

## Ninth Amendment to the IME Professional Services, Pharmacy Medical Services Contract

This Ninth Amendment to Contract Number MED-10-001-D for Iowa Medicaid Services, as amended (the "Contract"), between the State of Iowa, Department of Human Services (the "Agency", "Department" or "DHS") and Goid Health Systems, Inc. (the "Contractor") is made pursuant to Section 22.5 of the Contract. This Amendment is effective as of March 1, 2016. This Amendment modifies, to the extent specified below, the terms and conditions of the Contract.

**Section 1: Background.** The parties are amending the Contract to reflect the delay in Medicaid modernization, with a new expected "go live" date of April 1, 2016 for implementation of modernization efforts. This amendment accommodates a reduction in scope beginning the month of "go live," and therefore expected in April 2016, and running through the end of the Contract. Any system changes required have been addressed in a separate CSR.

**Section 2: Amendment to Contract Language**

The Contract is amended as follows:

**Revision 1:** RFP Section 6.3.4, incorporated into the Contract through the First Amendment, is hereby amended to read as follows:

**6.3.4 Medicaid Modernization Support**

For the time period of April 1, 2016 through June 30, 2016, Contractor shall provide support of the Medicaid modernization effort underway at the Agency. This effort is expected to "go live" April 1, 2016. If the "go live" date is delayed in whole or in part, the parties agree to work in good faith to identify and address impacts to scope, timing and fees, and execute an amendment to the Contract equitably addressing the impacts.

Transition activities include, but are not limited to the following:

- Contractor shall provide a period of transitional support for pharmacy support to the Agency to acclimate providers and members to the new MCO model. This transitional period shall begin April 2016 and end no later than July 2016.
- Contractor shall supply a basic suite of project management reports to help with the transition.
- Continue to perform, for FFS members, all required Pharmacy Medical responsibilities, as outlined in Section 6.3 of the RFP.

**Staffing**

- Overall staffing shall be reduced due to the reduction in volume of calls and Prior Authorizations (PAs).
- At a minimum, the Account Manager shall be located on-site at IME permanent facility.
- Contractor shall add temporary staff to support MCOs with PDL formulary during the transition period.
- Contractor shall phase out pharmacy-support personnel between 5/1/2016 and 7/1/2016. Staffing shall be adjusted based on the following table:

STAFF POSITION	LOCATION	FULL/ TEMP	EXISTING STAFF	10/05/15	11/02/15	05/01/16	07/01/16	NET CHANGE	REMAINING STAFF
Pharmacist	Iowa	Full	5.00	0.00	0.00	-2.00	-2.00	-4.00	1.00
Pharmacy Tech	Iowa	Full	5.50	0.00	0.00	-2.00	-1.5	-3.50	2.00
Account	Iowa	Full	0.50	0.00	0.00	0.00	0.00	0.00	0.50

Manager									
DUR Pharmacist	Iowa	Full	1.00	0.00	0.00	0.00	0.00	0.00	1.00
Administrative Assistant	Iowa	Full	0.50	0.00	0.00	0.00	0.00	0.00	0.50
PDL & Formulary Support	Maine	Temp	0.00	1.00	0.00	0.00	-1.00	0.00	0.00
<b>NET CHANGE</b>	<b>N/A</b>	<b>N/A</b>	<b>12.50</b>	<b>1.00</b>	<b>0.00</b>	<b>-4.00</b>	<b>-4.50</b>	<b>-7.50</b>	<b>5.00</b>

**Revision 2:** Section 7.1, Performance Based Contract, is hereby amended by adding the following language at the end of the Section:

Notwithstanding the above, the above payment obligations shall terminate as of March 1, 2016. Beginning March 1, 2016, Contractor may invoice the Agency consistent with the monthly "Revised Monthly Fee" values set forth in the table below:

Month	Previous Monthly Fee	Increase or (Reduction) in Fee	Revised Monthly Fee
March 2016	\$166,523.58	-	\$166,523.58
April 2016	\$166,523.58	(\$ 78,923.29)	\$ 87,600.29
May 2016	\$166,523.58	(\$ 78,923.29)	\$ 87,600.29
June 2016	\$166,523.59	(\$ 78,923.29)	\$ 87,600.30
<b>4-Month Total:</b>	<b>\$666,094.33</b>	<b>(\$236,769.87)</b>	<b>\$429,324.46</b>

Pricing for the additional optional year shall be fixed at \$79,784.00 per month.

The cut-over schedule outlined by the IME may be challenging for some MCOs to meet. Until all MCOs are fully integrated, the Contractor shall be required to bridge any service gap that may result due to MCOs not being fully ready. The "Revised Monthly Fee" during this period shall not be less than the amount calculated by the following formula as determined by MCO readiness at the first of each operational month until all MCOs are onboarded.

MCO Fractional Support Value = (Previous Monthly Fee – Revised Monthly Fee)/ Number of MCOs

Contract Monthly Fee = Previous Monthly Fee – (MCO Fractional Support Value\* MCOs Ready)

Example: In April, 2 of 3 potential MCOs are ready to go-live April 1.

MCO Fractional Support Value = (Previous Monthly Fee – Revised Monthly Fee)/ Number of MCOs

MCO Fractional Support Value = (\$166,523.58 - \$87,600.29) / 3 MCOs

MCO Fractional Support Value = \$26,307.76

Contract Monthly Fee = Previous Monthly Fee – (MCO Fractional Support \* MCOs Ready)

Contract Monthly Fee = \$166,523.58 - \$52,615.52

Contract Monthly Fee = \$113,908.06



### Section 3: Ratification and Authorization

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. Each

party to this Amendment represents and warrants to the other that it has the right, power, and authority to enter into and perform its obligations under this Amendment, and 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.

**Section 4: 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.

<b>Goold Health Systems, Inc.</b>	<b>Agency, Iowa Department of Human Services</b>
Signature of Authorized Representative: 	Signature of Authorized Representative: 
Printed Name: <i>Denise Ceule</i>	Printed Name: Charles M. Palmer
Title: <i>Asst. Secretary</i>	Title: Director
Date: <i>3/18/16</i>	Date: <i>3-31-16</i>