed of securely. Contractor shall comply with all reasonable directions provided by the State with respect to the disposal of State Data.

14. CONTRACTOR BANKRUPTCY.

Contractor acknowledges that if Contractor, as a debtor in possession, or a trustee in bankruptcy in a case under Section 365(n) of Title 11, United States Code (the "Bankruptcy Code"), rejects this Contract, the State may elect to retain its rights under this Contract as provided in Section 365(n) of the Bankruptcy Code. Upon written request of the State to Contractor or the Bankruptcy Trustee, Contractor or such Bankruptcy Trustee shall not interfere with the rights of the State as provided in this Contract, including the right to obtain the State Intellectual Property.

15. AUDIT

15.1 Audit Rights. Contractor will maintain and cause its permitted contractors to maintain a complete audit trail of all transactions and activities, financial and non-financial, in connection with this Contract during the term of the Contract and for six (6) years thereafter. Contractor will provide to the State, its internal or external auditors, clients, inspectors, regulators and other designated representatives, at reasonable times so as not to unreasonably disrupt work and at reasonable frequency not to exceed once per calendar year (and in the case of State or federal regulators, at any time required by law or, in the case of audit findings, as often as necessary thereafter to confirm remediation) access to Contractor personnel performing under the Contract and to any and all Contractor facilities where any of the Services are performed (limited to the portion of those facilities where the State's Services are being performed) or where the required information, data and records are maintained, for the purpose of performing audits and inspections (including unannounced and random audits) of Contractor and/or Contractor personnel and/or any or all of the records, data and information applicable to this Contract. At a minimum, such audits, inspections and access shall be conducted to the extent permitted or required by any laws applicable to the State or Contractor (or such higher or more rigorous standards, if any, as State or Contractor applies to its own similar businesses, operations or activities), to (i) verify the accuracy of charges and invoices; (ii) verify the integrity of State Data and examine the systems that process, store, maintain, support and transmit that data; (iii) examine and verify Contractor's and/or its permitted contractors' operations and security procedures and controls; (iv) examine and verify Contractor's and/or its permitted contractors' disaster recovery planning and testing, business resumption and continuity planning and testing, contingency arrangements; and (v) examine Contractor's and/or its permitted contractors' performance of the Services including audits of: (1) practices and procedures; (2) systems, communications and information technology;
(3) general controls and physical and data/information security practices and procedures; (4) quality initiatives and quality assurance, (5) contingency and continuity planning, disaster recovery and back-up procedures for processes, resources and data; (6) compliance with the terms of this Contract and applicable laws, and (7) any other matters reasonably requested by the State and agreed to by the Contractor. Contractor shall provide and cause its permitted contractors to provide full cooperation to such auditors, inspectors, regulators and representatives in connection with audit functions and with regard to examinations by regulatory authorities, including the installation and operation of audit software to the extent it does not impact the System or impact Contractor's ability to meet the requirements. Contractor will be excused for any delays that result in its compliance with State audits.

15.2 Operations Security. The Contractor shall cause an SSAE 16 SOC 2 Type 2 audit report to be conducted annually. The audit results and the Contractor's plan for addressing or resolution of the audit results shall be shared with the State within sixty (60) days of the Contractor's receipt of the audit results. Further, on an annual basis, within 90 days of the end of the Contractor's fiscal year, the Contractor shall transmit its parent company's annual audited financial statements to the State.

16. CONFLICTS OF INTEREST

Contractor agrees that during the term of this Contract, its performance shall be in compliance with HPE's Standards of Business Conduct. Contractor will not perform services for any person or entity which has also contracted with the State of Vermont in connection with the same project, without express written consent of the State. Contractor shall fully disclose, in writing, any such conflicts of interest, including the nature and extent of the work to be performed for any other person or entity so that the State may be fully informed prior to giving any consent. Contractor agrees that the failure to disclose any such conflicts shall be deemed an event of default under this Contract.

17. MODIFICATIONS TO ATTACHMENT C

17.1 By deleting Attachment C, Section 3, Governing Law, Jurisdiction, and Venue; No Waiver of Jury Trail, and substituting in lieu thereof the following Section 3:

3. Governing Law, Jurisdiction and Venue; No Waiver of Jury Trial: This Agreement will be governed by the laws of the State of Vermont. Any action or proceeding brought by either the State or the Party in connection with this Agreement shall be brought and enforced in the Superior Court of the State of Vermont, Civil Division, Washington Unit. The Party irrevocably submits to the jurisdiction of this court for any action or proceeding regarding this Agreement. The Party agrees that if required by law, it must first exhaust any applicable administrative remedies with respect to any cause of action that it may have against the State with regard to its performance under the Agreement.

Party agrees that the State shall not be required to submit to binding arbitration or waive its right to a jury trial.

17.2 The third paragraph of Section 7, Liability, is hereby modified to read as follows:
The Party shall indemnify the State and its officers and employees to the extent that the State, its officers or employees become legally obligated to pay any damages or losses arising from any third-party claims caused by the act or omission of the Party or an agent of the Party in connection with the performance of this Agreement. In no event shall the Party be responsible for the acts or omissions of the State or agents of the State in connection with Party's performance of this Agreement.

17.3 With respect to Section 12, Federal Requirements Pertaining to Grants and Subrecipient Agreements, the State acknowledges and agrees that this Agreement is not a Grant funded in whole or in part by federal funds.

17.4 By deleting Attachment C, Section 13, Records Available for Audit, and substituting in lieu thereof the following Section 13:

13. Records Available for Audit: The Party shall maintain all records pertaining to performance under this agreement. "Records" means any written or recorded information, regardless of physical form or characteristics, which is produced or acquired by the Party in the performance of this agreement. Records produced or acquired in a machine readable electronic format shall be maintained in that format. The records described shall be made available at reasonable times during the period of the Agreement and for six years thereafter or for any period required by law for inspection by any authorized representatives of the State or Federal Government to verify the accuracy of the Party's invoices, confirm its performance under this Contract, or for any other reason as required by state or federal law. If any litigation, claim, or audit is started before the expiration of the six-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved.

17.5 By deleting Attachment C, Section 15, Set Off, and substituting in lieu thereof the following Section 15:

Section 15, 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 in 32 V.S.A § 3113. The Party may seek recoupment of any sums set off hereunder other than amounts due the State of Vermont as taxes, pursuant to the informal dispute resolution process set forth herein.

17.6 By deleting Attachment C, Section 26, Force Majeure, and substituting in lieu thereof the following Section 26*:*

26. Force Majeure. Neither the State nor the Party shall be liable to the other for any failure or delay of performance of any obligations under this Agreement to the extent such failure or delay shall have been wholly or partially caused by acts, circumstances or events beyond its reasonable control (excluding strikes or lock-outs) that prevent or delay the non-performing party from complying with any of its obligations under this Agreement ("Force Majeure"). Where Force Majeure is asserted, the nonperforming party must prove that it made all reasonable efforts to remove, eliminate or minimize such cause of delay or damages, diligently pursued performance of its obligations under this Agreement, substantially fulfilled all non-excused obligations, and timely notified the other party of the likelihood or actual occurrence of an event described in this paragraph.

17.7 By deleting Attachment C, Section 28, Termination, is hereby deleted in whole and replaced as follows:

Section 28: Termination: In addition to any right of the State to terminate for convenience, the State may terminate this Agreement as follows:

A. Non-Appropriation: If this Agreement extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this Agreement, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority. In the event federal funds required to fund this contract become unavailable or reduced, the State may suspend or cancel this contract immediately, and the State shall have no obligation to pay Party from State revenues. The State shall make good faith efforts to provide Party with as much notice as is reasonably possible prior to terminating this Agreement for non-appropriation in whole or in part. In the event of a termination for non-appropriation, State shall pay Contractor through the date of termination for all Services in accordance with Attachment B.

B. Termination for Cause: Either party may terminate this Agreement if (i) a party materially breaches its obligations under this Agreement, and such breach is not cured within thirty (30) days after delivery of the non-breaching party's notice or such longer time as the non-breaching party may specify in the notice; or (ii) the parties have agreed to a reasonable plan to cure and the breaching Party fails to prosecute the plan to completion.

C. No Implied Waiver of Remedies: A party's delay or failure to exercise any right, power or remedy under this Agreement shall not impair any such right, power or remedy, or be construed as a waiver of any such right, power or remedy. All waivers must be in writing.

17.8 By deleting Attachment C, Section 30, Termination Assistance, and substituting in lieu thereof the following Section 30:

30. Termination Assistance. Upon nearing the end of the final term or termination of this Agreement, without respect to cause, the Party shall take reasonable and prudent measures to facilitate any transition required by the State in accordance with the agreed Turnover Plan. All State property, tangible and intangible, shall be returned to the State at no additional cost to the State in a format acceptable to the State, or destroyed where mutually agreed upon.

18. Acceptance of Deliverables and Milestones. In addition to acceptance processes set out in Attachment A to this Contract, to the extent Services call for acceptance of Deliverables and Milestones, State will designate one or more individuals ("Acceptor(s)") to accept or reject Deliverables and communicate responses. Deliverables shall be tested or inspected, as appropriate, according to mutually agreed, objective acceptance criteria (such as acceptance tests for systems). The State shall not unreasonably reject a Deliverable. State shall promptly test or otherwise review all Deliverables and Milestones within a reasonable time to be agreed for particular Deliverables, Milestones or Services and then deliver either (i) written acceptance; or (ii) a written response describing the deficiencies in any unacceptable portions. Contractor may resubmit Deliverables or Milestones after performing appropriate corrective work.

Contractor acknowledges that the State may not be able to meet agreed time frames or that the State may determine that it is necessary to delay and/or modify the timing and sequencing of certain Deliverables or Milestones. While the State shall use reasonable efforts to provide staff and resources necessary to satisfy all agreed time frames, the State shall not be held responsible or deemed in default for delays provided the State uses its reasonable efforts to accomplish its designated responsibilities and obligations as agreed in writing by the parties. If State acts or omissions cause delays, either party may make a Change Request in accordance with Attachment A, and, if required, an amendment to this Contract. Contractor agrees to adjust deadlines to take into account any State-caused delays; provided, however, that Contractor shall continue to perform any and all activities not affected by such State-caused delay. The Contractor will be excused from any SLCs or missed deadlines arising from any State-caused delay. The impacts of the delay on scope, timeline, and/or pricing shall be addressed through Change Control.

18. MODIFICATIONS TO ATTACHMENT E

By deleting Attachment E, Section 8.1 under Providing Notices of Breaches, and substituting in lieu thereof the following Section 8.1:

8.1 If Covered Entity determines that an impermissible acquisition, access, use or disclosure of PHI for which one of Business Associate's employees, agents, and/or subcontractors was responsible constitutes a Breach as defined in 45 CFR § 164.402, and if requested by Covered Entity, Business Associate shall provide notice to the individual(s) whose PHI has been the subject of the Breach. When requested to provide notice, Business Associate shall consult with Covered Entity about the timeliness, content and method of notice, and shall receive Covered Entity's approval concerning these elements. The cost of notice and related remedies for breaches caused by Business Associate's employees, agents, and subcontractors shall be borne by Business Associate.

19. MODIFICATIONS TO ATTACHMENT F

19.1 By deleting Attachment F, Section 3, Medicaid Program Contractors, and substituting in lieu thereof the following Section 3:

3. <u>Medicaid Program Contractors</u>:

<u>Inspection of Records:</u> 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 as required by Federal law.

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 for the services performed under this Contract 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*.

19.2 By deleting Attachment F, Section 7, Privacy and Security Standards, and substituting in lieu thereof the following Section:

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 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.

19.3 By deleting Attachment F, Section 10, Security and Data Transfers, and substituting in lieu thereof the following Section 10:

10. 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 through the change control process of the Contract 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 commercially reasonable efforts 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 in place as of the effective date of the Contract.

APPROVAL:

e-Signed by Not Applicable
on 2016-12-30 15:02:02 GMT

ASSISTANT ATTORNEY GENERAL

DATE: December 30, 2016

ATTACHMENT D
EXHIBIT 1
STATE OF VERMONT
STANDARD RIDER
TO SOFTWARE LICENSES, END USER LICENSE AND SUBSCRIPTION AGREEMENTS ENTERED INTO BY STATE AND THIRD PARTY

The State's use of Third Party Property shall be subject to the following terms.

1. **MODIFICATIONS TO LICENSOR DOCUMENTS.** The parties specifically agree that, for purposes of the Licensor Documents, the State's agreement to the Licensor Documents is subject to the following:

(**a**) Any requirement in the Licensor Documents that the State defend or indemnify Licensor or otherwise be liable for the expenses or reimbursement, including attorneys' fees, collection costs or license verification costs of Licensor, is hereby deleted from the Licensor Document.

(**b**) Any requirement in the Licensor Documents that the State agree to binding arbitration or otherwise waive the State's right to a jury trial is hereby deleted from Licensor Documents.

(**c**) Licensor agrees that any Licensor Documents shall be governed by and construed in accordance with the laws of the State of Vermont and that any action or proceeding brought by either the State or Licensor in connection with this Contract shall be brought and enforced in the Superior Court of the State of Vermont, Civil Division, Washington Unit.

(**d**) Nothing in the Licensor Documents shall constitute an implied or deemed waiver of the immunities, defenses, rights or actions arising out of State's sovereign status or under the Eleventh Amendment to the United States Constitution.

(**e**) Any provision in the Licensor Documents which limits the time within which an action may be brought is hereby deleted.

(**f**) Any provision in the Licensor Documents which defines obligations of the State to maintain the confidentiality of Licensor shall be subject to the laws of the State of Vermont.

(**g**) All State purchases must be invoiced tax free. An exemption certificate will be furnished upon request covering otherwise taxable items. Licensor agrees to pay all Vermont taxes which may be due as a result of this Agreement.

(**h**) In lieu of any requirement that may be in Licensor's Document that the State provide the Licensor with access to its system for the purpose of determining State compliance with the terms of the Licensor Document, upon request and not more frequently than annually, the State will provide Licensor with a certified report concerning the State's use of any software licensed for State use pursuant this Agreement. The parties agree that any non-compliance indicated by the report shall not constitute infringement of the licensor's intellectual property rights, and that settlement payment mutually agreeable to the parties shall be the exclusive remedy for any such non-compliance.

(**i**) Any time software is delivered to the State, whether delivered via electronic media or the internet, no portion of such software or the media upon which it is stored or delivered will have any type of software routine or other element which is designed to facilitate unauthorized access to or intrusion upon; or unrequested disabling or erasure of; or unauthorized interference with the operation of any hardware, software, data or peripheral equipment of or utilized by the State.

(**j**) Limitations or exclusions of liability in the Licensor Documents shall not apply to State claims arising out of (i) Licensor's obligation to indemnify the State for infringement; (ii) personal injury or damage to real or tangible personal property; or (iii) gross negligence, fraud or intentional misconduct. Limits of liability for State claims shall not be construed to limit Licensor's liability for third party claims which may arise out of Licensor's acts or omissions in the performance of this Agreement.

(**k**) To the extent Licensor is a "data collector" for purposes of 9 V.S.A. §2430, Licensor shall comply with all applicable requirements of 9 V.S.A. §2435.

(**l**) Records Available for Audit: Licensor shall maintain all records pertaining to performance under this agreement. "Records" means any written or recorded information, regardless of physical form or characteristics, which is produced or acquired by Licensor in the performance of this agreement. Records produced or acquired in a machine readable electronic format shall be maintained in that format. The records described shall be made available at reasonable times during the period of the Agreement and for three years thereafter or for any period required by law 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.

(**m**) Fair Employment Practices and Americans with Disabilities Act: Licensor 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. Licensor 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 Licensor under this Agreement. Licensor further agrees to include this provision in all subcontracts for services performed in the State of Vermont.

(**n**) The State may set off any sums which Licensor owes the State against any sums due Licensor 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.

(**o**) Taxes Due to the State:

i. Licensor 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.

ii. Licensor certifies under the pains and penalties of perjury that, as of the date the Agreement is signed, Licensor 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.

iii. Licensor understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that Licensor 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.

iv. Licensor also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if Licensor has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and Licensor has no further legal recourse to contest the amounts due.

(**p**) No Gifts or Gratuities: Licensor shall not give title or possession of anything 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.

(**q**) Certification Regarding Debarment: Licensor certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Licensor nor Licensor'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. Licensor further certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, Licensor is not presently debarred, suspended, nor named on the State's debarment list at: http://bgs.vermont.gov/purchasing/debarment
For purposes of this Standard State Rider:

"State" shall mean the State of Vermont, acting through one or more of its agencies, departments, boards, commissions or other entities empowered to enter into contracts on behalf of the State.

"Licensor Documents" shall mean one or more document, agreement or other instrument entered into and signed by the State and a Licensor in connection with the performance of the products and services being procured by the State, regardless of format, including the license agreement, end user license agreement, subscription agreement or similar document, any hyperlinks to documents contained in the Licensor Documents, agreement or other instrument and any other paper or "shrinkwrap," "clickwrap," "browsewrap" or other electronic version thereof.

"Licensor" shall mean a third party, not Contractor, who grants a license to the State in a Licensor Document.

2. **ORDER OF PRECEDENCE**. This Rider shall in all cases take precedence over the Licensor Documents and any ambiguity, conflict or inconsistency in the Licensor Documents shall be resolved in accordance with this order of precedence.

3. NO SUBSEQUENT, UNILATERAL MODIFICATION OF TERMS BY LICENSOR. Notwithstanding any other provision or other unilateral license or subscription terms which may be issued by Licensor after the dated date of this Rider, and irrespective of whether any such provisions have been proposed prior to or after the issuance of an order for the products and services being purchased by the State, as applicable, the components of which are licensed or subscribed under the Licensor Documents, or the fact that such other agreement may be affixed to or accompany the products and services being purchased by the State regardless of format, including any paper or "shrinkwrap," "clickwrap," "browsewrap" or other electronic instrument, the terms and conditions set forth herein shall supersede and govern licensing and delivery of all products and services procured by the State.

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 Department of Vermont Health Access ("Covered Entity") and Hewlett Packard Enterprise ("Business Associate") as of January 1, 2017, ("Effective Date"). This Agreement supplements and is made a part of the contract/grant to which it is attached.

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"), as amended by Subtitle D of the Health Information Technology for Economic and Clinical Health Act (HITECH), and any associated federal rules and regulations.

The parties agree as follows:

1. Definitions. All capitalized terms used but not otherwise defined in this Agreement have the meanings set forth in 45 CFR Parts 160 and 164 as amended by HITECH and associated federal rules and regulations.

"Agent" means those person(s) who are agents(s) of the Business Associate, in accordance with the Federal common law of agency, as referenced in 45 CFR § 160.402(c).

"Breach" means the acquisition, access, use or disclosure of protected health information (PHI) which compromises the security or privacy of the PHI, except as excluded in the definition of Breach in 45 CFR § 164.402.

"Business Associate shall have the meaning given in 45 CFR § 160.103.

"Individual" includes a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).

"Protected Health Information" or PHI shall have the meaning given in 45 CFR § 160.103, limited to the information created or received by Business Associate from or on behalf of Agency.

"Security Incident" means any known successful or unsuccessful attempt by an authorized or unauthorized individual to inappropriately use, disclose, modify, access, or destroy any information or interference with system operations in an information system.

"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.

"Subcontractor" means a person or organization to whom a Business Associate delegates a function, activity or service, other than in the capacity of a member of the workforce of the Business Associate. For purposes of this Agreement, the term Subcontractor includes Subgrantees.

2. Identification and Disclosure of Privacy and Security Offices. Business Associate and Subcontractors shall provide, within ten (10) days of the execution of this agreement, written notice to the

Covered Entity's contract/grant manager the names and contact information of both the HIPAA Privacy Officer and HIPAA Security Officer. This information must be updated any time either of these contacts changes.

3. Permitted and Required Uses/Disclosures of PHI.

3.1 Except as limited in this Agreement, Business Associate may use or disclose PHI to perform Services, as specified in the underlying grant or contract with Covered Entity. The uses and disclosures of Business Associate are limited to the minimum necessary, to complete the tasks or to provide the services associated with the terms of the underlying agreement. 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.

3.2 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 and Subcontractors in accordance with Sections 9 and 17 or, (b) as otherwise permitted by Section 3.

3.3 Business Associate shall be directly liable under HIPAA for impermissible uses and disclosures of the PHI it handles on behalf of Covered Entity, and for impermissible uses and disclosures, by Business Associate's Subcontractor(s), of the PHI that Business Associate handles on behalf of Covered Entity and that it passes on to Subcontractors.

4. 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 Business Associate obtains reasonable written assurances via a written agreement 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 the Agreement requires the person or entity to notify Business Associate, within two (2) business days (who in turn will notify Covered Entity within two (2) business days after receiving notice of a Breach as specified in Section 6.1), in writing of any Breach of Unsecured PHI of which it is aware. Uses and disclosures of PHI for the purposes identified in Section 3 must be of the minimum amount of PHI necessary to accomplish such purposes.

5. Safeguards. Business Associate, its Agent(s) and Subcontractor(s) shall implement and use appropriate safeguards to prevent the use or disclosure of PHI other than as provided for by this Agreement. With respect to any PHI that is maintained in or transmitted by electronic media, Business Associate or its Subcontractor(s) shall comply with 45 CFR sections 164.308 (administrative safeguards), 164.310 (physical safeguards), 164.312 (technical safeguards) and 164.316 (policies and procedures and documentation requirements). Business Associate or its Agent(s) and Subcontractor(s) shall identify in writing upon request from Covered Entity all of the safeguards that it uses to prevent impermissible uses or disclosures of PHI.

6. Documenting and Reporting Breaches.

6.1 Business Associate shall report to Covered Entity any Breach of Unsecured PHI, including

Breaches reported to it by a Subcontractor, as soon as it (or any of its employees or agents) becomes aware of any such Breach, and in no case later than two (2) business days after it (or any of its employees or agents) becomes aware of the Breach, except when a law enforcement official determines that a notification would impede a criminal investigation or cause damage to national security.

6.2 Business Associate shall provide Covered Entity with the names of the individuals whose Unsecured PHI has been, or is reasonably believed to have been, the subject of the Breach and any other available information that is required to be given to the affected individuals, as set forth in 45 CFR § 164.404(c), and, if requested by Covered Entity, information necessary for Covered Entity to investigate the impermissible use or disclosure. Business Associate shall continue to provide to Covered Entity information concerning the Breach as it becomes available to it. Business Associate shall require its Subcontractor(s) to agree to these same terms and conditions.

6.3 When Business Associate determines that an impermissible acquisition, use or disclosure of PHI by a member of its workforce is not a Breach, as that term is defined in 45 CFR § 164.402, and therefore does not necessitate notice to the impacted individual(s), it shall document its assessment of risk, conducted as set forth in 45 CFR § 402(2). When requested by Covered Entity, Business Associate shall make its risk assessments available to Covered Entity. It shall also provide Covered Entity with 1) the name of the person(s) making the assessment, 2) a brief summary of the facts, and 3) a brief statement of the reasons supporting the determination of low probability that the PHI had been compromised. When a breach is the responsibility of a member of its Subcontractor's workforce, Business Associate shall either 1) conduct its own risk assessment and draft a summary of the event and assessment or 2) require its Subcontractor to conduct the assessment and draft a summary of the event. In either case, Business Associate shall make these assessments and reports available to Covered Entity.

6.4 Business Associate shall require, by contract, a Subcontractor to report to Business Associate and Covered Entity any Breach of which the Subcontractor becomes aware, no later than two (2) business days after becomes aware of the Breach.

7. Mitigation and Corrective Action. Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to it of an impermissible use or disclosure of PHI, even if the impermissible use or disclosure does not constitute a Breach. Business Associate shall draft and carry out a plan of corrective action to address any incident of impermissible use or disclosure of PHI. If requested by Covered Entity, Business Associate shall make its mitigation and corrective action plans available to Covered Entity. Business Associate shall require a Subcontractor to agree to these same terms and conditions.

8. Providing Notice of Breaches.

8.1 If Covered Entity determines that an impermissible acquisition, access, use or disclosure of PHI for which one of Business Associate's employees or agents was responsible constitutes a Breach as defined in 45 CFR § 164.402, and if requested by Covered Entity, Business Associate shall provide notice to the individual(s) whose PHI has been the subject of the Breach. When requested to provide notice, Business Associate shall consult with Covered Entity about the timeliness, content and method of notice, and shall receive Covered Entity's approval concerning these elements. The cost of notice and related remedies shall be borne by Business Associate.

8.2 If Covered Entity or Business Associate determines that an impermissible acquisition, access, use or disclosure of PHI by a Subcontractor of Business Associate constitutes a Breach as defined in 45 CFR §

164.402, and if requested by Covered Entity or Business Associate, Subcontractor shall provide notice to the individual(s) whose PHI has been the subject of the Breach. When Covered Entity requests that Business Associate or its Subcontractor provide notice, Business Associate shall either 1) consult with Covered Entity about the specifics of the notice as set forth in section 8.1, above, or 2) require, by contract, its Subcontractor to consult with Covered Entity about the specifics of the notice as set forth in section 8.1

8.3 The notice to affected individuals shall be provided as soon as reasonably possible and in no case later than 60 calendar days after Business Associate reported the Breach to Covered Entity.

8.4 The notice to affected individuals shall be written in plain language and shall include, to the extent possible, 1) a brief description of what happened, 2) a description of the types of Unsecured PHI that were involved in the Breach, 3) any steps individuals can take to protect themselves from potential harm resulting from the Breach, 4) a brief description of what the Business Associate is doing to investigate the Breach, to mitigate harm to individuals and to protect against further Breaches, and 5) contact procedures for individuals to ask questions or obtain additional information, as set forth in 45 CFR § 164.404(c).

8.5 Business Associate shall notify individuals of Breaches as specified in 45 CFR § 164.404(d) (methods of individual notice). In addition, when a Breach involves more than 500 residents of Vermont, Business Associate shall, if requested by Covered Entity, notify prominent media outlets serving Vermont, following the requirements set forth in 45 CFR § 164.406.

9. **Agreements with Subcontractors**. Business Associate shall enter into a Business Associate Agreement with any Subcontractor to whom it provides PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity in which the Subcontractor agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such PHI. Business Associate must enter into this Business Associate Agreement before any use by or disclosure of PHI to such agent. The written agreement must identify Covered Entity as a direct and intended third party beneficiary with the right to enforce any breach of the agreement concerning the use or disclosure of PHI. Business Associate shall provide a copy of the Business Associate Agreement it enters into with a subcontractor to Covered Entity upon request. Business associate may not make any disclosure of PHI to any Subcontractor without prior written consent of Covered Entity.

10. **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. Within three (3) business days, Business Associate shall forward to Covered Entity for handling any request for access to PHI that Business Associate directly receives from an Individual.

11. **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. Within three (3) business days, Business Associate shall forward to Covered Entity for handling any request for amendment to PHI that Business Associate directly receives from an Individual.

12. **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. Within three (3) business days, Business Associate shall forward to Covered Entity for handling any accounting request that Business Associate directly receives from an Individual.

13. 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, 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.

14. Termination.

14.1 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 18.8.

14.2 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 the contract or grant without liability or penalty if Business Associate does not cure the breach within the time specified by Covered Entity; or (b) immediately terminate the contract or grant 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 the contract or grant, nor does it lessen Business Associate's responsibility for such breach or its duty to cure such breach.

15. Return/Destruction of PHI.

15.1 Business Associate in connection with the expiration or termination of the contract or grant shall return or destroy, at the discretion of the Covered Entity, all PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity pursuant to this contract or grant 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.

15.2 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. This shall also apply to all Agents and Subcontractors of Business Associate.

16. Penalties and 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 training regarding the use, confidentiality, and security of PHI.

17. Security Rule Obligations. The following provisions of this section apply to the extent that Business Associate creates, receives, maintains or transmits Electronic PHI on behalf of Covered Entity.

17.1 Business Associate shall implement and use administrative, physical, and technical safeguards in compliance with 45 CFR sections 164.308, 164.310, and 164.312 with respect to 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.

17.2 Business Associate shall ensure that any Agent and Subcontractor to whom it provides Electronic PHI agrees in a written agreement 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 agreement before any use or disclosure of Electronic PHI by such Agent or Subcontractor. The written agreement must identify Covered Entity as a direct and intended third party beneficiary with the right to enforce any breach of the agreement concerning the use or disclosure of Electronic PHI. Business Associate shall provide a copy of the written agreement to Covered Entity upon request. Business Associate may not make any disclosure of Electronic PHI to any Agent or Subcontractor without the prior written consent of Covered Entity.

17.3 Business Associate shall report in writing to Covered Entity any Security Incident pertaining to such Electronic PHI (whether involving Business Associate or an Agent or Subcontractor). Business Associate shall provide this written report as soon as it becomes aware of any such Security Incident, and in no case later than two (2) business days after it becomes aware of the incident. Business Associate shall provide Covered Entity with the information necessary for Covered Entity to investigate any such Security Incident.

17.4 Business Associate shall comply with any reasonable policies and procedures Covered Entity implements to obtain compliance under the Security Rule.

18. Miscellaneous.

18.1 In the event of any conflict or inconsistency between the terms of this Agreement and the terms of the contract/grant, the terms of this Agreement shall govern with respect to its subject matter. Otherwise, the terms of the contract/grant continue in effect.

18.2 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.

18.3 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.

18.4 In addition to applicable Vermont law, the parties shall rely on applicable federal law (e.g., HIPAA, the Privacy Rule and Security Rule, and the HIPAA omnibus final rule) in construing the meaning and effect of this Agreement.

18.5 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.

18.6 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 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.

18.7 Business Associate is prohibited from directly or indirectly receiving any remuneration in exchange for an individual's PHI. Business Associate will refrain from marketing activities that would violate HIPAA, including specifically Section 13406 of the HITECH Act. Reports or data containing the PHI may not be sold without Agency's or the affected individual's written consent.

18.8 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 14.2 and (b) the obligation of Business Associate to provide an accounting of disclosures as set forth in Section 11 survives the expiration or termination of this Agreement with respect to accounting requests, if any, made after such expiration or termination.

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.

11. 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.

12. 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)).

13. 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.

14. **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.

15. **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.

16. **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.

17. 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.

18. 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.

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

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

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

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

Appendix A – Required Forms

Department of Vermont Health Access
Subcontractor Compliance Form

Date: _____

Original Contractor/Grantee Name: _____ Contract/Grant #: _____

Subcontractor Name: _____

Scope of Subcontracted Services:

_____
_____
_____
_____
_____
_____

Is any portion of the work being outsourced outside of the United States? ☐ YES ☐ NO
(If yes, do not proceed)

All vendors under contract, grant, or agreement with the State of Vermont, are responsible for the performance and compliance of their subcontractors with the Standard State Terms and Conditions in Attachment C. This document certifies that the Vendor is aware of and in agreement with the State expectation and has confirmed the subcontractor is in full compliance (or has a compliance plan on file) in relation to the following:

- ☐ Subcontractor does not owe, is in good standing, or is in compliance with a plan for payment of any taxes due to the State of Vermont
- ☐ Subcontractor (if an individual) does not owe, is in good standing, or is in compliance with a plan for payment of Child Support due to the State of Vermont.
- ☐ Subcontractor is not on the State's disbarment list.

In accordance with State Standard Contract Provisions (Attachment C), the State may set off any sums which the subcontractor owes the State against any sums due the Vendor 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 in Attachment C.

_____ _____
Signature of Subcontractor Date

_____ _____
Signature of Vendor Date

_____ _____
Received by DVHA Business Office Date

Required: Contractor cannot subcontract until this form has been returned to DVHA Contracts & Grants Unit.

Task Order Form

Task Title:		
Contractor:		
Contract #:		
Effective Dates:		
Cost:		
Funding Source:	*[CFDA # if different than original]*	Budget Approval _____ (Initials)

1. Scope of Work

2. Deliverables

3. Payment Provisions

Payment terms must specify if payments are based on an hourly rate or deliverables.

Approval:

HP Enterprises	[Contact person]	
Approval Signature		Date
DVHA Business Lead:	[Contact Person]	
Approval Signature		Date
DVHA Contract Administrator	[Contact Person]	
Approval Signature		Date

Comments: _____

Must be signed by all parties prior to commencement of work