

Third Amendment to the Contract

This Third Amendment (“Amendment Three”) to Contract MED-04-015-C is made pursuant to Section 19.6 of the Contract for Iowa Medicaid Enterprise Services (the “Contract”) between the State of Iowa, Department of Human Services (the “Department” or “DHS”) and Policy Studies Inc. (the “Contractor”) effective as of July 1, 2004. This Amendment is effective as of July 1, 2007, and will remain coterminous with the Contract. Amendment Three modifies, to the extent specified below, the terms and conditions of the Contract:

1. Section 4.0 of the Contract is hereby amended to read as follows:

Services applicable to all Iowa Medicaid Enterprise (IME) contractors are set forth-in Section 4 of RFP MED 04-015 and are incorporated herein by reference. Service requirements and performance standards applicable to the professional services component contractors of the IME, including the Provider Services Component Contractor, set forth in Section 6.1 of RFP MED 04-015 and are incorporated herein by reference. Services requirements and performance standards specific to the Provider Services Component Contractor are set forth in Section 6.3 of RFP MED 04-015 and this Contract and any amendments are incorporated herein by reference.

Attachment 8 to Amendment Three defines the Scope of Work for Amendment Three. Attachment 8 incorporates unfinished work from Attachment 7 that resulted from Department approved extended deadlines with the NPI contingency plan.

2. Section 6.1.2 of the Contract is hereby amended by adding the following to the end of this subsection:

Payment shall be made in addition to the fixed rates set forth in 6.1 of the Contract, as previously amended, for the scope of work as defined in Amendment Three.

For the scope of work as outlined in Amendment Three (Attachment 8) the fixed rate for the additional scope of work (excluding the NPI call center) is \$454,566.

Such billing shall be invoiced on the following schedule:

July, 2007.....	\$73,609
August, 2007.....	\$39,213
September, 2007	\$39,213
October, 2007.....	\$39,213
November, 2007.....	\$34,399
December, 2007	\$34,399
January, 2008.....	\$38,904
February, 2008.....	\$38,904
March, 2008.....	\$38,904
April, 2008.....	\$38,904
May, 2008.....	\$38,904

The NPI call center shall be invoiced at a rate of \$23.53 per hour for actual hours of the NPI customer service representatives each month up to a maximum for the Contract period of \$346,508.

The Contractor shall invoice the remaining fixed cost that was withheld as defined in Amendment Two no later than August 1, 2007. A total of \$50,000 shall be withheld from the July, 2007 invoice. Upon successful completion all remaining work of the Scope of Work under Amendment Two and Three of the Contract, and acceptance by the Department the Contractor shall be entitled to invoice the remaining \$50,000.

3. Ratification

Except as expressly amended and supplemented herein, the Contract shall remain in full force and effect, and the parties hereby ratify and confirm the terms and conditions thereof.

4. Authorization

Each party to this Amendment represents and warrants to the other that:

- 4.1 It has the right, power, and authority to enter into and perform its obligations under this Amendment.
- 4.2 It has taken all requisite actions (corporate, statutory, or otherwise) to approve execution, delivery and performance of this Amendment, and this Amendment constitutes a legal, valid and binding obligation upon itself in accordance with its terms.

5. Contingency

This amendment is subject and contingent upon CMS approval.

6. Termination Upon Notice.

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Following 30 days' written notice, the Department may terminate this Third Amendment to the Contract in whole or in part without the payment of any penalty or incurring any further obligation to the Contractor hereunder. Following termination upon notice, the Contractor shall be entitled to compensation, upon submission of invoices and proper proof of claim, for services provided under this Third Amendment to the Contract to the Department up to and including the date of termination.

7. Execution

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Amendment and have caused their duly authorized representatives to execute this Amendment.

State of Iowa, acting by and through the Iowa Department of Human Services

By: _____

Date: _____

Kevin W. Concannon, Director

Policy Studies Inc (Contractor)

By: _____

Date: _____

Mark Levy, Executive Vice President

Attachment 8

Attachment 8 incorporates remaining work started in Attachment 7 of the Contract which resulted from extended deadlines required and approved by the Department and further includes the new scope of work as follows:

Enrollment Renewal and NPI Extension

PSI will adjust the current level of resources dedicated to enrollment renewal and NPI support until May 31, 2008 as noted below. This approach has the following benefits to the State:

- Will not affect performance measures for existing enrollment staff
- Allow providers more time to complete the process
- Reimbursable at a higher rate
- Able to leverage trained staff
- Will be able to complete enrollment renewal without placing additional burden on existing enrollment staff

Timeframe	FTE
Continue through May 31, 2008	Renewal Team Lead
Continue through May 31, 2008	3 Renewal Staff

Scope of Work

Key Activity: Produce an updated work plan for the remaining NPI and Enrollment Renewal Activities.

Key Activity: Produce weekly reports on the project status

Key Activity: Provide technical assistance to Iowa Medicaid providers on the NPI verification process and the enrollment renewal process.

Key Activity: Conduct re-enrollment of all active Iowa Medicaid providers

Key Activity: Identify provider training needs and provide education to providers on NPI and enrollment renewal.

Call Center

Maintain customer service representative staffing levels for NPI related calls to continue to meet required performance service level of 80%.

NPI Provider Outreach and CSR Support

Outreach and Support Staff sufficient to support the extension of the NPI contingency plan with the following:

- Conducting additional provider training
- Drafting provider communications
- Handling provider's escalated NPI issues
- Drafting and conducting CSR training
- Handling escalation calls for the CSRs
- Updating CSR operational procedures as the contingency period ends.

NPI Stale-Dated Check and Check Research Process

Due to the possibility of some providers implementing an NPI contingency plan, provide support for additional research will be required for stale-dated checks.