

Third Amendment to the Contract

This Third Amendment (the “Amendment”) to the Contract for “Technical Assistance and Support for Iowa Medicaid Enterprise Services Procurement” (the “Contract”) between the State of Iowa, Department of Human Services (the “Department” or “DHS”) and FOX Systems, Inc. (the “Contractor”) is effective as of May 1, 2010 and will remain in effect through October 31, 2010. The Amendment modifies, to the extent specified below, the terms and conditions of the Contract:

1. **Amendment to the Contract:** Section 2.1(3) of the Contract is hereby amended to read as follows:

Contractor shall provide all services required by Scope of Work set forth in RFP MED-09-006, and all services required to be provided pursuant to Attachment 1 and Attachment 2, which is attached hereto and incorporated herein.

2. **Amendment to the Contract:** Section 3.0 of the Contract is hereby amended by adding the following at the end of Section 3.0:

In addition to the above, for work required to be performed pursuant to the Third Amendment to the Contract, Contractor shall be entitled to bill the Department an additional \$449,256, eighty percent (80%) of which shall be billed in six equal monthly installments beginning June 1, 2010. The remaining twenty percent (20%) may be invoiced upon final approval by the Department that all work and deliverables required by the scope of the amendment have been successfully and satisfactorily completed by the Contractor at the conclusion of the amendment term.

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 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, execute, deliver and perform pursuant to 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 to and contingent upon CMS approval.

6. 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	FOX Systems, Inc., by
Signature:	Signature:
Date:	Date:
Printed Name: Charles J. Krogmeier	Printed Name:
Title: Director	Title: Executive Vice President

SCOPE OF WORK

The Technical Assistance and Support for Iowa Medicaid Enterprise (IME) Services Procurement contractor will perform Independent Verification and Validation (IV&V) services and monitor the transition of the existing IME Professional Services contractors and the implementation of the newly procured IME Professional Services and Program Integrity contractors.

Key Activity #1: Assist in the transition of the current IME contracts to the new IME contracts.

Contractor Responsibilities:

- Review and validate the transition plans for all IME units transitioning to new contracts. All transition plans must lead to a successful transition to the new contracts by the required July 1, 2010.
- Coordinate all transition activities
- Monitor the implementation of the transition plans for all business units.
- Report to the Agency on the progress and any barriers encountered during the transition period.
- Provide technical assistance on the transition plans to business units as needed.
- Report progress of the transition activities in the quarterly CMS report
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Deliverables:

- Produce a weekly status report documenting the progress of the transitional activities for Medical Services, Member Services and Program Integrity business components
- Produce an issues log
- Produce a monthly report on the transition activities and ad hoc reports as needed
- Produce monthly and ad hoc reports

Performance Measures

- All significant transition issues will be reported to the Agency within three hours of discovery. All other issues will be reported to the Agency on a regular basis as defined by the Agency.
- Assistance will be given to the IME business units as needed in order that the transition is completed successfully by the required July 1, 2010.

Key Activity #2: Provide quality assurance of all transition and implementation activities.

Contractor Responsibilities:

- Provide quality assurance on all transition and implementation activities

- Provide technical assistance to IME business units' transition activities as needed
- Validate the updated operational procedures prior to operations.
- Develop test cases to ensure continued operations among all IME business units
- Monitor all testing functions
- Verify testing results
- Test for operational readiness prior to June 30, 2010
- Verify all systems are ready for operations and procedures are operationally ready no later than June 30, 2010
- Once operations has been achieved monitor for issues and assist in resolution of those issues

Deliverables:

- Produce periodic reports, as determined by the Agency, as to the quality and the operational readiness of the units.
- Once operations have been implemented under the new contracts, produce periodic reports, as determined by the Agency, focusing on issue identification, management and resolution.

Performance Measures:

- All quality assurance measures will be completed prior to operations and again by the end of the first quarter of operations (September 30, 2010).

Key Activity #3: Monitor the updating of all IME Operational Procedures resulting from the implementation of the new IME Professional Services contracts.

Contractor Responsibilities:

- Create a timeline for each unit for the activity of updating current operational procedures and adding operational procedures for new activities prior to operations.
- Validate the operational procedures for each IME business unit have been updated.
- Provide technical assistance for any new IME contractors in the updating of the unit's operational procedures.
- Make sure all new and updated operational procedures are posted properly on the Agency's share(s) and in the IME Resource Library.
- Throughout the remainder of the IME Procurement project validate that all IME operational procedures remain current.
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Deliverables:

- Produce a report documenting the completeness of the operational procedures for each business unit

- Produce a report each quarter to validate the status of each IME unit's operational procedures.

Performance Measures:

- The quality of technical assistance offered to the IME units will be such that each unit is able to complete their updates to be consistent with all other units' operational procedures.
- All updated and new IME operational procedures must be submitted to Agency for approval no later than June 10, 2010.

Key Activity #4: Performance measures are an integral part of each of the new contracts. They also currently exist in the IME systems contracts. In order to develop a single reporting source for performance measures it will need to be determined where and how these measures are developed. For each IME contract verify that all performance measures are quantifiable, Validate and track the source of each measure, how the measure is created and that the measures can each be recreated reliably.

Contractor Responsibilities:

- Create a comprehensive list of all IME performance measures
- Determine and report on the data source of each performance measure
- Validate how each performance measure is determined or calculated
- Make recommendations to the Agency as to whether each measure is a valid measure of contractor performance
- Verify that each result from the performance measure is able to be ported to a single data source, the IME data warehouse.
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Deliverables:

- Produce a comprehensive report no later than July 1, 2010 for all IME performance measures in effect beginning July 1, 2010 or later.
- Produce a report no later than September 30, 2010 associating each performance measure with its data source, the method by which it is calculated, whether it is quantifiable and reproducible, whether it is a valid measure of contractor performance, and whether it can be imported into a single source (IME data warehouse) for extended reporting capabilities.

Performance Measures:

- The comprehensive report will contain 100% of the IME contractor performance measures

