

**STATE OF NEW MEXICO  
HUMAN SERVICES DEPARTMENT**

**INFORMATION TECHNOLOGY AGREEMENT  
AMENDMENT NO. 6**

SPD # PSC 10-630-00-18244 A6

THIS CONTRACT AMENDMENT NO. 6 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. **Amend Article 3 - Compensation, Section B (Payment)** to increase overall compensation (the “Base Amount”) for Deliverable 58 enhancements, and to increase the maximum State Fiscal Year amount for services excepted from the Base Amount in “Pass Through” billing.
2. **Amend Exhibit A, Scope of Work, Deliverable 41** – Revise the language in Deliverable 41 (“Turnover at End of Contract”), amending that deliverable to provide for a more effective transition at the end of the contract and extend the end-of-contract date to the end of the Term, including renewals/extensions.
3. **Add to Exhibit A, Scope of Work, Deliverable 58** – Develop MMIS system enhancements to fulfill federal requirements for processing IRS Form 1095b for Medicaid recipients. This is a one-time enhancement deliverable (and associated cost) with no additional work or on-going costs. See Exhibit A, Amended Scope of Work, attached hereto and incorporated in this Agreement for reference.

**WHEREAS**, the parties hereto desire 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. 6 shall be deemed and considered as part of the Agreement for all purposes.

2. **Miscellaneous.** Except as expressly set forth herein, this Amendment No. 6 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 3, Compensation, Paragraph B, is hereby amended and reads as follows:

**ARTICLE 3 - COMPENSATION**

**B. Payment.** The total amount payable by the Procuring Agency to the CONTRACTOR during the term of this Agreement (SFY12 – SFY18) shall not exceed \$117,551,911.24, (the “Base Amount”) excluding optional Deliverable 50, which amount is inclusive of New Mexico gross receipts tax.

The actual available budget for each State fiscal year shall be identified by the Procuring Agency at the time of renewal. Below is the pricing per State fiscal year for all years, including renewals, excluding the optional Deliverable 50:

State Fiscal Year 2012 (ending June, 2012):	\$ 268,360.88
State Fiscal Year 2013 (ending June, 2013):	\$ 23,344,088.35
State Fiscal Year 2014 (ending June, 2014):	\$ 30,084,757.42
State Fiscal Year 2015 (ending June, 2015):	\$ 25,063,321.00
State Fiscal Year 2016 (ending June, 2016):	\$ 25,976,443.74
State Fiscal Year 2017 (ending December, 2016) (Base):	\$ 12,814,939.85
State Fiscal Year 2017 (Jan. 2017 – June 2017) (Option):	\$ 12,962,991.55
State Fiscal Year 2018 (1 <sup>st</sup> half: July 2017 – Dec. 2017) (Option):	\$ 13,102,276.03
State Fiscal Year 2018 (2 <sup>nd</sup> half: Jan. 2018 – June 2018) (Option):	\$ 13,102,276.03
State Fiscal Year 2019 (1 <sup>st</sup> half: July 2018 – Dec. 2018) (Option):	\$ 13,381,510.41
State Fiscal Year 2019 (2 <sup>nd</sup> half: Jan. 2019 – June 2019) (Option):	\$ 13,381,510.41
State Fiscal Year 2020 (July, 2019 – June 2020) (Option):	\$ 13,535,341.14

The Base Amount includes all services as stated in the Scope of Work, as amended, under this Agreement, except for optional Deliverable 50, and set forth in Exhibit A, attached to this Agreement; and Separately Invoiced Items and Services as identified in Article 3(G) of this Agreement, such Separately Invoiced Items and Services shall have a maximum State Fiscal Year amount of \$2,100,000.00.

**Payment.** The total amount payable by the Procuring Agency to the CONTRACTOR during the term of this Agreement (SFY12 – SFY18) for optional Deliverable 50 shall not exceed \$2,416,161.04 (the “Base Amount”), which amount is inclusive of New Mexico gross receipts tax. This option may only be exercised in SFY14. The necessary budget for optional Deliverable 50 shall be identified and encumbered by the Procuring Agency at the time the option is exercised.

The Base Amount also includes a dollar amount from Exhibit A, Amended Scope of Work, Deliverable 23 (Mi Via FMA – Ongoing Operations and Maintenance)(the “Mi Via FMA Services”). Payment for the Mi Via FMA Services is calculated based on estimated Mi Via participants and Mi Via claim counts. After the completion of each State Fiscal Year, if either the Mi Via participant or Mi Via claims counts for a year vary (over or under) by two and one-half percent (2.5%), the Procuring Agency and the Contractor will negotiate new mutually agreeable rates for Mi Via FMA Services to be effective on the first day of the next State Fiscal Year.

Payment shall be made upon completion of each Deliverable and upon the receipt and acceptance of a detailed, certified Payment Invoice. Payment will be made to the CONTRACTOR’s designated mailing address. In accordance with Section 13-1-158 NMSA 1978, payment shall be tendered to the CONTRACTOR within thirty (30) days of the date of written certification of Acceptance. All Payment Invoices **MUST BE** received by the Procuring Agency no later than fifteen (15) business days after the end of the State Fiscal Year in which services were delivered. **Payment of invoices received after such date WILL NOT BE PAID.**

Exhibit A, Amended Scope of Work, Deliverable 41, Turnover at End of Contract, is restated in its entirety, and Deliverable 58 is added, both attached hereto and referenced herein.

**All other Articles, Terms, Conditions and Deliverables of PCS 12-630-8000-0015, the Original Agreement, and all subsequent Amendments, remain the same.**

**The remainder of this page intentionally left blank.**

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: [Signature] Date: 5/16/16  
Brent Earnest, Cabinet Secretary  
Human Services Department

By: [Signature] Date: 5/16/16  
Danny Sandoval, Chief Financial Officer  
Human Services Department

By: [Signature] Date: 5.13.2016  
Susan Pentecost, Chief Information Officer  
Human Services Department

By: [Signature] Date: 5.12.2016  
David Zirl, Senior Vice President  
Xerox State Healthcare, LLC

Approved as to Form and Legal sufficiency:

By: [Signature] Date: 5.15.16  
Christopher Collins, HSD 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: [Signature] Date: 20 MAY 2016  
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: [Signature] Date: 5/17/16  
Taxation and Revenue Department

This Agreement has been approved by the State Purchasing Division:

By: [Signature] Date: 6/13/16  
State Purchasing Agent

**Exhibit A**

**Amended Scope of Work**

**Deliverable 41, Turnover at End of Contract is amended as follows:**

<b><u>Deliverable Forty-One</u></b>		<b><u>Due Date</u></b>	<b><u>Compensation</u></b>
<b>Turnover at End of Contract</b>		<b>As Requested by The Procuring Agent</b>	<b>No Compensation</b>
<b>Task Item</b>	<b>Subtasks</b>	<b>Description</b>	
41.1 Develop and Maintain Turnover Plan	41.1.1 Provide Turnover Plan per Agreed Schedule	Within sixty (60) days of receipt of notification of intent to transfer or replace (in any event, no later than twenty-four (24) months prior to the end of the Contract, including extensions), the CONTRACTOR shall provide a Turnover Plan to the Procuring Agency. Such Plan, and all subsequent activities related to Turnover, shall apply to CONTRACTOR and all its subcontractors.	
	41.1.2 Meet Detailed Specifications for Turnover Plan	<p>The Turnover Plan will include, at a minimum, CONTRACTOR's:</p> <p>41.1.2.1 Proposed approach to Turnover.</p> <p>41.1.2.2 Tasks and sub-tasks for Turnover.</p> <p>41.1.2.3 Schedule for Turnover.</p> <p>41.1.2.4 Production program and documentation update and sign-off procedures during Turnover, attestation of manuals and training documents being up to date, and Contractors plan for notification of Turnover to submitters.</p> <p>41.1.2.5 A statement of the resources that will be required by the Procuring Agency or its CONTRACTORS to take over the operational responsibilities of the MMIS.</p> <p>41.1.2.6 Estimates of the number and type of personnel required to operate the equipment and the system, and to perform the other functions of the MMIS. The statement will be separated by type of activity including, at a minimum, the staff categories defined by the Procuring</p>	

<p>41.1 Develop and Maintain Turnover Plan (continued)</p>		<p>Agency.</p> <p>41.1.2.7 A statement of the number, type, and all costs associated with all Contractor personnel that will be available for operations as well as the additional Contractor staff needed for turnover activities</p> <p>41.1.2.8 A Statement of Resource Requirements that clearly describes all facilities and other resources required to operate the MMIS, including data processing hardware/equipment, system and special software, other equipment, telecommunications circuits, office space, volumetric data, and any other requirements to estimate levels of effort or system specifications. The Statement of Resource Requirements will be based on the CONTRACTOR's experience in the operation of the MMIS and will reflect actual CONTRACTOR resources devoted to the operation of the system. The CONTRACTOR shall also provide a detailed organization chart depicting the CONTRACTOR's total MMIS operation.</p>
<p>41.2 Provide Turnover Support</p>	<p>41.2.1 Turn Over Items Specified, According to the State's Directions and Schedule</p>	<p>Upon the Procuring Agency's initiation of turnover activities, whether to the State or a successor contractor, the CONTRACTOR shall turn over the following as directed and scheduled by the Procuring Agency:</p> <p>41.2.1.1 All computer source code on magnetic tapes or electronic media such as COLD or CD as directed by the Procuring Agency.</p> <p>41.2.1.2 All necessary data and reference files in a format directed by the State.</p> <p>41.2.1.3 All JCL and other utilities required to operate the MMIS, including transferring software licenses.</p> <p>41.2.1.4 All records of claims, providers, encounters, etc., created during the full term of the contract.</p> <p>41.2.1.5 Required documentation including, at a minimum, the system documentation, user and operation manuals that are currently used to operate and/or maintain the system,</p>

<p>41.2 Provide Turnover Support (continued)</p>		<p>training manuals and Companion Guides.</p> <p>41.2.1.6 Current operational and training manuals, Companion Guides and policies for the system shall be provided in their latest and most up to date versions.</p> <p>41.2.1.7 Current procedures for updating computer programs, JCL, and related documentation.</p> <p>41.2.1.8 Any other items determined to be required in support of a successful turnover, including (for example) identification and specifications for all MMIS interfaces.</p> <p>41.2.1.9 All configuration management logs.</p> <p>41.2.1.10 Contractor must participate fully in the Procuring Agency's required planning and mapping sessions on data conversion and transfer. Contractor must provide current and timely information on its data elements and database specifications, and provide a data dictionary to assist in the mapping required for data transfer. Contractor shall ensure that it takes the steps necessary to deliver timely, complete and satisfactory transmission of data from its system to the new data locations designated by the Procuring Agency. At a minimum, such steps shall include dedicated Contractor resources to assist with successful export and import of data in a standard ASCII format into Procuring Agency's new data warehouse. Data</p>
	<p>41.2.2 Train the Designated Staff in MMIS Operations</p> <p>41.2.3 Provide the Specified Turnover Results Report to the</p>	<p>At the request of the Procuring Agency, the CONTRACTOR shall train designated staff of the Procuring Agency and its designated agents in the operation of select facets of the MMIS. Unless directed otherwise by the Procuring Agency, such training will be completed at least five (5) months prior to the end of the contract. Such training will address critical processes and procedures required to successfully operate the MMIS.</p> <p>Following the turnover of operations, provide the Procuring Agency with a Turnover Results Report that will document</p>

<p>41.2 Provide Turnover Support (continued)</p>	<p>State</p> <p>41.2.4 Ensure Contractor's MMIS Staff are Free to Accept New Employment with Successor MMIS Operator</p> <p>41.2.5 Ensure MMIS Operations, Reporting and Deliverables Up to the Last Day of Contract Expiration</p>	<p>completion and results of each step of the Turnover Plan.</p> <p>The CONTRACTOR may not prohibit any staff or management working for the MMIS from choosing to accept a position with a successor MMIS contractor or the State of New Mexico.</p> <p>The CONTRACTOR shall be responsible for all operational activities, reporting and deliverables up to and including the day of contract expiration, even if those activities cannot be completed until after the expiration of the contract. These activities include but are not limited to payment issuance; mailing of warrants; remittance advices and notices; update of MMIS and data warehouse tables to reflect cycle activity; transfer of files; turnover of all in process documents; daily, weekly, monthly, and quarterly reporting; and satisfying all terms of the Procuring Agency approved turnover plan. Contractor shall take all necessary steps to ensure that all pended provider applications are closed by the turnover date, that all suspended claims are worked by the turnover date and that its 1099 file reflects all payments for the calendar year.</p>
<p>41.3 Provide Post-Turnover Support</p>	<p>41.3.1 Correct Data Errors Made During Turnover at No Additional Cost</p> <p>41.3.2 Negotiate Compensation Levels for Any MMIS Support Requested After Turnover is</p>	<p>Following the turnover of operations, the CONTRACTOR shall supply corrections of data errors caused by incomplete or erroneous transfer at turnover, as determined by the Procuring Agency, at no additional cost to the Procuring Agency.</p> <p>Notwithstanding the terms of this deliverable, at the conclusion of the turnover period and at the option of the Procuring Agency, the CONTRACTOR may be asked to continue, at a compensation level agreed to between the Procuring Agency and the CONTRACTOR, support for</p>



<p>41.4 Support Data Conversion Prior to Turnover</p>	<p>Complete</p>	<p>some or all of the MMIS operations should the successor contractor fail to satisfactorily implement or perform those operations.</p>
	<p>41.4.1 Run Automated Scripts</p>	<p>Contractor shall suggest areas and methods for automated clean up and at Procuring Agency's request, run scripts to clean up data in an automated fashion. Data clean-up will be performed through the current numbered memo process for maintenance of the system.</p>
	<p>41.4.2 Support Data Conversion Testing</p>	<p>Contractor will utilize existing legacy system maintenance staff to support new vendor testing with the Procuring Agent and its designated agents, review results, re-test (multiple times) and re-validate for up to six (6) months of iterations. Contractor shall have a dedicated test environment (and staff) in which to produce extracts, scripts for cleansing data, for report production, reviewing test results, and performing multiple iterations of review and testing. Contractor shall recommend refinements to the testing as it deems appropriate. No new hardware or software will be purchased for this purpose.</p> <p>The downloaded data will be supplied at a frequency requested by the procuring agency or vendor for a period limited to 6 (six) months; after which charges will apply based on CPU costs.</p> <p>If more staff are necessary to support the Data Conversion Testing, the procuring agent will utilize Deliverable 39 for supplemental support staffing.</p> <p>The Data Conversion will be organized, managed and led by the procuring agency or the vendor receiving the data.</p>
	<p>41.4.3 Parallel Testing</p>	<p>Contractor will use existing legacy system maintenance staff to perform parallel testing with Procuring Agency's new vendor(s) for up to six (6) months prior to and three (3) months after Turnover if requested by the Procuring</p>

<p>41.4 Support Data Conversion Prior to Turnover (continued)</p>	<p>41.4.4 Provide Data Cleansing Reports</p>	<p>Agency. The Parallel Testing will be organized, managed and led by the Procuring Agency or the vendor receiving the data.</p> <p>Contractor will use existing legacy system maintenance staff to produce reports of data that could not be cleansed with automated processing. Such reports shall be provided to Procuring Agency for manual clean up in the system prior to next test run.</p>
<p>41.5 Manage Turnover Work per Compensation Agreement</p>	<p>41.5.1 Acknowledge There is No Compensation for Deliverable 41</p>	<p>CONTRACTOR shall meet all specifications for Deliverable 41 with no compensation from Procuring Agency for this work as long as not additional staff, hardware or software are required beyond what is currently utilized in the current contract.</p>

**Deliverable 58: System Enhancement for Fulfilling IRS Form 1095b Requirements is added as follows:**

<u>Deliverable Fifty-Eight</u>	<u>Due Date</u>	<u>Compensation</u>
<p><b>Upgrade System for Fulfilling IRS Form 1095b Requirements</b>  [System Enhancement]</p>	<p><b>June 15, 2016</b></p>	<p><b>Not to Exceed \$608,242.86 with 10% retained until complete.</b>  <b>Amount, inclusive of NM GRT, due per agreed payment schedule in 59.1.2</b>  <b>(Total Compensation Not to Exceed \$608,242.86</b></p>

Task Item	Subtasks	Description
<p>58.1 Enhance MMIS to meet IRS Form 1095b requirements</p>	<p>58.1.1 Enhancement</p>	<p>Contractor will provide all services required to develop and implement one-time enhancements to fulfill IRS Form 1095b requirements.</p>

	<p>58.1.2 Enhancement Operational</p>	<p>Contractor will continue to work with the Agency on all activities through the system development lifecycle requirements for design, development, testing and acceptance prior to implementing in production. Also, training, documentation and change management process, will be addressed with the Agency, as applicable. Upon approval by the Procuring Agency, the Contractor shall implement the 1095b enhancement into production.</p> <p>This enhancement must be fulfilled no later than June 15, 2016.</p> <p>The Contractor shall provide ongoing operational support for the ongoing use of this enhancement at no additional cost, if needed.</p> <p>The approved incurred cost of this Deliverable shall not exceed \$608,242.86; such incurred cost will be paid to the Contractor upon implementation of this work and approval by the Procuring Agency. Contractor shall take all necessary steps to ensure that billings for this Deliverable do not include redundant billing for work done under other Deliverables.</p>
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