

**State of New Mexico
Procuring Agency of Human Services
Information Technology Agreement Amendment No. 1**

SPD # PSC 10-630-00-18244

THIS CONTRACT AMENDMENT NO. 1 to Information Technology Agreement, PSC 12-630-8000-0015 ("Agreement") is made and entered into by and between the State of New Mexico **Human Services Department**, hereinafter referred to as the "Procuring Agency" or "PROCURING AGENCY" and Xerox State Healthcare, LLC, hereinafter referred to as the "CONTRACTOR" and collectively referred to as the "Parties".

The purpose of this Amendment is to:

1. Update portions of the contract to match the State's latest IT Services template language (including, Article 23).
2. Update the Contractor name from "ACS State Healthcare, LLC" to "Xerox State Healthcare, LLC". This is a critical requirement for Xerox to issue the new performance bond that the State requires for this contract.
3. Makes Deliverable #34 an option the State can exercise rather than mandatory.
4. Resolve conflicting Due Dates that were in the original contract for Deliverable #27.
5. Move the Due Dates for Deliverables #26 and #27 later (per the State's business decision to accept early deliveries of Deliverables #25, #31 and #32).
6. Revise the Due Date for Deliverable #28 to match the new ICD-10 deadline set by the federal Centers for Medicare and Medicaid Services.

These revisions do not make any changes to the total compensation of the original contract.

WHEREAS, on or about April 1, 2012, the CONTRACTOR, ACS State Healthcare, LLC, formally changed its name to Xerox State Healthcare, LLC, and

WHEREAS, the parties hereto desire to amend the Agreement to reflect the name change and to amend and/or add other provisions to the Agreement;

NOW THEREFORE IT IS MUTUALLY AGREED BETWEEN THE PARTIES THAT THE FOLLOWING PROVISIONS OF THE ABOVE-REFERENCED AGREEMENT ARE AMENDED AS FOLLOWS:

1. General Provisions. This Amendment No. 1 shall be deemed and considered as part of the Agreement for all purposes.
2. Amendment to Name. Wherever the name "ACS State Healthcare, LLC" or "ACS" appears in the Agreement or related documents, it shall be deemed replaced by the name "Xerox State Healthcare, LLC".
3. Miscellaneous. Except as expressly set forth herein, this Amendment No. 1 shall not by implication or otherwise alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Agreement, all of which are ratified and affirmed in all respects and shall continue to remain in full force and effect and binding upon the parties.

Article 23, Conflict of Interest, is stated and added to the Agreement as follows:

- A. The Contractor represents and warrants that it presently has no interest and, during the term of this Agreement, shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Agreement.
- B. The Contractor further represents and warrants that it has complied with, and, during the term of this Agreement, will continue to comply with, and that this Agreement complies with all applicable provisions of the Governmental Conduct Act, Chapter 10, Article 16 NMSA 1978. Without in anyway limiting the generality of the foregoing, the Contractor specifically represents and warrants that:
 - 1) in accordance with Section 10-16-4.3 NMSA 1978, the Contractor does not employ, has not employed, and will not employ during the term of this Agreement any Agency employee while such employee was or is employed by the Agency and participating directly or indirectly in the Agency's contracting process;
 - 2) this Agreement complies with Section 10-16-7(A) NMSA 1978 because (i) the Contractor is not a public officer or employee of the State; (ii) the Contractor is not a member of the family of a public officer or employee of the State; (iii) the Contractor is not a business in which a public officer or employee or the family of a public officer or employee has a substantial interest; or (iv) if the Contractor is a public officer or employee of the State, a member of the family of a public officer or employee of the State, or a business in which a public officer or employee of the State or the family of a public officer or employee of the State has a substantial interest, public notice was given as required by Section 10-16-7(A) NMSA 1978 and this Agreement was awarded pursuant to a competitive process;

3) in accordance with Section 10-16-8(A) NMSA 1978, (i) the Contractor is not, and has not been represented by, a person who has been a public officer or employee of the State within the preceding year and whose official act directly resulted in this Agreement and (ii) the Contractor is not, and has not been assisted in any way regarding this transaction by, a former public officer or employee of the State whose official act, while in State employment, directly resulted in the Agency's making this Agreement;

4) this Agreement complies with Section 10-16-9(A) NMSA 1978 because (i) the Contractor is not a legislator; (ii) the Contractor is not a member of a legislator's family; (iii) the Contractor is not a business in which a legislator or a legislator's family has a substantial interest; or (iv) if the Contractor is a legislator, a member of a legislator's family, or a business in which a legislator or a legislator's family has a substantial interest, disclosure has been made as required by Section 10-16-9(A) NMSA 1978, this Agreement is not a sole source or small purchase contract, and this Agreement was awarded in accordance with the provisions of the Procurement Code;

5) in accordance with Section 10-16-13 NMSA 1978, the Contractor has not directly participated in the preparation of specifications, qualifications or evaluation criteria for this Agreement or any procurement related to this Agreement; and

6) in accordance with Section 10-16-3 and Section 10-16-13.3 NMSA 1978, the Contractor has not contributed, and during the term of this Agreement shall not contribute, anything of value to a public officer or employee of the Agency.

C. The Contractor's representations and warranties in Paragraphs A and B of this Article 23 are material representations of fact upon which the Agency relied when this Agreement was entered into by the parties. The Contractor shall provide immediate written notice to the Agency if, at any time during the term of this Agreement, the Contractor learns that the Contractor's representations and warranties in Paragraphs A and B of this Article 23 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances. If it is later determined that the Contractor's representations and warranties in Paragraphs A and B of this Article 23 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances, in addition to other remedies available to the Agency and notwithstanding anything in the Agreement to the contrary, the Agency may immediately terminate the Agreement.

D. All terms defined in the Governmental Conduct Act have the same meaning in this Article 23(B).

Amended Exhibit A, Scope of Work, with amended Deliverables 4, 26, 27, 28, and 34 is attached hereto and incorporated herein by reference.

ALL OTHER ARTICLES OF PSC 12-630-8000-0015 REMAIN THE SAME

IN WITNESS WHEREOF, parties have executed this Agreement as of the date of signature by the State Purchasing Division, below, or a specified date, whichever is later.

By: Sidonie Squier Date: 12/4/12
Sidonie Squier, Cabinet Secretary
Human Services Department

By: Sean Pearson Date: 11/30/12
Sean Pearson, Chief Information Officer
Human Services Department

By: Brett Jakovac Date: 11/27/2012
Brett Jakovac, Vice President of Operations
Xerox State Healthcare, LLC

Approved as to Form and Legal sufficiency:

By: Raymond W. Mensack Date: 12/3/12
Raymond W. Mensack
General Counsel

Approved as to information technology contractual specifications and compliance with all pertinent statutory laws defining the mission and authority of the Department of Information Technology and all Executive Orders relating to Information Technology issued by the Governor of the State of New Mexico

By: Darryl Ackley Date: 12/8/12
Darryl Ackley, Secretary and State CIO
Department of Information Technology

The records of the Taxation and Revenue Department reflect that the Contractor is registered with the Taxation and Revenue Department of the State of New Mexico to pay gross receipts and compensating taxes.

ID Number: 02-408915-000

By: Julia Arco Date: 12/5/12
Taxation and Revenue Department

This Agreement has been approved by the State Purchasing Division:

By: [Signature] Date: 12/13/12
State Purchasing Agent

**Amended Exhibit A
Scope of Work**

D. Deliverable Number 4: Pharmacy Benefits Management System (PBMS) – Ongoing Operation and Maintenance, Subtask 4.5.1.1, is amended as follows:

Task Item	Subtasks	Description
4.5 Operate and Maintain the PBMS	4.5.1 Support Transition to the Enhanced Pharmacy Benefits Management System (PBMS)	<p>The CONTRACTOR shall operate and maintain New Mexico’s current Pharmacy Benefits Management System until the implementation of the replacement Pharmacy Benefits Management System (PBMS), as required by Deliverable 25, whereupon the CONTRACTOR shall operate and maintain the replacement.</p> <p>4.5.1.1 If the Procuring Agency elects to purchase the optional NCPDP 3.0 enhancement, the CONTRACTOR shall operate and maintain the system as enhanced.</p> <p>4.5.1.2 The CONTRACTOR shall supply the necessary hardware, software, telecommunications and other components and information technology staff support to operate the PBMS.</p>

Z. Deliverable Number 26: New Fraud and Abuse Detection System (FADS) – Development and Implementation, is amended as follows:

The Due Date is changed from “1-Feb-2013” to “1-May-2013” and this same date is changed in Subtask 26.2.2.

<u>Deliverable Twenty-Six</u>	<u>Due Date</u>	<u>Compensation</u>
<p align="center">New FADS – Development and Implementation</p> <p align="center">[System Enhancement]</p>	<p align="center">1-May-2013</p>	<p align="center">\$ 2,040,919.52 with 10% retained until complete</p> <p align="center">Amount, plus NM GRT, due per agreed payment schedule.</p>

Task Item	Subtasks	Description
26.2 Implement New FADS	26.2.2 Ensure the New FADS is Operational by Agreed Date	This enhancement must be operational no later than May 1, 2013 unless the CONTRACTOR and Procuring Agency mutually agree upon an alternative implementation date.

AA. Deliverable Number 27: Electronic Document Management System (EDMS) Workflow – Development and Implementation, is amended as follows:

The Due Date is changed from “1-Jul-2012” to “1-Sep-2012”.

<u>Deliverable Twenty-Seven</u>	<u>Due Date</u>	<u>Compensation</u>
EDMS Workflow – Development and Implementation [System Enhancement]	1-Sep-2012	\$ 30,275.04 Amount, plus NM GRT, due per agreed payment schedule.

BB. Deliverable Number 28: ICD-10 Remediation – Development and Implementation, is amended as follows:

The Due Date is changed from “1-Oct-2013” to “1-Oct-2014” and this same date is changed in Subtasks 28.1.1, 28.1.3, 28.1.3.3, and 28.2.2.

<u>Deliverable Twenty-Eight</u>	<u>Due Date</u>	<u>Compensation</u>
ICD-10 Remediation – Development and Implementation [System Enhancement]	1-Oct-2014	\$ 758,953.62 with 10% retained until complete Amount, plus NM GRT, due per agreed payment schedule.

Task Item	Subtasks	Description
28.1 Design, Develop and Test ICD-10 Remediation	<p>28.1.1 Complete the ICD-10 CM/PCS Remediation by the Federal Deadline</p> <p>28.1.2 Use HIPAA 2 Assessment Deliverables to Establish Scope for ICD-10 Remediation</p> <p>28.1.3 Meet Detailed Specifications for the ICD-10 Remediation</p>	<p>Effective October 1, 2014, the International Classification of Diseases 10th Edition Clinical Modification (ICD-10-CM) will become the required code set for reporting diagnoses and the International Classification of Diseases 10th Edition Procedure Coding System (ICD-10-PCS) will become the required code set for reporting inpatient procedures. CONTRACTOR has made table, field length, and logic changes required to support ICD-10 as part of its previous contract to remediate the MMIS for HIPAA 2. The remainder of ICD-10 remediation will be delivered under this contract.</p> <p>The CONTRACTOR shall use the deliverables from the HIPAA 2 assessment project and the MMIS system documentation to gain a detailed understanding of the required remediation scope.</p> <p>Design, develop, and test the changes required to support ICD-10 codes for claims with service or discharge dates no later than October 1, 2014; while continuing to support ICD-9 codes for claims with service or discharge dates prior to that date.</p> <p>These changes include but are not limited to the following:</p> <p>28.1.3.1 Addition of ICD-10-CM diagnosis codes and ICD-10-PCS procedure codes to the appropriate MMIS reference files.</p> <p>28.1.3.2 Development of a crosswalk from ICD-10 codes to ICD-9 codes based on the CMS Reimbursement Mapping (CRM) files.</p> <p>28.1.3.3 Closure of date-sensitive system spans (system lists, utilization review criteria, parameter lists, provider review spans, etc.) carrying ICD-9 codes no later than September 20, 2014 and creating new spans with ICD-10 codes no later than October 1, 2014, using the crosswalk to convert the codes.</p>

<p>28.1 Design, Develop and Test ICD-10 Remediation (continued)</p>	<p>28.1.3 Meet Detailed Specifications for the ICD-10 Remediation (continued)</p> <p>28.2.1 Obtain State Approval and Put the ICD-10 Remediation into Production</p> <p>28.2.2 Ensure ICD-10 Support is Operational by Agreed Date</p>	<p>28.1.3.4 Development of a new claims processing edit to prevent billing of multi-line claims and encounters containing service dates both before and after the ICD-10 implementation date.</p> <p>28.1.3.5 Use of an ICD version code to drive ICD diagnosis and inpatient hospital procedure logic.</p> <p>28.1.3.6 Development of an ongoing reverse cross-walking capability to support the following situations:</p> <p>28.1.3.6.1 Prior authorization (PA) editing when a PA line with an ICD-10 code encompasses an ICD-9 claim line's date of service.</p> <p>28.1.3.6.2 Claims utilization review (UR) medical limit editing when the UR limit's date of service span requires comparison of claims with different ICD version codes.</p> <p>28.1.3.7 Creation of an ICD code mapping table that will be made available to OmniCaid and data warehouse users to obtain the equivalent ICD-9 code for any ICD-10 code.</p> <p>28.1.3.8 Development of a PowerBuilder function to allow OmniCaid users to access the ICD code mapping table during claims correction or inquiry.</p> <p>Upon approval by the Procuring Agency, the CONTRACTOR shall implement the ICD-10 Remediation enhancement into production.</p> <p>This enhancement must be operational no later than October 1, 2014.</p>
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HH. Deliverable Number 34: NCPDP 3.0 Subrogation – Development and Implementation, is amended as follows:

The phrase “[System Enhancement]” is replaced by “[Procuring Agency Option]”.

The Due Date is changed from “1-Apr-2013” to “Procuring Agency OPTION.”

The Compensation is only due if this option is exercised.

<u>Deliverable Thirty-Four</u>	<u>Due Date</u>	<u>Compensation</u>
<p>NCPDP 3.0 Subrogation – Development and Implementation</p> <p>[Procuring Agency Option]</p>	<p>Procuring Agency OPTION</p>	<p>If Procuring Agency exercises this option, \$ 64,590.41 with 10% retained until complete</p> <p>Amount, plus NM GRT, due per agreed payment schedule.</p>

HH. Deliverable Number 34: NCPDP 3.0 Subrogation – Development and Implementation, Subtask 34.1.1, is amended as follows:

Task Item	Subtasks	Description
<p>34.1 Design, Develop and Test NCPDP 3.0 Subrogation Enhancement</p>	<p>34.1.1 Develop Support for NCPDP 3.0 Subrogation</p>	<p>Because of the extremely low volume of pharmacy “pay-and-chase” claims, and the possibility that the CY 2011 Pharmacy Benefits Management System (PBMS) might have been replaced by a new fiscal agent, the Procuring Agency elected not to implement the NCPDP 3.0 Subrogation transaction in conjunction with the CY 2011 NCPCP D.0 remediation effort.</p> <p>At the option of the Procuring Agency, CONTRACTOR shall modify the new Pharmacy Benefits Management System (PBMS) to support NCPDP 3.0 Subrogation transactions.</p>

HH. Deliverable Number 34: NCPDP 3.0 Subrogation – Development and Implementation, Subtask 34.1.2, is amended as follows:

Task Item	Subtasks	Description
34.1 Design, Develop and Test NCPDP 3.0 Subrogation Enhancement	34.1.2 Meet Detailed Specifications for NCPDP 3.0 Subrogation	<p>If the Procuring Agency elects to purchase this option, at a minimum the enhancement must meet the following requirements:</p> <p>34.1.2.1 Provide the ability to identify clients with updated TPL information.</p> <p>34.1.2.2 Provide the ability to identify claims paid by the PBMS that require subrogation based on the updated TPL information.</p> <p>34.1.2.3 Provide the ability to create and send NCPDP 3.0 batch files to the appropriate payer.</p> <p>34.1.2.4 Provide the ability to flag claims identified for subrogation and prevent such claims from being adjusted by providers.</p>
34.1 Design, Develop and Test NCPDP 3.0 Enhancement (continued)	34.1.2 Meet Detailed Specifications for NCPDP 3.0 (continued)	<p>34.1.2.5 Provide the ability to receive and process NCPDP 3.0 response files submitted by payers.</p> <p>34.1.2.6 Provide reports of all NCPDP 3.0 activity, including transactions sent and responses received.</p> <p>34.1.2.7 Provide for an interface between the PBMS and OmniCaid that identifies claims selected for subrogation and creates TPL billing records in OmniCaid.</p> <p>34.1.2.8 Provide the ability to manually post payments to TPL billing records based on NCPDP 3.0 response reports and payments received from other payers.</p> <p>34.1.2.9 If the Procuring Agency elects to purchase this option, the CONTRACTOR shall conduct testing of NCPDP 3.0 transactions with other payers.</p>

HH. Deliverable Number 34: NCPDP 3.0 Subrogation – Development and Implementation, Subtasks 34.2.1, 34.2.2, and 34.2.3 are amended as follows:

Task Item	Subtasks	Description
<p>34.2 Implement NCPDP 3.0 Enhancement</p>	<p>34.2.1 Obtain State Approval and Put NCPDP 3.0 Enhancement into Production</p>	<p>If the Procuring Agency elects to purchase this option, the CONTRACTOR shall implement the NCPDP 3.0 enhancement into production.</p>
	<p>34.2.2 Ensure NCPDP 3.0 Enhancement is Operational by Agreed Date</p>	<p>If the Procuring Agency elects to purchase this option, this enhancement must be operational on a date mutually agreed upon by the CONTRACTOR and Procuring Agency.</p>
	<p>34.3.1 Develop Support for NCPDP 3.0 Enhancement Without Diverting Contractor Staff Already Dedicated to the MMIS</p>	<p>If the Procuring Agency elects to purchase this option, the CONTRACTOR must develop the enhancement with resources other than those dedicated to the MMIS. That is, staff dedicated to the New Mexico MMIS in the CONTRACTOR’s MMIS System Maintenance Unit, Business Support Unit, or Technical Support Unit cannot be used to develop the enhancements except to the extent necessary to coordinate the implementation with MMIS maintenance activities or unless their staff are temporarily expanded to accommodate this additional work. The Account Manager and the Systems Manager must have administrative responsibility over the enhancements to ensure their proper coordination and compatibility with the existing MMIS.</p>

HH. Deliverable Number 34: NCPDP 3.0 Subrogation – Development and Implementation, Subtask 34.3.2, is amended as follows:

Task Item	Subtasks	Description
34.3 Manage NCPDP 3.0 Enhancement Project	34.3.2 Meet Detailed Specifications for Implementation of NCPDP 3.0 Subrogation	<p>If the Procuring Agency elects to purchase this option, the enhancement shall be implemented under the direction of the Procuring Agency using the contract management structure described in Article 37. The CONTRACTOR shall:</p> <p>34.3.2.1 Provide management and oversight of the enhancement project, including written reports provided biweekly or as otherwise required by the Procuring Agency, on the accomplishments, status, and unresolved issues of the enhancement project, noting any deviations from the work plan or approved schedule.</p> <p>34.3.2.2 Identify, request, and schedule all coordination meetings as necessary to ensure that the CONTRACTOR has access to all information and requirements relevant to the enhancement project.</p> <p>34.3.2.3 Provide the necessary office space from which the enhancement project and staff will be managed.</p> <p>34.3.2.4 Provide all hardware and software necessary to manage, track, and report on the project status; to identify and track outstanding issues or problems; to test system functionality and carry out regression testing; and to ensure that all data transfers are completely and accurately executed.</p> <p>34.3.2.5 Provide all management and staff resources with sufficient experience, knowledge, and management skills necessary to meet the requirements of the enhancement project.</p> <p>34.3.2.6 Hire, develop, and train all management and staff to be fully functional in positions that are associated with the enhancement project or enhanced system operations.</p> <p>34.3.2.7 Provide the Procuring Agency with a final report that documents the completion and results of each step in the enhancement project work plan.</p>

<p>34.3 Manage NCPDP 3.0 Enhancement Project (continued)</p>	<p>34.3.2 Meet Detailed Specifications for Implementation of NCPDP 3.0 Subrogation (continued)</p>	<p>34.3.2.8 Meet with the Procuring Agency’s Project Manager and other staff as required by the Procuring Agency.</p> <p>34.3.2.9 The Procuring Agency shall approve any subcontracting of work on the enhancement project by the CONTRACTOR other than individual employees working on a contract basis for the CONTRACTOR.</p> <p>34.3.2.10 Perform testing to verify that the MMIS will continue to operate with no loss of functionality.</p>
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HH. Deliverable Number 34: NCPDP 3.0 Subrogation – Development and Implementation, Subtask 34.3.3, is amended as follows:

Task Item	Subtasks	Description
<p>34.3 Manage NCPDP 3.0 Enhancement Project (continued)</p>	<p>34.3.3 Obtain State Approval for the NCPDP 3.0 Subrogation Development Milestones</p>	<p>If the Procuring Agency elects to purchase this option, during the design, development and implementation of this enhancement, the CONTRACTOR will deliver each of the following items and (except for the biweekly status report) obtain written Procuring Agency approval for each item. CONTRACTOR will revise each of these items as necessary to obtain Procuring Agency approval:</p> <p>34.3.3.1 Work Plan</p> <p>34.3.3.2 Biweekly Status Reports</p> <p>34.3.3.3 Requirements Analysis Document</p> <p>34.3.3.4 Detailed Design Document</p> <p>34.3.3.5 Acceptance Test Results</p> <p>34.3.3.6 System Documentation Updates</p>

HH. Deliverable Number 34: NCPDP 3.0 Subrogation – Development and Implementation, Subtask 34.4.1, is amended as follows:

Task Item	Subtasks	Description
34.4 Manage Agreed Payment Schedule	34.4.1 Invoice the State According to the Subtask Payment Schedule	<p>If the Procuring Agency elects to purchase this option, CONTRACTOR shall invoice the Procuring Agency for the following percentages of Deliverable 34 compensation, less retainage as provided for by Article 3.D., upon approval of the following Subtasks:</p> <p>34.4.1.1 Fifteen percent (15%) upon completion of the Requirements Analysis Document (34.3.3.3)</p> <p>34.4.1.2 Thirty percent (30%) upon completion of the Detailed Design Document (34.3.3.4)</p> <p>34.4.1.3 Thirty-five percent (35%) upon completion of Acceptance Test Results (34.3.3.5)</p> <p>34.4.1.4 Twenty percent (20%) upon implementation of this enhancement into production.</p>

ALL OTHER DELIVERABLES, TASKS, AND SUB-TASKS OF PSC 12-630-8000-0015's EXHIBIT A, SCOPE OF WORK, REMAINS THE SAME