

FUNDING REVISION

 CONTRACT (fee-for-goods or services contract with an individual, business, non-profit, or governmental entity of another state)					
Begin Date May 1, 2015		End Date April 30, 2018		Agency Tracking # 31865-00388	Edison Record ID NV -- 44806
Contractor Legal Entity Name Maximus Human Services, Inc.					Edison Vendor ID 0000028677
Goods or Services Caption (one line only) Maintenance and Operation of HCFA Provider Registration Portal Funding Revision: \$700,000.00 from FY2018 to FY2016					
Subrecipient or Contractor <input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Contractor			CFDA # 93.778 Dept of Health & Human Services/Title XIX		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2015	\$56,727.00	\$510,539.00			\$567,266.00
2016	\$410,360.00	\$3,693,236.00			\$4,103,596.00
2017	\$340,360.00	\$3,063,236.00			\$3,403,596.00
2018	\$213,633.00	\$1,922,697.00			\$2,136,330.00
TOTAL:	\$1,021,080.00	\$9,189,708.00			\$10,210,788.00
Contractor Ownership Characteristics:					
<input type="checkbox"/> Minority Business Enterprise (MBE): African American, Asian American, Hispanic American, Native American					
<input type="checkbox"/> Woman Business Enterprise (WBE)					
<input type="checkbox"/> Tennessee Service Disabled Veteran Enterprise (SDVBE)					
<input type="checkbox"/> Tennessee Small Business Enterprise (SBE): \$10,000,000.00 averaged over a three (3) year period or employs no more than ninety-nine (99) employees.					
<input checked="" type="checkbox"/> Other: For-Profit Corporation					
Selection Method & Process Summary (mark the correct response to confirm the associated summary)					
<input checked="" type="checkbox"/> Competitive Selection			RFP		
<input type="checkbox"/> Other					
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.					
					
Speed Chart (optional) TN00000252			Account Code (optional) 72203000		



CONTRACT

(fee-for-goods or services contract with an individual, business, non-profit, or governmental entity of another state)



Begin Date May 1, 2015	End Date April 30, 2018	Agency Tracking # 31865-00388	Edison Record ID NV-44806
Contractor Legal Entity Name Maximus Human Services, Inc.			Edison Vendor ID 0000041048

Goods or Services Caption (one line only)
Maintenance and Operation of HCFA Provider Registration Portal 28677 me

Subrecipient or Contractor <input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Contractor	CFDA # 93.778 Dept of Health & Human Services/Title XIX
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2016	\$340,360.00	\$3,063,236.00			\$3,403,596.00
2017	\$340,360.00	\$3,063,236.00			\$3,403,596.00
2018	\$283,633.00	\$2,552,697.00			\$2,836,330.00
TOTAL:	\$1,021,080.00	\$9,189,708.00			\$10,210,788.00

Contractor Ownership Characteristics:

Minority Business Enterprise (MBE): African American, Asian American, Hispanic American, Native American

Woman Business Enterprise (WBE)

Tennessee Service Disabled Veteran Enterprise (SDVBE)

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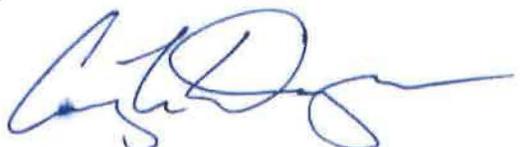
Other: For-Profit Corporation

Selection Method & Process Summary (mark the correct response to confirm the associated summary)

Competitive Selection RFP

Other

Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.



Speed Chart (optional) TN00000252	Account Code (optional) 72203000
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**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION
AND
MAXIMUS HUMAN SERVICES, INC.**

This Contract, by and between the State of Tennessee, Department of Finance and Administration, Division of Health Care Finance and Administration, hereinafter referred to as the "State" or "HCFA" and MAXIMUS Human Services, Inc., hereinafter referred to as the "Contractor," is for the provision of maintenance and operation of existing provider registration portal, as further defined in the "SCOPE OF SERVICES."

The Contractor is a For-Profit Corporation.

Contractor Place of Incorporation or Organization: Virginia

Contractor Edison Registration ID # ~~0000041048~~ 28677 *gp*

A. SCOPE OF SERVICES:

- A.1. The Contractor shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Contract.
- A.2. The Contractor shall provide maintenance and operations to HCFA's existing Provider Data Management System (PDMS), Provider Incentive Payment Program (PIPP), Committee on Operating Rules for Information Exchange (CORE) and the Financial Change Request (FCR) for systems, portals and databases. Additionally, the Contractor shall provide support for the continuing design, development and enhancement of these systems and databases.
 - a. The Contractor shall provide continuation of functionality to store and process individual provider data received from the Council for Affordable Quality Healthcare (CAQH) to support the continued ongoing standardization of the provider registration processes.
 - b. The Contractor shall support the processing of standard and non-standard provider data applications received from CAQH and adapt current HCFA processes to CAQH Universal Datasource (CAQH UPD) changes.
 - c. In order to comply with state and federal documentation requirements as well as provide standardized registration processes, the Contractor shall provide functionality required through system support, analysis, requirements, design, development, testing and implementation efforts that shall focus on requirements elicitation as the basis for the proposed and execution solution.
 - d. The Contractor shall utilize requirements to design new functionality utilizing an State approved SDLC methodology, initiate and complete the requirements, design, development and implementation processes including project management tasks, using Contractor's business and technical staff to complete the requirements of this Contract.
 - e. Effective upon the start date of the contract as provided in Contract Section B.1, the Contractor shall begin the three (3) month transition period prior to transfer of all live functionality of services effective May 1, 2015. The Contractor's Business Lead described in Contract Section A.26.b is required to work full time onsite at HCFA offices located at 227 and 310 Great Circle Road, Nashville, Tennessee during this transition period.



A.3 The Contractor shall provide experienced and qualified staff who have verifiable skills and expertise in the use of the following knowledge sets:

- a. Microsoft .Net platform and architecture;
- b. Service Oriented Architecture (SOA) and services lifecycle activities;
- c. State approved SDLC methodology and iterative development;
- d. Unified Modeling Language (UML) and Business Process Modeling Notation (BPMN);
- e. Mobile app development and deployment;
- f. System Development Life Cycle (SDLC) methodology;
- g. EDI X12;
- h. Program and Project Management (PM) to include a deep knowledge and use of PM metrics as defined by Project Management Institute (PMI) and the emerging Project Management standards;
- i. Open Web Application Security Project (OWASP), and
- j. Council for Affordable Quality HealthCare (CAQH) Committee on Operating Rules for Information Exchange (CORE) operating rules.

A.4. The Contractor shall support and enhance the existing provider registration process based on the current PDMS solution and technology infrastructure utilizing .Net, a SDLC methodology that HCFA approves, SOA and Mobile technology, architecture and infrastructure, with additional functions as needed including, but not limited to, the following:

- a. Conduct Joint Application Development (JAD) sessions with HCFA business and technical staff to develop functional and technical requirements for all aspects of the solution including the provider "roster" portal to accept requests from providers to apply for certification through CAQH and the data transfer mechanisms with CAQH;
- b. Create Business Use Cases for systems functions. All workflows must be documented at the overall system level as well as each user role level;
- c. Support the various data models needed to facilitate data transfer between HCFA and entities consuming services via SOA definitions or entities utilizing other data model archetypes;
- d. Provide ongoing system and user support for the provider PDMS application. The Contractor shall supply sufficient staffing to adequately report, log, research and provide continuous feedback on issues identified. The Business Lead shall work closely with HCFA Provider Registration Manager to ensure that any issues are resolved expeditiously. The Contractor shall at a minimum provide monthly on site visits to discuss system related issues, maintenance and/or modifications, and facilitate at a minimum, weekly status calls for all functional areas covered by this contract. The monthly on site visit shall include sufficient staff and duration to address all technical, business and program related activities;



- e. Develop new and support existing workflows and interfaces to receive credentialing information as well as other updates (change of address, new or expired certifications, disenrollments);
 - f. Develop reports and dashboards with drilldown options to assist the business staff. The report generation shall have the ability to be performed using parameters defined by the State such as date, provider type, registration status as well as other defined status fields;
 - g. The Contractor shall incorporate the ability to "export" data/reports to the standard MS Office suite formats (Word, Excel, etc);
 - h. The Provider Data Management System shall provide Provider Registration staff the ability to create and send emails to multiple recipients from templates or generated by Provider Registration staff;
 - i. Provide HCFA access to database tables for the purpose of generating reports; and
 - j. Provide HCFA access to audit reports / tables for tracking changes to provider data.
- A.5. The Contractor shall enable HCFA Provider Services and other business staff to complete required functions and resolve exceptions and other issues encountered including:
- a. Conduct State approved SCLC methodology JAD sessions with HCFA business and technical staff to develop functional and technical requirements for creation of workflows, exception processing and business rules development, and
 - b. Create Business Use Cases for Provider Services functions.
- A.6. The Contractor shall maintain and, if required by the State, redesign and enhance the interface between the Medicaid Management Information System (MMIS) and the PDMS application to transfer and update provider information including, but not limited to, the following:
- a. JAD sessions with MMIS contractor and HCFA staff to define the data transfer requirements;
 - b. Create Business Use Cases for MMIS integration;
 - c. Support the data transfer integration, activities and their business rules for provider updates and additions. Contractor shall have checks and balances in place to ensure data transfers between the provider data management system and the MMIS does not create more than two (2) registration requests for Medicaid identification numbers (IDs) for an individual provider; one (1) as a sole practitioner and one (1) for a provider joining a group;
 - d. Support the data model and transfer protocols for retrieving and sharing information with the MMIS, and
 - e. Support the functionality required to enable the interface with the MMIS and support exception processing when necessary.
- A.7. The Contractor shall conduct an initial conversion to roster providers not previously rostered including:
- a. Conversion of all providers in the MMIS not previously converted;
 - b. File transfer of all providers, and
 - c. Mass update to MMIS with updated information.



A.8. The Contractor shall provide testing support for all system functions including, but not limited to, the following:

- a. Creation of integration test cases to test all system functions;
- b. Integration testing and defect correction for all system functions allowing for HCFA Provider Registration staff review and approval;
- c. Create Test Plan for system/UAT testing, and
- d. Expand Use Cases into test scripts for all system functions.

A.9. The Contractor shall develop, design and implement functionality to support role-based security including, but not limited to, the following:

- a. Complete systems artifacts and software functionality allowing for multiple users per provider account with access to provider profile sections based on role assigned;
- b. Create UML and Business Process Modeling Notation (BPMN) models for functions;
- c. Design the data model(s) needed to support role-based security functionality for provider user accounts;
- d. Enhance and maintain the provider portal to allow multi-user functionality utilizing role-based security functionality architecture where appropriate; and
- e. Develop and implement the workflows and interfaces to allow provider account owner to assign multiple user IDs/roles per provider account,

A.10. The Contractor shall incorporate CAQH Sanctions Check Module into PDMS application and processes as follows:

- a. Complete a system design for end user functionality to allow CAQH Sanctions Check Module to notify Provider Services of probable matches;
- b. Create UML and BPMN models for functions;
- c. Design the data model(s) needed to support CAQH Sanctions Check Module for Provider Services user accounts, and
- d. Enhance and maintain the Provider Services interface to allow Provider Services users to approve or deny processing of probable matches;

A.11. The Contractor shall develop and design functionality to support processing of non-standard CAQH applications received from individual providers with practice locations in states that border Tennessee as follows:

- a. Maintain and enhance the system functionality to process XML and SOA;
- b. Create UML and BPMN models for functions, and
- c. Design the data model(s) needed to support data transfer between HCFA and Contractor.

A.12. The Contractor shall maintain and enhance the system, as needed, to comply with current and evolving CORE requirements, but not limited to, the following:

- a. Maintain and enhance system designs of CORE functionality;



- b. Create UML and BPMN models for functions;
- c. Utilize SOA and X12 where required by PDMS system and CORE functionality;
- d. Design the data model(s) needed to support data transfer between HCFA and Contractor;
- e. Develop and enhance the provider portal and data integration functionality utilizing SOA while complying with policies, procedures and standards defined by the HCFA SOA Center of Excellence (CoE);
- f. Develop workflows and interfaces to receive credentialing information as well as other updates (change of address, new or expired certifications, disenrollments), and
- g. Develop reports and dashboards with drilldown options to assist the business staff.

A.13. The Contractor shall provide implementation and maintenance support as follows:

- a. Support acceptance testing with subject matter experts and technical staff for defect correction;
- b. Deploy application updates into testing and production environments as required, and
- c. Provide operations and maintenance support for the application for duration of contract.

A.14. The Contractor shall provide development and integration test environments on the State's infrastructure and Contractor will establish VPN tunnel between the Contractor and OIR for the duration of the contract.

A.15. The Contractor shall share data with providers, which shall be determined through requirements sessions with HCFA. The data sharing shall utilize the technology skills requirements outlined in Contract Section A.3.

A.16. The Contractor shall provide staff to support the model for Electronic Health Record (EHR) Provider Incentive Payment Program (PIPP) maintenance and enhancements utilizing .Net, a SDLC methodology that HCFA approves, SOA and Mobile technology, architecture and infrastructure, including the following tasks and activities:

- a. Perform operations support, and routine support and maintenance on the EHR PIPP system including identification of problems, root cause analysis, tracking and correction;
- b. In conjunction with HCFA, create and prioritize the list of enhancements and keep up-to-date throughout the contract period using a SDLC methodology that HCFA approves and/or other tool(s) as designated by HCFA;
- c. Perform enhancements based on HCFA direction;
- d. Develop and maintain required functionality for each phase of meaningful use and prioritized enhancements;
- e. Work with HCFA Provide Incentive Payment Program and technical staff in JAD sessions to develop, document, and support traceability to implementation of functional



- and technical requirements according to SDLC best practice, and provide on-site support as required for requirements gathering and system design activities;
 - f. Design, develop and test application enhancements, provide test cases and test results for system testing activities; provide on-site support as required for testing activities, and support acceptance testing by HCFA using testing tool(s) and approaches defined by Scrum and approved in writing by HCFA;
 - g. Deploy functionality into production through the HCFA architecture;
 - h. Provide development and integration test environments on the State's infrastructure and Contractor shall establish VPN tunnel between the Contractor and OIR for the duration of the Contract, and
 - i. Support and enhance the current EHR/PIPP enrollment processes as defined by federal and state requirements and rules.
- A.17. The Contractor shall conduct JAD sessions with HCFA business and technical staff to develop functional and technical requirements for all aspects of each solution proposed by the Contractor, including: the provider "roster" portal to accept requests from providers to apply for certification through subcontractor and the data transfer mechanisms with subcontractor;
- a. Create Business Use Cases for systems functions;
 - b. Support the various data models needed to facilitate data transfer between HCFA and entities consuming services via SOA definitions or entities utilizing other data model archetypes;
 - c. Provide ongoing system and user support for the provider PIPP application;
 - d. Develop new and support existing workflows and interfaces to receive attestation information as well as other updates (as defined by federal and state requirements);
 - e. Develop reports and dashboards with drilldown options to assist the business staff, and
 - f. Collect quality data from providers, episodic data, determined by HCFA, which assists HCFA with implementing payment reform.
- A.18 The Contractor shall provide support to continue testing and implementation of the Financial Change Request (FCR) Approval System utilizing .Net, a SDLC methodology that HCFA approves, SOA and Mobile technology, architecture and infrastructure, and perform maintenance and operations for the system. Support and maintenance of the FCR Approval System shall include:
- a. Provision of testing support for all system functions including integration testing and defect correction for all system functions; and
 - b. Provision of support including:
 - (1) Support acceptance testing with subject matter experts and technical staff for defect correction;
 - (2) Deploy application updates into testing and production environments as required;
 - (3) Provide operations and maintenance support for the application through the end of the contract term. Such support shall include operations and maintenance staff



accessible on a daily basis to insure that system issues can be addressed to insure that accounting transactions in the form of payments and recoupments are properly transmitted from the FCR Approval System to the MMIS Claims system nightly, and

- (4) Provide operations and maintenance support for the application through the end of the contract term for the production of reporting tools both predefined and ad-hoc from the application.

A.19. The Contractor shall support integration of other portals within the existing HCFA portal.

A.20. The Contractor shall assist the State in defining requirements for systems, interfaces and business process flows required to maintain, support and administer the PDMS and PIPP incentive payments systems to eligible providers. The FCR and CAQH CORE functions are included within the scope of services of this Contract. The Contractor shall be responsible for:

- a. Requirements Documentation - Documenting and maintaining requirements, as well as business and system process flows, in approved form, format and location within a SDLC environment approved in writing by HCFA. Requirements documentation shall be organized in a manner to support subsequent requirements definition and elaboration activities, in terms of both program process area and project phase. It is expected that the Contractor shall utilize Scrum methods, documenting and developing architecture, requirements, designs, and tests and deployments using UML and BPMN models. This documentation shall be maintained in a form that supports requirements traceability through subsequent phases of the project, including design, development, testing and defect tracking.
- b. Requirements Definition Approach - Unless otherwise approved in writing by the State, within one (1) week of the contract start date, the Contractor must submit, for review and approval by the State, a proposed approach for and detailed description of requirements definition activities and proposed form and format for requirements documentation. The Contractor shall conduct one or more initial requirements definition sessions for each major functional area, in order to identify, elaborate and capture detailed system and process requirements for the first year of the engagement. The Contractor is responsible not only for facilitation of requirements definition sessions but shall also assist the State in defining and elaborating requirements through independent knowledge of program requirements and expertise in system design in development. In particular, the Contractor must assist the State in defining requirements for system controls, edits and features to prevent entry and processing of invalid or unanticipated data values, circumvention of intended business or system process or flow, as well as unauthorized access or other exception conditions.
- c. Requirements Definition Plan and Schedule - Unless otherwise approved in writing by the State, within three (3) weeks of the contract start date, the Contractor must submit, for review and approval by the State, a proposed plan and schedule for requirement definition activities. The Contractor will execute requirements definition activities according to the approved approach and plan. Unless otherwise approved in writing by the State, the Contractor must submit documentation of all requirements within five (5) business days following the requirements definition session. Requirements documentation shall be maintained in form, and format proposed by the Contractor and approved in writing by the State. The approved documents shall reside in a SDLC methodology that HCFA approves and be maintained in a form that supports requirements traceability through subsequent phases of the project, including design, development, testing and defect tracking. The project plan must include activities



outlined above and must include all milestones and deliverables as outlined in this Contract. The project plan should be developed as defined in Contract Section A.23.b.

d. Documentation Review – The Contractor shall be responsible for review of available documentation, including the detail of relevant federal legislation and related guidance from HHS, ONC or CMS, as well as any existing documentation generated by or available to the State. Specifically, the Contractor must review all relevant documentation including, but not limited to, items noted in the following subsections. The Contractor shall be responsible for gathering, storing and organizing relevant materials and documents. The Contractor will be responsible for requesting relevant documentation from each division of HCFA involved in the incentive program, or other state departments as applicable. The Contractor shall be responsible for compiling requirements documentation, as well as business and system process flows, based on this documentation. The Contractor shall complete review of available documentation and shall compile and document any derived requirements in advance of and in preparation for requirements definition sessions. Specifically, the Contractor is responsible for:

- (1) Review of Federal Legislation and Guidance - The Contractor will be responsible for review of existing federal legislation, as well as guidance and other program or technical documentation maintained or provided by the U.S. Department of Health and Human Services (HHS), the Office of the National Coordinator for Health Information Technology (ONC), or the Centers for Medicare & Medicaid Services (CMS). Specifically, the Contractor must review the text of the federal HITECH legislation and CAQH CORE operating requirements as well as the related final rules and guidance published by HHS, ONC, or CMS. Further, the contractor must review any relevant program or technical documentation maintained or provided by HHS, ONC, or CMS, including materials posted to the HHS, ONC, or CMS web sites or distributed to the State or to the Contractor by HHS, ONC, CMS or HHS, ONC or CMS contractors or subcontractors. The Contractor shall be responsible for gathering any such materials from the HHS, ONC or CMS web sites, or other official State repository, or from involved divisions within HCFA, and for storing and organizing these materials. The Contractor shall confirm with the State, as correct and complete, the inventory of such documentation. The Contractor shall be responsible for documenting any process or system requirements based on review of such documentation.
- (2) Review of Additional Documentation Provided by the State - The Contractor shall be responsible for review of existing documentation generated, maintained, or provided by the State, including initial requirements, process flows, policies, or other documentation. The Contractor shall be responsible for gathering any such materials from the HCFA intranet, or other official State repository, or from involved divisions within HCFA, and for storing these materials. The Contractor shall confirm with the State that documentation is correct and complete." The Contractor shall be responsible for documenting any process or system requirements based on review of such documentation.
- (3) Review of Current Processes and System Designs - The Contractor shall be responsible for review of the State's current policies, processes and system design. The Contractor shall be responsible for gathering policy and process documentation as well system design and testing documentation from the HCFA intranet, or other official State repository, or from involved divisions within HCFA, and for storing these materials in an appropriate repository for current and future use and reference. The Contractor shall confirm with the State, as correct and complete, the inventory of such documentation. The Contractor shall be



responsible for documenting any process or system requirements based on review of such documentation:

e: Requirements Definition Activities – The Contractor shall be responsible for all necessary activities to gather and document system and process requirements. Specifically, the Contractor shall schedule and lead requirements definition sessions, meetings and discussions to review, elaborate and confirm requirements. The Contractor shall be responsible for documenting process or system requirements covered in these requirements definition sessions, meetings and discussions. Requirements documentation shall be maintained in form and format approved in writing by the State, within a SDLC methodology that HCFA approves, and shall be maintained in a form that supports requirements traceability through subsequent phases of the project, including design, development, testing and defect tracking. The contractor is responsible not only for gathering and documenting requirements but shall also assist the State in defining and elaborating requirements based on review of documentation and through independent knowledge of program requirements and expertise in system design in development. The Contractor shall:

- (1) Define required meetings and proposed schedule;
- (2) Schedule meetings, unless otherwise requested by HCFA;
- (3) Prepare and distribute agendas and any required materials or supporting information for each meeting two (2) business days prior to the scheduled meeting;
- (4) Facilitate scheduled meetings, unless otherwise requested by HCFA;
- (5) Maintain meeting minutes;
- (6) Prepare and distribute minutes, or notice of posting and location, to appropriate staff for review within five (5) business days of the meeting;
- (7) Update minutes based on feedback from review;
- (8) File all agendas and minutes in a SDLC methodology that HCFA approves;
- (9) Utilize and State approved Scrum or Iterative methodology as approved by the State and following the SDLC methodology that HCFA approves workflow;
- (10) Create and maintain requirements documentation using UML and storing the documentation in a SDLC methodology that HCFA approves;
- (11) Distribute requirements documentation, or notice of posting and location, to appropriate staff for review within five (5) business days of the meeting, unless otherwise requested or approved by HCFA;
- (12) Update requirements documentation based on feedback from review;
- (13) Prepare and distribute decision documents, or notice of posting and location, as needed within five (5) business days of the meeting; and
- (14) Document decision or action and maintain a file copy of the decision documents in electronic project record, either within MS Project Server or as an artifact or set of artifacts in a SDLC methodology that HCFA approves.

A.21. Project Plan, Release Plan, Test Plan and Test Case Development – The Contractor shall be responsible for developing a comprehensive project plan (Project Plan) and schedule before the start of the work for each functional area. The plan may utilize State approved SDLC methodology methods versus a traditional project plan format in order to align itself with Scrum activities.

a. The Contractor shall develop and refine plans for design, development, testing and implementation activities based on information gathered during the requirements definition activities. Specifically, the Contractor must work with the State to prioritize identified requirements and must schedule development activities supporting these requirements to a planned release based on the functional requirements for each sprint/iteration/phase and defined priority for each requirement. The Contractor shall develop or revise Project Plans for design, development, testing and implementation



activities based on these priorities as well as the release scope and schedule. The Contractor shall develop a Project Plan that meets the key program dates and addresses the required scope of each release or wave, including identified and prioritized requirements.

- b. The Contractor shall develop a Release Plan that describes the scope of functionality included in each release, including the specific requirements that are addressed by the release and whether those requirements are addressed fully or partially by the release. Further, based on definition of requirements, the Contractor must develop, and submit for State review and approval, a document that describes in detail the plan and approach for testing. Contractor shall leverage automated testing approaches where appropriate and feasible. The Contractor must also, upon completion of requirements definition and continuing throughout design and development phases, develop test cases. The test plan and test cases must provide sufficient coverage of all included requirements, functionality and system operation.
- c. Test Plan and Test Cases shall be submitted and maintained in form and format proposed by Contractor and approved by the State using a SDLC methodology that HCFA approves as the location for all artifacts. The Contractor shall document and maintain test cases in a form and format that allows for traceability from requirements to test cases, to test case execution and test case results. Additionally, the Contractor shall document test cases, manage and track test execution in a manner that supports detailed reporting of testing status by wave, by release, by function, by requirement, by system program or component or by test case to HCFA in an agreed upon format. The Contractor must associate and track requirements and test cases to application programs or components to trigger any required retesting when a program or component is modified. Regression testing is strongly suggested as an added validation process in the testing regimen by building test cases as implementations and changes are completed.

A.22. Design, Development, Testing and Implementation – The Contractor shall be responsible for system design, development, testing and implementation activities for system scope and requirements based on requirements definition activities defined in Section A.21, including:

- a. Design Documentation – The Detailed design documents shall be submitted and maintained in form and format proposed by Contractor and approved in writing by the State using a SDLC methodology that HCFA approves as the repository for all artifacts;
- b. Application Development and Testing Methodologies – The Contractor must document development and testing methodologies and must propose, for State review and approval, the Scrum methodologies, tools and processes that will be used for application development and testing in a SDLC methodology that HCFA approves;
- c. Source Code Control – The Contractor shall maintain system source code and version control, within a SDLC methodology that HCFA approves in writing, and must deliver, at each release or on the request of the State, all source and object code for all system programs and components. The Contractor must follow the methodologies, tools and processes utilized in a SDLC methodology that HCFA approves that will be used for source code and version control;
- d. General System Design – System architecture and general design documents shall be submitted and maintained in form and format proposed by Contractor and approved in writing by the State, utilizing UML and residing in a SDLC methodology that HCFA approves in writing. The Contractor shall ensure that the proposed design is consistent with existing State standards and architecture. The Contractor must submit in writing and the State must approve in writing any request to deviate from established standards. The Contractor shall also ensure that application and data security is given due consideration



and that the appropriate measures, controls and constructs are incorporated in the system design to address application and data security requirements;

- e. Detailed Design – The Contractor shall produce detailed design documents for the system functionality included in each sprint or phase. Unless otherwise approved by the State, the Contractor must submit or, as directed by the State, provide notice of posting and of detailed design documents within a SDLC methodology that HCFA approves for review and approval;
- f. State Testing Support – The Contractor shall provide test results from Contractor testing as well as supporting State staff in user acceptance testing and review of test results;
- g. Application Vulnerability Testing – The Contractor must arrange for the performance of security and vulnerability testing of the application by a third party qualified to perform such tests, including penetration tests of the internal and external user interface, annually. The Contractor must submit, for review and approval by the State, the proposed scope of testing as well as the name and qualifications of the party performing the tests. The Contractor is responsible for the costs of this testing. The State may elect to perform independent testing. The Contractor must address and resolve any application vulnerabilities as directed by the State. The Contractor must arrange for repeat testing to ensure that all identified vulnerabilities have been addressed as directed by the State;
- h. Data Conversion – The Contractor shall convert of any existing program data as required to maintain program records and history, including provider registration, attestation, eligibility verification and payment, and
- i. Implementation and Post-Implementation Support – The Contractor shall assist the State in maintaining the development, test and production system environments. The Contractor shall follow the methods of a SDLC methodology that HCFA approves for iterative development. Deviations to the methodology of a SDLC methodology that HCFA approves will require State review and approval. The Contractor is responsible for release management and shall implement changes and releases in each system environment, as appropriate, according to defined and approved change control processes. The Contractor shall develop system documentation and provide user training. Further, the Contractor shall provide post-implementation technical support for each sprint/epic/release and must track and address all reported issues and defects. The Contractor will provide user training and technical support services throughout the term of this contract.

A.23. Project Management - The Contractor shall manage the project to ensure successful completion of the scope of service, including, but not limited to, the following:

- a. State's Information Technology Methodology (ITM) – The Contractor shall utilize the State's ITM in this project. The State's ITM includes process definitions, guidelines, document deliverable templates, and tools that support two (2) basic categories of processes: (a) Project Management Processes, and (b) Product Development Methodology. The Project Management Processes describe the procedures for organizing and controlling the work of the project, which shall extend over one (1) or more Product Development Phases. The Product Development Phases describe the processes for developing the enhancements. Since the State's ITM is defined at a high-level for use on all types and sizes of information technology (IT) projects, the Contractor shall develop a detailed project management methodology within the guidelines of the State's ITM. Throughout the project, the Contractor shall produce numerous Project Management Process and Product Development Phase deliverables. Some of these



products are specific deliverables that shall be managed, produced, and updated by the Contractor. Others are natural work-products arising out of the shared effort of both parties. The processes and phases are as follows:

(1) Project Management Processes

- i. Planning – Devise and maintain the Project Plan using input from the initiation of the project proposal to accomplish the business need. The Project Plan shall be constructed in accordance with project management best-practices, such as, but not limited to, the use of the critical-path method (CPM).
- ii. Execution – Carry out the activities included in the Project Plan that includes developing the project team, coordinating activities, distributing information and verifying work results.
- iii. Controlling – Ensure the Project Plan objectives are met by monitoring and measuring its progress.
- iv. Quality Management – Identify quality policies, objectives, and responsibilities to be used for the Project Plan, and ensure that these are implemented and monitored throughout the term of the project.
- v. Procurement Management – Acquire goods and services from vendors, contractors, and/or suppliers, and to manage the contracts that are established through contract completion.
- vi. Phase/Project Closure – Evaluate the aspects of the Project Plan's status, make go/no go decisions and obtain final Project Plan sign off.

(2) Product Development Phases

- i. Scope and Feasibility – Establish the high-level requirement and assess impacts, constraints and recommendations for the product to be developed.
 - ii. Requirement Definition and Solution Evaluation – Establish detailed requirements and evaluate high-level solution alternatives for satisfying requirements.
 - iii. Design – Design the product to a detailed level and provide the framework for constructing the product.
 - iv. Construction – Build and test product components, integrate and test component assemblies, and prepare for acceptance testing.
 - v. Acceptance Test – Evaluate the ability of the product to satisfy all product requirements by the State and obtain necessary signoff on the product.
 - vi. Implementation – Complete product integration, train users, monitor product operation and update documentation as needed.
- b. Project Plan Requirements – The Contractor shall develop project plans according to industry standards and best practices. Contractor shall use State approved SDLC methodology Project Management (PM) approaches in lieu of traditional PM techniques and methods. The PM approach shall utilize Earned Value and Earned Schedule. Unless otherwise directed or approved by the State, the Contractor shall maintain project plans on either a SDLC methodology that HCFA approves or HCFA Microsoft Project Server (MSPS) system. Project plans created or maintained by the Contractor shall meet criteria or requirements including, but not limited to, the following:

- (1) The Project Plan shall include relevant and sufficiently detailed work breakdown structure (WBS), or adhere to a results-oriented project plan in an State approved SDLC methodology PM approach, defining sprints/epics/releases;



- (2) Task duration, shall be manageable and meaningful;
- (3) The Project Plan shall be resource loaded and leveled;
- (4) The Project Plan shall include resource rates;
- (5) The Project Plan shall identify predecessor and successor activities, task dependencies, and critical path;
- (6) The Project Plan shall clearly identify deliverables, milestones and key milestones; and
- (7) The Project Plan shall be baselined and submitted for review through the Control Memorandum(a) process, described in Section A.24 and shall be approved by the State. Any significant changes to the project plan or any changes to the Project Plan's baseline must be submitted for review and approval through this process.

c. **Project Tracking and Status Reporting** – The Contractor shall track progress against the Project Plan and shall report status in form and format approved by the State. The Contractor shall document and manage Project Plan risks, issues and action items. The Contractor shall report Project Plan status weekly, utilizing a State approved template which includes Earned Value (EV) and Earned Schedule (ES) metrics as directed by the State. The State shall pre-approve the Contractor's approach for:

- (1) Defining baseline resource costs;
- (2) Measuring and updating Project Plan work and progress;
- (3) Calculating EV and ES Project Plan metrics; and
- (4) Reporting Project Plan status.

d. **Issue Tracking and Resolution Process** – The following issue resolution process shall be used for each issue related to the project. Any issue that arises involving the project that cannot be immediately resolved or requires management awareness, decision or action, shall be documented and maintained in the Project Issues Log by the Contractor. Anyone on the HCFA project team may submit a new issue to the Project Issues Log. Only the Project Director (or his/her designee) may close an open issue on the Project Issues Log and confirm resolution of that issue.

The Project Issues Log allows State and Contractor management to review outstanding questions, decisions and pending actions, and provide guidance on those issues that are of the highest priority. The Project Issues Log shall be used to communicate all project issues to State and Contractor senior management and Executive Sponsors. The Project Issues Log shall be updated routinely as the Project progresses through the process.

The steps for reporting and resolving a project issue shall be:

- (1) **Submit Issue** – All identified issues shall be entered into the Project Issues Log. An issue may be entered by anyone and the name of the submitter must be entered with each issue. The default issue status shall be "Submitted", or as defined in a SDLC methodology that HCFA approves. Each issue shall be assigned to a category so that the category of issues can be tracked, either as noted in a SDLC methodology that HCFA approves or as an added category approved by the State. Examples of issue categories include, but are not limited to:
 - i. Functional – Broken out by functional module
 - ii. Technical
 - iii. Communications
 - iv. Project Scope/Funding



- v. Policy/Legal
- vi. Organizational

- (2) **Review and Prioritize Issue** – The Project Director (his/her or designee) shall review a newly submitted issue and determine whether to accept/assign, reject, or defer the issue. Assigned issues shall be prioritized based on the impact the issues have, or shall have, on the project's progress, and the issues are assigned a target resolution date. For certain categories of issues, such as "Policy/Legal" or "Project Scope/Funding", those issues shall be immediately escalated to the Project Director (or his/her designee) to be resolved or further escalated, as these shall not be resolved at the project team level pursuant to the Issue Escalation process set forth below in Section A.23.d.(7). Project management shall closely monitor the Project Issues Log as certain unresolved issues may materially impede the progress of the project.
- (3) **Assign Issue to an Owner** – The Project Director (or his/her designee) shall assign an accepted issue to an owner who shall be responsible for driving the issue to resolution.
- (4) **Evaluate Resolution Options** – The issue owner shall determine and document viable resolution options, and then manage the evaluation of the options, taking into account the pros and cons of each option. The issue owner shall be responsible for collaborating with others, where necessary or as directed by the State, to evaluate options and reach a resolution.
- (5) **Resolution of Issues** – The issue owner shall work to resolve the issue by the target resolution date. The typical timeframes for resolving an issue shall be as follows:
 - i. High priority issue: three (3) days
 - ii. Medium priority issue: seven (7) days
 - iii. Low priority issue: ten (10) days
 - iv. Special case issues: Considered on case by case basis with agreed upon timeframe.
- (6) **Close Issue** – Once an issue has been resolved, it shall be assigned a "Closed" status, or a status as noted in a SDLC methodology that HCFA approves, by the Project Director (or his/her designee) in the Project Issues Log.
- (7) **Issue Escalation** – If an issue has not been resolved by its assigned target resolution date, then the issue may be escalated. The owner of the issue shall confer with project management to determine the appropriate management escalation action to take. The first level of issue escalation shall be to the Project Director (or his/her designee). If the Project Director (or his/her designee) is not able to resolve an issue within five (5) days, or if the issue cannot be resolved at the Project Director level, the Project Director (or his/her designee) shall escalate to the HCFA Chief Information Officer (CIO) (or his/her designee). If the HCFA CIO is not able to resolve the issue within three (3) days, the HCFA CIO shall escalate the issue to the HCFA Director (or his/her designee) for consideration and final resolution. Types of issues that shall be escalated may include, but are not limited to:
 - i. Issues that are past their target resolution date and are urgent;
 - ii. Issues that have a significant impact on the project or organization;
 - iii. Issues that shall have a significant impact on project scope;



- iv. Issues that may result in additional cost to the State; and
 - v. Issues that may cause the project schedule to slip or for a deliverable to be critically late.
- e. Risk Tracking – The Contractor shall be responsible for tracking project risks. The Contractor shall maintain a risk tracking log in form, format and location approved by the State. The Contractor shall confer with the Project Director (or his/her designee), as necessary, to assign ratings for impact and likelihood of occurrence of identified risks. The Contractor shall develop risk mitigation plans for identified risks based on risk rating, as directed by the State.
- A.24. Control Memorandum(a) (CM) Process - The CM process shall be utilized by the State to address issues or matters that do not require a Contract amendment, such as, but not limited to: clarification of Contract provisions or requirements, to issue instruction to the Contractor, to document action required of the Contractor, or to request information from the Contractor. In addition, the CM process shall be used by the State to impose assessments of damages, either actual or liquidated, against the Contractor.

There is no required format for a CM, but each must be in writing, indicate the date on which it was issued, and contain a unique identification number. CMs may provide relevant history, background, and other pertinent information regarding the issue(s) being addressed in the CM. Each CM will establish a deadline or timeframe for the Contractor's reply or other action. All CMs submitted to the Contractor must be signed and approved by the State's Project Director (or his/her designee). When the CM pertains to damages, either actual or liquidated, the State may issue consecutive CMs, as may be necessary or appropriate.

- a. CM may include one (1) or more of the following five (5) components of the CM process described below:

(1) On Request Report (ORR) - a request directing the Contractor to provide information by the time and date set out in the CM. Failure to complete or comply with an ORR may result in the assessment of liquidated damages in the amount of one hundred dollars (\$100) per business day starting on the business day after the ORR due date.

(2) Control Directive (CD) - instructions that require the Contractor to complete, within a designated timeframe, one (1) or more deliverables or to perform any other request from the State that is within the scope of the Contract. A CD may also provide clarification of certain Contract terms. Once a CM/CD has been issued, it shall be considered to be incorporated into this Contract. Failure to complete or comply with a Control Directive deliverable by the due date may result in the assessment of liquidated damages in the amount of five hundred dollars (\$500) per business day starting on the next business day after the deliverable due date.

(3) Notice of Potential Damages (Actual or Liquidated) (NPD) – notification to the Contractor that the State has determined that a potential Contract performance or compliance issue exists and that the State is contemplating assessing damages, actual and/or liquidated. The NPD shall identify the Contract provision(s) on which the State determination rests.

(4) Notice of Calculation of Potential Damages (Actual or Liquidated) (NPCD) – notification to the Contractor that provides the proposed method of calculation of the potential damages, actual and/or liquidated, that the State is contemplating assessing against the Contractor. NPDs and NPCDs may be issued consecutively or simultaneously.



(5) Notice of Intent to Assess Damages (Actual or Liquidated) (NIAD) – notification to the Contractor that the State will, at its option, assess specified actual or liquidated damages or both. The NIAD shall identify the NPD and NCPD upon which it is based, and the total amount and type of damages the State intends to assess. Following the issuance of an NIAD, the State may elect, without further notice, to withhold damages from payments due to Contractor. The State may not issue a NIAD without first issuing a NPD and a NPCD.

- b. Damages for failure to comply with CM. Contractor shall fully comply with all CMs. Failure to do so may result in sanctions, including liquidated damages as listed in Attachment B (Liquidated Damages) and/or termination of the Contract.
- c. Appeal of Damages by Contractor. Contractor may appeal either the basis for a NPD or calculation of NCPD potential damages, either actual or liquidated. To do so, the Contractor shall submit to the State's Project Director (or his/her designee) a written response to the NPD and/or NCPD within ten (10) business days of receipt of a CM which includes a NPD or a NCPD. The State's Project Director (or his/her designee) shall review the appeal and provide notice of his/her initial appeal determination to the Contractor through a CM. Upon appeal or escalation, the State shall not increase the amount of the potential damages. If the Contractor disagrees with the State's Project Director's (or his/her designee) initial appeal determination or the State's Project Director (or his/her designee) is unable to resolve the appeal, the Contractor may submit a written request to the State's Project Director (or his/her designee) that the matter be escalated to the State's senior management for a final determination regarding the basis for, and calculation of, the potential damages. Contractor shall submit such a request for escalation within ten (10) business days of its receipt of the initial appeal determination from the State's Project Director (or his/her designee) or of notification by the State's Project Director that he/she is unable to resolve the appeal. The State's senior management shall provide notice of its final determination to the Contractor through a CM. The decision of the State's senior management shall be binding upon Contractor.
- d. Collection of Damages from Contractor. If the NPD or NCPD are not modified on appeal or escalation, the State, in its sole discretion, may withhold actual or liquidated damages from one (1) or more payments due to Contractor.

A.25. Staffing Plan – The Contractor shall assign experienced and qualified full time and hourly staff to provide all services and deliverables as required, described, and detailed herein. The Contractor shall develop a monthly staffing plan that includes project roles, staff assignments, classifications according to the contract rate schedule, with supporting justification, and expected utilization, including designation of full time or hourly billing status. The Contractor shall submit the staffing plan to HCFA for review and approval. The Contractor shall submit any proposed, requested or required changes to the staffing plan in advance of the subject service or billing period, or as soon as reasonably possible but in no event later than seven (7) calendar days following a change in staffing. The State may approve or deny the staffing plan, in whole or part, or request changes, including assignment, classification, or replacement of staff. The Contractor shall not bill for staffing or services not approved by the State.

A.26. Staffing – The Contractor shall have the following full time and/or part time key staffing positions, throughout the term of the Contract. The State shall have the authority to approve or disapprove all key staffing decisions regarding the performance of this Contract and to request replacement if for performance is not satisfactory throughout the term of the contract. These key positions are listed below:

- a. Project Management Team – consists of three (3) full time positions in addition to the Business Lead that are subject matter experts, testers and developers, with specific skills to ensure the existing processes are managed and required designs implemented



appropriately and timely. The positions are not required to be located at the HCFA offices full time, however, may be required to be onsite as ongoing processes dictate.

- b. Business Lead – a dedicated full-time Business Lead responsible for direct oversight of all functionality regarding the requirements of this contract, including reporting, logging, research and provision of continuous feedback and tracking on any issues identified, and ultimate resolution. The Business Lead shall work closely with HCFA to ensure that any issues are resolved expeditiously. The Business Lead shall be onsite at HCFA offices located at 310 Great Circle Road, Nashville, TN 37243 for the majority of the three month transition period of February 1, 2015 – April 30, 2015, as well as for each monthly onsite visit.
- c. Operations and Maintenance Staff – necessary staff, full time and part time as required, to effectively provide operational and maintenance functions to existing applications and enhancements for all scope of work described herein. Payment will be included as part of Operational and Maintenance payment structure in Contract section C.3.
- d. Design, Development, and Testing Staff – staff to work on as system and program activities dictate, to provide design, development and test application enhancements and testing for system activities; The positions are not required to be located at the HCFA offices full time, however, may be required to be onsite as ongoing processes dictate.

A.27. The Contractor shall participate in project meetings and shall review project deliverables and artifacts to confirm that deliverables meet specifications, that requirements are addressed, and to assess project progress and status. The Contractor shall identify, document and communicate project risks and issues that may impact project schedule, scope or successful completion and shall compile and submit regular status reports to the State. The Contractor shall at a minimum provide monthly on site visits to discuss system related issues, maintenance and/or modifications, and facilitate at a minimum, weekly status calls for all functional areas covered by this contract. The monthly on site visit shall include sufficient staff and duration to address any technical, business and program related activities.

A.28. The State may contract with one or more Project Manager to manage several projects, including the services required in this Contract. If so, some or all of the project management requirements in this Contract may, at the sole discretion of the State, be transferred to one or more of these Project Managers, with a corresponding reduction in potential payments to the Contractor. Contractor shall fully cooperate with the State and the Project Manager(s) in the transition of these project management functions.

A.29. The Contractor shall, as directed by the State, coordinate with, facilitate the prompt exchange of information between, and work collaboratively with any and all other State contractors and State Agencies performing work related to this Contract. Other than as permitted in Section C. of this Contract, Payment Terms and Conditions, the Contractor shall not invoice the State for any such coordination services, and the State shall not be liable to the Contractor for payment of any such coordination services.

B. CONTRACT PERIOD:

B.1. This Contract shall be effective on May 1, 2015 ("Effective Date"), and extend for a period of Thirty-Six (36) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

B.2. Renewal Options: This Contract may be renewed upon satisfactory completion of the Term. The State reserves the right to execute up to two (2) renewal options under the same terms and conditions for a period not to exceed twelve (12) months each by the State, at the State's sole



option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of sixty (60) months.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability: In no event shall the maximum liability of the State under this Contract exceed Ten Million Two Hundred Ten Thousand Seven Hundred Eighty-Eight Dollars (\$10,210,788.00). The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

C.2. Compensation Firm. The payment rates and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.

C.3. Payment Methodology. The Contractor shall be compensated based on the payment rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in section C.1.

- a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in section A.
- b. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates effective May 1, 2015:

Service Description	Amount (per compensable increment)
Business Lead – Full Time	\$ 30,700.00 / Month
Project Management Team Full-Time Position #1	\$ 28,735.00 / Month
Project Management Team Full-Time Position #2	\$ 27,890.00 / Month
Project Management Team	



Full-Time Position #3	\$ 24,914.00 / Month
Design, Development, and Testing (Blended Hourly Rate Inclusive of all staff)	\$ 137.00 / Hour
System Operations and Maintenance – Inclusive of All Staff (Monthly Rate)	\$ 105,634.00 / Month

c. Rates Effective May 1, 2018 should the State Exercise Renewal Option:

Service Description	Amount (per compensable increment)
Business Lead – Full Time	\$ 30,700.00 / Month
Project Management Team Full-Time Position #1	\$ 28,735.00 / Month
Project Management Team Full-Time Position #2	\$ 27,890.00 / Month
Project Management Team Full-Time Position #3	\$ 24,914.00 / Month
Design, Development, and Testing (Blended Hourly Rate Inclusive of all staff)	\$ 137.00 / Hour
System Operations and Maintenance – Inclusive of All Staff (Monthly Rate)	\$ 105,634.00 / Month

C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.

C.5. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service and for the amount stipulated in section C.3, above, and present said invoices no more often than monthly, with all necessary supporting documentation, to:

310 Great Circle Road
Nashville, TN 37243

a. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).

(1) Invoice Number (assigned by the Contractor)



- (2) Invoice Date
- (3) Contract Number (assigned by the State)
- (4) Customer Account Name: Department of Finance and Administration, Division of Health Care Finance and Administration
- (5) Customer Account Number (assigned by the Contractor to the above-referenced Customer)
- (6) Contractor Name
- (7) Contractor Tennessee Edison Registration ID Number Referenced in Preamble of this Contract
- (8) Contractor Contact for Invoice Questions (name, phone, and/or fax)
- (9) Contractor Remittance Address
- (10) Description of Delivered Service
- (11) Complete Itemization of Charges, which shall detail the following:

- i. Service or Milestone Description (including name & title as applicable) of each service invoiced
- ii. Number of Completed Units, Increments, Hours, or Days as applicable, of each service invoiced
- iii. Applicable Payment Rate (as stipulated in Section C.3.) of each service invoiced
- iv. Amount Due by Service
- v. Total Amount Due for the invoice period

b. The Contractor understands and agrees that an invoice under this Contract shall:

- (1) include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
- (2) only be submitted for completed service and shall not include any charge for future work;
- (3) not include sales tax or shipping charges; and
- (4) initiate the timeframe for payment (and any discounts) only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.

C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount invoiced.

C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.

C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts, which are or shall become due and payable to the State of Tennessee by the Contractor.

C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following documentation properly completed.

- a. The Contractor shall complete, sign, and present to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once said form is received by the



State, all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH).

- b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number detailed by said form must agree with the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Contract.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration; the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a breach of contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee.



- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Prohibition of Illegal Immigrants. The requirements of *Tennessee Code Annotated*, Section 12-3-309, *et seq.*, addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.
- a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment A, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to state officials upon request.
 - b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the Contractor and made available to state officials upon request.
 - c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
 - d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of *Tennessee Code Annotated*, Section 12-3-309, *et seq.* for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.
 - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.
- D.9. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon



reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.

- D.10. Prevailing Wage Rates. All contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in *Tennessee Code Annotated*, Section 12-4-401, et seq.
- D.11. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.12. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.13. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.14. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.
- D.15. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.16. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.
- D.17. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.18. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.19. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings,



representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

D.20. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.

D.21. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

D.22. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Health Information Technology for Economic and Clinical Health (HITECH) Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules").

- a. Contractor warrants to the State that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements in the course of this Contract.
- b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of the Contract so that both parties will be in compliance with the Privacy Rules.
- c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and Contractor in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver such information without entering into a business associate agreement or signing another such document.
- d. The Contractor will indemnify the State and hold it harmless for any violation by the Contractor or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation.

E. SPECIAL TERMS AND CONDITIONS:

E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.

E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Deputy Commissioner



Department of Finance and Administration
Division of Health Care Finance and Administration
Bureau of HCFA
310 Great Circle Road
Nashville TN 37243
(615) 507-6443 (Phone)
(615) 253-5607 (FAX)

The Contractor:

Pat Aguilar
Program Modernization Consulting Vice President
MAXIMUS Human Services, Inc.
1515 Wynkoop Street
Suite 400
Denver, CO 80202
PatrickDAguilar@maximus.com
Telephone # 505-301-3797
FAX # 703-251-8240

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.4. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in *Tennessee Code Annotated*, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System (TCRS), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established pursuant to *Tennessee Code Annotated*, Title 8, Chapter 35, Part 3 accepts state employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.
- E.5. Tennessee Department of Revenue Registration. The Contractor shall be registered with the Department of Revenue for the collection of Tennessee sales and use tax. This registration requirement is a material requirement of this Contract.
- E.6. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
 - a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;



- b. have not within a three (3) year period preceding this Contract been convicted of; or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
- c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

E.7. Breach. A party shall be deemed to have breached the Contract if any of the following occurs:

- failure to perform in accordance with any term or provision of the Contract;
- partial performance of any term or provision of the Contract;
- any act prohibited or restricted by the Contract, or
- violation of any warranty.

For purposes of this Contract, these items shall hereinafter be referred to as a "Breach."

- a. Contractor Breach— The State shall notify Contractor in writing of a Breach.
 - (1) In event of a Breach by Contractor, the State shall have available the remedy of Actual Damages and any other remedy available at law or equity.
 - (2) Liquidated Damages— In the event of a Breach, the State may assess Liquidated Damages. The State shall notify the Contractor of amounts to be assessed as Liquidated Damages. The parties agree that due to the complicated nature of the Contractor's obligations under this Contract it would be difficult to specifically designate a monetary amount for a Breach by Contractor as said amounts are likely to be uncertain and not easily proven. Contractor hereby represents and covenants it has carefully reviewed the Liquidated Damages contained in above referenced, Attachment B and agree that said amounts represent a reasonable relationship between the amount and what might reasonably be expected in the event of Breach, and are a reasonable estimate of the damages that would occur from a Breach. It is hereby agreed between the parties that the Liquidated Damages represent solely the damages and injuries sustained by the State in losing the benefit of the bargain with Contractor and do not include any injury or damage sustained by a third party. The Contractor agrees that the liquidated damage amount is in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or other section of this Contract.
 - The State may continue to withhold the Liquidated Damages or a portion thereof until the Contractor cures the Breach, the State exercises its option to declare a Partial Default, or the State terminates the Contract. The State is not obligated to assess Liquidated Damages before availing itself of any other remedy. The State may choose to discontinue Liquidated Damages and avail itself of any



other remedy available under this Contract or at law or equity; provided, however, Contractor shall receive a credit for said Liquidated Damages previously withheld except in the event of a Partial Default.

- (3) Partial Default— In the event of a Breach, the State may declare a Partial Default. In which case, the State shall provide the Contractor written notice of: (1) the date which Contractor shall terminate providing the service associated with the Breach; and (2) the date the State will begin to provide the service associated with the Breach. Notwithstanding the foregoing, the State may revise the time periods contained in the notice written to the Contractor.

In the event the State declares a Partial Default, the State may withhold, together with any other damages associated with the Breach, from the amounts due the Contractor the greater of: (1) amounts which would be paid the Contractor to provide the defaulted service; or (2) the cost to the State of providing the defaulted service, whether said service is provided by the State or a third party. To determine the amount the Contractor is being paid for any particular service, the Department shall be entitled to receive within five (5) days any requested material from Contractor. The State shall make the final and binding determination of said amount.

The State may assess Liquidated Damages against the Contractor for any failure to perform which ultimately results in a Partial Default with said Liquidated Damages to cease when said Partial Default is effective. Upon Partial Default, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount. Contractor agrees to cooperate fully with the State in the event a Partial Default is taken.

- (4) Contract Termination— In the event of a Breach, the State may terminate the Contract immediately or in stages. The Contractor shall be notified of the termination in writing by the State. Said notice shall hereinafter be referred to as Termination Notice. The Termination Notice may specify either that the termination is to be effective immediately, on a date certain in the future, or that the Contractor shall cease operations under this Contract in stages. In the event of a termination, the State may withhold any amounts which may be due Contractor without waiver of any other remedy or damages available to the State at law or at equity. The Contractor shall be liable to the State for any and all damages incurred by the State and any and all expenses incurred by the State which exceed the amount the State would have paid Contractor under this Contract. Contractor agrees to cooperate with the State in the event of a Contract Termination or Partial Takeover.

- b. State Breach— In the event of a Breach of Contract by the State, the Contractor shall notify the State in writing within 30 days of any Breach of Contract by the State. Said notice shall contain a description of the Breach. Failure by the Contractor to provide said written notice shall operate as an absolute waiver by the Contractor of the State's Breach. In no event shall any Breach on the part of the State excuse the Contractor from full performance under this Contract. In the event of Breach by the State, the Contractor may avail itself of any remedy at law in the forum with appropriate jurisdiction; provided, however, failure by the Contractor to give the State written notice and opportunity to cure as described herein operates as a waiver of the State's Breach. Failure by the Contractor to file a claim before the appropriate forum in Tennessee with jurisdiction to hear such claim within one (1) year of the written notice of Breach shall operate as a waiver of said claim in its entirety. It is agreed by the parties this provision establishes a contractual period of limitations for any claim brought by the Contractor.



E.28. Ownership. The Contractor may furnish the State with reports, analyses or other such materials (the "Materials"). The State shall own all right, title, and interest, including, without limitation, all intellectual property rights, in and to the Materials, except that the Contractor shall retain all right, title and interest, including, without limitation, intellectual property rights, in and to the Contractor Tools (as defined below). To the extent that the Materials include any Contractor Tools, the Contractor hereby grants to the State a non-exclusive, non-transferable, non-sublicenseable, worldwide, royalty-free, perpetual license to use and copy the Contractor Tools solely for internal purposes and solely as part of the Materials. The Contractor Tools consist of any and all concepts, analyses, know-how, tools, frameworks, models, and industry information and perspectives used by Contractor in connection with services hereunder.

E.9. Applicable Laws, Rules, Policies and Court Orders. The Contractor agrees to comply with all applicable federal and State laws, rules, regulations, executive orders, HCFA waivers, and all current, modified or future Court decrees, orders or judgments applicable to the State's HCFA and CHIP programs. Such compliance shall be performed at no additional cost to the State.

E.10. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:

- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an 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 agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b. 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, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, *U.S. Code*.

E.11. Contractor Commitment to Diversity. The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor's proposal responding to RFP-31865-00388 (RFP Attachment 6:2, Section B.15) and resulting in this Contract.

The Contractor shall assist the State in monitoring the Contractor's performance of this commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and persons with a disability. Such reports shall be provided to the state of Tennessee Governor's Office of Diversity Business Enterprise in form and substance as required by said office.



E.12. Federal Funding Accountability and Transparency Act (FFATA). This Contract requires the Contractor to provide supplies and/or services that are funded in whole or in part by federal funds that are subject to FFATA. The Contractor is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Contractor provides information to the State as required.

The Contractor shall comply with the following:

a. Reporting of Total Compensation of the Contractor's Executives.

(1) The Contractor shall report the names and total compensation of each of its five most highly compensated executives for the Contractor's preceding completed fiscal year, if in the Contractor's preceding fiscal year it received:

- i. 80 percent or more of the Contractor's annual gross revenues from Federal procurement contracts and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
- ii. \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and
- iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/excomp.htm>.)

Executive means officers, managing partners, or any other employees in management positions.

(2) Total compensation means the cash and noncash dollar value earned by the executive during the Contractor's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

- i. Salary and bonus.
- ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
- iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
- iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
- v. Above-market earnings on deferred compensation which is not tax-qualified.
- vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

b. The Contractor must report executive total compensation described above to the State by



the end of the month during which this Contract is awarded.

- c. If this Contract is amended to extend its term, the Contractor must submit an executive total compensation report to the State by the end of the month in which the amendment to this Contract becomes effective.
- d. The Contractor will obtain a Data Universal Numbering System (DUNS) number and maintain its DUNS number for the term of this Contract. More information about obtaining a DUNS Number can be found at: <http://fedgov.dnb.com/webform/>

The Contractor's failure to comply with the above requirements is a material breach of this Contract for which the State may terminate this Contract for cause. The State will not be obligated to pay any outstanding invoice received from the Contractor unless and until the Contractor is in full compliance with the above requirements.

- E.13. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Contractor to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.14. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below.

- a. this Contract document with any attachments or exhibits (excluding the items listed at subsections b. through e., below);
- b. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
- c. the State solicitation, as may be amended, requesting proposals in competition for this Contract;
- d. any technical specifications provided to proposers during the procurement process to award this Contract;
- e. the Contractor's proposal seeking this Contract.



E.15. Business Associate. Contractor hereby acknowledges its designation as a business associate under HIPAA and agrees to comply with all applicable HIPAA regulations. In accordance with the HIPAA regulations, the Contractor shall, at a minimum:

- a. Comply with requirements of the HIPAA, including, but not limited to, the transactions and code sets, privacy, security, and identifier regulations. Compliance includes meeting all required transaction formats and code sets with the specified data sharing agreements required under the regulations;
- b. Transmit/receive from/to its providers, subcontractors, clearinghouses and HCFA all transactions and code sets required by HIPAA in the appropriate standard formats, utilizing appropriate and adequate safeguards, as specified under the law and as directed by HCFA so long as HCFA direction does not conflict with the law;
- c. Agree that if it is not in compliance with all applicable standards defined within the transactions and code sets, privacy, security and all subsequent HIPAA standards, that it will be in breach of this Contract and will then take all reasonable steps to cure the breach or end the violation as applicable. Since inability to meet the transactions and code sets requirements, as well as the privacy and security requirements can bring basic business practices between HCFA and the Contractor and between the Contractor and its providers and/or subcontractors to a halt, if for any reason the Contractor cannot meet the requirements of this Section, HCFA may terminate this Contract.
- d. Ensure that Protected Health Information (PHI) exchanged between the Contractor and HCFA is used only for the purposes of treatment, payment, or health care operations and health oversight and its related functions. All PHI not transmitted for these purposes or for purposes allowed under the federal HIPAA regulations shall be de-identified to secure and protect the individual enrollee's PHI;
- e. Report to HCFA's Privacy Office immediately upon becoming aware of any use or disclosure of PHI in violation of this Contract by the Contractor, its officers, directors, employees, subcontractors or agents or by a third party to which the Contractor disclosed PHI;
- f. Specify in its agreements with any agent or subcontractor that will have access to PHI that such agent or subcontractor agrees to be bound by the same restrictions, terms and conditions that apply to the Contractor pursuant to this Section;
- g. Make its internal policies and procedures, records and other documentation related to the use and disclosure of PHI available upon request to the U.S. Secretary of Health and Human Services for the purposes of determining compliance with the HIPAA regulations;
- h. Create and adopt policies and procedures to periodically audit adherence to all HIPAA regulations;
- i. Agree to ensure that any agent, including a subcontractor, to whom it provides PHI that was created, received, maintained, or transmitted by or on behalf of HCFA agrees to use reasonable and appropriate safeguards to protect the PHI.
- j. If feasible, return or destroy all PHI, in whatever form or medium (including any electronic medium) and all copies of any data or compilations derived from and allowing identification of any individual who is a subject of that PHI upon termination, cancellation, expiration or other conclusion of the Agreement, and in accordance with this Section of this Contract. The Contractor shall complete such return or destruction as promptly as possible, but not later than thirty (30) days after the effective date of the termination, cancellation, expiration or



other conclusion of the Agreement. The Contractor shall identify any PHI that cannot feasibly be returned or destroyed. Within such thirty (30) days after the effective date of the termination, cancellation, expiration or other conclusion of the Agreement, the Contractor shall: (1) certify an oath in writing that such return or destruction has been completed; (2) identify any PHI which cannot feasibly be returned or destroyed; and (3) certify that it will only use or disclose such PHI for those purposes that make its return or destruction infeasible;

- k. Implement all appropriate administrative, physical and technical safeguards to prevent the use or disclosure of PHI other than pursuant to the terms and conditions of this Contract and, including, but not limited to, privacy, security and confidentiality requirements in 45 CFR Parts 160 and 164;
 - l. Set up appropriate mechanisms to limit use or disclosure of PHI to the minimum necessary to accomplish the intended purpose of the use or disclosure;
 - m. Create and implement policies and procedures to address present and future HIPAA regulatory requirements as needed, including, but not limited to: use and disclosure of data; de-identification of data; minimum necessary access; accounting of disclosures; enrollee's right to amend, access, request restrictions; notice of privacy practices and right to file a complaint;
 - n. Provide an appropriate level of training to its staff and employees regarding HIPAA related policies, procedures, enrollee rights and penalties prior to the HIPAA implementation deadlines and at appropriate intervals thereafter;
 - o. Track training of Contractor staff and employees and maintain signed acknowledgements by staff and employees of the Contractor's HIPAA policies;
 - p. Be allowed to use and receive information from HCFA where necessary for the management and administration of this Contract and to carry out business operations where permitted under the regulations;
 - q. Be permitted to use and disclose PHI for the Contractor's own legal responsibilities;
 - r. Adopt the appropriate procedures and access safeguards to restrict and regulate access to and use by Contractor employees and other persons performing work for the Contractor to have only minimum necessary access to PHI and personally identifiable data within their organization;
 - s. Continue to protect and secure PHI and personally identifiable information relating to enrollees who are deceased; and
 - t. Track all security incidents as defined by HIPAA and, as required by the HIPAA Reports. The Contractor shall periodically report in summary fashion to HCFA such security incidents.
- E.16. Information Holders. HCFA and the Contractor are "information holders" as defined in TCA 47-18-2107. In the event of a breach of the security of Contractor's information system, as defined by TCA 47-18-2107, the Contractor shall indemnify and hold HCFA harmless for expenses and/or damages related to the breach. Such obligations shall include, but not be limited to, mailing notifications to affected enrollees. Substitute notice to written notice, as defined by TCA 47-18-2107(e)(2) and (3); shall only be permitted with HCFA's express written approval. The Contractor shall notify HCFA's Privacy Office immediately upon becoming aware of any security incident that would constitute a "breach of the security of the system" as defined in TCA 47-18-2107.
- E.17. Notification of Breach and Notification of Suspected Breach. - The Contractor shall notify HCFA's Privacy Office immediately upon becoming aware of any incident, either confirmed or suspected,



that represents or may represent unauthorized access, use or disclosure of encrypted or unencrypted computerized data that materially compromises the security, confidentiality, or integrity of enrollee PHI maintained or held by the Contractor, including any unauthorized acquisition of enrollee PHI by an employee or otherwise authorized user of the Contractor's system. This includes, but is not limited to, loss or suspected loss of remote computing or telework devices such as laptops, PDAs, Blackberrys or other Smartphones, USB drives, thumb drives, flash drives, CDs, and/or disks.

E.18. All information or data that is necessary for one or more deliverable set forth in this Contract shall be transmitted between HCFA and Contractor via the data transfer method specified in advance by HCFA. This may include, but shall not be limited to, transfer through HCFA's SFTP system. Failure by the Contractor to transmit information or data that is necessary for a deliverables in the manner specified by HCFA, may, at the option of HCFA, result in liquidated damages as set forth on Contract Attachment B hereto.

E.19. Social Security Administration (SSA) Required Provisions for Data Security. The Contractor shall comply with limitations on use, treatment, and safeguarding of data under the Privacy Act of 1974 (5U.S.C. 552a), as amended by the Computer Matching and Privacy Protection Act of 1988, related Office of Management and Budget guidelines, the Federal Information Security Management Act of 2002 (44 U.S.C. §3541, *et seq.*), and related National Institute of Standards and Technology guidelines. In addition, the Contractor shall have in place administrative, physical, and technical safeguards for data.

- a. The Contractor shall not duplicate in a separate file or disseminate, without prior written permission from HCFA, the data governed by the Contract for any purpose other than that set forth in this Contract for the administration of the HCFA program. Should the Contractor propose a redisclosure of said data, the Contractor must specify in writing to HCFA the data the Contractor proposes to redisclose, to whom, and the reasons that justify the redisclosure. HCFA will not give permission for such redisclosure unless the redisclosure is required by law or essential to the administration of the HCFA program.
- b. The Contractor agrees to abide by all relevant federal laws, restrictions on access, use, and disclosure, and security requirements in this Contract.
- c. The Contractor shall provide a current list of the employees of such contractor with access to SSA data and provide such lists to HCFA.
- d. The Contractor shall restrict access to the data obtained from HCFA to only those authorized employees who need such data to perform their official duties in connection with purposes identified in this Contract. The Contractor shall not further duplicate, disseminate, or disclose such data without obtaining HCFA's prior written approval.
- e. The Contractor shall ensure that its employees:
 - (1) properly safeguard PHI/PII furnished by HCFA under this Contract from loss, theft or inadvertent disclosure;
 - (2) understand that they are responsible for safeguarding this information at all times, regardless of whether or not the Contractor employee is at his or her regular duty station;
 - (3) ensure that laptops and other electronic devices/ media containing PHI/PII are encrypted and/or password protected;
 - (4) send emails containing PHI/PII only if encrypted or if to and from addresses that are secure; and,



(5) limit disclosure of the information and details relating to a PHI/PII loss only to those with a need to know.

Contractor employees who access, use, or disclose HCFA or HCFA SSA-supplied data in a manner or purpose not authorized by this Contract may be subject to civil and criminal sanctions pursuant to applicable federal statutes.

- f. **Loss or Suspected Loss of Data**—If an employee of the Contractor becomes aware of suspected or actual loss of PHI/PII, he or she must immediately contact HCFA immediately upon becoming aware to report the actual or suspected loss. The Contractor will use the Loss Worksheet located at http://www.tn.gov/HCFA/forms/phi_piiworksheet.pdf to quickly gather and organize information about the incident. The Contractor must provide HCFA with timely updates as any additional information about the loss of PHI/PII becomes available.

If the Contractor experiences a loss or breach of said data, HCFA will determine whether or not notice to individuals whose data has been lost or breached shall be provided and the Contractor shall bear any costs associated with the notice or any mitigation.

- g. HCFA may immediately and unilaterally suspend the data flow under this Contract, or terminate this Contract, if HCFA, in its sole discretion, determines that the Contractor has: (1) made an unauthorized use or disclosure of HCFA SSA-supplied data; or (2) violated or failed to follow the terms and conditions of this Contract.

- i. This Section further carries out Section 1106(a) of the Act (42 U.S.C. 1306), the regulations promulgated pursuant to that section (20 C.F.R. Part 401), the Privacy of 1974 (5 U.S.C. 552a), as amended by the Computer Matching and Privacy Protection Act of 1988, related Office of Management and Budget ("OMB") guidelines, the Federal Information Security Management Act of 2002 ("FISMA") (44 U.S.C. 3541 et seq.), and related National Institute of Standards and Technology ("NIST") guidelines, which provide the requirements that the SSA stipulates that the Contractor must follow with regard to use, treatment, and safeguarding data in the event data is exchanged with a federal information system.

j. **Definitions**

- (1) "SSA-supplied data" – information, such as an individual's social security number, supplied by the Social Security Administration to HCFA to determine entitlement or eligibility for federally-funded programs (CMPPA between SSA and F&A; IEA between SSA and HCFA).
- (2) "Protected Health Information/Personally Identifiable Information" (PHI/PII)(45 C.F.R. 160.103; OMB Circular M-06-19) – Protected health information means individually identifiable health information that is: (i) Transmitted by electronic media; (ii) Maintained in electronic media; or (iii) Transmitted or maintained in any other form or medium.
- (3) "Individually Identifiable Health Information"— information that is a subset of health information, including demographic information collected from an individual, and: (1) Is created or received by a health care provider, health plan, employer, or health care clearinghouse; and (2) relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and (i) identifies the individual; or (ii) with



respect to which there is a reasonable basis to believe the information can be used to identify the individual.

- (4) "Personally Identifiable Information" – any information about an individual maintained by an agency, including, but not limited to, education, financial transactions, medical history, and criminal or employment history and information which can be used to distinguish or trace an individual's identity, such as their name, Social Security Number, date and place of birth, mother's maiden name, biometric records, including any other personal information which can be linked to an individual.

E.20. Medicaid and CHIP - The Contractor must provide safeguards that restrict the use or disclosure of information concerning applicants and beneficiaries to purposes directly connected with the administration of the plan:

- i. Purposes directly related to the administration of Medicaid and CHIP include:
- (a) establishing eligibility;
 - (b) determining the amount of medical assistance;
 - (c) providing services for beneficiaries; and,
 - (d) conducting or assisting an investigation, prosecution, or civil or criminal proceeding related to Medicaid or CHIP administration.

- ii. The Contractor must have adequate safeguards to assure that—
- (a) Information is made available only to the extent necessary to assist in the valid administrative purposes of those receiving the information, and information received under 26 USC is exchanged only with parties authorized to receive that information under that section of the Code; and,
 - (b) the information is adequately stored and processed so that it is protected against unauthorized disclosure for other purposes.

iii. The Contractor must have criteria that govern the types of information about applicants and beneficiaries that are safeguarded. This information must include at least--

- (a) Names and addresses;
- (b) Medical services provided;
- (c) Social and economic conditions or circumstances;
- (d) Contractor evaluation of personal information;
- (e) Medical data, including diagnosis and past history of disease or disability; and
- (f) Any information received for verifying income eligibility and amount of medical assistance payments, including income information received from SSA or the Internal Revenue Service,
- (g) Any information received for verifying income eligibility and amount of medical assistance payments
- (h) Income information received from SSA or the Internal Revenue Service must be safeguarded according to Medicaid and CHIP requirements
- (i) Any information received in connection with the identification of legally liable third party resources.
- (j) Social Security Numbers.

- iv. The Contractor must have criteria approved in writing by HCFA specifying
- (a) the conditions for release and use of information about applicants and beneficiaries;
 - (b) Access to information concerning applicants or beneficiaries must be restricted to persons or Contractor representatives who are subject to standards of confidentiality that are comparable to those of HCFA.
 - (c) The Contractor shall not publish names of applicants or beneficiaries.



- (d) The Contractor shall obtain permission from a family or individual, whenever possible, before responding to a request for information from an outside source, unless the information is to be used to verify income, eligibility and the amount of medical assistance payment to an authorized individual or entity;
- (e) If, because of an emergency situation, time does not permit obtaining consent before release, the Contractor shall notify HCFA, the family or individual immediately after supplying the information.
- (f) The Contractor's policies must apply to all requests for information from outside sources, including governmental bodies, the courts, or law enforcement officials.
- (i.) The Contractor shall notify HCFA of any requests for information on applicants or beneficiaries by other governmental bodies, the courts or law enforcement officials ten (10) days prior to releasing the requested information.
- (g) If a court issues a subpoena for a case record or for any Contractor representative to testify concerning an applicant or beneficiary, the Contractor must notify HCFA at least ten (10) days prior to the required production date so HCFA may inform the court of the applicable statutory provisions, policies, and regulations restricting disclosure of information, effective until Jan. 1, 2014.
- (h) The Contractor shall not request or release information to other parties to verify income, eligibility and the amount of assistance under Medicaid or CHIP, prior to express approval from HCFA.

E.21. Employees Excluded from Medicare, Medicaid or CHIP. The Contractor does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly employ, in the performance of this Contract, employees who have been excluded from participation in the Medicare, Medicaid, and/or CHIP programs pursuant to Sections 1128 of the Social Security

E.22. Offer of Gratuities. By signing this contract, the Contractor signifies that no member of or a delegate of Congress, nor any elected or appointed official or employee of the State of Tennessee, the federal General Accounting Office, federal Department of Health and Human Services, the Center for Medicare and Medicaid Services, or any other state or federal agency, has or will benefit financially or materially from this Contract. This Contract may be terminated by HCFA as provided in Section D.4, if it is determined that gratuities of any kind were offered to or received by any of the aforementioned officials or employees from the Contractor, its agent, or employees.

E.23. The Contractor shall be responsible for compliance with the Patient Protection and Affordable Care Act (PPACA) regarding health insurance for the Contractor and its employees. The Contractor will indemnify the State and hold it harmless for any costs to the State caused by the Contractor's noncompliance with PPACA.

E.24. Transmission of Contract Deliverables. Notwithstanding the provisions of Contract Section E.2, HCFA may elect to have the Contractor transmit contract deliverables via an alternate method than is set forth in Section E.2. Contractor shall be notified of such election in writing, with the notice to identify the specific deliverable and exact method of transmission to be used. Contractor agrees to comply with such transmission notice, including, without limitation, the use of a secure State web portal and any specific software required to access the portal.

E.25. Civil Rights Law. The Contractor shall comply with the accessibility standards under the federal civil rights laws including Section 504 and Section 508 of the Rehabilitation Act of 1973 ("Section 508"), the Americans with Disabilities Act.

- a. To comply with Section 508 accessibility guidelines, the Contractor shall consult either the Section 508 guidelines issued by the U.S. Access Board or W3C's Web Content Accessibility Guidelines (WCAG) 2.0 (For Section 508 guidelines see: <http://www.access-board.gov/guidelines-and-standards/communications-and-it/about-the->



section-508-standards/section-508-standards for the W3C's guidelines see: <http://www.w3.org/standards/>

- b. The Contractor shall perform regularly scheduled (i.e., automatic) scans and manual testing for Section 508(c) compliance for all user interface screens to meet the standards for full compliance. The Contractor shall ensure that any system upgrades or modifications comply with Section 508. COTS products may be used to verify Section 508 compliance.
- c. The Contractor shall comply with Title VI of the Civil Rights Act of 1964. In order to achieve Title VI compliance, the Contractor should add a system function that allows a provider or other users of the site to translate the webpage into a language other than English. This requirement may be satisfied by the provision of a link to Google translate or other machine translate tool.
- d. Should the system or a component of the system fail to comply with the accessibility standards, the Contractor shall develop and submit to HCFA for approval a noncompliance report that identifies the areas of noncompliance, a plan to bring the system or component into compliance, and a timeframe for achieving that compliance. HCFA shall review the noncompliance report to determine whether or not it is acceptable and should be implemented. Once the noncompliance report is approved by HCFA the Contractor may implement the compliance plan. HCFA, in its sole discretion, shall determine when a satisfactory compliance plan resolution has been reached and shall notify the Contractor of the approved resolution.

IN WITNESS WHEREOF,

MAXIMUS HUMAN SERVICES, INC.:

Charles K. Sweeney II

CONTRACTOR SIGNATURE

January 29, 2015

DATE

Charles K. Sweeney II; Vice President - Contracts

PRINTED NAME AND TITLE OF CONTRACTORSIGNATORY (above)

DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION:

Larry B. Martin

LARRY B. MARTIN, COMMISSIONER

1/30/2015

DATE



ATTACHMENT A

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	NV 44806
CONTRACTOR LEGAL ENTITY NAME:	MAXIMUS Human Services, Inc.
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	45-0553376

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

Charles K. Sweeney II

CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the Individual's authority to contractually bind the Contractor.

Charles K. Sweeney II; Vice President - Contracts

PRINTED NAME AND TITLE OF SIGNATORY

January 29, 2015

DATE OF ATTESTATION



ATTACHMENT B LIQUIDATED DAMAGES

Pursuant to Contract Section A.24, HCFA may elect to apply the following liquidated damages remedies in the event the Contractor fails to perform its obligations under this Contract in a proper and/or timely manner. Upon determination by HCFA that the Contractor has failed to meet any of the requirements of this Contract in a proper and/or timely manner, HCFA will notify the Contractor in writing of the deficiency and of the potential liquidated damages to be assessed. Liquidated damages shall be assessed for any part of each week during which the deficiency occurs or remains uncorrected, unless the amount of liquidated damages is otherwise designated as "per occurrence" or "per incident" in the following table. Should the deficiency remain uncorrected for more than thirty (30) days from the date of the original notification of the deficiency by HCFA, HCFA may impose an additional liquidated damage of Five Hundred Dollars (\$500) per calendar day from the date of the original notification to Contractor until said deficiency is resolved.

All liquidated damages remedies set forth in the following table may, at HCFA's election, be retroactive to the date of the initial occurrence of the failure to comply with the terms of the Contract as set forth in the notice of deficiency from HCFA and may continue until such time as the State Project Director, or his or her designee, determines the deficiency has been cured.

If liquidated damages are assessed, HCFA, at its election, may, pursuant to Section C.8, reduce any payment due to the Contractor by the amount of such damages. In the event that the damages due exceed the amount HCFA is to pay to Contractor in a given payment cycle, HCFA may elect to either deduct the remaining amount of damages from any subsequent payment due to the Contractor, or invoice Contractor for the amount exceeding the amount payable to Contractor, and such excess amount shall be paid by Contractor within thirty (30) calendar days of the invoice date. In situations where the Contractor wishes to dispute any liquidated damages assessed by HCFA, the Contractor must submit a written notice of dispute, including the reasons for disputing the liquidated damages, within thirty (30) days of receipt of the notice from HCFA containing the total amount of damages assessed against the Contractor. If the Contractor fails to timely dispute a liquidated damages assessment as set forth herein, such failure shall constitute a bar to the Contractor seeking to have the assessment amount overturned in a forum or court of competent jurisdiction.

A general liquidated damage of up to One Thousand Dollars (\$1,000.00) per calendar day/occurrence, as applicable, may be assessed at the sole discretion of the State for any violation of a Contract provision that is not specifically listed in the following table.

	<u>PROGRAM ISSUES</u>	<u>DAMAGE</u>
1.	Failure to provide monthly staffing plan for review and approval by the Project Director or to provide notice no later than seven (7) calendar days following a change in staffing per Section A.25.	The damage that may be assessed shall be five hundred dollars (\$500) per business day until the requirements are met.
2.	Failure to comply with any requirement set forth in Section A.23.	The damage that may be assessed shall be one thousand dollars (\$1,000) for each separate requirement, per business day, until the requirement has been met.
	Failure by the Contractor to meet the standards for privacy, security, and	\$1,000 per affected member per



3.	confidentiality of individual data as evidenced by a breach of the security per Section E.13.	occurrence.
4.	Failure by the Contractor to execute the appropriate agreements to effectuate transfer and exchange of HCFA enrollee PHI or HCFA confidential information including, but not limited to, a data use agreement, trading partner agreement, business associate agreement or qualified protective order prior to the use or disclosure of PHI to a third party. (See Business Associate Agreement between the parties)	\$1,000 per affected member per occurrence.
5.	Failure by the Contractor to seek express written approval from HCFA prior to the use or disclosure of HCFA enrollee data or HCFA confidential information in any form via any medium, with any third party beyond the boundaries and jurisdiction of the United States. (See Business Associate Agreement between the parties)	\$1,000 per affected member per occurrence.
6.	Failure by the Contractor to timely report violations in the access, use and disclosure of PHI or timely report a security incident or timely make a notification of breach or notification of suspected breach per Sections E.17 & E.19. (See also Business Associate Agreement between the parties)	\$1,000 per affected member per occurrence.