



EXECUTIVE DOCUMENT SUMMARY

State Form 41221 (R10/4-08)

Instructions for completing the EDS and the Contract process.

Received

NOV 10 2013

1. Please read the guidelines on the back of this form.
2. Please type all information.
3. Check all boxes that apply.
4. For amendments / renewals, attach original contract.
5. Attach additional pages if necessary.

IDOA Contracts

110
ML

1. EDS Number: MD29-4-93-14-LF-0596	2. Date prepared: 9/26/2013
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3. CONTRACTS & LEASES

<input checked="" type="checkbox"/> Professional/Personal Services	<input type="checkbox"/> Contract for procured Services
<input type="checkbox"/> Grant	<input type="checkbox"/> Maintenance
<input type="checkbox"/> Lease	<input type="checkbox"/> License Agreement
<input type="checkbox"/> Attorney	<input type="checkbox"/> Amendment# _____
<input type="checkbox"/> MOU	<input type="checkbox"/> Renewal # _____
<input type="checkbox"/> QPA	<input type="checkbox"/> Other _____

FISCAL INFORMATION

4. Account Number: 62130-F6430.531010	5. Account Name: FSSA DHHS Fund
6. Total amount this action: \$29,266,689.20	7. New contract total: 28,288,689.20
8. Revenue generated this action: \$0.00	9. Revenue generated total contract: \$0.00

10. New total amount for each fiscal year:

Year 2014	\$3,823,404.92
Year 2015	\$6,240,222.88
Year 2016	\$7,085,748.26
Year 2017	\$8,058,092.74
Year 2018	\$3,059,222.42

TIME PERIOD COVERED IN THIS EDS

11. From (month, day, year): 11/1/2013	12. To (month, day, year): 10/31/2017
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13. Method of source selection:

Bid/Quotation Emergency Negotiated

RFP# 13-78 Other (specify) _____

Special Procurement

AGENCY INFORMATION

14. Name of agency: FSSA Medicaid	15. Requisition Number:
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16. Address: FSSA, Office of Medicaid
402 W WASHINGTON ST W374
INDIANAPOLIS, IN 46204

AGENCY CONTACT INFORMATION

17. Name: Stahley, Lisa K.	18. Telephone #: 317/234-4445
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19. E-mail address:
lisa.stahley@fssa.in.gov

COURIER INFORMATION

20. Name: FSSA / Contract Management	21. Telephone #: 317/233-4703
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22. E-mail address:
contract.status@fssa.in.gov

VENDOR INFORMATION

23. Vendor ID # 0000062361

24. Name: ADVANTAGE HEALTH SOLUTIONS INC	25. Telephone #: N/A
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26. Address:
9045 RIVER RD STE 200
INDIANAPOLIS, IN 46240

27. E-mail address: kbrinkman@advantageplan.com

28. Is the vendor registered with the Secretary of State? (Out of State Corporations, must be registered) Yes No

29. Primary Vendor: M/WBE/IN-Veteran	30. Primary Vendor Percentages
Minority: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	82.6 %
Women: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
IN-Veteran: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

31. Sub Vendor: M/WBE/IN-Veteran	32. If yes, list the %:
Minority: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Minority: 9.4 %
Women: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Women: 8.0 %
IN-Veteran: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	IN-Veteran: _____ %

33. Is there Renewal Language in the document? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	34. Is there a "Termination for Convenience" clause in the document? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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35. Will the attached document involve data processing or telecommunications systems(s)? Yes: IOT or Delegate has signed off on contract

36. Statutory Authority (Cite applicable Indiana or Federal Codes):
N/A

37. Description of work and justification for spending money. (Please give a brief description of the scope of work included in this agreement.)

New contract for prior authorization and utilization management services under RFP 13-78. Prior authorization requests will be submitted to the Contractor for processing. In addition, the Contractor shall ensure the utilization review policies and procedures include procedures to proactively identify potential cases of fraud, waste, and abuse, including notification to OMPP about potential cases.

38. Justification of vendor selection and determination of price reasonableness:
This contract was awarded via RFP 13-78

RECEIVED

NOV 27 2013

CALL ADVISORY

39. If this contract is submitted late, please explain why: (Required if more than 30 days late.)

[Handwritten signatures and initials]

40. Agency fiscal officer or representative approval: <i>[Signature]</i>	41. Date Approved: 10-31-2013	42. Budgetary approval: <i>[Signature]</i>	43. Date Approved: 11/26/13
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44. Attorney General's Office approval: <i>[Signature]</i>	45. Date Approved: 12/9/13	46. Agency representative receiving from AG:	47. Date Approved:
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PROFESSIONAL SERVICES CONTRACT
INDIANA FAMILY AND SOCIAL SERVICES ADMINISTRATION
CONTRACT WITH:
ADVANTAGE HEALTH SOLUTIONS, INC.
EDS NUMBER: MD29-4-93-14-LF-0596

This Contract ("this Contract"), entered into by and between **Indiana Family and Social Services Administration** (the "State") and **ADVANTAGE Health Solutions, Inc.** (the "Contractor"), is executed pursuant to the terms and conditions set forth herein. In consideration of those mutual undertakings and covenants, the parties agree as follows:

1. Duties of Contractor.

The Contractor shall provide prior authorization and utilization management services set forth in **Exhibit 1 – Scope of Work** attached hereto and incorporated herein (the "Services").

2. Consideration.

The Contractor will be paid at the rates set forth in **Exhibit 2 – Pricing and Attachment A** which are both attached hereto and incorporated herein. Total remuneration for this contract shall not exceed **\$28,266,689.20**.

3. Term.

This Contract shall be effective for a period of four years. It shall commence on **November 1, 2013**, and shall remain in effect through **October 31, 2017**.

4. Access to Records.

The Contractor and its subcontractors, if any, shall maintain all books, documents, papers, accounting records, and other evidence pertaining to all costs incurred under this Contract. They shall make such materials available at their respective offices at all reasonable times during this Contract, and for three (3) years from the date of final payment under this Contract, for inspection by the State or its authorized designees. Copies shall be furnished at no cost to the State if requested.

5. Assignment; Successors.

The Contractor binds its successors and assignees to all the terms and conditions of this Contract. The Contractor shall not assign or subcontract the whole or any part of this Contract without the State's prior written consent. The Contractor may assign its right to receive payments to such third parties as the Contractor may desire without the prior written consent of the State, provided that the Contractor gives written notice (including evidence of such assignment) to the State thirty (30) days in advance of any payment so assigned. The assignment shall cover all unpaid amounts under this Contract and shall not be made to more than one party.

6. Assignment of Antitrust Claims.

As part of the consideration for the award of this Contract, the Contractor assigns to the State all right, title and interest in and to any claims the Contractor now has, or may acquire, under state or federal antitrust laws relating to the products or services which are the subject of this Contract.

7. Audits.

The Contractor acknowledges that it may be required to submit to an audit of funds paid through this Contract. Any such audit shall be conducted in accordance with IC 5-11-1, *et seq.*, and audit guidelines specified by the State.

The State considers the Contractor to be a "vendor" for purposes of this Contract. However, if required by applicable provisions of the Office of Management and Budget Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations), following the expiration of this Contract the Contractor shall arrange for a financial and compliance audit of funds provided by the State pursuant to this Contract. Such audit is to be conducted by an independent public or certified public accountant (or as applicable, the Indiana State Board of Accounts), and performed in accordance with Indiana State Board of Accounts publication entitled "Uniform Compliance Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources," and applicable provisions of the Office of Management and Budget Circulars A-133 (Audits of States, Local Governments, and Non-Profit Organizations). The Contractor is responsible for ensuring that the audit and any management letters are completed and forwarded to the State in accordance with the terms of this Contract. Audits conducted pursuant to this paragraph must be submitted no later than nine (9) months following the close of the Contractor's fiscal year. The Contractor agrees to provide the Indiana State Board of Accounts and the State an original of all financial and compliance audits. The audit shall be an audit of the actual entity, or distinct portion thereof that is the Contractor, and not of a parent, member, or subsidiary corporation of the Contractor, except to the extent such an expanded audit may be determined by the Indiana State Board of Accounts or the State to be in the best interests of the State. The audit shall include a statement from the Auditor that the Auditor has reviewed this Contract and that the Contractor is not out of compliance with the financial aspects of this Contract.

8. Authority to Bind Contractor.

The signatory for the Contractor represents that he/she has been duly authorized to execute this Contract on behalf of the Contractor and has obtained all necessary or applicable approvals to make this Contract fully binding upon the Contractor when his/her signature is affixed, and accepted by the State.

9. Changes in Work.

The Contractor shall not commence any additional work or change the scope of the work until authorized in writing by the State. The Contractor shall make no claim for additional compensation in the absence of a prior written approval and amendment executed by all signatories hereto. This Contract may only be amended, supplemented or modified by a written document executed in the same manner as this Contract.

10. Compliance with Laws.

A. The Contractor shall comply with all applicable federal, state, and local laws, rules, regulations, and ordinances, and all provisions required thereby to be included herein are hereby incorporated by reference. The enactment or modification of any applicable state or federal statute or the promulgation of rules or regulations thereunder after execution of this Contract shall be reviewed by the State and the Contractor to determine whether the provisions of this Contract require formal modification.

B. The Contractor and its agents shall abide by all ethical requirements that apply to persons who have a business relationship with the State as set forth in IC 4-2-6, *et seq.*, IC 4-2-7, *et seq.*, the regulations promulgated thereunder, and Executive Order 04-08, dated April 27, 2004. If the Contractor is not familiar with these ethical requirements, the Contractor should refer any questions to the Indiana State Ethics Commission, or visit the Inspector General's website at <http://www.in.gov/ig/>. If the Contractor or its agents violate any applicable ethical standards, the State may, in its sole discretion, terminate this Contract immediately upon notice to the Contractor. In addition, the Contractor may be subject to penalties under IC 4-2-6, 4-2-7, 35-44-1-3, and under any other applicable laws.

C. The Contractor certifies by entering into this Contract that neither it nor its principal(s) is presently in arrears in payment of taxes, permit fees or other statutory, regulatory or judicially required payments to the State of Indiana. The Contractor agrees that any payments currently due to the State of Indiana may be withheld from payments due to the Contractor. Additionally, further work or payments may be withheld, delayed, or denied and/or this Contract suspended until the Contractor is current in its payments and has submitted proof of such payment to the State.

D. The Contractor warrants that it has no current, pending or outstanding criminal, civil, or enforcement actions initiated by the State, and agrees that it will immediately notify the State of any such actions. During the term of such actions, the Contractor agrees that the State may delay, withhold, or deny work under any supplement, amendment, change order or other contractual device issued pursuant to this Contract.

E. If a valid dispute exists as to the Contractor's liability or guilt in any action initiated by the State or its agencies, and the State decides to delay, withhold, or deny work to the Contractor, the Contractor may request that it be allowed to continue, or receive work, without delay. The Contractor must submit, in writing, a request for review to the Indiana Department of Administration (IDOA) following the procedures for disputes outlined herein. A determination by IDOA shall be binding on the parties. Any payments that the State may delay, withhold, deny, or apply under this section shall not be subject to penalty or interest, except as permitted by IC 5-17-5.

F. The Contractor warrants that the Contractor and its subcontractors, if any, shall obtain and maintain all required permits, licenses, registrations, and approvals, and shall comply with all health, safety, and environmental statutes, rules, or regulations in the performance of work activities for the State. Failure to do so may be deemed a material breach of this Contract and grounds for immediate termination and denial of further work with the State.

G. The Contractor affirms that, if it is an entity described in IC Title 23, it is properly registered and owes no outstanding reports to the Indiana Secretary of State.

H. As required by IC 5-22-3-7:

(1) The Contractor and any principals of the Contractor certify that:

(A) the Contractor, except for de minimis and nonsystematic violations, has not violated the terms of:

- (i) IC 24-4.7 [Telephone Solicitation Of Consumers];
- (ii) IC 24-5-12 [Telephone Solicitations]; or
- (iii) IC 24-5-14 [Regulation of Automatic Dialing Machines];

in the previous three hundred sixty-five (365) days, even if IC 24-4.7 is preempted by federal law; and

(B) the Contractor will not violate the terms of IC 24-4.7 for the duration of the Contract, even if IC 24-4.7 is preempted by federal law.

(2) The Contractor and any principals of the Contractor certify that an affiliate or principal of the Contractor and any agent acting on behalf of the Contractor or on behalf of an affiliate or principal of the Contractor, except for de minimis and nonsystematic violations,

(A) has not violated the terms of IC 24-4.7 in the previous three hundred sixty-five (365) days, even if IC 24-4.7 is preempted by federal law; and

(B) will not violate the terms of IC 24-4.7 for the duration of the Contract, even if IC 24-4.7 is preempted by federal law.

I. As required by IC 5-22-16.5, the Contractor certifies that the Contractor is not engaged in investment activities in Iran. Providing false certification may result in the consequences listed in IC 5-22-16.5-14 including termination of this Contract, denial of future state contracts, as well as an imposition of a civil penalty.

11. Condition of Payment.

All services provided by the Contractor under this Contract must be performed to the State's reasonable satisfaction, as determined at the discretion of the undersigned State representative and in accordance with all applicable federal, state, local laws, ordinances, rules and regulations. The State shall not be required to pay for work found to be unsatisfactory, inconsistent with this Contract or performed in violation of federal, state or local statute, ordinance, rule or regulation.

12. Confidentiality, Security and Privacy of Client Personal Information

- A. Terms used, but otherwise not defined in this Contract shall have the same meaning as those found in 45 CFR Parts 160, 162, and 164.
- B. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 (sections 1171 through 1179 of the Social Security Act), including any subsequent amendments to such Act.
- C. "HIPAA Rules" mean the rules adopted by and promulgated by the US Department of Health and Human Services ("HHS") under HIPAA and other relevant federal laws currently in force or subsequently made, such as the Health Information Technology for Economic and Clinical Health Act ("HITECH"), as enumerated under 45 CFR Parts 160, 162, and 164, including without limitation any and all additional or modified regulations thereof. Subsets of the HIPAA Rules include:

- 1) "HIPAA Enforcement Rule" as defined in 45 CFR Part 160;
 - 2) "HIPAA Security Rule" as defined in 45 CFR Part 164, Subparts A and C;
 - 3) "HIPAA Breach Rule" as defined in 45 CFR Part 164, Subparts A and D; and
 - 4) "HIPAA Privacy Rule" as defined in 45 CFR Part 164, Subparts A and E.
- D. If Contractor is deemed a Business Associate to the State, Contractor is hereby authorized by the State to create, receive, maintain, and/or transmit Protected Health Information ("PHI") and other Personally Identifiable Information (meaning personal information as collectively defined in IC 4-1-6-1 and IC 4-1-11-3, "PII") on the State's behalf pursuant to and consistent with the Services performed by Contractor under this Contract.
- E. Contractor agrees that as a Business Associate to the State it is obligated to comply with the HIPAA Rules, as such Rules apply to Business Associates, throughout the term of this Contract and thereafter as may be required by federal law and such compliance will be at Contractor's sole expense. Further:
- 1) Contractor will not use or further disclose PHI or PII except as expressly permitted by this Contract or as required by law; provided however, nothing in this Contract shall be construed to permit Contractor use or disclose PHI in a manner that would violate the provisions of the HIPAA Privacy Rule as such Rule applies to the State with regard to the Services performed by Contractor under this Contract or otherwise cause the State to be non-compliant with the HIPAA Privacy Rule.
 - 2) Contractor understands it must fully comply with the HIPAA Security Rule and will employ appropriate and compliant safeguards to reasonably prevent the use or disclosure of PHI and PII other than as permitted by this Contract or required by the HIPAA Privacy Rule. Such safeguards will be designed, implemented, operated, and managed by Contractor at Contractor's sole expense and following the Contractor's best professional judgment regarding such safeguards. Upon the State's reasonable request, Contractor will review such safeguards with the State. Contractor will implement the following HIPAA requirements for any forms of PHI or PII that the Contractor receives, maintains, or transmits on behalf of the State:
 - a) Administrative safeguards under 45 CFR § 164.308
 - b) Physical safeguards under 45 CFR § 164.310
 - c) Technical safeguards under 45 CFR § 164.312
 - d) Policies and procedures and documentation requirements under 45 CFR § 164.316
 - 3) Contractor understands that it is subject to the HIPAA Enforcement Rule under which Contractor may be subject to criminal and civil penalties for violations of and non-compliance with the HIPAA Rules.
- F. Improper Disclosure, Security Incident, and Breach Notification.
- 1) Contractor understands that it is subject to the HIPAA Breach Rule.

- 2) For the purposes of this Contract, the term Breach has the same meaning as defined in the HIPAA Breach Rule. The term "Security Incident" shall mean an action or event that has resulted in the improper use or disclosure of PHI or PII in Contractor's safekeeping (in violation of this Contract and/or in violation of the HIPAA Privacy Rule), the reasonable possibility or suspected possibility that an improper use or disclosure of PHI or PII may have occurred, or circumstances in which PHI or PII has been exposed to an opportunity for improper use or disclosure.
- 3) If a Security Incident occurs or if Contractor suspects that a Security Incident may have occurred with respect to PHI and/or PII in Contractor's safekeeping:
 - a) Contractor shall notify the State of the Security Incident within one (1) business day of when Contractor discovered the Security Incident; such notification shall be made to the FSSA Privacy Office in a manner reasonably prescribed by the FSSA Privacy Officer and shall include as much detail as the Contractor reasonably may be able to acquire within the one (1) business day.
 - b) For the purposes of such Security Incidents, "discovered" and "discovery" shall mean the first day on which such Security Incident is known to the Contractor or, by exercising reasonable diligence, would have been known to the Contractor. Regardless of whether the Contractor failed to exercise reasonable diligence, improperly delaying the notification of discovery beyond the one day requirement, the Contractor will notify the FSSA Privacy Office within one day of gaining actual knowledge of a breach.
 - c) In collaboration with the FSSA Privacy Office, Contractor shall undertake all commercially reasonable efforts necessary to thoroughly investigate the Security Incident and to provide all results of such investigation to the FSSA Privacy Office, including but not limited to Contractor personnel involved, source and cause of the Security Incident, specific information disclosed, disclosure victims (those whose PHI/PII was disclosed), disclosure recipients, supporting materials, actions taken to mitigate or stop the Security Incident, and similar details.
 - d) Contractor's investigation must be undertaken expeditiously and completed to the extent that a determination of whether a Breach has occurred can be reasonably made, including the identification of the victims or likely victims, within a reasonable timeframe as mutually agreed upon with the FSSA Privacy Office, from the date of discovery of the Security Incident. Contractor shall provide details of its investigation to the FSSA Privacy Office on an ongoing basis until the investigation is complete.
 - e) Contractor and the FSSA Privacy Office will collaborate on the results of Contractor's investigation; the determination as to whether a Breach has occurred rests solely with the FSSA Privacy Office.
 - f) If it is determined by the FSSA Privacy Office that a Breach has occurred:

- i. Contractor agrees that it shall be responsible for, including all costs with respect to, fulfilling the State's and/or Contractor's obligations for notice to all of the known and suspected victims of the Breach. Such notice shall comply with the HIPAA Breach Rule notification requirements and/or applicable notification requirements under State law.
 - ii. Contractor further agrees that such notification will be made under its name, unless otherwise specified by the FSSA Privacy Office. Contractor will coordinate its Breach notification efforts with the FSSA Privacy Office; the FSSA Privacy Office will approve Contractor's Breach notification procedures and plans, including the format and content of the notice(s) prior to such notification being made.
 - iii. Contractor accepts full responsibility for the Breach and any resulting losses or damages incurred by the State or any victim of the Breach.
 - iv. Contractor will undertake all commercially reasonable efforts necessary to mitigate any deleterious effects of the Breach for the known and suspected victims of the Breach.
 - v. The State, through the FSSA Privacy Office, will make the appropriate notifications to HHS and/or the applicable State agencies with respect to the Breach, unless the Contractor is directed to do so by the FSSA Privacy Office.
- g) Contractor will undertake commercially reasonable corrective actions to eliminate or minimize to the greatest degree possible the opportunity for an identified Security Incident to reoccur and provide the FSSA Privacy Office with its plans, status updates, and written certification of completion regarding such corrective actions.
- G. Subcontractors. Contractor agrees that in accordance with the HIPAA Privacy Rule any subcontractors engaged by Contractor (in compliance with this Contract) that will create, receive, maintain, or transmit State PHI/PII on Contractor's behalf will contractually agree to the same restrictions, conditions, and requirements that apply to Contractor with respect to such PHI/PII.
- H. Access by Individuals to their PHI. Contractor acknowledges that in accordance with the HIPAA Privacy Rule individuals for whom Contractor has direct possession of their PHI on the State's behalf have the right to inspect and amend their PHI, and have the right for an accounting of uses and disclosures of such PHI, except as otherwise provided therein. Contractor shall provide such right of inspection, amendment, and accounting of disclosures to such individuals upon reasonable request by the State (or by such individuals if the State directly refers such individuals to Contractor). In situations in which Contractor does not have direct possession of such PHI, then the State shall be responsible for such inspection, amendment, and accounting of disclosures rights by individuals.

- I. Access to Records. Contractor shall make available to HHS and/or the State, Contractor's internal practices, books, and records relating to the use and disclosure of PHI and PII provided to Contractor by the State or created, received, maintained, or transmitted by Contractor on the State's behalf. Contractor shall promptly inform the State by giving notice to the FSSA Privacy Office of any request by HHS (or its designee) for such internal practices, books, and/or records and shall provide the State with copies of any materials or other information made available to HHS.
- J. Return of Protected Health Information. Upon request by the State or upon termination of this Contract, Contractor will, at the State's sole option, either return or destroy all copies of any PHI or PII provided to Contractor by the State, including PHI or PII created, received, maintained, or transmitted by Contractor on the State's behalf and Contractor shall warrant in writing that it has returned or destroyed such PHI and/or PII. Further, upon termination of this agreement Contractor will not retain any copies of any such PHI and PII and shall warrant same in writing.
- K. At the sole discretion of the State, the State may terminate this Contract for Contractor's material breach of this Section 12.
- L. Contractor agrees to participate in a disaster recovery plan, as appropriate to the Contractor's Services, as determined by the State to be necessary to uphold integral business functions in the event of an unforeseen disaster.
- M. Drug and Alcohol Records. In the performance of the Services under this Contract, Contractor may have access to confidential information regarding alcohol and drug abuse patient records. Contractor agrees that such information is confidential and protected information and promises and assures that any such information, regardless of form, disclosed to Contractor for the purposes of this Contract will not be disclosed or discussed with others without the prior written consent of the State. The Contractor and the State will comply with the applicable requirements of 42 CFR Part 2 and any other applicable federal or state law or regulatory requirement concerning such information. The Contractor will report any unauthorized disclosures of such information in compliance with Section 12.
- N. Confidentiality of State Information. The Contractor understands and agrees that data, materials, and information disclosed to the Contractor may contain confidential and protected information. The Contractor covenants that data, material and information gathered, based upon or disclosed to the Contractor for the purpose of this Contract, will not be disclosed to or discussed with third parties without the prior written consent of the State.

The parties acknowledge that the services to be performed by Contractor for the State under this contract may require or allow access to data, materials, and information containing Social Security numbers maintained by the State in its computer system or other records. In addition to the covenant made above in this section and pursuant to 10 IAC 5-3-1(4), the Contractor and the State agree to comply with the provisions of IC 4-1-10 and IC 4-1-11. If any Social Security number(s) is/are disclosed by Contractor, Contractor agrees to pay the cost of the notice of disclosure of a breach of the security of the system in addition to any other claims and expenses for which it is liable under the terms of this contract. The Contractor shall report any unauthorized disclosures of

Social Security numbers to the FSSA HIPAA Compliance Office within one (1) business day of the date of discovery.

- O. Contractor will indemnify and hold the State harmless from any loss, damage, costs, expense, judgment, sanction or liability, including, but not limited to, attorneys' fees and costs, that the State incurs or is subject to, as a result of a breach of this Section by the Contractor or any subcontractor, agent or person under Contractor's control. In the event a claim is made against the State for any such claim, cause of action, liability, damage, cost or expense, State may, at its sole option: (i) tender the defense to Contractor, who shall provide qualified and competent counsel to represent the State interest at Contractor's expense; or (ii) undertake its own defense, utilizing such professionals as it deems reasonably necessary, holding Contractor responsible for all reasonable costs thereof. In any event, State shall have the sole right to control and approve any settlement or other compromise of any claim brought against it that is covered by this Section.

13. Continuity of Services.

A. The Contractor recognizes that the service(s) to be performed under this Contract are vital to the State and must be continued without interruption and that, upon Contract expiration, a successor, either the State or another contractor, may continue them. The Contractor agrees to:

1. Furnish phase-in training; and
2. Exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor.

B. The Contractor shall, upon the State's written notice:

1. Furnish phase-in, phase-out services for up to sixty (60) days after this Contract expires; and
2. Negotiate in good faith a plan with a successor to determine the nature and extent of phase-in, phase-out services required. The plan shall specify a training program and a date for transferring responsibilities for each division of work described in the plan, and shall be subject to the State's approval. The Contractor shall provide sufficient experienced personnel during the phase-in, phase-out period to ensure that the services called for by this Contract are maintained at the required level of proficiency.

C. The Contractor shall allow as many personnel as practicable to remain on the job to help the successor maintain the continuity and consistency of the services required by this Contract. The Contractor also shall disclose necessary personnel records and allow the successor to conduct on-site interviews with these employees. If selected employees are agreeable to the change, the Contractor shall release them at a mutually agreeable date and negotiate transfer of their earned fringe benefits to the successor.

D. The Contractor shall be reimbursed for all reasonable phase-in, phase-out costs (i.e., costs incurred within the agreed period after contract expiration that result from phase-in, phase-out operations).

14. Debarment and Suspension.

A. The Contractor certifies by entering into this Contract that neither it nor its principals nor any of its subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from entering into this Contract by any federal agency or by any department,

agency or political subdivision of the State of Indiana. The term "principal" for purposes of this Contract means an officer, director, owner, partner, key employee or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the Contractor.

B. The Contractor certifies that it has verified the state and federal suspension and debarment status for all subcontractors receiving funds under this Contract and shall be solely responsible for any recoupment, penalties or costs that might arise from use of a suspended or debarred subcontractor. The Contractor shall immediately notify the State if any subcontractor becomes debarred or suspended, and shall, at the State's request, take all steps required by the State to terminate its contractual relationship with the subcontractor for work to be performed under this Contract.

15. Default by State. If the State, sixty (60) days after receipt of written notice, fails to correct or cure any material breach of this Contract, the Contractor may cancel and terminate this Contract and institute measures to collect monies due up to and including the date of termination.

16. Disputes.

A. Should any disputes arise with respect to this Contract, the Contractor and the State agree to act immediately to resolve such disputes. Time is of the essence in the resolution of disputes.

B. The Contractor agrees that, the existence of a dispute notwithstanding, it will continue without delay to carry out all of its responsibilities under this Contract that are not affected by the dispute. Should the Contractor fail to continue to perform its responsibilities regarding all non-disputed work, without delay, any additional costs incurred by the State or the Contractor as a result of such failure to proceed shall be borne by the Contractor, and the Contractor shall make no claim against the State for such costs.

C. If a party to the Contract is not satisfied with the progress toward resolving a dispute, the party must notify in writing the other party of this dissatisfaction. Upon written notice, the parties have ten (10) working days, unless the parties mutually agree to extend this period, following the notification to resolve the dispute. If the dispute is not resolved within ten (10) working days, a dissatisfied party shall submit the dispute in writing according to the following procedure:

The parties agree to resolve such matters through submission in writing of their dispute to the Commissioner of the Indiana Department of Administration. The Commissioner shall reduce a decision to writing and mail or otherwise furnish a copy thereof to the Contractor and the State within ten (10) working days after presentation of such dispute for action. The presentation may include a period of negotiations, clarifications, and mediation sessions and will not terminate until the Commissioner or one of the parties concludes that the presentation period is over. The Commissioner's decision shall be final and conclusive administrative decision unless either party mails or otherwise furnishes to the Commissioner, within ten (10) working days after receipt of the Commissioner's decision, a written appeal. Within ten (10) working days of receipt by the Commissioner of a written request for appeal, the decision may be reconsidered. If no reconsideration is provided within ten (10) working days, the parties may mutually agree to submit the dispute to arbitration or mediation for a determination. If a party is not satisfied with the Commissioner's ultimate decision, the dissatisfied party may submit the dispute to an Indiana court of competent jurisdiction.

D. The State may withhold payments on disputed items pending resolution of the dispute. The unintentional nonpayment by the State to the Contractor of one or more invoices not in dispute in accordance with the terms of this Contract will not be cause for the Contractor to terminate this Contract, and the Contractor may bring suit to collect these amounts without following the disputes procedure contained herein.

17. Drug-Free Workplace Certification.

As required by Executive Order No. 90-5 dated April 12, 1990, issued by the Governor of Indiana, the Contractor hereby covenants and agrees to make a good faith effort to provide and maintain a drug-free workplace. The Contractor will give written notice to the State within ten (10) days after receiving actual notice that the Contractor, or an employee of the Contractor in the State of Indiana, has been convicted of a criminal drug violation occurring in the workplace. False certification or violation of this certification may result in sanctions including, but not limited to, suspension of contract payments, termination of this Contract and/or debarment of contracting opportunities with the State for up to three (3) years.

In addition to the provisions of the above paragraph, if the total amount set forth in this Contract is in excess of \$25,000.00, the Contractor certifies and agrees that it will provide a drug-free workplace by:

- A. Publishing and providing to all of its employees a statement notifying them that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor's workplace, and specifying the actions that will be taken against employees for violations of such prohibition;
- B. Establishing a drug-free awareness program to inform its employees of (1) the dangers of drug abuse in the workplace; (2) the Contractor's policy of maintaining a drug-free workplace; (3) any available drug counseling, rehabilitation and employee assistance programs; and (4) the penalties that may be imposed upon an employee for drug abuse violations occurring in the workplace;
- C. Notifying all employees in the statement required by subparagraph (A) above that as a condition of continued employment, the employee will (1) abide by the terms of the statement; and (2) notify the Contractor of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;
- D. Notifying the State in writing within ten (10) days after receiving notice from an employee under subdivision (C)(2) above, or otherwise receiving actual notice of such conviction;
- E. Within thirty (30) days after receiving notice under subdivision (C)(2) above of a conviction, imposing the following sanctions or remedial measures on any employee who is convicted of drug abuse violations occurring in the workplace: (1) taking appropriate personnel action against the employee, up to and including termination; or (2) requiring such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state or local health, law enforcement, or other appropriate agency; and
- F. Making a good faith effort to maintain a drug-free workplace through the implementation of subparagraphs (A) through (E) above.

18. Employment Eligibility Verification. As required by IC 22-5-1-7, the Contractor swears or affirms under the penalties of perjury that:

A. The Contractor does not knowingly employ an unauthorized alien.

B. The Contractor shall enroll in and verify the work eligibility status of all his/her/its newly hired employees through the E-Verify program as defined in IC 22-5-1-7.3. The Contractor is not required to participate should the E-Verify program cease to exist. Additionally, the Contractor is not required to participate if the Contractor is self-employed and does not employ any employees.

C. The Contractor shall not knowingly employ or contract with an unauthorized alien. The Contractor shall not retain an employee or contract with a person that the Contractor subsequently learns is an unauthorized alien.

D. The Contractor shall require his/her/its subcontractors who perform work under this Contract to certify to the Contractor that the subcontractor does not knowingly employ or contract with an unauthorized alien and that the subcontractor has enrolled and is participating in the E-Verify program. The Contractor agrees to maintain this certification throughout the duration of the term of a contract with a subcontractor.

The State may terminate for default if the Contractor fails to cure a breach of this provision no later than thirty (30) days after being notified by the State.

19. Employment Option.

If the State determines that it would be in the State's best interest to hire an employee of the Contractor, the Contractor will release the selected employee from any non-competition agreements that may be in effect. This release will be at no cost to the State or the employee.

20. Force Majeure.

In the event that either party is unable to perform any of its obligations under this Contract or to enjoy any of its benefits because of natural disaster or decrees of governmental bodies not the fault of the affected party (hereinafter referred to as a "Force Majeure Event"), the party who has been so affected shall immediately give notice to the other party and shall do everything possible to resume performance. Upon receipt of such notice, all obligations under this Contract shall be immediately suspended. If the period of nonperformance exceeds thirty (30) days from the receipt of notice of the Force Majeure Event, the party whose ability to perform has not been so affected may, by giving written notice, terminate this Contract.

21. Funding Cancellation.

When the Director of the State Budget Agency makes a written determination that funds are not appropriated or otherwise available to support continuation of performance of this Contract, this Contract shall be canceled. A determination by the Director of State Budget Agency that funds are not appropriated or otherwise available to support continuation of performance shall be final and conclusive.

22. Governing Law.

This Contract shall be governed, construed, and enforced in accordance with the laws of the State of Indiana, without regard to its conflict of laws rules. Suit, if any, must be brought in the State of Indiana.

23. HIPAA Compliance. This information has been incorporated in **Clause 12.**

24. Indemnification.

The Contractor agrees to indemnify, defend, and hold harmless the State, its agents, officials, and employees from all claims and suits including court costs, attorney's fees, and other expenses caused by any act or omission of the Contractor and/or its subcontractors, if any, in the performance of this Contract. The State shall not provide such indemnification to the Contractor.

25. Independent Contractor; Workers' Compensation Insurance.

The Contractor is performing as an independent entity under this Contract. No part of this Contract shall be construed to represent the creation of an employment, agency, partnership or joint venture agreement between the parties. Neither party will assume liability for any injury (including death) to any persons, or damage to any property, arising out of the acts or omissions of the agents, employees or subcontractors of the other party. The Contractor shall provide all necessary unemployment and workers' compensation insurance for the Contractor's employees, and shall provide the State with a Certificate of Insurance evidencing such coverage prior to starting work under this Contract.

26. Information Technology Enterprise Architecture Requirements.

If the Contractor provides any information technology related products or services to the State, the Contractor shall comply with all IOT standards, policies and guidelines, which are online at <http://iot.in.gov/architecture/>. The Contractor specifically agrees that all hardware, software and services provided to or purchased by the State shall be compatible with the principles and goals contained in the electronic and information technology accessibility standards adopted under Section 508 of the Federal Rehabilitation Act of 1973 (29 U.S.C. 794d) and IC 4-13.1-3. Any deviation from these architecture requirements must be approved in writing by IOT in advance. The State may terminate this Contract for default if the Contractor fails to cure a breach of this provision within a reasonable time.

27. Insurance.

The Contractor shall secure and keep in force during the term of this Contract the following insurance coverage, covering the Contractor for any and all claims of any nature which may in any manner arise out of or result from Contractor's performance under this Contract:

A. Commercial general liability, including contractual coverage, and products or completed operations coverage (if applicable), with minimum liability limits not less than \$5,000,000 per occurrence unless additional coverage is required by the State. The State is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly under or in connection with this Contract.

1. Automobile liability with minimum liability limits of \$700,000 per person and \$5,000,000 per occurrence. The State is to be named as an additional insured on a primary, non-contributory basis.

2. The Contractor shall provide proof of such insurance coverage by tendering to the undersigned State representative a certificate of insurance prior to the commencement of this Contract and proof of workers' compensation coverage meeting all statutory requirements of IC 22-3-2. In addition, proof of an "all states endorsement" covering claims occurring outside the State is required if any of the services provided under this Contract involve work outside of Indiana.

B. The Contractor's insurance coverage must meet the following additional requirements:

1. The insurer must have a certificate of authority issued by the Indiana Department of Insurance.

2. Any deductible or self-insured retention amount or other similar obligation under the insurance policies shall be the sole obligation of the Contractor.

3. The State will be defended, indemnified and held harmless to the full extent of any coverage actually secured by the Contractor in excess of the minimum requirements set forth above. The duty to indemnify the State under this Contract shall not be limited by the insurance required in this Contract.

4. The insurance required in this Contract, through a policy or endorsement(s), shall include a provision that the policy and endorsements may not be canceled or modified without thirty (30) days' prior written notice to the undersigned State agency.

C. Failure to provide insurance as required in this Contract may be deemed a material breach of contract entitling the State to immediately terminate this Contract. The Contractor shall furnish a certificate of insurance and all endorsements to the State before the commencement of this Contract.

28. Key Person(s).

A. If both parties have designated that certain individual(s) are essential to the services offered, the parties agree that should such individual(s) leave their employment during the term of this Contract for whatever reason, the State shall have the right to terminate this Contract upon thirty (30) days' prior written notice.

B. In the event that the Contractor is an individual, that individual shall be considered a key person and, as such, essential to this Contract. Substitution of another for the Contractor shall not be permitted without express written consent of the State.

Nothing in sections A and B, above shall be construed to prevent the Contractor from using the services of others to perform tasks ancillary to those tasks which directly require the expertise of the key person. Examples of such ancillary tasks include secretarial, clerical, and common labor duties. The Contractor shall, at all times, remain responsible for the performance of all necessary tasks, whether performed by a key person or others.

Key person(s) to this Contract is/are:

Diane King, PA/UM Manager;
John Hinton, Medical Director;
Allie Strauss, IS Coordinator.

29. Licensing Standards.

The Contractor, its employees and subcontractors shall comply with all applicable licensing standards, certification standards, accrediting standards and any other laws, rules, or regulations governing services to be provided by the Contractor pursuant to this Contract. The State will not pay the Contractor for any services performed when the Contractor, its employees or subcontractors are not in compliance with such applicable standards, laws, rules, or regulations. If any license, certification or accreditation expires or is revoked, or any disciplinary action is taken against an applicable license, certification, or accreditation, the Contractor shall notify the State immediately and the State, at its option, may immediately terminate this Contract.

30. Merger & Modification.

This Contract constitutes the entire agreement between the parties. No understandings, agreements, or representations, oral or written, not specified within this Contract will be valid provisions of this Contract. This Contract may not be modified, supplemented, or amended, except by written agreement signed by all necessary parties.

31. Minority and Women’s Business Enterprises Compliance.

Award of this Contract was based, in part, on the MBE/WBE participation plan. The following certified MBE or WBE subcontractors will be participating in this Contract:

MBE/WBE	Phone	Company Name	Scope of Products and/or Services	Utilization Date	Percent
WBE	317-806-6107	Guidesoft, Inc.	Staffing Services (Prior Authorization/Utilization Management staff)	11/1/13 – 10/31/17	8%
MBE	(317) 818-6736	Telamon Corporation	Technical support/helpdesk services	11/1/13 – 10/31/17	00.6%
MBE	(317) 837-0800	CFA Staffing	Staffing Services (Prior Authorization/Utilization Management staff)	11/1/13 – 10/31/17	8.7%
MBE	(317) 289-5381	Total Shred Solutions, LLC	On-site document destruction services (shredding)	11/1/13 – 10/31/17	00.1%

A copy of each subcontractor agreement must be submitted to IDOA’s MBE/WBE Division within thirty (30) days of the effective date of this Contract. Failure to provide a copy of any subcontractor agreement will be deemed a violation of the rules governing MBE/WBE procurement, and may result in sanctions allowable under 25 IAC 5-7-8. Failure to provide any subcontractor agreement may also be considered a material breach of this Contract. The Contractor must obtain approval from IDOA’s MBE/WBE Division before changing the participation plan submitted in connection with this Contract.

32. Nondiscrimination.

Pursuant to the Indiana Civil Rights Law, specifically including IC 22-9-1-10, and in keeping with the purposes of the federal Civil Rights Act of 1964, the Age Discrimination in Employment Act, and the Americans with Disabilities Act, the Contractor covenants that it shall not discriminate against any employee or applicant for employment relating to this Contract with respect to the hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of the employee's or applicant's race, color, national origin, religion, sex, age, disability, ancestry, status as a veteran, or any other characteristic protected by federal, state, or local law ("Protected Characteristics"). Contractor certifies compliance with applicable federal laws, regulations, and executive orders prohibiting discrimination based on the Protected Characteristics in the provision of services. Breach of this paragraph may be regarded as a material breach of this Contract, but nothing in this paragraph shall be construed to imply or establish an employment relationship between the State and any applicant or employee of the Contractor or any subcontractor.

The State is a recipient of federal funds, and therefore, where applicable, Contractor and any subcontractors shall comply with requisite affirmative action requirements, including reporting, pursuant to 41 CFR Chapter 60, as amended, and Section 202 of Executive Order 11246.

33. Notice to Parties. Whenever any notice, statement or other communication is required under this Contract, it shall be sent by first class mail or via an established courier / delivery service to the following addresses, unless otherwise specifically advised.

A. Notices to the State shall be sent to:

**Vickie Trout
Office of Medicaid Planning and Policy
402 W Washington Street, Room W374
Indianapolis, IN 46204**

B. Notices to the Contractor shall be sent to:

**Vicki Perry, President and CEP
ADVANTAGE Health Solutions, Inc.
9045 River Road, Suite 200
Indianapolis, IN 46240**

34. Order of Precedence; Incorporation by Reference.

Any inconsistency or ambiguity in this Contract shall be resolved by giving precedence in the following order: (1) this Contract, (2) attachments prepared by the State, (3) RFP#13-78, (4) Contractor's response to RFP#13-78, and (5) attachments prepared by the Contractor. All attachments, and all documents referred to in this paragraph, are hereby incorporated fully by reference.

35. Ownership of Documents and Materials.

All documents, records, programs, data, film, tape, articles, memoranda, and other materials not developed or licensed by the Contractor prior to execution of this Contract, but specifically developed under this Contract shall be considered "work for hire" and the Contractor transfers any ownership claim to the State and all such materials will be the property of the State. Use of these materials, other

than related to contract performance by the Contractor, without the prior written consent of the State, is prohibited. During the performance of this Contract, the Contractor shall be responsible for any loss of or damage to these materials developed for or supplied by the State and used to develop or assist in the services provided while the materials are in the possession of the Contractor. Any loss or damage thereto shall be restored at the Contractor's expense. The Contractor shall provide the State full, immediate, and unrestricted access to the work product during the term of this Contract.

36. Payments.

- A. All payments shall be made in arrears in compliance with State fiscal policies and procedures and, as required by IC 4-13-2-14.8, by electronic funds transfer to the financial institution designated by the Contractor and/or Grantee in writing unless a specific waiver has been obtained from the Indiana Auditor of State. No payments will be made in advance of receipt of the goods or services that are the subject of this Contract, except as permitted by IC 4-13-2-20.
- B. Claims shall be submitted for reimbursement in accordance with the specified Component Descriptions and Unit Descriptions defined on Attachment A and utilizing the State-generated FSSA Contract Claim Reimbursement Form. Costs are incurred on the date goods, services, and/or deliverables are satisfactorily provided in full and/or after a reimbursable expense has been paid. Reimbursement shall be based on actual goods, services and/or deliverables provided and/or actual reimbursable expenses previously paid. Claims shall be submitted to the State within sixty (60) calendar days following the end of the month in which goods, services or deliverable were provided and/or expenses were paid. The State has the discretion, and reserves the right, to not pay any claims submitted later than sixty (60) calendar days after the expiration of a specific Claim Program ID effective date or date of termination of this agreement. Payment for claims submitted after that time may, at the discretion of the State, be denied.
- C. At the time that the final claim is submitted, all reconciliation issues must be resolved including the return of any incorrectly reimbursed monies or credits received for expenses previously reimbursed. Incorrectly reimbursed funds or credits received for expenses reimbursed will be returned immediately upon discovery as a direct payment, not credit, to the "State of Indiana." Each return of funds will be accompanied with a completed FSSA Contract Claim Reimbursement Form identifying specific Components to be credited (negative) and each associated month reported on the original reimbursement request. Payments and FSSA Contract Claim Reimbursement Forms will be submitted to FSSA Administrative Services using the address provided on the reimbursement form.
- D. Claims must be submitted with accompanying supportive documentation, as designated by the State. Incomplete claims submitted or claims submitted without supportive documentation will be returned to the Contractor and/or Grantee and not processed for payment. Failure to successfully perform or execute the policies and/or provisions made in this contract may result in the denial and/or partial payment of claims submitted for reimbursement.

37. Penalties/Interest/Attorney's Fees.

The State will in good faith perform its required obligations hereunder and does not agree to pay any penalties, liquidated damages, interest or attorney's fees, except as permitted by Indiana law, in part, IC 5-17-5, IC 34-54-8, and IC 34-13-1.

Notwithstanding the provisions contained in IC 5-17-5, any liability resulting from the State's failure to make prompt payment shall be based solely on the amount of funding originating from the State and shall not be based on funding from federal or other sources.

38. Progress Reports.

The Contractor shall submit progress reports to the State upon request. The report shall be oral, unless the State, upon receipt of the oral report, should deem it necessary to have it in written form. The progress reports shall serve the purpose of assuring the State that work is progressing in line with the schedule, and that completion can be reasonably assured on the scheduled date.

39. Public Record. The Contractor acknowledges that the State will not treat this Contract as containing confidential information, and will post this Contract on its website as required by Executive Order 05-07. Use by the public of the information contained in this Contract shall not be considered an act of the State.

40. Renewal Option.

This Contract may be renewed under the same terms and conditions, subject to the approval of the Commissioner of the Department of Administration and the State Budget Director in compliance with IC 5-22-17-4. The term of the renewed contract may not be longer than the term of the original contract.

41. Severability.

The invalidity of any section, subsection, clause or provision of this Contract shall not affect the validity of the remaining sections, subsections, clauses or provisions of this Contract.

42. Substantial Performance.

This Contract shall be deemed to be substantially performed only when fully performed according to its terms and conditions and any written amendments or supplements.

43. Taxes.

The State is exempt from most state and local taxes and many federal taxes. The State will not be responsible for any taxes levied on the Contractor as a result of this Contract.

44. Termination for Convenience.

This Contract may be terminated, in whole or in part, by the State, whenever, for any reason, the State determines that such termination is in its best interest. Termination of services shall be effected by delivery to the Contractor of a Termination Notice at least thirty (30) days prior to the termination effective date, specifying the extent to which termination of performance of services under such effective. The Contractor shall be compensated for routine services, payable on an hourly or monthly basis, properly rendered prior to the effective date of termination. Unless expressly directed by the State, Contractor shall stop work on all project deliverables not due within the thirty (30) day notice period. The State will not be liable for services performed after the effective date of termination. The Contractor shall be compensated for services herein provided but in no case shall total payment made

to the Contractor exceed the original contract price or shall any price increase be allowed on individual line items if canceled only in part prior to the original termination date. For the purposes of this paragraph, the parties stipulate and agree that the Indiana Department of Administration shall be deemed to be a party to this agreement with authority to terminate the same for convenience when such termination is determined by the Commissioner of IDOA to be in the best interests of the State.

45. Termination for Default.

A. With the provision of thirty (30) days notice to the Contractor, the State may terminate this Contract in whole or in part if the Contractor fails to:

- 1. Correct or cure any breach of this Contract; the time to correct or cure the breach may be extended beyond thirty (30) days if the State determines progress is being made and the extension is agreed to by the parties;
- 2. Deliver the supplies or perform the services within the time specified in this Contract or any extension;
- 3. Make progress so as to endanger performance of this Contract; or
- 4. Perform any of the other provisions of this Contract.

B. If the State terminates this Contract in whole or in part, it may acquire, under the terms and in the manner the State considers appropriate, supplies or services similar to those terminated, and the Contractor will be liable to the State for any excess costs for those supplies or services. However, the Contractor shall continue the work not terminated.

C. The State shall pay the contract price for completed supplies delivered and services accepted. The Contractor and the State shall agree on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property. Failure to agree will be a dispute under the Disputes clause. The State may withhold from these amounts any sum the State determines to be necessary to protect the State against loss because of outstanding liens or claims of former lien holders.

D. The rights and remedies of the State in this clause are in addition to any other rights and remedies provided by law or equity or under this Contract.

46. Travel.

No expenses for travel will be reimbursed unless specifically permitted under the scope of services or consideration provisions. Expenditures made by the Contractor for travel will be reimbursed at the current rate paid by the State and in accordance with the State Travel Policies and Procedures as specified in the current Financial Management Circular. Out-of-state travel requests must be reviewed by the State for availability of funds and for appropriateness per Circular guidelines.

47. Indiana Veteran's Business Enterprise Compliance. Award of this Contract was based, in part, on the Indiana Veteran's Business Enterprise ("IVBE") participation plan. The following IVBE subcontractors will be participating in this Contract:

VBE	PHONE	COMPANY NAME	SCOPE OF PRODUCTS and/or SERVICES UTILIZATION	DATE	PERCENT
NONE					

A copy of each subcontractor agreement shall be submitted to IDOA within thirty (30) days of the request. Failure to provide any subcontractor agreement may also be considered a material breach of this Contract. The Contractor must obtain approval from IDOA before changing the IVBE participation plan submitted in connection with this Contract.

The Contractor shall report payments made to IVBE subcontractors under this Contract on a monthly basis. Monthly reports shall be made using the online audit tool, commonly referred to as "Pay Audit." IVBE subcontractor payments shall also be reported to IDOA as reasonably requested and in a format to be determined by IDOA.

48. Waiver of Rights.

No right conferred on either party under this Contract shall be deemed waived, and no breach of this Contract excused, unless such waiver is in writing and signed by the party claimed to have waived such right. Neither the State's review, approval or acceptance of, nor payment for, the services required under this Contract shall be construed to operate as a waiver of any rights under this Contract or of any cause of action arising out of the performance of this Contract, and the Contractor shall be and remain liable to the State in accordance with applicable law for all damages to the State caused by the Contractor's negligent performance of any of the services furnished under this Contract.

49. Work Standards.

The Contractor shall execute its responsibilities by following and applying at all times the highest professional and technical guidelines and standards. If the State becomes dissatisfied with the work product of or the working relationship with those individuals assigned to work on this Contract, the State may demand in writing the replacement of any or all such individuals, and the Contractor shall grant such demand.

50. Prevention of Fraud and Abuse.

In accordance with 42 U.S.C. 1396a(a)(68), Contractor shall establish and disseminate, to its employees (including management), subcontractors, and agents, written policies that provide detailed information about federal and state False Claims Acts, whistleblower protections, and Contractor policies and procedures for preventing and detecting fraud and abuse. The written policies described in this paragraph may be on paper or in electric form and must be adopted by the subcontractors and agents of the Contractor. If Contractor maintains an employee handbook, the Contractor shall provide the described information specifically in the employee handbook.

In any inspection, review, or audit of the Contractor by (or at the behest of) the State or federal government, the Contractor shall provide upon request copies of its written policies regarding fraud, waste, and abuse. Contractor shall submit to FSSA a corrective action plan within sixty days (60) if the Contractor is found not to be in compliance with any part of the requirements stated in this paragraph. If Contractor is required to submit a corrective action plan and does not do so within sixty (60) days, the state may withhold payment to the Contractor until a corrective action plan is received.

51. Assurance of Compliance with Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990 and Title IX of the Education Amendments of 1972.

The Contractor agrees that it, and all of its subcontractors and providers, will comply with the following:

- A. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 80), to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Contractor receives Federal financial assistance under this Contract.
- B. Section 504 of the Rehabilitation Act of 1973 (Pub. L. 93-112), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 84), to the end that, in accordance with Section 504 of that Act and the Regulation, no otherwise qualified handicapped individual in the United States shall, solely by reason of his/her handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity for which the Contractor receives Federal financial assistance under this Contract.
- C. The Age Discrimination Act of 1975 (Pub. L. 94-135), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 91), to the end that, in accordance with the Act and the Regulation, no person in the United States shall, on the basis of age, be denied the benefits of, be excluded from participation in, or be subjected to discrimination under any program or activity for which the Contractor receives Federal financial assistance under this Contract.
- D. The Americans with Disabilities Act of 1990 (Pub. L. 101-336), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Justice (28 C.F.R. 35.101 et seq.), to the end that in accordance with the Act and Regulation, no person in the United States with a disability shall, on the basis of the disability, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity for which the Contractor receives Federal financial assistance under this Contract.
- E. Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681, 1683, and 1685-1686), and all requirements imposed by or pursuant to regulation, to the end that, in accordance with the Amendments, no person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity for which the Contractor receives Federal financial assistance under this Contract.

The Contractor agrees that compliance with this assurance constitutes a condition of continued receipt of Federal financial assistance, and that it is binding upon the Contractor, its successors, transferees and assignees for the period during which such assistance is provided. The Contractor further recognizes that the United States shall have the right to seek judicial enforcement of this assurance.

52. Conveyance of Documents and Continuation of Existing Activity.

Should the Contract for whatever reason, (i.e. completion of a contract with no renewal, or termination of service by either party), be discontinued and the activities as provided for in the Contract for services cease, the Contractor and any subcontractors employed by the terminating Contractor in the performance of the duties of the Contract shall promptly convey to the State of Indiana, copies of all vendor working papers, data collection forms, reports, charts, programs, cost records and all other material related to work performed on this Contract. The Contractor and the Office shall convene immediately upon notification of

termination or non-renewal of the Contract to determine what work shall be suspended, what work shall be completed, and the time frame for completion and conveyance. The Office will then provide the Contractor with a written schedule of the completion and conveyance activities associated with termination.

Documents/materials associated with suspended activities shall be conveyed by the Contractor to the State of Indiana upon five days' notice from the State of Indiana. Upon completion of those remaining activities noted on the written schedule, the Contractor shall also convey all documents and materials to the State of Indiana upon five days' notice from the State of Indiana.

53. Environmental Standards.

If the contract amount set forth in this Contract is in excess of \$100,000, the Contractor shall comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. § 7606), section 508 of the Clean Water Act (33 U.S.C. § 1368), Executive Order 11738, and Environmental Protection Agency regulations (2 C.F.R. Part 1532), which prohibit the use under non-exempt Federal contracts of facilities included on the EPA List of Violating Facilities. The Contractor shall report any violations of this paragraph to the State of Indiana and to the United States Environmental Protection Agency Assistant Administrator for Enforcement.

54. Lobbying Activities.

Pursuant to 31 U.S.C. § 1352, and any regulations promulgated thereunder, the Contractor hereby assures and certifies that no federally appropriated funds have been paid, or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative contract, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan or cooperative contract. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Contract, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

55. Financial Disclosure.

The Contractor agrees that it has disclosed, and shall as necessary in the future disclose to the State the name and address of each person with an ownership or controlling interest in the disclosing entity or in any subcontractor in which the disclosing entity has a direct or indirect ownership interest of 5 percent or more. If the Contractor is not subject to periodic survey under § 455.104(b)(2) it must disclose to the State, prior to enrolling, the name and address of each person with an ownership or controlling interest in the disclosing entity or in any subcontractor in which the disclosing entity has a direct or indirect ownership interest of 5 percent or more. Additionally, under § 455.104(a)(2), the Contractor must disclose whether any of the named persons is related to another as spouse, parent, child, or sibling. Moreover, pursuant to the requirements of § 455.104(a)(3), the Contractor shall disclose the name of any other disclosing entity in which a person with an ownership or controlling interest in the disclosing entity has an ownership or controlling interest.

56. FSSA Boilerplate Affirmation Clause. I swear or affirm under the penalties of perjury that I have not altered, modified, changed or deleted the 2013 FSSA Boilerplate contract clauses in any way except for the following clauses which are named below:

50. Prevention of Fraud and Abuse – Paragraph added in its entirety.

51. Assurance of Compliance with Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990 and Title IX of the Education Amendments of 1972 – Paragraph added in its entirety.

52. Conveyance of Documents and Continuation of Existing Activity – Paragraph added in its entirety.

53. Environmental Standards – Paragraph added in its entirety.

54. Lobbying Activities – Paragraph added in its entirety.

55. Financial Disclosure - Paragraph added in its entirety.

THE REMAINDER OF THE PAGE HAS BEEN INTENTIONALLY LEFT BLANK

Non-Collusion and Acceptance

The undersigned attests, subject to the penalties for perjury, that the undersigned is the Contractor, or that the undersigned is the properly authorized representative, agent, member or officer of the Contractor. Further, to the undersigned's knowledge, neither the undersigned nor any other member, employee, representative, agent or officer of the Contractor, directly or indirectly, has entered into or been offered any sum of money or other consideration for the execution of this Contract other than that which appears upon the face hereof.

In Witness Whereof, Contractor and the State have, through their duly authorized representatives, entered into this Contract. The parties, having read and understood the foregoing terms of this Contract, do by their respective signatures dated below agree to the terms thereof.

Advantage Health Solutions, Inc.

Family and Social Services Administration

By: *Yicki F. Perry*
Printed Name: Yicki F. Perry
Title: President / CEO
Date: 10-31-13

By: *Shawn Walters*
Debra Minott, Secretary (or)
Shawn Walters, Chief of Staff
Date: 11-5-2013

Approved by:

Department of Administration

By: *Jessica Robertson* (for)
Jessica Robertson, Commissioner
Date: 11/15/13

Approved by:

State Budget Agency

Brian E. Bailey (for)
Brian E. Bailey, Director
Date: 11/20/13

APPROVED as to Form and Legality:

Office of the Attorney General

Gregory F. Zoeller (for)
Gregory F. Zoeller, Attorney General
Date: 12/9/13



ATTACHMENT DOCUMENT SUMMARY
9/26/2013

ATTACHMENT: A
AGREEMENT #: 93-14-LF-0596
AGREEMENT TERM: 11/01/2013-10/31/2017

VENDOR INFORMATION:

LEGAL NAME: ADVANTAGE HEALTH SOLUTIONS INC

MAILING ADDRESS: 9045 RIVER RD STE 200
INDIANAPOLIS, IN 46240

FSSA CONTRACT CONTACT: Stahley, Lisa K (317) 234-4445
EMAIL ADDRESS: Lisa.Stahley@fssa.IN.gov

FID/SSN: XX-XXX3565
PS Vendor ID: 0000062361

CHANGE NUMBER: ORIG

FINANCIAL SUMMARY:

CLAIM PROG ID	SERVICE CODE	PROGRAM	EFFECTIVE DATES	AWARD AMOUNT
49-14-LF-0596-02	0195	Medicaid Admini	11/01/2013-06/30/2014	\$3,823,404.92
49-14-LF-0596-03	0195	Medicaid Admini	07/01/2014-06/30/2015	\$6,240,222.86
49-14-LF-0596-04	0195	Medicaid Admini	07/01/2015-06/30/2016	\$7,085,746.26
49-14-LF-0596-05	0195	Medicaid Admini	07/01/2016-06/30/2017	\$8,058,092.74
49-14-LF-0596-06	0195	Medicaid Admini	07/01/2017-10/31/2017	\$3,059,222.42
TOTAL DOLLAR AMOUNT:				\$28,266,689.20





ATTACHMENT DOCUMENT DETAIL
9/26/2013

ATTACHMENT: A
AGREEMENT #: 93-14-LF-0596
AGREEMENT TERM: 11/01/2013-10/31/2017

LEGAL NAME:	ADVANTAGE HEALTH	PS VENDOR ID:	0000062361
CLAIM PROGRAM ID:	SOLUTIONS INC	DUNS #:	n/a
PROGRAM TOTAL:	49-14-LF-0596-02	REGION:	Statewide
	3,823,404.92		
FUND DESCRIPTION:	Medicaid Administration	CFDA NUMBER:	n/a
	SFY 14		
FEDERAL YEAR:	2014	STATE YEAR:	2014
EFFECTIVE DATES:	11/01/2013-06/30/2014	CLOSE OUT DATE:	08/29/2014

SERVICE INFORMATION: 0195 Prior Auth & Utilization Mgmt.
SERVICE EFF DATES: 11/1/2013-6/30/2014

COMPONENT DESCRIPTION	COMPONENT DATES	UNITS	RATE	AWARD AMT
.1 Prior Auth Line Items	11/01/13-6/30/14	ACTUAL COST	1.0000	2,940,944.50
.2 Prior Auth-TBI & PRTF	11/01/13-6/30/14	ACTUAL COST	1.0000	3,993.30
.3 PA Withhold	11/01/13-6/30/14	QUARTERLY	109,071.7600	327,215.28
.4 Elective Inpatient Admissio	11/01/13-6/30/14	ACTUAL COST	1.0000	280,808.88
.5 TBI Services	11/01/13-6/30/14	ACTUAL COST	1.0000	72,000.00
.6 Peer Reviews	11/01/13-6/30/14	ACTUAL COST	1.0000	3,600.00
.7 Focused Studies	11/01/13-6/30/14	ACTUAL COST	1.0000	2,467.80
.8 UM Withhold	11/01/13-6/30/14	QUARTERLY	13,291.7200	39,875.16
.9 First Year Implementation	11/01/13-6/30/14	ACTUAL COST	1.0000	152,500.00
SERVICE TOTAL:				3,823,404.92

SPECIAL CONDITIONS / CPID NOTES:

In order to allow for withhold payments, rates are shown as Actual Cost, with 90% of the total budget for the year allocated per component.

10% of the total budget for Prior Authorization Line Items and Prior Authorization -TBI & PRTF are combined in the PA Withhold component, which is paid quarterly if Vendor meets PA obligations.

10% of the total budget for Reviews for Elective Inpatient Admissions, TBI Services, Peer Reviews, and Focused Studies are combined in the UM Withhold component, which is paid quarterly if Vendor meets UM obligations.

First year implementation costs are not subject to withholds.			
Actual allowable rates for each service are shown below:			
Prior Authorization Line Items	Each	\$7.24	
Prior Authorization - TBI & PRTF	Each	\$8.50	
Reviews for Elective Inpatient Admissions	Each	\$9.18	
TBI Services	Monthly	\$10,000.00	
Peer Reviews	Each	\$500.00	
Focused Studies	Each	\$1,371.00	
First Year Implementation Costs	Annual	\$152,500.00	





ATTACHMENT DOCUMENT DETAIL
9/26/2013

ATTACHMENT: A
AGREEMENT #: 93-14-LF-0596
AGREEMENT TERM: 11/01/2013-10/31/2017

LEGAL NAME:	ADVANTAGE HEALTH	PS VENDOR ID:	0000062361
CLAIM PROGRAM ID:	SOLUTIONS INC	DUNS #:	n/a
PROGRAM TOTAL:	49-14-LF-0596-03	REGION:	Statewide
	6,240,222.86		
FUND DESCRIPTION:	Medicaid Administration	CFDA NUMBER:	n/a
	SFY 15		
FEDERAL YEAR:	2014	STATE YEAR:	2015
EFFECTIVE DATES:	07/01/2014-06/30/2015	CLOSE OUT DATE:	08/29/2015

SERVICE INFORMATION:	0195 Prior Auth & Utilization Mgmt.			
SERVICE EFF DATES:	7/1/2014-6/30/2015			
COMPONENT DESCRIPTION	COMPONENT DATES	UNITS	RATE	AWARD AMT
.1 Prior Auth Line Items	7/01/14-6/30/15	ACTUAL COST	1.0000	5,073,129.55
.2 Prior Auth-TBI & PRTF	7/01/14-6/30/15	ACTUAL COST	1.0000	5,989.95
.3 PA Withhold	7/01/14-6/30/15	QUARTERLY	141,086.6500	564,346.60
.4 Elective Inpatient Admissio	7/01/14-6/30/15	ACTUAL COST	1.0000	421,213.28
.5 TBI Services	7/01/14-6/30/15	ACTUAL COST	1.0000	108,000.00
.6 Peer Reviews	7/01/14-6/30/15	ACTUAL COST	1.0000	5,400.00
.7 Focused Studies	7/01/14-6/30/15	ACTUAL COST	1.0000	2,467.80
.8 UM Withhold	7/01/14-6/30/15	QUARTERLY	14,918.9200	59,675.68
SERVICE TOTAL:				6,240,222.86

SPECIAL CONDITIONS / CPID NOTES:

In order to allow for withhold payments, rates are shown as Actual Cost, with 90% of the total budget for the year allocated per component.

10% of the total budget for Prior Authorization Line Items and Prior Authorization -TBI & PRTF are combined in the PA Withhold component, which is paid quarterly if Vendor meets PA obligations.

10% of the total budget for Reviews for Elective Inpatient Admissions, TBI Services, Peer Reviews, and Focused Studies are combined in the UM Withhold component, which is paid quarterly if Vendor meets UM obligations.

First year implementation costs are not subject to withholds.			
Actual allowable rates for each service are shown below:			
Prior Authorization Line Items	Each	\$7.24	
Prior Authorization - TBI & PRTF	Each	\$8.50	
Reviews for Elective Inpatient Admissions	Each	\$9.18	
TBI Services	Monthly	\$10,000.00	
Peer Reviews	Each	\$500.00	
Focused Studies	Each	\$1,371.00	





ATTACHMENT DOCUMENT DETAIL
9/26/2013

ATTACHMENT: A
AGREEMENT #: 93-14-LF-0596
AGREEMENT TERM: 11/01/2013-10/31/2017

LEGAL NAME:	ADVANTAGE HEALTH	PS VENDOR ID:	0000062361
CLAIM PROGRAM ID:	SOLUTIONS INC	DUNS #:	n/a
PROGRAM TOTAL:	49-14-LF-0596-04	REGION:	Statewide
	7,085,746.26		
FUND DESCRIPTION:	Medicaid Administration	CFDA NUMBER:	n/a
	SFY 16		
FEDERAL YEAR:	2015	STATE YEAR:	2016
EFFECTIVE DATES:	07/01/2015-06/30/2016	CLOSE OUT DATE:	08/29/2016

SERVICE INFORMATION:	0195 Prior Auth & Utilization Mgmt.			
SERVICE EFF DATES:	7/1/2015-6/30/2016			
COMPONENT DESCRIPTION	COMPONENT DATES	UNITS	RATE	AWARD AMT
.1 Prior Auth Line Items	7/01/15-6/30/16	ACTUAL COST	1.0000	5,834,100.63
.2 Prior Auth-TBI & PRTF	7/01/15-6/30/16	ACTUAL COST	1.0000	5,989.95
.3 PA Withhold	7/01/15-6/30/16	QUARTERLY	162,224.7300	648,898.92
.4 Elective Inpatient Admissio	7/01/15-6/30/16	ACTUAL COST	1.0000	421,213.32
.5 TBI Services	7/01/15-6/30/16	ACTUAL COST	1.0000	108,000.00
.6 Peer Reviews	7/01/15-6/30/16	ACTUAL COST	1.0000	5,400.00
.7 Focused Studies	7/01/15-6/30/16	ACTUAL COST	1.0000	2,467.80
.8 UM Withhold	7/01/15-6/30/16	QUARTERLY	14,918.9100	59,675.64
SERVICE TOTAL:				7,085,746.26

SPECIAL CONDITIONS / CPID NOTES:

In order to allow for withhold payments, rates are shown as Actual Cost, with 90% of the total budget for the year allocated per component.

10% of the total budget for Prior Authorization Line Items and Prior Authorization -TBI & PRTF are combined in the PA Withhold component, which is paid quarterly if Vendor meets PA obligations.

10% of the total budget for Reviews for Elective Inpatient Admissions, TBI Services, Peer Reviews, and Focused Studies are combined in the UM Withhold component, which is paid quarterly if Vendor meets UM obligations.

First year implementation costs are not subject to withholds.			
Actual allowable rates for each service are shown below:			
Prior Authorization Line Items	Each	\$7.24	
Prior Authorization - TBI & PRTF	Each	\$8.50	
Reviews for Elective Inpatient Admissions	Each	\$9.18	
TBI Services	Monthly	\$10,000.00	
Peer Reviews	Each	\$500.00	
Focused Studies	Each	\$1,371.00	





ATTACHMENT DOCUMENT DETAIL
9/26/2013

ATTACHMENT: A
AGREEMENT #: 93-14-LF-0596
AGREEMENT TERM: 11/01/2013-10/31/2017

LEGAL NAME:	ADVANTAGE HEALTH	PS VENDOR ID:	0000062361
CLAIM PROGRAM ID:	SOLUTIONS INC	DUNS #:	n/a
PROGRAM TOTAL:	49-14-LF-0596-05	REGION:	Statewide
	8,058,092.74		
FUND DESCRIPTION:	Medicaid Administration	CFDA NUMBER:	n/a
	SFY 17		
FEDERAL YEAR:	2016	STATE YEAR:	2017
EFFECTIVE DATES:	07/01/2016-06/30/2017	CLOSE OUT DATE:	08/29/2017

SERVICE INFORMATION:	0195 Prior Auth & Utilization Mgmt.			
SERVICE EFF DATES:	7/1/2016-6/30/2017			
COMPONENT DESCRIPTION	COMPONENT DATES	UNITS	RATE	AWARD AMT
.1 Prior Auth Line Items	7/01/16-6/30/17	ACTUAL COST	1.0000	6,709,212.43
.2 Prior Auth-TBI & PRTF	7/01/16-6/30/17	ACTUAL COST	1.0000	5,989.95
.3 PA Withhold	7/01/16-6/30/17	QUARTERLY	186,533.4000	746,133.60
.4 Elective Inpatient Admissio	7/01/16-6/30/17	ACTUAL COST	1.0000	421,213.32
.5 TBI Services	7/01/16-6/30/17	ACTUAL COST	1.0000	108,000.00
.6 Peer Reviews	7/01/16-6/30/17	ACTUAL COST	1.0000	5,400.00
.7 Focused Studies	7/01/16-6/30/17	ACTUAL COST	1.0000	2,467.80
.8 UM Withhold	7/01/16-6/30/17	QUARTERLY	14,918.9100	59,675.64
SERVICE TOTAL:				8,058,092.74

SPECIAL CONDITIONS / CPID NOTES:

In order to allow for withhold payments, rates are shown as Actual Cost, with 90% of the total budget for the year allocated per component.

10% of the total budget for Prior Authorization Line Items and Prior Authorization -TBI & PRTF are combined in the PA Withhold component, which is paid quarterly if Vendor meets PA obligations.

10% of the total budget for Reviews for Elective Inpatient Admissions, TBI Services, Peer Reviews, and Focused Studies are combined in the UM Withhold component, which is paid quarterly if Vendor meets UM obligations.

First year implementation costs are not subject to withholds.			
Actual allowable rates for each service are shown below:			
Prior Authorization Line Items	Each	\$7.24	
Prior Authorization - TBI & PRTF	Each	\$8.50	
Reviews for Elective Inpatient Admissions	Each	\$9.18	
TBI Services	Monthly	\$10,000.00	
Peer Reviews	Each	\$500.00	
Focused Studies	Each	\$1,371.00	





ATTACHMENT DOCUMENT DETAIL
9/26/2013

ATTACHMENT: A
AGREEMENT #: 93-14-LF-0596
AGREEMENT TERM: 11/01/2013-10/31/2017

LEGAL NAME:	ADVANTAGE HEALTH	PS VENDOR ID:	0000062361
CLAIM PROGRAM ID:	SOLUTIONS INC	DUNS #:	n/a
PROGRAM TOTAL:	49-14-LF-0596-06	REGION:	Statewide
	3,059,222.42		
FUND DESCRIPTION:	Medicaid Administration	CFDA NUMBER:	n/a
	SFY 18		
FEDERAL YEAR:	2017	STATE YEAR:	2018
EFFECTIVE DATES:	07/01/2017-10/31/2017	CLOSE OUT DATE:	12/30/2017

SERVICE INFORMATION:	0195 Prior Auth & Utilization Mgmt.				
SERVICE EFF DATES:	7/1/2017-10/31/2017				
COMPONENT DESCRIPTION	COMPONENT DATES	UNITS	RATE	AWARD AMT	
.1 Prior Auth Line Items	7/01/17-10/31/17	ACTUAL COST	1.0000	2,571,865.20	
.2 Prior Auth-TBI & PRTF	7/01/17-10/31/17	ACTUAL COST	1.0000	1,996.65	
.3 PA Withhold	7/01/17-10/31/17	QUARTERLY	285,984.6500	285,984.65	
.4 Elective Inpatient Admissio	7/01/17-10/31/17	ACTUAL COST	1.0000	140,404.43	
.5 TBI Services	7/01/17-10/31/17	ACTUAL COST	1.0000	36,000.00	
.6 Peer Reviews	7/01/17-10/31/17	ACTUAL COST	1.0000	1,800.00	
.7 Focused Studies	7/01/17-10/31/17	ACTUAL COST	1.0000	1,233.90	
.8 UM Withhold	7/01/17-10/31/17	QUARTERLY	19,937.5900	19,937.59	
SERVICE TOTAL:				3,059,222.42	

SPECIAL CONDITIONS / CPID NOTES:

In order to allow for withhold payments, rates are shown as Actual Cost, with 90% of the total budget for the year allocated per component.

10% of the total budget for Prior Authorization Line Items and Prior Authorization -TBI & PRTF are combined in the PA Withhold component, which is paid quarterly if Vendor meets PA obligations.

10% of the total budget for Reviews for Elective Inpatient Admissions, TBI Services, Peer Reviews, and Focused Studies are combined in the UM Withhold component, which is paid quarterly if Vendor meets UM obligations.

First year implementation costs are not subject to withholds.			
Actual allowable rates for each service are shown below:			
Prior Authorization Line Items	Each	\$7.24	
Prior Authorization - TBI & PRTF	Each	\$8.50	
Reviews for Elective Inpatient Admissions	Each	\$9.18	
TBI Services	Monthly	\$10,000.00	
Peer Reviews	Each	\$500.00	
Focused Studies	Each	\$1,371.00	



Overview

This Exhibit describes the scope of work for Prior Authorization (PA) and Utilization Management (UM) services that will be completed by the Contractor.

The scope of work for the Prior Authorization function covers all IHCP enrollees except those enrolled in the managed care portion of the program. The PA function shall cover all products and services for which the State's medical policy requires PA, except pharmacy services.

In addition to the PA services, this scope of work addresses additional Utilization Management services.

1 Prior Authorization & Utilization Management Requirements

1.1 PA Overview

Prior authorization is a mechanism to determine whether selected medical services meet coverage criteria and are medically necessary prior to delivery (and retroactively in special cases). Providers submit requests for PA to the Contractor. To obtain a PA, providers must submit a Prior Review and Authorization Request via telephone (depending on the service), fax, web-based system, or in writing. Telephone PA requests do not require a request form but may require follow-up documentation. Web-based requests also may require follow-up documentation. In telephone PA cases, the provider receives an immediate response; however PAs may be limited unless follow-up documentation is submitted. All PA requests are reviewed using the same criteria regardless of the method in which the request was received. Once reviewed, the Contractor staff updates IndianaAIM, which produces a Notification of Approval, Modification, or Denial (the provider will also receive this information verbally if the request is made by phone). The requesting provider will receive an IndianaAIM system-generated Indiana Prior Review and Authorization Request Decision Form indicating the outcome of their request. If the decision is other than approved, it will be accompanied by an explanation of the decision and a description of the provider's administrative review/appeal rights. Members also receive notice and appeal rights with every decision even if the service is approved.

Services provided by Contractor will be performed in accordance with applicable State and Federal statutes, regulations and policies. The hierarchy for Prior Authorization decision making shall be in the following order:

- Code of Federal Regulations (CFR)
- Indiana Code (IC)
- Indiana Administrative Code (IAC)
- OMPP Policy Manuals
- OMPP Bulletins, Banner Pages, and Newsletters

Coverage may not be arbitrarily denied or reduced and is subject to certain limitations in accordance with 42 CFR 440.230 regarding:

- Medical necessity determinations
- Utilization control, provided the services furnished are sufficient in amount, duration, or scope to reasonably achieve the purpose for which the services are furnished

Visited on 03/21/2017

ADVANTAGE HEALTH SOLUTIONS, INC

EDS NUMBER: MD29-4-93-14-LF-0596

EXHIBIT 1 – SCOPE OF WORK

Covered services are medically necessary if, in accordance with 405 IAC 5-2-17 they are a covered service defined in 405 IAC 5 required for the care or well-being of the patient and the service is provided in accordance with generally accepted standards of medical or professional practice, as determined by the Family and Social Services Administration (FSSA).

The Contractor's responsibilities include prior authorization for specified services for all Indiana Medicaid populations receiving medical care via Fee-For-Service mechanism (all IHCP enrollees excluding those enrolled in the managed care portion of the program). In addition, Contractor is responsible for processing prior authorization requests for services carved out of managed care. Such services include:

- Psychiatric residential treatment facilities (PRTFs)
- Members with traumatic brain injuries (TBI) in out-of-state facilities or with out-of-state providers

PA for these services requires a more intensive process and will be priced separately from other PAs.

There are a number of other situations listed below that require PA, but may have different requirements:

- **Hospice Services:** Hospice services require a specialized process for PA. Specifics about the PA process for hospice services can be found in 405 IAC 5-34.
- **Out-of-State Services:** There are also additional PA requirements related to PA for out-of-state services as described in 405 IAC 5-5. Note that certain cities located outside of Indiana are treated as in-state for the purposes of PA.
- **590 Program:** The 590 program is not a Medicaid program, but provides coverage for certain healthcare services provided to individuals who are residents of state-owned facilities. All services in excess of \$500 require PA and transportation is not a covered service. Specifics can be found in 470 IAC 12.
- **Home and Community-Based Waiver Services (HCBS):** IHCP members receiving HCBS waiver services also receive Medicaid benefits through the fee-for-service delivery system. The contractor is not responsible for authorizing HCBS waiver services, but will be responsible for processing PA requests for any FFS benefits that are subject to PA.
- **The Contractor shall invoice the State for processed line-item prior authorization requests only.** A "processed" line-item prior authorization request is defined as a line-item prior authorization request that has been approved, modified, rejected, denied, or determined that prior authorization is not required.

As part of the Contractor's PA duties, the Contractor shall monitor claims that may be suspended due to the need for additional medical policy review. These claims will post to a specific location in IndianaAIM. The Contractor shall review the suspended claims daily and all claims must be adjudicated (approved for payment or denied) within the timeframe specified by the State.

1.2 PA System Support

The Contractor is responsible for providing hardware, software, and communications links for Contractor staff to meet the requirements set forth herein.

The selected Contractor will be required to use the capabilities and functionality present in IndianaAIM.

EXHIBIT 1 – SCOPE OF WORK

These IndianaAIM capabilities and functionalities include the following:

- Maintains all PA requests on-line (the system stores all PA requests regardless of their current status, e.g., under evaluation, approved, denied)
- Decrements PA units during claims processing
- Maintains an authorization history for all recipients with a PA on file
- Links PAs to relevant claims history against the approved PA
- Maintains all PA administrative review information on-line
- Produces a variety of daily, monthly, and quarterly reports for use by PA and State staff; reports provide information used to evaluate and improve the PA process and monitor the timeliness of PA processing
- Produces approval, denial, and other status notifications sent to providers and members
- Provides an audit trail of changes to the PA file
- System supports authorization of dollars, units, and period of time

1.3 Contractor PA Responsibilities and Performance Standards

This subsection presents the performance standards for the Prior Authorization business function. The Contractor shall be responsible for meeting these standards, and shall be subject to non-compliance remedies as listed in Section 5 if they are not met.

- 1) Receive PA requests and approve, modify or deny the requests as appropriate by implementing mechanisms to ensure consistent application of review criteria (including evidence-based criteria) for authorization decisions; and consulting with the requesting provider when appropriate.
- 2) Review and approve hospice authorization requests for FFS Medicaid in accordance with State instructions and process the required paperwork, assuring the proper completion and that appropriate signatures are present when required.
- 3) Provide adequate professional medical staff and behavioral health professionals for staffing and managing the PA function, including medically knowledgeable PA analysts for processing requests and availability of licensed medical professionals to provide consultative services regarding all Medicaid-covered service types. The Contractor shall submit to the State a list identifying the individuals responsible for performing PA activities and the types of services for which each individual is responsible 30 days prior to implementation. The Contractor shall submit a quarterly report to FSSA detailing how often and for what number and type of PA requests licensed medical professionals were used in determining whether to approve, modify or deny a request. See Section 4 for reporting details.
- 4) Research, analyze, and evaluate all PA requests to ensure all medical facts, including evidence-based criteria, have been considered prior to rendering a decision to approve or deny the request. Ensure PA staff utilizes their proprietary well-defined processes and procedures for research and analysis of PA requests.
- 5) Unless a shorter timeframe is required under state or federal law, correctly disposition (i.e., approve, modify, suspend, designate as pending, reject, deny, or determine that prior authorization is not required) prior authorization requests within five (5) business days of receipt. Specifically, the request must be entered into IndianaAIM within two (2) business days, then adjudicated with an additional three (3) business days (not to exceed five (5) business days in total). Any decision to deny a service authorization request or to authorize a service in an amount, duration, or scope that is less than requested must be made by a health care professional who has appropriate clinical expertise in treating the enrollee's condition or disease. Contractor must develop and submit a quarterly report to verify how this standard is being met, as described in Section 4.

- 6) Ensure that suspended PAs are denied when requested follow-up documentation is not provided within 30 days.
- 7) Ensure that non-covered services are not prior authorized.
- 8) Ensure that authorized dollars and/or units are appropriately decremented from the PA file by paid claim.
- 9) Review, verify, and deliver to the State, within thirty (30) calendar days of the following quarter, reports summarizing the Contractor's PA activities performed for the preceding quarter. The reports shall delineate the method of request, types of services, and the number of services being requested by provider type, and whether each request was approved or denied. Reports should also analyze services for which greater than 95% of PA requests are immediately approved. Sample reports are included in the Prior Authorization Reporting Templates in Attachment H. Contractor must, at a minimum, provide reports with the same information as described in Section 4 of this Exhibit.
- 10) Maintain a sufficient number of toll-free (for Indiana and contiguous states) phone lines and qualified personnel to staff the phone lines so that:
 - For any calendar month, at least ninety-seven percent (97%) of all incoming phone calls must reach the call center menu within thirty (30) seconds.
 - For any calendar month, at least eighty-five percent (85%) of all incoming phone calls must be answered by a representative within thirty (30) seconds after the call has been routed through the call center menu. Answered means that the call is picked up by a qualified staff person.
 - For any calendar month, at least ninety-five percent (95%) of all phone calls must be answered by a representative within sixty (60) seconds after the call has been routed through the call center menu. Answered means that the call is picked up by a qualified staff person.
 - If Contractor does not maintain an approved automated call distribution system then, for any calendar month, at least ninety-five percent (95%) of all phone calls must be answered within thirty (30) seconds.
 - For any calendar month, the busy rate shall not exceed zero percent (0%).
 - Hold time shall not exceed one minute in any instance, or 30 seconds, on average
 - For any calendar month, the lost call (abandonment) rate shall not exceed five percent (5%).
 - Contractor must maintain an answering machine, voice mail system or answering service to receive calls after business hours. For any calendar month, one hundred percent (100%) of all after hours calls received must be returned or attempted to be returned within the next business day.
- 11) Staff PA phone lines from 8:00 a.m. to 5:00 p.m. Eastern Standard Time Monday through Friday (excluding 6 holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day).
- 12) Provide sufficient fax lines and fax machines dedicated to receipt of PA requests, with sufficient memory or buffers to handle multiple incoming transmissions.
- 13) Produce monthly reports of PA phone and fax line availability, incomplete calls, and disconnects. Report must show metrics for all performance metrics listed in this section. Furnish these reports to the State within five (5) days of the end of the month. See Section 4 for reporting details.
- 14) Conduct annual traffic studies of incoming calls to determine need to adjust staffing levels for PA function. See Section 4 for reporting details.
- 15) Maintain and update list of services requiring PA and provide list to Providers upon request. The State will initially provide Contractor with list at onset of contract. All list updates must be provided to the State for approval.

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- 16) Interface with providers on a regular basis to refine procedures for submission of PA requests to ensure that internal policies agree with changing practices in the provider community. Provide necessary staff to attend meetings (provider association meetings, etc.) on an as-needed basis.
- 17) Research and prepare appropriate, timely, accurate, and thorough responses to inquiries received from the State or providers. Inquiries from government officials require a written response within two (2) business days of receipt. All other inquiries shall be responded to within five (5) business days of receipt.
- 18) Design PA forms or attachments as needed or define revisions to existing forms if changes are needed. All forms are subject to FSSA approval.
- 19) Purge old PA records according to State-specified criteria.
- 20) Prepare an annual work plan for PA functions when necessitated by failure to meet the State standards as set forth in this section or if directed to do so by FSSA, and update the work plan quarterly. The work plan shall include PA improvement projects that will be performed, anticipated schedules, and resources for the projects. Upon completing each quarterly review, the Contractor shall provide the State with a report of progress made to date on the projects. The quarterly report shall be delivered to FSSA for review, and FSSA's input shall be incorporated.
- 21) On a semi-annual basis, covering the period from January through June and July through December, the Contractor shall provide a trending analysis to the State to evaluate authorized services, the number of services denied or modified, the number of appeal requests by PA category, and the outcome of the appeals (e.g., PA decision sustained or overturned). The Contractor shall provide a draft analysis format for review and approval by the State. The State reserves the right to make changes to the analysis. Upon completion of the qualitative and quantitative analysis, the Contractor shall provide recommendations to the State for suggested policy changes. The report shall be delivered within thirty (30) days of the end of the six-month period. See Section 4 for reporting details.
- 22) On a semi-annual basis, covering the period from January through June and July through December, initiate a review of administrative reviews, hearings, and appeals from the previous period to determine if providers are submitting sufficient information for making appropriate PA decisions. The analysis shall include evaluating administrative reviews to determine how many result in a reversal, denial, or modification. The Contractor shall provide a draft analysis format for review and approval by the State. The State reserves the right to make changes to the analysis. Upon review completion, findings will be provided to the State that includes potential policy change recommendations to correct problems. See Section 4 for reporting details.
- 23) Implement a quality assurance process and establish procedures to periodically sample and review dispositioned PA requests to determine if PA policies and procedures are being followed.
- 24) Conduct quarterly quality assurance reviews to ensure appropriateness of Medicaid PA analyst decisions. As part of quality assurance process, conduct a peer review of PA staff to ensure consistency among PA staff's decision making process. Provide the results of these reviews to the State no more than thirty (30) days after the end of the quarter. See Section 4 for reporting details.
- 25) Provide staff to represent the State through written and personal testimony as well as research and documentation in PA appeal matters, grievances, and court cases. Such representation may include a requirement to travel to the physical location of the hearing, which may take place in any county in the state.
- 26) Participate in periodic reviews of PA criteria against current practices to ensure appropriateness of PA decisions and to aid in the determination of whether or not changes to policy are required.

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Include representatives from the Medical Policy contractor and/or managed care contractors in the review discussions as appropriate.

- 27) Refer instances of suspected fraud/abuse to the Indiana Medicaid Fraud Control Unit (IMFCU), Indiana Bureau of Investigation and the Office of the Inspector General.
- 28) Meet quarterly, or as requested by FSSA, with FSSA Contractors to ensure coordination. Coordinate with the State's Fiscal Agent on PA issues at least monthly or as determined to be necessary.
- 29) Prepare text for notices issued to the requesting provider and the member of any decision to deny a service authorization request, or to authorize a service in an amount, duration or scope that is less than requested. The notice must comply with due process and meet the requirements of 42 CFR 431.210.

1.4 PA Coordination Activities

The Contractor is responsible for the following PA coordination activities:

- 1) Develop and maintain coordination methods to provide PA information to FSSA contractors as necessary to support the Medicaid program.
- 2) Coordinate and establish protocols for call transfers and forwarding of PA requests to necessary outside personnel.
- 3) Work with the Fiscal Agent Contractor to resolve claims issues regarding PA.
- 4) Coordinate activities with FSSA and the Policy Evaluation Team (PET) to develop standards regarding PA assignment. Make recommendations for policies and procedures, and identify gaps and discrepancies with current standards of care. Include standards cited to document decision appropriateness.
- 5) Provide feedback to FSSA Contractors as necessary regarding PA issues.
- 6) Prepare materials related to PA subject to State approval, for inclusion in bulletins, newsletters, manuals, etc., prepared and issued by the Fiscal Agent Contractor.

1.5 PA Implementation

The Contractor will be required to assume responsibility for Prior Authorization services from the current Contractor during a Transition Phase. The Transition Phase will begin following approval of the contract with the Contractor. The Transition Phase will run from November 1 – November 17, 2013. The operations start date is November 1, 2013. November and December 2013 will be utilized as transition months with the prior authorization request performance standards, outlined in Section 1.3, subsection 5 of this Exhibit, becoming effective January 1, 2014.

The State will actively monitor transition activities during the transition phase of the contract. Monitoring activities will focus on progress made against the Contractor's work plan, quality of deliverables submitted, and assessing the readiness of the Contractor to begin PA operations.

1.6 State Functions

The State will be primarily responsible for performing the following functions, in collaboration with the PA/UM Contractor as requested:

- 1) Review and approve all PA error messages and the content of notification letters.
- 2) Approve the format of all PA request forms and related material.
- 3) Specify PA record purge criteria.
- 4) Work with the PA/UM Contractor to confirm content, format, and expectations for reports prepared by the Contractor.

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- 5) Specify and approve the types of services that may be requested by phone, fax, web-based system or in writing.
- 6) Conduct ongoing monitoring to ensure that PA decisions are correct and appropriate. Monitoring will include audits of PA accuracy which will be conducted at least annually, covering any or all types of services that require PA. The audit shall include a sufficient number of PA claims to be representative of overall accuracy, as determined by FSSA. Results of the audits performed over each annual period shall determine whether withheld funds tied to PA accuracy are released or retained by the State.
- 7) Provide policy and procedure research, development, evaluation, and rule promulgation for new rules factoring in evidence-based criteria.
- 8) Approve prior authorization requests for services not otherwise covered under the State's Medicaid plan but determined to be medically necessary by an EPSDT provider for an EPSDT-eligible child.
- 9) Provide medical necessity review criteria to the Contractor. The State reserves the right to update the criteria as members' needs and policies change.

1.7 Additional Utilization Management Functions

The Contractor shall ensure the utilization review policies and procedures include procedures to proactively identify potential cases of fraud, waste, and abuse, including notification to FSSA about potential cases. Contractor shall collect, assess and monitor relevant data to determine such mis-utilization. The Contractor shall also include the identification of fraud, waste, and abuse in staff training.

1.7.1 Reviews for Elective Inpatient Admissions. In addition to providing prior authorization for elective inpatient admissions, Contractor shall provide reviews when applicable. Reviews for elective inpatient admissions should be applied only to non-DRG based services such as rehabilitation and behavioral health, including PRTF.

Services include determination of medical necessity of the admission or procedure, diagnosis validation, and determination of whether all medically necessary services were rendered. Evaluators should review medical record and supporting documentation pertaining to an admission or procedure and may request additional information from provider as necessary to clarify the medical record.

- **Rehabilitation** – Rehabilitation review seeks to ensure treatment is performed in the most cost-effective setting and is administered by qualified professionals. Review will be performed to evaluate whether the recipient's length of stay is appropriate and to ensure timely discharge. Contractor will make such determinations based on an on-site or telephone interview with the treating physician, or other health care provider, as well as interviews with the recipient when appropriate. If the Contractor determines the recipient's stay in the facility is no longer appropriate, the recipient, admitting physician and facility must be notified immediately.
- **Behavioral Health** –Reviews are performed for individuals who have been admitted to an acute care facility for a psychiatric inpatient hospitalization for the treatment of mental illness or substance abuse. Special attention will be given to review for cases in which the contractor or FSSA has become aware that there may be no readily apparent medical necessity for hospitalization or a recipient has been admitted to a hospital as an inpatient for more than seven (7) days.

In addition to conducting reviews, Contractor shall provide monthly review reports showing the quantities and results of elective inpatient admissions reviews. The Contractor shall provide a draft reporting format for review and approval by the State. The State reserves the right to make changes to the report.

1.7.2 Traumatic Brain Injury Services

Included in the Prior Authorization services for TBI, Contractor shall perform the following functions for the out-of-state FFS Traumatic Brain Injury (TBI) population. Activities shall include but not be limited to:

1. Providing initial approval of institutional placement for individuals with TBI;
2. Providing monthly review of TBI activities and approval in the State's TBI database;
3. Tracking patient information in the State's TBI database;
4. Coordinating services with institutions for placement of individuals with TBI;
5. Negotiating institutions' reimbursement rates on behalf of the State;
6. Assisting transition planning with monthly case reviews of members receiving out of state TBI services;
7. Reviewing and analyzing claims data for TBI patients discharged from institutions to identify any trends of patterns present, as well as to help identify any opportunities for providing care management at an earlier stage in the TBI diagnosis; and
8. Providing monthly management reports regarding the TBI population, in a form and manner mutually agreed upon by the Office and Contractor. These reports shall include discharge information, and must break out from other discharges a) discharges due to patient death and b) discharges due to transfer to another out-of-state facility.
9. Maintaining case records of members receiving out of state TBI services. Vendor shall provide FSSA access to case records upon request.

1.7.3 Peer Review Studies. The Contractor shall carry out a proper peer review investigation and review as may be requested when FSSA or Contractor have identified, by data analysis or other means, practice patterns suggesting the need for examination or a possible violation by a health care practitioner of State or Federal obligations (this includes but is not limited to Code of Federal Regulations, Indiana Code, Indiana Administrative Code, FSSA policy, etc.). Following FSSA's submission of a written request to the Contractor for a peer review, the Contractor shall conduct a peer review in accordance with procedures developed by the Contractor and approved by FSSA.

1.7.4 Focused Studies. The Contractor shall assist FSSA, on request, in promoting efficient use of quality health care services at the least cost through intensive studies of data and practice patterns, and reporting the results of such studies with recommendations for improving the health care delivery system.

The Contractor shall established procedures to conduct intensive studies of data and practice patterns through the following:

- Collecting and analyzing Medicaid service utilization data from various sources as approved by FSSA, including review results data.

- Evaluating the efficiency of health care delivery, appropriate use of services, and opportunities to improve quality of care for Indiana Medicaid beneficiaries.
- Proposing, designing, and implementing focused studies related to programs, beneficiaries, providers, services, and other topics related to Medicaid.
- Identifying opportunities for improving efficiencies and providing recommendations and strategies for improving the delivery of health care.

The Contractor shall propose and implement focused studies on an annual basis to identify opportunities for improving efficiencies and provide FSSA with recommendations and strategies for improving the delivery of health care.

The Contractor shall develop and maintain procedures and processes for providing education to providers who demonstrate aberrant practice patterns or have quality of care issues.

2 Contractor's Administrative Requirements

2.1 Contractor Requirements

Services provided by Contractor must be performed in accordance with applicable State and Federal statutes, regulations and policies. Services requiring PA that the Contractor is expected to process are listed in IHCP's Covered Services and Limitations Rule, 405 IAC 5 and Chapter 6 of the IHCP Provider Manual.

2.2 Administrative Structure

The Contractor must maintain an administrative and organizational structure that supports effective and efficient PA/UM functions. The Contractor must have an office in the State of Indiana in which, at a minimum, the Prior Authorization/Utilization Management Manager is physically located to perform the majority of their daily duties and responsibilities, and in which a major portion of the Contractor's operations take place.

The Contractor must manage the functional linkage of major operational areas:

- Administrative and fiscal management
- Information systems to support prior authorization functions

The Contractor must also have policies and procedures in place that support each of these operational areas that integrate financial and performance data and that comply with all applicable Federal and State requirements.

2.3 Staffing

The Contractor must have in place sufficient administrative and clinical staff and organizational components to comply with all requirements and standards. The Contractor must maintain a high level of contract performance regardless of staff vacancies or turnover. The Contractor must have an effective method to address and minimize staff turnover (e.g., cross training, use of temporary staff or consultants, etc.) as well as processes to solicit staff feedback to improve the work environment.

The Contractor must maintain descriptions for the positions discussed in this section that include the responsibilities and qualifications of the position such as, but not limited to: education (e.g., high school,

college degree and graduate degree), professional credentials (e.g., licensure or certifications), work experience and membership in professional or community associations.

2.3.1 Key Staff. The term “Key Staff,” for purposes of this Contract, means vendor personnel deemed by the State as being both instrumental and essential to the vendor’s satisfactory performance of all requirements contained in this Contract. Key staff must be accessible to FSSA and its other program subcontractors via telephone and e-mail systems. FSSA reserves the right to make final approval decisions on candidates who will fill key staff positions.

The Contractor must provide at least one FTE to the Prior Authorization/Utilization Management Manager function. Key staff allocation may be different during program roll-out and ramp-up periods than during normal contract operations.

Prior Authorization/Utilization Management Manager (Dedicated) – This individual will be responsible for the coordination and achievement of the Prior Authorization and Utilization Management business functions and objectives. The PA/UM Manager will also be responsible for:

- Setting PA/UM goals and fulfilling the goals each year
- Participating in as well as leading discussions with FSSA
- Interfacing with providers to refine procedures for PA submissions
- Assisting in the development and maintenance of review criteria
- Developing and coordinating relevant PA/UM activities with the State
- Ensuring meeting attendance with the State
- Submitting reports on time
- Developing and maintaining job descriptions and hiring and training PA/UM staff

Medical Director – The Medical Director must be an Indiana Health Coverage Program (IHCP) provider. The Medical Director will oversee the appeals for PA service denials, and will work with the PA/UM manager to oversee utilization management services.

Information Systems (IS) Coordinator – This individual will oversee the Contractor’s IS and serve as a liaison between the Contractor, the State, the State’s fiscal agent and FSSA contractors, as needed, regarding data transmission interface and management issues. The IS Coordinator, in close coordination with other key staff, is responsible for ensuring all data transactions are in compliance with the terms of the Contractor’s contract with the State. This individual will coordinate with the fiscal agent to access necessary data to manage the Contractor’s responsibilities under the contract. For more information on the information system program requirements, see Section 3 of this Exhibit.

2.3.2 Other Staff Prior Authorization/Utilization Management Staff to perform services under the Prior Authorization and Utilization Management functions, as described in this Exhibit. Contractor shall propose their staffing plans based on available data and previous experience.

2.3.3 Staff Training. On an ongoing basis, the Contractor must ensure that each staff person, including subcontractors’ staff if subcontractors are used, has appropriate and ongoing training (e.g., orientation, cultural sensitivity, program updates, clinical protocols, policies and procedures compliance, management information system, applicable laws such as the False Claims Act, etc.), education and experience to fulfill the requirements of their position. The Contractor must maintain documentation to

confirm its internal staff training, curricula, schedules and attendance, and must provide this information to FSSA and/or its monitoring contractor upon request and during regular on-site visits.

2.3.4 Vacancies of Key Staff. The vendor shall seek and receive state approval before replacing any key staff. All replacements for key staff shall have qualifications that meet or exceed those specified in this Contract. In the event that any of the key staff are, for whatever reason(s), no longer employed by the vendor, the vendor shall immediately notify the State accordingly. The vendor shall provide the State with status update reports every 30 days on the progress of the replacement candidate recruiting process until a qualified candidate is hired. The vendor shall have in place a qualified replacement, accepted by the State, within sixty (60) calendar days of the last day of employment of the departing key personnel.

Further, the Contractor must have in place an interim plan to cover the responsibilities created by the key staff member's vacancy. A general plan of action for departures of key staff must be created prior to Contract start date and approved by FSSA. This plan may be modified with FSSA approval at a later time. Further, the Contractor must notify FSSA in writing within five business days after a candidate's acceptance to fill a key staff position or five business days prior to the candidate's start date, whichever occurs first.

Whenever any Key Staff information changes, the Contractor must submit to FSSA an updated organizational chart including e-mail addresses and phone numbers for key staff.

2.4 FSSA Meeting Requirements

The Contractor's executive leadership must meet with FSSA regularly on interval specified by FSSA, but at least quarterly, to review the Contractor's performance, discuss the Contractor's outstanding or commendable contributions, identify areas for improvement, and outline upcoming issues that may impact the Contractor or the State.

The Contractor must attend other meetings as requested by FSSA with reasonable notice, and shall cooperate with FSSA or its subcontractors in preparing for and participating in any such meetings. FSSA reserves the right to cancel any regularly scheduled meetings, change the meeting frequency or format or modify the schedule over the course of the contract as it deems necessary.

3 Information Systems

The Contractor must have an Information System (IS) sufficient to support Indiana Prior Authorization requirements and interface with the IndianaAIM system. The Contractor must have a plan for creating, accessing, storing, and transmitting health information data in a manner that is compliant with HIPAA standards for electronic exchange, privacy and security requirements (45 CFR 162 and 164).

The Contractor's IS must support HIPAA Transaction and Code Set requirements for electronic health information data exchange, National Provider Identifier requirements, Privacy and Security Rule standards. The Contractor's electronic mail encryption software for HIPAA security purposes must be the same as the State's. The Contractor's plan for privacy and security shall include, but not be limited to:

- Administrative procedures and safeguards (45 CFR 164.308)
- Physical safeguards (45 CFR 164.310)

- Technical safeguards (45 CFR 164.312)

The Contractor must maintain an IS with capabilities to perform the data receipt, transmission, integration, management, assessment and system analysis tasks as may be required for the performance of this contract.

The Contractor must make certain data available to FSSA and, upon request, to CMS.

The Contractor must comply with all Indiana Office of Technology (IOT) standards, policies and guidelines. Any hardware, software and services provided to or purchased by the State shall be compatible with the principles and goals contained in the electronic and information accessibility standards adopted under Section 508 of the Federal Rehabilitation Act of 1973 (29 USC 794d) and IC 4-13.1-3. Any deviation from these architecture requirements must be approved in writing by IOT in advance.

3.1 Disaster Recovery Plans

Information system contingency planning shall be developed in accordance with 45 CFR 164.308.

Contingency plans shall include: Data Backup plans, Disaster Recovery plans and Emergency Mode of Operation plans. Application and Data Criticality analysis and Testing and Revisions procedures must also be addressed. The Contractor must protect against hardware, software, and human error. The Contractor must maintain appropriate checkpoint and restart capabilities and other features necessary to ensure reliability and recovery, including telecommunications reliability, file back-ups, and disaster recovery. The Contractor must maintain full and complete back-up copies of data and software, and must back up and store its data in an off-site location approved by FSSA. The Contractor must maintain or otherwise arrange for an alternate site for its system operations in the event of a disaster.

For purposes of this contract, “disaster” means an occurrence of any kind that adversely affects, in whole or in part, the error-free and continuous operation of the Contractor’s or its subcontracting entities information system or affects the performance, functionality, efficiency, accessibility, reliability, or security of the system. The Contractor must take the steps necessary to fully recover the data or system from the effects of a disaster and to reasonably minimize the recovery period. The State and the Contractor will jointly determine when unscheduled system downtime will be elevated to a “disaster” status. Disasters may include natural disasters, human error, computer virus, or malfunctioning hardware or electrical supply.

The Contractor’s responsibilities include, but are not limited to:

- Supporting immediate restoration and recovery of lost or corrupted data or software.
- Establishing and maintaining, in an electronic format, a weekly back-up and a daily back-up that are adequate and secure for all computer software and operating programs; database tables; files; and system, operations, and user documentation.
- Demonstrating an ability to meet back-up requirements by submitting and maintaining a Data Backup and Disaster Recovery Plans that addresses:
 - Checkpoint and restart capabilities and procedures
 - Retention and storage of back-up files and software
 - Hardware back-up for the servers
 - Hardware back-up for data entry equipment
 - Network back-up for telecommunications

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- In the event of a catastrophic or natural disaster, resuming normal business functions at the earliest possible time, not to exceed 30 calendar days.
- In the event of other disasters caused by such things as criminal acts, human error, malfunctioning equipment or electrical supply, resuming normal business functioning at the earliest possible time, not to exceed 10 calendar days.
- Developing coordination methods for disaster recovery activities with FSSA its agents.
- Providing the State with business resumption documents, reviewed and updated at least annually, such as:
 - Disaster Recovery Plans
 - Business Continuity and Contingency Plans
 - Facility Plans
 - Other related documents as identified by the State

3.2 Prior Authorization Data

The State will allow the Contractor access to its IndianaAIM system on a real-time basis to submit prior authorization decisions to the Fiscal Agent Contractor. The Contractor will also be able to view historical prior authorization decisions via this system. The State requires the Contractor to receive prior authorization requests via regular mail, telephone, FAX and to provide Web-based access for providers wishing to submit prior authorization requests to the Contractor.

The State is currently in the process of implementing a new Medicaid Management Information System (MMIS). The new MMIS is expected to be operational beginning July 1, 2015 and will be based on Hewlett-Packard's interChange platform. The MMIS will comply with the CMS Seven Conditions and Standards and MITA 3.0 requirements.

The Contractor will be expected to interface with both the existing MMIS (IndianaAIM) and the new MMIS. No additional costs may be billed to the State for interfacing with or transitioning to the new MMIS when it becomes operational on or around July 1, 2015.

In addition, Contractor should note that the State is also in the midst of developing a Medicaid Data Warehouse, which may necessitate real-time or batch transfer of Prior Authorization data to the Data Warehouse in addition to the MMIS. No additional costs may be billed to the State for this transfer.

4 Performance Reporting

The Contractor must comply with all performance reporting requirements and must submit the required data to FSSA completely and accurately within the required timeframes and in the formats identified by FSSA.

FSSA reserves the right to audit the Contractor's self-reported data and change reporting requirements at any time with reasonable notice. FSSA may require corrective actions for Contractor non-compliance with these and other subsequent reporting requirements and performance standards. FSSA may change the frequency of reports and may require additional reports with reasonable advance notice to the Contractor.

Certain reports may be run by FSSA or its other contractors, not the Contractor itself. However, the Contractor is responsible for providing the necessary data, technical assistance as requested, and coordinating with FSSA in the production of these reports.

4.1 Administrative and Financial Reports FSSA will create and update a Contractor Reporting Manual for each year of the Contract. The Contractor shall submit reports as specified in the instructions and templates set forth in the Contractor Reporting Manual.

4.1.1 Prior Authorization Reports. A number of Prior Authorization reports are required as described in Section 1.3. FSSA has created sample reporting templates, which can be found in Attachment H, for the reports listed below. For these reports, Contractor must produce, at a minimum, the information included in the corresponding sample reports:

- Prior Authorization Timeliness Standards (Annual & Quarterly)
- Prior Authorization Timeliness by PA Category
- Providers & PA Call Management
- Total Number of Members
- Hearings and Appeals
- Completed PA for Billing
- Audited Financial Statement (No Template)
- Quality Management and Improvement Program Work Plan
- Annual Quality Program Evaluation (No Template)
- Quality Improvement Projects
- Key Staff Vacancy Report
- Vendor Contact List
- 95% Approved PA by Procedure Code
- PA Accuracy Standards

Additional required reports from Section 1.3 not included in the PA Reporting Template in Attachment H are listed below. For these reports, Contractor must create their own reporting templates, which must be approved by FSSA:

- 1.3.13. Monthly PA phone and fax line reports
- 1.3.14. Annual traffic studies
- 1.3.20. Annual workplan (when required)
- 1.3.21. Semi-annual trending analysis
- 1.3.24. Quarterly quality assurance review reports

4.1.2 Prior Authorization/Utilization Management Savings Reports. Contractor shall provide cost-savings reports for PA and Utilization Management activities to FSSA on a monthly basis. Savings from PA should be calculated separately from savings created from Utilization Management services. Savings calculations methodologies shall be discussed with and approved by FSSA staff prior to completion of reports.

4.1.3 Utilization Management Reports. Contractor shall provide Utilization Management reports as described in Section 1.8:

- 1.8.1 – Monthly Elective Inpatient Admissions Review Reports
- 1.8.2 – TBI Monthly Management Reports
- 1.8.4 – Annual Focused Studies

4.1.4 Other Reporting. FSSA reserves the right to require additional reports to address issues that are not anticipated at this time but are determined by FSSA to be necessary for program monitoring. FSSA may also require the Contractor to provide data and information as requested to complete the State's Annual Quality Assessment and Improvement Strategies Report to CMS.

4.2 Performance Monitoring and Incentives

On a quarterly basis, the Contractor shall submit a report to FSSA documenting the progress towards performance targets under the contract, at a granular level, for that quarter, that year, and the agreement to date.

Data submitted by the Contractor and other data available to the State will be the primary sources of data the State uses in its monitoring efforts. FSSA will establish the data submission requirements and timeframes.

4.2.1 Acceptance of Report. Each reporting period, the Contractor shall submit all reports electronically, in a format as directed by FSSA, and shall receive written verification that the report was received. If the report is late, FSSA shall note it in writing, and the Contractor shall be subject to the non-compliance remedies described in this Exhibit.

Upon receipt of each report, FSSA shall have a period of 30 calendar days to review the report's format and content. Within the 30-day window, FSSA may require the Contractor to modify the format or content of the report by submitting a notice in writing. If no requests are made within 30 days of FSSA's receipt of the report, the Contractor may assume the report was accepted as-is.

4.2.2 Performance Withholds and Guaranteed Savings. Fees for Prior Authorization services will be subject to a 10% performance withhold, to be paid to Contractor on a quarterly basis for meeting the performance standards set forth in section 1.3 of this Exhibit.

Fees for Utilization Management services will also be subject to a 10% performance withhold on a quarterly basis. Contractors will be tasked with identifying, quantifying and verifying savings to the State that is at least twice the Contractor's Utilization Management fees. The 10% performance withhold will not be paid to Contractor if Contractor fails to identify, quantify and verify savings which are at least twice the Contractor's Utilization Management fees for the period under review. Methodologies for the identification, quantification and verification of the savings amounts must be approved by FSSA.

5 Failure to Perform/Non-Compliance Remedies

5.1 Areas of Non-Compliance

5.1.1 Non-compliance with General Contract Provisions. The objective of this requirement is to provide the State with an administrative procedure to address issues where the Contractor is not

compliant with the contract. Through routine monitoring, the State may identify contract non-compliance issues. If this occurs, the State will notify the Contractor in writing of the nature of the non-performance issue. The State will establish a reasonable period of time, but not more than 10 business days, during which the Contractor must provide a written response to the notification. If the Contractor does not correct the non-performance issue within the specified time, the State may enforce any of the remedies listed in Section 5 of this Exhibit.

5.1.2 Non-compliance with Reporting Requirements. If reports are not delivered complete, on time, and in the correct reporting formats, or submitted incorrectly, the Contractor will be subject to the non-compliance remedies described in this Exhibit.

If the Contractor's non-compliance with the reporting requirements impacts the State's ability to monitor Contractor performance and Contractor failure to perform causes the State to pursue other vendors or means of completing the requirements under this contract, the Contractor must pay any costs the State incurs to accomplish this task.

5.1.3 Non-compliance with PA Timeliness. Contractor must provide timely Prior Authorization decisions as described in Section 1.3 item 5. If Prior Authorization decisions are not made timely, they are deemed approved by law. The Contractor shall be responsible for reimbursing the State for the cost of services that are deemed approved due to its failure to meet timeliness standards. Further, the Contractor shall not be paid for processing the PA request since it failed to do so in a timely manner.

5.2 Non-compliance Remedies

The State monitors certain quality and performance standards, and holds the Contractor accountable for being in compliance with contract terms. FSSA accomplishes this by working collaboratively with the Contractor to maintain and improve Prior Authorization/Utilization Management procedures.

In the event that the Contractor fails to meet performance requirements or reporting standards set forth in the contract, the State will provide the Contractor with a written notice of non-compliance and may require any of the corrective actions or remedies discussed in Section 5.2.1 below. The State will provide written notice of non-compliance to the Contractor within 60 calendar days of the State's discovery of such non-compliance.

If FSSA elects not to exercise a corrective action clause contained anywhere in the contract in a particular instance, this decision must not be construed as a waiver of the State's right to pursue future assessment of that performance requirement and associated corrective actions.

5.2.1 Corrective Actions. FSSA may require corrective action(s) when the Contractor has failed to provide the requested services. The nature of the corrective action(s) will depend upon the nature, severity and duration of the deficiency and repeated nature of the non-compliance. The written notice of non-compliance corrective actions may be instituted in any sequence and include, but are not limited to, any of the following:

- **Written Warning:** FSSA may issue a written warning and solicit a response regarding the Contractor's corrective action.
- **Formal Corrective Action Plan:** FSSA may require the Contractor to develop a formal corrective action plan to remedy the breach. The corrective action plan must be submitted under the

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ADVANTAGE HEALTH SOLUTIONS, INC

EDS NUMBER: MD29-4-93-14-LF-0596

EXHIBIT 1 – SCOPE OF WORK

signature of the Contractor's chief executive and must be approved by FSSA. If the corrective action plan is not acceptable, FSSA may provide suggestions and direction to bring the Contractor into compliance.

- **Withholding Payments:** FSSA may suspend payments for the following month or subsequent months when the State determines that the Contractor is non-compliant. FSSA must give the Contractor written notice 10 business days prior to the suspension of payments and specific reasons for non-compliance that result in suspension of payments. The State may continue to suspend all payments until non-compliance issues are corrected.
- **Contract Termination:** The State reserves the right to terminate the contract, in whole or in part, due to the failure of the Contractor to comply with any term or condition of this contract, or failure to take corrective action as required by FSSA to comply with the terms of this contract. The State must provide 30 calendar days written notice and must set forth the grounds for termination.

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ADVANTAGE HEALTH SOLUTIONS, INC
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EXHIBIT 2 - PRICING

FY	State Total
2014	3,823,404.92
2015	6,240,222.86
2016	7,085,746.26
2017	8,058,092.74
2018	3,059,222.42
TOTAL	28,266,689.20

SFY 14 (8 months)				
Component	Type	Rate	Quantity	\$ Cost
Prior Authorization Line Items	Actual Cost	1.00		\$2,940,944.50
Prior Authorization - TBI & PRTF	Actual Cost	1.00		\$3,993.30
PA Withhold	Quarterly	\$109,071.76	3	\$327,215.28
Reviews for Elective Inpatient Admissions	Actual Cost	1.00		\$280,808.88
TBI Services	Actual Cost	1.00		\$72,000.00
Peer Reviews	Actual Cost	1.00		\$3,600.00
Focused Studies	Actual Cost	1.00		\$2,467.80
UM Withhold	Quarterly	\$13,291.72	3	\$39,875.16
First Year Implementation Costs	Actual Cost	1.00		\$152,500.00
Total:				\$3,823,404.92

SFY 15				
Component	Type	Rate	Quantity	\$ Cost
Prior Authorization Line Items	Actual Cost	1.00		\$5,073,129.55
Prior Authorization - TBI & PRTF	Actual Cost	1.00		\$5,989.95
PA Withhold	Quarterly	\$141,086.65	4	\$564,346.60
Reviews for Elective Inpatient Admissions	Actual Cost	1.00		\$421,213.28
TBI Services	Actual Cost	1.00		\$108,000.00
Peer Reviews	Actual Cost	1.00		\$5,400.00
Focused Studies	Actual Cost	1.00		\$2,467.80
UM Withhold	Quarterly	\$14,918.92	4	\$59,675.68
Total:				\$6,240,222.86

SFY 16				
Component	Type	Rate	Quantity	\$ Cost
Prior Authorization Line Items	Actual Cost	1.00		\$5,834,100.63
Prior Authorization - TBI & PRTF	Actual Cost	1.00		\$5,989.95
PA Withhold	Quarterly	\$162,224.73	4	\$648,898.92
Reviews for Elective Inpatient Admissions	Actual Cost	1.00		\$421,213.32
TBI Services	Actual Cost	1.00		\$108,000.00
Peer Reviews	Actual Cost	1.00		\$5,400.00
Focused Studies	Actual Cost	1.00		\$2,467.80
UM Withhold	Quarterly	\$14,918.91	4	\$59,675.64
Total:				\$7,085,746.26

SFY 17				
Component	Type	Rate	Quantity	\$ Cost
Prior Authorization Line Items	Actual Cost	1.00		\$6,709,212.43
Prior Authorization - TBI & PRTF	Actual Cost	1.00		\$5,989.95
PA Withhold	Quarterly	\$186,533.40	4	\$746,133.60
Reviews for Elective Inpatient Admissions	Actual Cost	1.00		\$421,213.32
TBI Services	Actual Cost	1.00		\$108,000.00
Peer Reviews	Actual Cost	1.00		\$5,400.00
Focused Studies	Actual Cost	1.00		\$2,467.80
UM Withhold	Quarterly	\$14,918.91	4	\$59,675.64
Total:				\$8,058,092.74

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SFY: 18 (4 months)				
Component	Type	Rate	Quantity	\$ Cost
Prior Authorization Line Items	Actual Cost	1.00		\$2,571,865.20
Prior Authorization - TBI & PRTF	Actual Cost	1.00		\$1,996.65
PA Withhold	Quarterly	\$285,984.65	1	\$285,984.65
Reviews for Elective Inpatient Admissions	Actual Cost	1.00		\$140,404.43
TBI Services	Actual Cost	1.00		\$36,000.00
Peer Reviews	Actual Cost	1.00		\$1,800.00
Focused Studies	Actual Cost	1.00		\$1,233.90
UM Withhold	Quarterly	\$19,937.59	1	\$19,937.59
Total:				\$3,059,222.42

In order to allow for withhold payments, rates are shown as Actual Cost, with 90% of the total budget for the year allocated per component.

10% of the total budget for Prior Authorization Line Items and Prior Authorization -TBI & PRTF are combined in the PA Withhold component, which is paid quarterly if Vendor meets PA obligations.

10% of the total budget for Reviews for Elective Inpatient Admissions, TBI Services, Peer Reviews, and Focused Studies are combined in the UM Withhold component, which is paid quarterly if Vendor meets UM obligations.

First year implementation costs are not subject to withholds.

Actual allowable rates for each service are shown below:

Prior Authorization Line Items	Each	\$7.24
Prior Authorization - TBI & PRTF	Each	\$8.50
Reviews for Elective Inpatient Admissions	Each	\$9.18
TBI Services	Monthly	\$10,000.00
Peer Reviews	Each	\$500.00
Focused Studies	Each	\$1,371.00
First Year Implementation Costs	Annual	\$152,500.00