

Third Amendment to the Contract

This Third Amendment to the Contract for Iowa Medicaid Enterprise Services (the “Contract”) between the State of Iowa, Department of Human Services (the “Agency” or “DHS”) and Iowa Foundation for Medical Care (the “Contractor”) effective as of May 1, 2010 is made pursuant to Section 22.5 of the Contract. This Amendment is effective as of April 1, 2011 and will remain coterminous with the Contract. The Amendment modifies, to the extent specified below, the terms and conditions of the Contract:

1. Section 5 of the Contract “Scope of Work and Service Requirements” is hereby amended as follows:

Add new Subsection 6.2.8 “ICD-10” to read as follows:

The contractor will provide medical expertise to support the policy and business level efforts to achieve strategic implementation of the transition to Version 10 of the International Statistical Classification of Diseases and Related Health Problems (ICD-10) project. The contractor will provide medical management, clinical expertise, and analysis throughout the project.

Add new “ICD-10” subsection 6.2.8.1 entitled “State Responsibilities” with subparts “a” through “b” to read as follows:

- a. Facilitate access to policies and computer systems
- b. Monitor contractor performance of duties

Add new “ICD-10” subsection 6.2.8.2 entitled “Contractor Responsibilities” with subparts “a” through “g” to read as follows:

- a. Provide project leadership for the Medical Services unit for the ICD-10 implementation
- b. Participate in ICD-10 project planning and monitoring activities
- c. Provide staff expertise to review ICD-10 codes and develop mapping and translation between ICD-9 and ICD-10 for all systems and policy modifications.
- d. Create business requirements for process and system modifications
- e. Develop Master and detail test plans and scripts
- f. Execute tests and report the results
- g. Report issues or bugs to the project and development teams
- h. Respond to questions regarding clinical translations of information
- i. Participate in ICD-10 project activities as directed by the project manager or project director
- j. Transfer knowledge to the appropriate IME staff

Add new “ICD-10” subsection 6.2.8.3 entitled “Performance Standards” with subparts “a” through “c” to read as follows:

- a. For all project deliverables (including business requirements, bi-directional code mappings, master and detailed test plans) the contractor must obtain the Department’s acceptance of deliverables within 2 days of the project schedule (exceptions may be granted by the unit manager, ICD-10 project manager, or ICD-10 project director).
- b. All deliverables must meet the standards established by DHS.
- c. Provide status reports as scheduled by DHS.

2. Section 7.1 “Payment Terms and Compensation”, paragraphs three and four, as detailed in Attachment 5 of Amendment 2, and new Attachment 6, attached hereto and incorporated by reference, is modified to read as follows:

The prices for Operations and Transition in the Base Term are:

- SFY 2010 \$0
- SFY 2011 \$11,528,597
- SFY 2012 \$12,589,109
- SFY 2013 \$12,959,119

The prices for the three (3) Renewal Option Years are:

- SFY 2014 \$12,875,620
- SFY 2015 \$12,731,570
- SFY 2016 \$13,113,518

Notwithstanding the foregoing, for the scope of work as outlined in this Amendment, the price paid will be billed as incurred, not to exceed the amount detailed in Attachment 6. The Contractor may invoice actual cost each month, beginning on the first of the month following the start of work.

3. Ratification, Authorization, and Contingency: 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, 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. This amendment is subject to and contingent upon CMS approval.

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.

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

By: _____

Date: _____

Charles M. Palmer
Director

Iowa Foundation for Medical Care (Contractor)

By: _____

Date: _____

Attachment 6
Cost Proposal MED 10-001-C
Amended Effective April 1, 2011

Amendment 3 Costs

Base Term:

Item	Annual Cost SFY 2011	Annual Cost SFY 2012	Annual Cost SFY 2013	Annual Cost SFY 2014*
Amendment 3 Activity: <i>ICD-10</i>	\$233,549	\$930,623	\$958,392	\$514,872
90% Federal Share	\$210,194	\$837,561	\$862,553	\$463,385
10% State Share	\$23,355	\$93,062	\$95,839	\$51,487

*Renewal Option Year