

First Amendment to the Contract

This First Amendment to the Contract # MED-10-001-B for Iowa Medicaid Enterprise Services (the "Contract") between the State of Iowa, Department of Human Services (the "Agency", "Department" or "DHS") and Policy Studies Inc. (the "Contractor") is made pursuant to Section 22.5 of the Contract. This Amendment is effective as of January 1, 2011. The Amendment modifies, to the extent specified below, the terms and conditions of the Contract:

1. **Section 4.0 of the Contract is hereby deleted in its entirety and replaced with the following:**

In the event of a conflict between the Contract and any amendments, the RFP and the Bid Proposal, the conflict shall be resolved according to the following priority, ranked in descending order:

- a. The Contract as amended
- b. The RFP
- c. The Bid Proposal

2. **Attachment 2-1 attached to and made a part of this Amendment is hereby attached to and made a part of the Contract and Section 5 of the Contract is hereby deleted in its entirety and replaced with the following:**

Services applicable to all Iowa Medicaid Enterprise (IME) contractors are set forth in Section 6 of the Professional Services RFP MED 10-001 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 Contractor of the IME, are set forth in the Professional Services RFP, MED-10-001. If there are any changes or additions these are found in Attachment 2 and Attachment 2-1 of this Contract and incorporated herein by reference.

3. **The following is hereby added to the end of Section 7.1, and immediately before Section 7.2, of the Contract**

Notwithstanding the foregoing, for the scope of work as outlined in Attachment 2-1, the fixed price is \$878,830 and is composed of \$107,502 fixed price to complete Provider Manual Project within twelve-month timeframe and \$771,328 for Health Information Technology (HIT) and Affordable Care Act (ACA) Project, January 2011 through June 30, 2013 and includes current Project Manager and two additional Enrollment staff to begin January 1, 2011 to assist with operational scope involved and continue through June 30, 2013.

The portion of the fixed price for the Provider Manual Project (\$107,502) may be invoiced on a monthly basis, in equal installments, beginning on the first of the month following the start of work minus a twenty percent (20%) withhold that will be payable at the conclusion of the projects after all deliverables of the projects have been approved and accepted by the Agency.

The portion of the fixed price for the HIT and ACA Projects (\$771,328) may be invoiced on a monthly basis in equal installments, beginning on the first of the month following the start of work through the conclusion of the Contract.

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 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 (Agency)

By: _____

Date: _____

Charles J. Krogmeier
Director

Policy Studies Inc.

By:  _____

Date: OCTOBER 18, 2010

Eric Rubin
President and Chief Operating Officer

Attachment 2-1

Contractor Responsibilities:

- Identify all activities for the scope of work of this project
- Create and update work plan as required throughout the term of the amendment
- Meet milestones on time according to the Agency's approval of work plan and tasks
- Meet with IME staff and other state staff as needed to identify relevant information for contractor deliverables
- Meet with IME management to discuss progress
- Produce monthly summary reports of project status
- Produce other reports and/or presentations as determined necessary by the Agency
- Meet with other entities as determined necessary by the IME management (i.e. DHS Data Management Contractor staff)

Project Management and Technical Assistance Activities

Provider Manual Project

Scope of Work:

Facilitate the development of a comprehensive Iowa Medicaid Provider Manual applicable to all providers prior to implementation of ICD-10 in cooperation with all necessary IME units. The manual should be built in such a way that it is integrated with IME processes so that updates are a regular/ongoing part of IME operations so that the document is always kept current.

Key Activities and responsibilities:

1. **Facilitate the development of a foundational policy matrix source:** Identify all relevant data sources and facilitate by working with stakeholders to research the best method for putting together an infrastructure for supporting a location for all program policy info described by codes and regular descriptions. Make sure this source (or "basic policy matrix") is integrated with IME processes and therefore constantly updated/maintained as things change.
2. **Review and revise all situational/supplemental policy descriptions:** Revise and align all program information supplemental to and/or beyond the foundational policy matrix in a consistent and cohesive way. This could be a series of supplemental guides that describe particular considerations, such as what forms are required and how they are completed, specific information by provider or member eligibility category, etc. Make sure this is also integrated with IME processes and maintained as things change.
3. **Create design specifications (IME would call this a Business Requirements Document) for a communication and access tool:** Review other State's provider manuals

and over view “top 5.” Develop a best practice list and suggest approach for how to publicize and display the new provider manual as well as track usage, including a clear process to manage content moving forward. This would also include a recommendation on technologies to assist with the task of executing that plan.

Deliverables:

“A complete provider manual” ahead of ICD-10 implementation; by completing this project before the ICD-10 effort and in integrating the business process around policy changes with the communication tool, the new manual should carry forward accurately through ICD-10 project.

Performance Measures:

- Within 14 days of contract commencement submit finalized work plan and present a corresponding walk-through for approval by the Agency.
- Update work plan as dates change or determined by the Agency
- Meet critical path milestones 100% of the time when control is within vendor’s power
- Policy & procedures must be updated within 2 business days of Agency approval.
- Monthly reports must be submitted to the PMO/Agency by the 5th of each month following the end of the month
- Quarterly reports must be submitted to the PMO/Agency by the 10th of the month following the end of the quarter
- Ad hoc reports/presentations in a timeframe as determined by the Agency

HIT and Healthcare Reform Project

Scope of Work-Key activities

Manage the implementation of the EHR incentive payment program, including tweaking the processes as it is implemented to achieve maximum effectiveness and efficiencies. Identify and reach out to providers who have not adopted EHR technology to identify barriers and to encourage adoption. Support efforts to implement health care reform initiatives.

- Management of the EHR Incentive Payment Program
- Management of systems and process modifications to support paying providers incentives for the adoption and meaningful use of certified technology.
- Monitor provider adoption of electronic health records
- Research barriers to EHR adoption.
- Plan and execute outreach to providers to encourage them to adopt and meaningfully use electronic health records.

- Plan, develop and implement a program to provide technical assistance to providers for the adoption and meaningful use of EHR. This program will coordinate with and not duplicate efforts of the Iowa HIT Regional Extension Center.
- Provide project assistance with initiatives related to the Affordable Care Act / Health Care Reform.
- Educate providers on the EHR incentive payment program
- Communicate with providers regarding status of their EHR application
- Provide application instructions to providers, including directing them to the National Level Repository
- Process provider applications for the EHR incentives.
- Conduct verification activities, in coordination with the Program Integrity Unit.

Deliverables

- EHR Incentive Payment Operational Procedures for provider services
- Business Requirements for all systems changes requested
- Annual Reports that include:
 - Medicaid Provider Adoption of Electronic Health Records - including percent adoption, compared to state-wide data as available.
 - Current barriers to EHR adoption
- Quarterly report that includes:
 - # providers applying for incentive
 - # of payments made , total dollars distributed, broken down by provider type
 - Average length of time from application to payment
 - Summary of provider outreach efforts to adopt EHR
- Project plan for outreach to providers
- Project plan for technical assistance
- Monthly Project Status Report documenting progress, plans, issues and risks regarding outreach and technical assistance
- Monthly Status meetings with project sponsor team

Performance Measures

- Within 14 days of contract commencement submit finalized project plans and present a corresponding walk-through for approval by the HIT Project Director/Executive Steering Committee.
- Update work plan as dates change or determined by the HIT Project Director/Executive Steering Committee
- By the 5th of each month following the end of the month, submit monthly project status reports to the HIT Project Director and HIT Coordinator/Agency

- By the 10th of the month following the end of the quarter, submit quarterly reports to the HIT Project Director and HIT Coordinator/Agency
- Within 30 days of contract commencement, work with program integrity group to draft EHR incentive payment operational procedures for provider services scope.