State of New Mexico
Human Services Department
Information Technology Agreement

THIS Information Technology Agreement ("Agreement") is made by and between the State of New Mexico **Human Services Department**, hereinafter referred to as the "Procuring Agency" or "PROCURING AGENCY" and **Conduent State Healthcare, LLC**, hereinafter referred to as the "CONTRACTOR" and collectively referred to as the "Parties".

"**WHEREAS**, this Agreement is issued against the Sole Source Request processed by the New Mexico State Purchasing Division of the General Services Department, #00-63000-19-38067;

NOW, THEREFORE, IT IS MUTUALLY AGREED BETWEEN THE PARTIES:

ARTICLE 1 – DEFINITIONS

This section contains definitions that are used throughout this procurement document, including appropriate abbreviations.

"Acceptance" shall mean the approval, after Quality Assurance, of all Deliverables by an executive level representative ("Executive Level Representative") of the Procuring Agency.

"Business Area" shall mean one of eight major components of MITA's Business Process Model (e.g., Member Management).

"Business Process" shall mean a set of activities associated with a specific function defined under one of the eight MITA business areas (e.g., Enroll Member is a business process within the Member Management business area).

"Change Request" shall mean the document utilized to request changes or revisions in the Scope of Work.

"Chief Information Officer ("CIO")" shall mean the Procuring Agency's Chief Information Officer or designated representative.

"Contract" shall mean the written Agreement for the procurement of items of tangible personal property and services. "Contract" and "Agreement" are used interchangeably.

"Contract Manager" shall mean the individual selected by the Procuring Agency to monitor all aspects of this Agreement.

"CONTRACTOR" shall mean the Offeror that is awarded a contract by the Procuring Agency

"Current Fiscal Agent" shall mean the incumbent operating the MMIS prior to the CONTRACTOR.

"Days" shall mean calendar days unless otherwise specified. Any due date falling on a weekend, State legal holiday, or State closure will be extended to the next business day.

"Deliverable" shall mean any verifiable outcome, result, service or product that must be delivered, developed, performed or produced by the CONTRACTOR as defined by the Scope of Work.

"Department" shall mean the State of New Mexico Human Services Department. "HSD" and the "Procuring Agency" are used interchangeably.

"Division Business Manager" shall mean the individual selected by the HSD Medical Assistance Division to work in conjunction with the Procuring Agency's Project Manager and Contract Manager to review Change Requests and to monitor contract and system performance.

"DoIT" shall mean the New Mexico Department of Information Technology.

"Enhancement" means any modification or addition that, when made or added to the program, materially changes its or their utility, efficiency, functional capability, or application, but does not constitute solely an Error Correction. After conferring with Procuring Agency, an Enhancement may be identified as minor or major.

"Enhancement Phase" shall mean the time period during which the CONTRACTOR is developing the required and optional enhancements; the Enhancement Phase is concurrent with the first part of the Operations Phase and, depending on the CONTRACTOR's approach, may overlap the Transition Phase.

"Escrow" shall mean a legal document (such as the software source code) delivered by the CONTRACTOR into the hands of a third party, to be held by that party until the performance of a condition is accepted; in the event CONTRACTOR fails to perform, the grantee agency receives the legal document, in this case, source code.

"Executive Level Representative" shall mean the individual empowered with the authority to represent and make decisions on behalf of the Procuring Agency's executives.

"Expiration Date" shall mean the date this Agreement expires pursuant to Article 5.

"File" shall mean a set of data. For example, the term Provider File refers to the database of providers.

"Intellectual Property" shall mean any and all proprietary information developed pursuant to the terms of this Agreement.

"Know How" shall mean all technical information, data and knowledge including, but not limited to, all documents, computer storage devices, drawings, flow charts, plans, proposals, records, notes, memoranda, manuals and other tangible items containing, relating or causing the enablement of any Intellectual Property developed under this Agreement.

"Mandatory" – The terms "must", "shall", "will", "is required", or "are required" identify a mandatory item or function.

"Medicaid Management Information System ("MMIS")" shall mean the entire suite of systems and their operations, including CONTRACTOR created source code and is not limited to functions or operations that are federally required or to the specific system known as OmniCaid.

"OmniCaid" shall mean the mainline claims and reporting system included in the New Mexico MMIS. The Procuring Agency owns the OmniCaid system.

"Operational Phase" shall mean the time period during which the CONTRACTOR is responsible for processing claims and other MMIS functions.

"Payment Invoice" shall mean a detailed, certified and written request for payment of services rendered from the CONTRACTOR to the Procuring Agency. Payment Invoice(s) must contain the fixed price Deliverable cost and identify the Deliverable for which the invoice is submitted.

"Performance Bond" shall mean a surety bond which guarantees that the CONTRACTOR will fully perform the Agreement and guarantees against breach of contract.

"Project" shall mean a temporary process undertaken to solve a well-defined goal or objective with clearly defined start and end times, a set of clearly defined tasks, and a budget. The project terminates once the project scope is achieved and project approval is given by the Executive Level Representative and verified by the agency CIO to the DoIT.

"Project Manager" shall mean a qualified person from the Procuring Agency responsible for all aspects of the Project or the administration of this Agreement.

"Proprietary Software" shall mean software that was developed by CONTRACTOR or its Subcontractors prior to or independently of this Agreement, together with all supporting documentation, media and related materials, including any and all modifications, enhancements, updates, replacements and other derivative works thereof and which will be used by CONTRACTOR as part of the MMIS.

"Quality Assurance" shall mean a planned and systematic pattern of all actions necessary to provide adequate confidence that a Deliverable conforms to established requirements, customer needs, and user expectations.

"State Purchasing Agent (SPA)" - shall mean the State Purchasing Agent for the State of New Mexico or designated representative.

"State Purchasing Division (SPD)"- shall mean the State Purchasing Division of the General Services Procuring Agency for the State of New Mexico.

"Subsystem" shall mean an area of similar system functions and data in the MMIS and is not meant to necessarily imply a modular structure, partition, or other technical definition within the system. See also "Business Process."

"Termination Date" shall mean the effective date of termination of this Agreement for termination with or without cause.

"Transition Phase" shall mean the time period before the Operational Phase; that is during which the system is being prepared to be operational under the new Agreement period, whether the CONTRACTOR for the new Agreement period is a new CONTRACTOR or the incumbent.

"Transition Plan" shall mean the detailed plans to convert the system and data to the CONTRACTOR's environment and organization leading to the Operational Phase.

"Turnover Period" shall be a wind-down period that shall be no longer than fifteen (15) months or shorter as agreed to by the parties for terminations.

"Work Stoppage Date" shall mean the date when all work and services provided for under this Agreement shall stop, inclusive of any time established as a Turnover Period. The Quality Assurance process will apply to all Deliverables submitted to the Contract Manager prior to the Work Stoppage Date.

Acronym	Definition
AIDS	Acquired Immunodeficiency Syndrome
ALTSD	Aging and Long-Term Services Procuring Agency
ARRA	American Recovery and Reinvestment Act of 2009
ASD	HSD Administrative Services Division
AVRS	Automated Voice Response System
BAA	Business Associate Agreement
BCBS	Blue Cross Blue Shield of New Mexico
BHSD	HSD Behavioral Health Services Division
BSU	Business Support Unit, refers to the incumbent's organization
CA	Consultant Agency (Mi Via)
CD	Compact Disk
CFR	Code of Federal Regulations
CHIP	Children's Health Insurance Program
CICS	Customer Information Control System
CIO	Chief Information Officer
CLIA	Clinical Laboratory Improvement Act
CMS	Centers for Medicare and Medicaid Services
CMS-64	Quarterly Medicaid Statement of Expenditures
COLD	Computer Output Laser Disc
CPA	Certified Public Accountant
CPS	Child Protective Services
CPT	Current Physician Terminology
CPU	Central Processing Unit

Acronym	Definition
CRM	CMS Reimbursement Mapping
CSED	HSD Child Support Enforcement Division
CSR	Change System Request
CTI	Computer-Telephony Integration
CYFD	Children, Youth and Families Procuring Agency
DDE	Direct Data Entry
DESI	Drug-Effectiveness Source Identifier
DME	Durable Medical Equipment
DMERC	Durable Medical Equipment Regional Carrier
DOH	Procuring Agency of Health
DRAMS	Drug Rebate Analysis and Management System
DRG	Diagnosis Related Group
DUR	Drug Utilization Review
EDP	Electronic Data Processing
EFT	Electronic Funds Transfer
EHR	Electronic Health Record
EIS	Executive Information System
EMC	Electronic Media Claims
EOB	Explanation Of Benefits
EPSDT	Early and Periodic Screening, Diagnosis, and Treatment
FADS	Fraud and Abuse Detection System
FCN	Financial Control Number
FFP	Federal Financial Participation

Acronym	Definition
FFS	Fee for Service
FICA	Federal Insurance Contributions Act
FMA	Financial Management Agent (Mi Via)
FMAC	Federal Maximum Allowable Cost
FTE	Full Time Equivalent
FTP	File Transfer Protocol
FUL	Federal Upper Limit
FUTA	Federal Unemployment Tax Authority
GAAP	Generally Accepted Accounting Principles
GEM	General Equivalence Mapping
GUI	Graphical User Interface
HCBSW	Home and Community-Based Services Waivers
HCFA	Health Care Financing Administration
HCPCS	Healthcare Common Procedure Coding System
HHS OIG	Procuring Agency of Health and Human Services Office of Inspector General
HIFA	Health Insurance Flexibility and Accountability
HIPAA	Health Insurance Portability and Accountability Act of 1996
HIT	Health Information Technology
HSD	Human Services Procuring Agency
ICD	International Classification of Diseases
ICD-9	International Classification of Diseases, Ninth Revision
ICD-10	International Classification of Diseases, Tenth Revision

Acronym	Definition
ICD-10-CM	International Classification of Diseases, Tenth Revision, Clinical Modification
ICD-10-PCS	International Classification of Diseases, Tenth Revision, Procedure Coding System
ID	Identification (as in "ID card")
IHS	Indian Health Services and/or Tribal 638 Facility
IRS	Internal Revenue Service
ISD	HSD Income Support Division
ISD2	Integrated Service Delivery 2 (HSD's eligibility determination system)
IT	Information Technology
ITD	HSD Information Technology Division
JCL	Job Control Language
LAN	Local Area Network
LEIE	List of Excluded Individuals/Entities
LTC	Long Term Care
MAD	HSD Medical Assistance Division
MARS	Management and Administrative Reporting Subsystem
MB	Megabyte
MCH	Maternal and Child Health
MCO	Managed Care Organization
MEQC	Medicaid Eligibility Quality Control
MEVS	Medicaid Eligibility Verification System
MITA	Medicaid Information Technology Architecture
MMIS	Medicaid Management Information System

Acronym	Definition
MSIS	Medicaid Statistical Information System
NCPDP	National Council for Prescription Drug Programs
NDC	National Drug Code
NIST	National Institute of Standards and Technology
NMAC	New Mexico Administrative Code
NMDOIT	New Mexico Procuring Agency of Information Technology
NMSA	New Mexico Statutes Annotated
NM SIIS	New Mexico Statewide Immunization Information System
NPI	National Provider Identifier
OCR	Optical Character Recognition
OM	Operations Management (MITA Business Area)
OTC	Over the Counter
PA	Prior Authorization
PACE	Program of All-inclusive Care for the Elderly
PAK	Premium Assistance for Kids
PAM	Premium Assistance for Maternity
PBCPC	Pharmacy Benefits Claim Processing Component
PBCPCS	Pharmacy Benefits Claim Processing Component System
PBX	Private Branch Exchange
PC	Personal Computer
PCO	Personal Care Option
PDL	Preferred Drug List
PE	Presumptive Eligibility

Acronym	Definition
PERM	Payment Error Rate Measurement
POCMS	Plan of Care Management System
POS	Point of Sale
ProDUR	Prospective Drug Utilization Review
RA	Remittance Advice
REOMB	Recipient Explanation of Medical Benefits
RetroDUR	Retrospective Drug Utilization Review
SCI	State Coverage Insurance
SDX	State Data Exchange
SE	Statewide Entity (Behavioral Health)
SMAC	State Maximum Allowable Cost
SNAP	Supplemental Nutrition Assistance Program
SPSS	Statistical Package for the Social Sciences
SS-A	State Self-Assessment
SSI	Supplemental Security Income
SSP	Service and Support Plan
SURS	Surveillance and Utilization Review System
SUTA	State Unemployment Tax Authority
TANF	Temporary Assistance for Needy Families
TCN	Transaction Control Number
TIE	Transaction Interface Exchange
TPA	Third Party Assessor
TPL	Third Party Liability

Acronym	Definition
TSU	Technical Support Unit
UR	Utilization Review
WAC	Wholesale Actual Cost
YES-New Mexico	Your Eligibility System-New Mexico (client web portal)

ARTICLE 2 – SCOPE OF WORK

A. Scope of Work. The CONTRACTOR shall perform the work as outlined in Exhibit A, attached hereto and incorporated herein by reference.

B. Performance Measures. CONTRACTOR shall perform to the satisfaction of the Procuring Agency the Performance Measures set forth in Exhibit A. In the event the CONTRACTOR fails to obtain the results described in Exhibit A, the Procuring Agency may provide written notice to the CONTRACTOR of the default and specify a reasonable period of time in which the CONTRACTOR shall advise the Procuring Agency of specific steps it will take to achieve these results and the proposed timetable for implementation. Nothing in this Section shall be construed to prevent the Procuring Agency from exercising its rights pursuant to Article 6.

C. Schedule. The due dates, as set forth in Exhibit A, shall not be altered or waived by the Procuring Agency without prior written approval, through the Change Management process, as defined in Article 14.

ARTICLE 3 - COMPENSATION

A. Compensation Schedule. The Procuring Agency shall pay to the CONTRACTOR based upon fixed prices for each Deliverable, per the schedule outlined in Exhibit A.

B. Payment. The total amount payable by the Procuring Agency to the CONTRACTOR during the term of this Agreement (2020 - 2022) shall not exceed one hundred eight million five hundred ninety thousand three hundred thirty one dollars and forty six cents ($108,590, 331.46) the "Base Amount". This 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:

State Fiscal Year 2020 (ending June 2020)	$21,963,256.55
State Fiscal Year 2021 (ending December 2020)	$17,680,776.30
State Fiscal Year 2021 (ending June 2021)	$17,680,776.30

State Fiscal Year 2022 (ending December 2021)	$17,218,446.93
State Fiscal Year 2022 (ending June 2022)	$17,218,446.92
State Fiscal Year 2023 (ending December 2022)	$16,828,628.46

The Base Amount includes a dollar amount for all services as stated in the Scope of Work, under this Agreement, and set forth in Exhibit A, attached to this Agreement; and Separately Invoiced Items and Services as identified in Article 3(F) of this Agreement.

The Base Amount also includes:

1. a dollar amount from Exhibit A, Scope of Work, Deliverable Twenty-Two (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 Invoices received after such date WILL NOT BE PAID.**

C.   Taxes.

The payment of taxes for any money received under this Agreement shall be the CONTRACTOR's sole responsibility and should be reported under the CONTRACTOR's Federal and State tax identification number(s).

CONTRACTOR and any and all Subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the CONTRACTOR. CONTRACTOR shall require all Subcontractors to hold the Procuring Agency harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal and/or state and local laws and regulations and any other costs, including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

D.   Performance Bond. CONTRACTOR shall execute and deliver to Procuring Agency, contemporaneously with the execution of this Agreement, an annually renewable performance bond in the amount of $5,000,000 in the name of the Procuring Agency. The bond shall be maintained for the duration of this Agreement and any renewals thereof on an annually renewable bond form to be provided by CONTRACTOR's Surety Bond Broker. The required bond shall be conditioned upon and for the full performance,

Acceptance and actual fulfillment of each and every Deliverable, term, condition, provision, and obligation of the CONTRACTOR and its officers and employees arising under this Agreement. The Procuring Agency's right to recover from the bond shall include all costs and damages associated with the transfer of services provided under this Agreement to another CONTRACTOR or to the State of New Mexico as a result of CONTRACTOR's failure to perform.

E. Other Payment Provisions. The following provisions apply to compensation under this Agreement.

    1. Equipment and Software

        Deliverable payments include all equipment, software licenses, equipment warranties, and service and maintenance contracts for hardware, software, equipment, and support of equipment provided by the CONTRACTOR for state agency use and for use by the CONTRACTOR and CONTRACTOR staff for the term of the Agreement and will not be reimbursed additionally or separately.

    2. Telecommunications and Network Support

        Deliverable payments include all telecommunication structures, lines, line charges, and devices that are provided by the CONTRACTOR for state agency use, including, but not limited to, provision of connectivity between the CONTRACTOR's network and the Procuring Agency's network as necessary, as well as the CONTRACTOR's solution for providing connectivity to external users not on either the CONTRACTOR's or the Procuring Agency's network as necessary. Deliverable payments also include all telecommunication structures, lines, charges, and devices including additions, upgrades, expansion, and other changes, for use by the CONTRACTOR and CONTRACTOR staff for the term of the Agreement and will not be reimbursed additionally or separately.

    3. Travel and Lodging

        CONTRACTOR personnel travel and lodging fees are included in the total Agreement amount and are not payable additionally to the CONTRACTOR.

F. Separately Invoiced Items and Services. The Procuring Agency may authorize the CONTRACTOR to make expenditures and pass through the amount to the Procuring Agency, which shall reimburse the CONTRACTOR. These Separately Invoiced Items and Services are limited to items and services related to the performance of this Agreement and the carrying out of Medicaid program activities, as described in this section, and are not included in payments for the Deliverables contained in Exhibit A – Scope of Work. The CONTRACTOR shall submit an invoice to the Procuring Agency within thirty (30) days of supplying the item or rendering the service. Each invoice shall identify the Deliverables and describe the goods and services delivered and document Procuring Agency's approval of the expenditure. Payment shall be made to the CONTRACTOR for the actual amount of the expense, plus the administrative fee noted in section H(4)(E). Separately Invoiced Items and Services include but are not limited to the following:

    1. Postage for communications to providers, clients, drug manufacturers, and third party payers.

2. The annual Diagnosis Related Grouping (DRG) software, guide books, and pricing development, when specifically requested and authorized by the Procuring Agency.

3. Purchase of hardware, software, and telecommunications on behalf of the Procuring Agency and repair of hardware when specifically requested and authorized by the Procuring Agency.

4. For forms and supplies, the Procuring Agency shall reimburse the CONTRACTOR only for claim forms, forms used by providers as attachments to claims, blank laser check stock, 1099 forms, provider enrollment applications, program policy manuals and billing instructions, and envelopes used for mailings to providers or clients. All internal forms and other supplies used by the CONTRACTOR are the financial responsibility of the CONTRACTOR.

5. Printing for communications to providers, clients, and third party payers, only when authorized in advance by the Procuring Agency.

6. Postage and printing costs for special mail-outs as requested by the Procuring Agency.

7. Pass through costs associated with fingerprinting MiVia participant potential employees.

8. Postage and printing for communications from the NM HSD Child Support Enforcement Division (CSED) as they pertain to HSD clients. CONTRACTOR shall separate invoicing and track CSED mailing and postage separately from MAD or other entities mailing and postage.

G. Methodology for Execution of Separately Invoiced Items and Services

1. For Separately Invoiced Items and Services under fifty thousand dollars ($50,000), the Procuring Agency shall properly document all purchases, Payment Invoices, and the CONTRACTOR's reimbursement and shall provide such documentation and other information to DoIT and SPD within thirty (30) days following quarter end for all Separately Invoiced Items and Services purchased or authorized during the quarter under this subsection.

2. For Separately Invoiced Items and Services fifty thousand dollars ($50,000) and above but less than two hundred thousand dollars ($200,000):

a) The Procuring Agency must request from DoIT and SPD concurrence to issue a Letter of Direction (LOD) to the CONTRACTOR identifying the specific Separately Invoiced Items and Services, justify the need for such Separately Invoiced Items and Services, the total cost of such Separately Invoiced Items and Services; and attach such documentation as DoIT and SPD deem necessary for their individual recommendation (by DoIT) and approval (by SPD).

b) Within fourteen (14) calendar days from DoIT and SPD's receipt of the Procuring Agency's request for an LOD, DoIT and SPD shall review and advise the Procuring Agency of whether the issuance of a LOD is approved or rejected. If the issuance of a LOD is approved, the Procuring Agency shall be authorized to issue the LOD to the CONTRACTOR for the purchase of the Separately Invoiced Items and Services. If the issuance of the LOD is rejected, DoIT or SPD shall so advise the Procuring Agency and provide the reasons for the rejection. If the issuance of the LOD was rejected because more documentation and/or information are needed, the Procuring

Agency may resubmit the request with such additional information. Should DoIT and/or SPD fail to accept or reject the Procuring Agency's request for an LOD within the fourteen calendar day- period, the request shall be deemed approved and the Procuring Agency is authorized to issue the LOD to the CONTRACTOR for the purchase of the Separately Invoiced Items and Services.

3.   For Separately Invoiced Items and Services that are two hundred thousand dollars ($200,000) or greater, the Parties shall execute an Amendment pursuant to Article 24 of this Agreement.

4.   For Separately Invoiced Items and Services authorized to be purchased by the Procuring Agency:

     a)   The CONTRACTOR shall provide the Procuring Agency with all invoice(s) for any agreed upon Separately Invoiced Items and Services and any ownership/licensure documents, as applicable.

     b)   All Separately Invoiced Items and Services purchased by the CONTRACTOR shall, upon payment of the Invoice(s), become the Procuring Agency's property.

     c)   The CONTRACTOR shall offer the Procuring Agency any additional cost savings that may be available through use of lower per item rates the CONTRACTOR has offered to its customers for similar equipment, or Federal GSA rates that the Procuring Agency may take advantage of, or through use of Statewide price agreements that the State of New Mexico's Purchasing Division may have negotiated for use by State agencies, which may be lower than the current market rates. Such lower per item rate(s) that may be available to the Procuring Agency shall only be those rates offered to the CONTRACTOR's other customers, the federal government (GSA rates), or through Statewide price agreements, that are not older than ninety (90) days prior to the Procuring Agency's request to the CONTRACTOR to purchase any Separately Invoiced Items and Services.

     d)   The Parties agree that there shall be no retroactive price adjustments under this Agreement and that any cost savings identified in this section shall not be available for change orders or amendments under this Agreement or other contracts the State may have with the CONTRACTOR.

     e).   The Procuring Agency shall reimburse the CONTRACTOR for the actual costs of the Separately Invoiced Items and Services, plus an additional amount of ten percent (10%) on those Separately Invoiced Items and Services identified in Article 3(F), for administration, handling, and invoicing.

5.   For all Separately Invoiced Items and Services procured under this section, the Procuring Agency shall properly document all purchases, Payment Invoices, and other supporting information and provide such documentation to DoIT and SPD within thirty (30) days following quarter-end for all items and services purchased or authorized during the quarter.

H.   Future Enhancements. New Mexico's health policy and program delivery are dynamic in nature. The Procuring Agency and the CONTRACTOR must provide flexibility to alter components of the system and change operational responsibilities based on changes in State policy, fiscal needs and/or federal requirements, as well as to fulfill legislative mandates and take advantage of increased federal options and funding. The Procuring Agency needs capable tools to make effective program payments; eliminate waste, fraud and abuse; and to provide for the efficient administration of State health care programs. The specific tools to meet these needs change over time. The Procuring Agency will work with the CONTRACTOR in identifying and purchasing such tools and support when the Procuring Agency deems they are in the State's best interest and are within the scope of the Procuring Agency's healthcare responsibilities and/or are related to the operation of the Medicaid Management Information System. These Future Enhancements shall be dealt with in accordance with Article 24 of this Agreement.

ARTICLE 4 – ACCEPTANCE

A.   Submission. Upon completion of agreed upon Deliverables as set forth in Article 2 and Exhibit A, CONTRACTOR shall submit a Payment Invoice with the Deliverable, or description of the Deliverable, to the Project Manager. Each Payment Invoice shall be for the fixed Deliverable price as set forth in Article 2 and Exhibit A, including gross receipts taxes.

B.   Quality Assurance. Quality Assurance shall be a process whereby the CONTRACTOR, in conjunction with the Procuring Agency's Project Manager and Division Business Manager determines that a Deliverable is correct and functional; meets the tasking provided by the Procuring Agency's Project Manager; and, complies with Agreement requirements, including all relevant standards and procedures.

1.   The CONTRACTOR shall be responsible for assuring the quality of the deliverables/tasks and that the deliverables/tasks are ready for the Procuring Agency review and/or testing.

2.   The Procuring Agency's Project Manager and Division Business Manager shall be responsible for review and approval of the CONTRACTOR's quality assurance process and for implementing the Procuring Agency's quality assurance process for acceptance testing of deliverables/tasks.

3.   Upon completion of the CONTRACTOR quality assurance process, the CONTRACTOR shall conduct a formal transition meeting to include the Procuring Agency's Project Manager and Division Business Manager. The CONTRACTOR shall certify in writing that the deliverable/task is operating in compliance with the submitted task assignment.

4.   Annual Software Quality Assurance audits will be conducted by the Procuring Agency to verify that the CONTRACTOR continues to implement the approved processes as delineated within the project's Configuration Management Plan, Change Management Plan, Quality Assurance Plan, and System Testing Plan. Within a Procuring Agency-determined timeframe after the annual audit, the

Procuring Agency will provide an Audit Findings Report to the CONTRACTOR. A proposed Corrective Action Plan in response to negative findings will be provided by the CONTRACTOR to the Procuring Agency within ten (10) business days of the CONTRACTOR's receipt of the Audit Findings Report. The CONTRACTOR's Executive Account Manager and Procuring Agency's Project Manager will coordinate priorities and schedules for implementation of corrective actions.

C. Acceptance. In accord with Section 13-1-158 NMSA 1978, the Executive Level Representative shall determine if the Deliverable provided meets specifications. No payment shall be made for any Deliverable until the individual Deliverable that is the subject of the Payment Invoice has been **Accepted**, in writing, by the Executive Level Representative. In order to Accept the Deliverable, the Executive Level Representative, in conjunction with the Project Manager, will assess the Quality Assurance level of the Deliverable and determine, at a minimum, that the Deliverable:

1. Complies with the Deliverable requirements as defined in Article 2 and Exhibit A;

2. Meets the performance measures for the Deliverable(s) and this Agreement;

3. Meets or exceeds the generally accepted industry standards and procedures for the Deliverable(s); and

4. Complies with all the requirements of this Agreement.

If the Deliverable is Acceptable under Quality Assurance by the Executive Level Representative or designee, the Executive Level Representative will notify the CONTRACTOR of Acceptance, in writing, within fifteen (15) business days from the date the Executive Level Representative receives the Deliverable(s) and accompanying Payment Invoice.

D. Rejection. Unless the Executive Level Representative gives notice of rejection within the fifteen-business day Acceptance period, the Deliverable will be deemed to have been accepted. If the Deliverable is deemed unacceptable under Quality Assurance, fifteen (15) calendar days from the date the Executive Level Representative receives the Deliverable(s) and accompanying Payment Invoice, the Executive Level Representative will send a consolidated set of comments indicating issues, unacceptable items, and/or requested revisions accompanying the rejection. Upon rejection and receipt of comments, the CONTRACTOR will have ten (10) business days to resubmit the Deliverable to the Executive Level Representative with all appropriate corrections or modifications made and/or addressed. The Executive Level Representative will again determine whether the Deliverable(s) is Acceptable under Quality Assurance and provide a written determination within fifteen (15) business days of receipt of the revised or amended Deliverable. If the Deliverable is once again deemed unacceptable under Quality Assurance and thus rejected, the CONTRACTOR will be required to provide a remediation plan that shall include a timeline for corrective action acceptable to the Executive Level Representative. The CONTRACTOR shall also be subject to all damages and remedies attributable to the late delivery of the Deliverable under the terms of this Agreement and available at law or equity. In the event that a Deliverable must be resubmitted more than twice for Acceptance, the CONTRACTOR shall be deemed as in

breach of this Agreement. The Procuring Agency may seek any and all damages and remedies available under the terms of this Agreement and available at law or equity. Additionally, the Procuring Agency may terminate this Agreement.

ARTICLE 5 – TERM

THIS AGREEMENT SHALL NEITHER BE EFFECTIVE NOR BINDING UNTIL APPROVED BY THE DoIT, AND THE STATE PURCHASING AGENT. The term of the Agreement will be for thirty-six (36) months commencing on January 1, 2020 and terminating on December 31, 2022. In no event will the term of the Agreement exceed three (3) years from January 1, 2020. Furthermore, at any time during the term of the Agreement, the Agreement is subject to early termination or termination for lack of appropriations in accordance with Article 6.

ARTICLE 6 – TERMINATION

A.   Termination by Mutual Agreement. The Parties may, by mutual written agreement, terminate this Agreement; such written agreement to include:

   1.   an adequate Turnover Period. During the Turnover Period, the Procuring Agency may withhold payment of an additional five percent (5%) of the CONTRACTOR's monthly operational charges. When the Procuring Agency approves the final Deliverable (as defined by the Parties under this Turnover Period), the CONTRACTOR shall submit a final Payment Invoice that will include the sum of all withheld amounts; and

   2.   reasonable wind-down costs to include administrative costs related to fixed costs incurred that cannot be recovered.

B.   Termination by either Party for convenience. Either party may terminate this Agreement for convenience by providing the other party with no less than thirty (30) calendar day's written notice to include an adequate Turnover Period. The Parties agree that:

   1.   during the Turnover Period, the Procuring Agency may withhold payment of an additional five percent (5%) of the CONTRACTOR's monthly operational charges. When the Procuring Agency approves the final Deliverable (as defined by the Parties under this Turnover Period), the CONTRACTOR shall submit a final Payment Invoice that will include the sum of all withheld amounts; and

   2.   they shall negotiate reasonable wind-down costs to include administrative costs related to fixed costs incurred that cannot be recovered.

C.   Termination by the Procuring Agency for cause. The Procuring Agency may terminate this Agreement for cause, upon failure of the CONTRACTOR to materially comply with the terms and conditions of this Agreement. Should the Procuring Agency terminate this Agreement for cause:

   1.   The Procuring Agency shall give the CONTRACTOR written notice specifying the CONTRACTOR's failure to comply with the terms and conditions of this Agreement.

2.   The CONTRACTOR shall correct the failure within thirty (30) days or such longer period as the Parties may agree, begin in good faith to correct the failure, such good faith to be determined by the Procuring Agency, and thereafter proceed diligently to complete or cure the failure.

3.   If within thirty (30) days or such longer period as the Parties may agree, the CONTRACTOR has not initiated or completed corrective action, the Procuring Agency may serve written notice stating the Termination Date and Work Stoppage Date.

This subsection is in addition to Article 4, Acceptance and this provision and Article 4 are mutually exclusive.

D.   Termination by the Procuring Agency for outside actions or inactions. The Procuring Agency may terminate this Agreement if required by changes in State or Federal law, because of Court Order, or because of insufficient appropriations made available by the United States Congress and/or the New Mexico Legislature for the performance of this Agreement. The Procuring Agency's decision as to whether sufficient appropriations are available shall be accepted by the CONTRACTOR and shall be final. If the Procuring Agency terminates this Agreement pursuant to this subsection, the Procuring Agency shall provide the CONTRACTOR with at least thirty (30) days written notice, unless terminated by Court Order which shall require 24-hour notice, and shall state therein a Termination Date and Work Stoppage Date and shall negotiate with the CONTRACTOR reasonable wind-down costs to include administrative costs related to fixed costs incurred that cannot be recovered. If the Procuring Agency determines that a reduction in the scope of work is necessary, the Procuring Agency shall notify the CONTACTOR and proceed to amend this Agreement pursuant to its provisions.

E.   Termination by the CONTRACTOR for cause. The CONTRACTOR may terminate this Agreement for cause, upon failure of the Procuring Agency to materially comply with the terms and conditions of this Agreement. A material non-compliance by the Procuring Agency, includes but is not limited to, failure by the Procuring Agency to pay the CONTRACTOR's invoices when due or failure by the Procuring Agency to provide the CONTRACTOR with feedback or approvals of a Deliverable within the specified time periods as set forth in Article 4 or as may otherwise be specified in this Agreement. Should the CONTRACTOR terminate this Agreement for cause:

1.   The CONTRACTOR shall give the Procuring Agency written notice specifying the Procuring Agency's failure to comply with the terms and conditions of this Agreement.

2.   The Procuring Agency shall correct the failure within thirty (30) days or such longer period as the Parties may agree or begin in good faith to correct the failure, such good faith to be determined by the CONTRACTOR, and thereafter proceed diligently to complete or cure the failure. Notwithstanding the above, the Procuring Agency's failure to pay the CONTRACTOR's invoices when due, must be paid within ten (10) calendar days of the CONTRACTOR's notice, in order for the failure to be considered cured by the Procuring Agency.

3.   If within thirty (30) days, or such longer period, or within ten (10) calendar days for failure to pay the CONTRACTOR's invoices, the Procuring Agency has not initiated or completed corrective action, the CONTRACTOR may serve written notice stating the Termination Date and Work Stoppage Date.

This subsection is in addition to any other rights or remedies the CONTRACTOR may have under this Agreement or under law.

Should the CONTRACTOR exercise its rights under this subsection, the Parties shall negotiate reasonable wind-down costs to include administrative costs related to fixed costs incurred that cannot be recovered.

F.   Obligations and Waiver. By termination pursuant to this Article, neither Party may nullify the obligations already incurred for performance or failure to perform prior to the date of termination. **THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT CONSTITUTE A WAIVER OF ANY OTHER LEGAL RIGHTS AND REMEDIES AFFORDED THE PROCURING AGENCY IN SUCH CIRCUMSTANCES AS THE CONTRACTOR'S DEFAULT OR BREACH OF CONTRACT.**

ARTICLE 7 – TERMINATION MANAGEMENT

A.   CONTRACTOR. In the event this Agreement is terminated for any reason or upon expiration, upon the Procuring Agency's request in addition to all other obligations set forth in this Agreement, the CONTRACTOR shall promptly:

1.   Transfer, deliver, and/or make readily available to the Procuring Agency property in which the Procuring Agency has a financial interest or in which the Procuring Agency has been granted ongoing rights to use, including any and all data, Know How, Intellectual Property, software licenses, documentation, source code, equipment, hardware, and furniture and inventions or property of the Procuring Agency;

2.   Incur no further financial obligations for materials, services, or facilities under the Agreement without prior written approval of the Procuring Agency;

3.   Terminate all purchase orders or procurements and any Subcontractors and cease all work, except as the Procuring Agency may direct, for orderly completion and transition;

4.   Take such action as the Procuring Agency may direct, for the protection and preservation of all property and all records related to and required by this Agreement;

5.   Agree that the Procuring Agency is not liable for any costs arising out of termination and that the Procuring Agency is liable only for:

a)   costs of Deliverables Accepted and costs of any partially completed Deliverables as specifically requested by the Procuring Agency prior to termination of this Agreement; and

b)   wind-down costs as specified in Article 6(A), 6(B), 6(D) and 6(E).

6.   Develop and submit to the Procuring Agency for approval a Turnover Plan shall consist of the orderly and timely transfer of files; computer software, including custom software; documentation; system turnover; Know How; and Intellectual Property and other materials, whether provided by the Procuring Agency or created by the CONTRACTOR under this Agreement, to the Procuring Agency, including but not limited to, user manuals with complete documentation, functional technical descriptions for each program and data flow diagrams. The CONTRACTOR shall provide to the Procuring Agency a copy of the most recent versions of all files, software, Know How, Intellectual Property and documentation, whether provided by the Procuring Agency or created by the CONTRACTOR under this Agreement;

7.   Cooperate fully in the closeout or transaction of any activities to permit continuity in the administration of the Procuring Agency's programs;

8.   In the event this Agreement is terminated due to the CONTRACTOR's failure to perform, negligence or willful misconduct that is not caused by the Procuring Agency's or a third party's acts or omissions, negligence or willful misconduct and such CONTRACTOR's failure to perform, negligence or willful misconduct results in reductions in the Procuring Agency's receipt of program funds from any governmental agency, the CONTRACTOR shall remit to the Procuring Agency the full amount of the reduction; and

9.   Should this Agreement terminate due to the CONTRACTOR's default, the CONTRACTOR shall reimburse the Procuring Agency for all costs arising from hiring new CONTRACTOR/Subcontractors at potentially higher rates and for costs incurred, subject to the limitations of liability set forth in Article 17 of this Agreement.

B   <u>Procuring Agency.</u> In the event this Agreement is terminated for any reason, or upon expiration, and in addition to all other rights to property set forth in this Agreement, the Procuring Agency shall:

1.   Retain ownership of all work products and documentation created pursuant to this Agreement; and

2.   Pay the CONTRACTOR all amounts due for services Accepted prior to the effective date of such termination or expiration

ARTICLE 8 –INDEMNIFICATION

A.   General. In addition to all other indemnification provisions set forth in this Agreement, the CONTRACTOR shall defend, indemnify and hold harmless the Procuring Agency, the State of New Mexico and its employees from all actions, proceedings, claims, demands, costs, damages, attorneys' fees and all other liabilities and expenses of any kind from any source which may arise out of the performance of this Agreement, caused by the negligent act or failure to act of the CONTRACTOR, its officers, employees, servants, Subcontractors or agents, or if caused by the actions of any client of the

CONTRACTOR resulting in injury or damage to persons or property during the time when the CONTRACTOR or any officer, agent, employee, servant or Subcontractor thereof has or is performing services pursuant to this Agreement. In the event that any action, suit or proceeding related to the services performed by the CONTRACTOR or any officer, agent, employee, servant or Subcontractor under this Agreement is brought against the CONTRACTOR, the CONTRACTOR shall, as soon as practicable, but no later than two (2) business days after it receives notice thereof, notify, by certified mail, the legal counsel of the Procuring Agency, the Risk Management Division of the New Mexico General Services Procuring Agency, and the DoIT.

B. The indemnification obligation under this Agreement shall not be limited by the existence of any insurance policy or by any limitation on the amount or type of damages, compensation or benefits payable to the CONTRACTOR or any Subcontractor, and shall survive the termination of this Agreement. Money due or to become due to the CONTRACTOR under this Agreement may be retained by the Procuring Agency, as necessary, to satisfy any outstanding claim that the Procuring Agency may have against the CONTRACTOR.

ARTICLE 9 – INTELLECTUAL PROPERTY

A. The Procuring Agency will have the following rights to intellectual property constituting the MMIS:

1. State-Owned and Public Domain Software

    The CONTRACTOR shall not infringe upon the State's right to reproduce or otherwise use and authorize others to use all State-owned and public domain software, procedures, files, and other documentation, constituting the MMIS, and which may reside on the CONTRACTOR's, the State's, or the Procuring Agency's platforms, servers, or workstations, at any time during the period of this Agreement and thereafter. The CONTRACTOR agrees to deliver such material to the Contract Administrator within thirty (30) days from receipt of the request by the Procuring Agency. Such requests may be made by the Procuring Agency at any time during the course of this Agreement.

2. Proprietary Software

    The CONTRACTOR hereby grants the Procuring Agency a perpetual license for the continued use of Proprietary Software should the Procuring Agency award a contract for a subsequent takeover of the MMIS operations to another Fiscal Agent/CONTRACTOR.

3. Configured and Integrated Proprietary Software

    All Configured and Integrated Proprietary Software is identified in Appendix 1. The CONTRACTOR agrees that the Procuring Agency shall have a perpetual, non-exclusive, non-sub licensable, non-assignable, non-transferable, and irrevocable license to use, at no cost to the Procuring Agency, the base portion of

the Configured and Integrated Proprietary Software, procedures, files, and other documentation that is configured and integrated into the MMIS.

The State shall hold all ownership, title, and rights in the Configured and Integrated Proprietary Software interfaces, custom code required to integrate with the MMIS, New Mexico specific work flows, and the configured New Mexico specific business rules designed or developed by the CONTRACTOR or any Subcontractor under this Agreement and paid for by the Procuring Agency. The Procuring Agency shall have sole right to produce, publish, transfer or otherwise use the above-referenced items developed under this Agreement.

4.   Third-Party Software

The Parties acknowledge that the MMIS includes software licensed or procured by the CONTRACTOR from third parties. At termination or expiration of this Agreement, the CONTRACTOR will work with the Procuring Agency and the owners of such Third Party Software to either assign the licenses of the Third Party Software to the Procuring Agency or assist the Procuring Agency in obtaining the required Third Party Software licenses, at the Procuring Agency's expense.

5.   Software as a Service ("SaaS")

All SaaS is identified in Appendix 1. The Parties acknowledge that the MMIS may include Software as a Service ("SaaS") under this Agreement. The Procuring Agency shall not pay any license fees, nor will the Procuring Agency gain any type of ownership rights to the SaaS during the term of this Agreement. The Parties agree that at termination or expiration of this Agreement, that any SaaS included in the MMIS are not assignable or transferable to the Procuring Agency.

6.   Documentation

The CONTRACTOR agrees that the Procuring Agency shall have a nonexclusive, and irrevocable license to reproduce or otherwise use and authorize others to use all non-proprietary documentation (such as system, user or procedural documentation) at any time during the period of the Agreement and thereafter. The CONTRACTOR agrees to deliver such material to the Contract Administrator within thirty (30) days from receipt of the Procuring Agency's request. Such requests may be made by the Procuring Agency at any time prior to the expiration of this Agreement.

In the event that this Agreement is terminated for any reason, or upon its expiration, the Procuring Agency may retain ownership of any and all specified work products, Deliverables and/or documentation in whatever form that they exist.

7. Data Set Information

The Procuring Agency shall own and retain unlimited rights to use, disclose, or duplicate all information and data (copyrighted or otherwise) developed, derived, documented, stored, or furnished by the CONRACTOR under this Agreement. Such data will include but is not limited to the following: transaction and history files relating to claims, provider and recipient demographics and eligibility, code sets, free schedules, other pricing components, prior authorizations, utilization criteria and service limit data.

8. Miscellaneous

a) The Procuring Agency will own and retain unlimited rights to use, disclose, or duplicate all non-proprietary or customized components that are developed or purchased as a result of this Agreement, with the exception of the software identified in this Article as "Proprietary Software," "Configured and Integrated Proprietary Software," or "SaaS". The CONTRACTOR shall provide a detailed inventory of all software and documentation by those components that are considered State-Owned, Public Domain, Proprietary Software, Configured and Integrated Proprietary Software, SaaS, and Third Party Software as a result of the CONTRACTOR's MMIS work for the Procuring Agency since 2005. The CONTRACTOR shall provide this inventory at the beginning of the project and each April and October thereafter.

b) The CONTRACTOR's right to copy the State-Owned software is limited to the following purposes: archival, backup and training. All archival and backup copies of the State-owned software are subject to the provisions of this Agreement and all titles, patent numbers, trademarks, copyright and other restricted rights and notices shall be reproduced on any such copies. Nothing in this subsection prohibits the CONTRACTOR from complying with 45 C.F.R. Part 95.617.

c) If the CONTRACTOR reproduces the State-Owned software the CONTRACTOR shall include the State of New Mexico's copyright and other proprietary notices and product identifications provided by the CONTRACTOR on such copies, in whole or in part, or on any form of the Deliverables.

d) Notwithstanding the above, to the extent the Procuring Agency is now or hereafter vested with any ownership rights in or to any software designed, developed or implemented under this Agreement, the Procuring Agency does hereby grant to CONTRACTOR in connection with any such

Deliverables, a nonexclusive, worldwide, perpetual, irrevocable, royalty-free, fully paid-in license to use, modify, sell, sublicense or create derivative works based upon, such custom software.

e)   The CONTRACTOR agrees to maintain at the CONTRACTOR's own expense, a copy of the MMIS (with the exception of those items that are SaaS) and provide the Procuring Agency with such copy every six (6) months or sooner at the Procuring Agency's request. The MMIS shall be in magnetic form on media specified by the Procuring Agency. Included with the MMIS shall be all associated documentation which will allow the Procuring Agency to top load, compile and maintain the software in the event of a breach of this Agreement.

f)   If the CONTRACTOR ceases to do business or ceases to support this Project or Agreement and it does not make adequate provision for continued support of the licensed software it provided the Procuring Agency; or, if this Agreement is terminated, or if the CONTRACTOR breaches this Agreement, the CONTRACTOR shall make available to the Procuring Agency:

(1)   the latest available licensed software program source code and related documentation meant for the licensed software provided or developed under this Agreement by the CONTRACTOR and listed as part of the purchase system, with the exception of those items that are SaaS;

(2)   the source code and compiler/utilities necessary to fully operate and maintain the system; and

(3)   related documentation for software developed by third parties to the extent that the CONTRACTOR is authorized to disclose such software. In such circumstances, the Procuring Agency shall have an unlimited right to use, modify and copy the source code and documentation.

B.   The CONTRACTOR warrants that all materials produced hereunder and will not infringe upon or violate any patent, copyright, trade secret, or other property right of any third party, and the CONTRACTOR will indemnify and hold the Procuring Agency harmless from and against any loss, cost, liability, or expense arising out of breach or claimed breach of this warranty.

C.   All materials, work papers, meeting notes, design documents produced by the CONTRACTOR shall be the property of the Procuring Agency.

D.   All materials developed or acquired by the CONTRACTOR and paid for by the State under this Agreement shall become the property of the State of New Mexico upon Acceptance of the Deliverable(s), with the exception of the software identified in this Article as "Proprietary Software," "Configured and Integrated Proprietary Software," or "SaaS". In accordance with 45 C.F.R. Part 95.617, the United States Procuring Agency of Health and Human Services Centers for Medicare and Medicaid Services and the

Procuring Agency reserve a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, such software, modifications, and documentation.

E. Nothing produced, in whole or in part, by the CONTRACTOR under this Agreement shall be the subject of an application for copyright by or on behalf of the CONTRACTOR. The CONTRACTOR shall otherwise be free to use any ideas, concepts, or techniques related to data processing learned during the course of providing services under this Agreement.

ARTICLE 10 – INTELLECTUAL PROPERTY INDEMNIFICATION

A. Intellectual Property Indemnification. The CONTRACTOR shall defend, at its own expense, the Procuring Agency, the State of New Mexico and/or any other State of New Mexico body against any claim that any product or service provided under this Agreement infringes any patent, copyright or trademark, and shall pay all costs, damages and attorneys' fees that may be awarded as a result of such claim. In addition, if any third party obtains a judgment against the Procuring Agency, the State of New Mexico and/or any other State of New Mexico body based upon CONTRACTOR's trade secret infringement relating to any product or services provided under this Agreement, the CONTRACTOR agrees to reimburse the Procuring Agency for all costs, attorneys' fees and the amount of the judgment. To qualify for such defense and/or payment, the Procuring Agency shall:

1. Give the CONTRACTOR written notice, within two (2) business days, of its notification of any claim;
2. Work with the CONTRACTOR to control the defense and settlement of the claim, as allowed under the law; and
3. Cooperate with the CONTRACTOR, in a reasonable manner, to facilitate the defense or settlement of the claim.

B. Procuring Agency Rights. If any product or service becomes, or in the CONTRACTOR's opinion is likely to become, the subject of a claim of infringement, the CONTRACTOR shall, at its sole expense:

1. Provide the Procuring Agency the right to continue using the product or service and fully indemnify the Procuring Agency against all claims that may arise out of the Procuring Agency's use of the product or service;
2. Replace or modify the product or service so that it becomes non-infringing; or
3. Accept the return of the product or service and refund an amount equal to the value of the returned product or service, less the unpaid portion of the purchase price and any other amounts, which are due to the CONTRACTOR. The CONTRACTOR's obligation will be void as to any product or service modified by the Procuring Agency to the extent such modification is the cause of the claim.

ARTICLE 11 -- WARRANTIES

A. General. The CONTRACTOR hereby expressly warrants the Deliverables as being correct and compliant with the terms of this Agreement, CONTRACTOR's official

published specification and technical specifications of this Agreement and all generally accepted industry standards. This warranty encompasses correction of defective Deliverables and revision of the same, as necessary, including deficiencies found during testing, implementation, or post-implementation phases.

B.   Software. The CONTRACTOR warrants that any software or other products delivered under this Agreement shall comply with the terms of this Agreement, CONTRACTOR's official published specification(s) and technical specifications of this Agreement and all generally accepted industry standards The CONTRACTOR further warrants that the software provided under this Agreement will meet the applicable specifications for six months after Acceptance by the Executive Level Representative and implementation by the Procuring Agency. If the software fails to meet the applicable specifications during the warranty period, the CONTRACTOR will correct the deficiencies, at no additional cost to the Procuring Agency, so that the software meets the applicable specifications.

ARTICLE 12 – CONTRACTOR PERSONNEL

A.   Key Personnel. CONTRACTOR's key personnel shall not be diverted from this Agreement   without the prior written approval of the Procuring Agency. Key personnel are those individuals considered by the Procuring Agency to be mandatory to the work to be performed under this Agreement. Key personnel positions shall include: Executive Account Manager; Deputy Account Manager; MMIS Systems Manager; Provider Relations Manager; Claims/TPL Manager; Financial Manager; Client Services Director; Business Support Unit Manager; Technical Support Manager; Business Service Manager and Pharmacy Services Manager

B.   Personnel Changes. Replacement of any personnel shall be made with personnel of equal ability, experience, and qualification and shall be approved by the Procuring Agency. For all personnel, the Procuring Agency reserves the right to require submission of their resumes prior to approval. If the number of CONTRACTOR's personnel assigned to the Project is reduced for any reason, CONTRACTOR shall, within thirty (30) calendar days of the reduction, replace with the same or greater number of personnel with equal ability, experience, and qualifications, subject to Procuring Agency approval. The Procuring Agency, in its sole discretion, may approve additional time beyond the thirty (30) calendar days for replacement of personnel. The CONTRACTOR shall include status reports of its efforts and progress in finding replacements and the effect of the absence of the personnel on the progress of the project. The CONTRACTOR shall also make interim arrangements to assure that the project progress is not affected by the loss of personnel. The Procuring Agency reserves the right to require a change in CONTRACTOR's personnel if the assigned personnel are not, in the sole opinion of the Procuring Agency, meeting the Procuring Agency's expectations.

C.   Responsibility for the CONTRACTOR's personnel.

1.   The CONTRACTOR's employees and Subcontractors will not, in any sense, be considered employees of the Procuring Agency or the State of New Mexico, but will be considered the CONTRACTOR's employees for all purposes.

2.   Except as expressly provided in this Agreement, neither the CONTRACTOR nor any of the CONTRACTOR's employees or Subcontractors may act, in any sense, as agents of the Procuring Agency or the State of New Mexico.

3.   The CONTRACTOR's employees must be paid exclusively by the CONTRACTOR for all services performed.

4.   The CONTRACTOR assumes sole and full responsibility for its acts and the acts or its personnel and Subcontractors.

5.   The CONTRACTOR agrees that any claim on behalf of any person arising out of employment or alleged employment (including, but not limited to, claims of discrimination against the CONTRACTOR, its officers, or its agents) are the sole responsibility of the CONTRACTOR and are not the responsibility of the Procuring Agency, and that the CONTRACTOR will indemnify and hold harmless the State of New Mexico from any and all such claims asserted against the State. The CONTRACTOR understands that any person who alleges a claim arising out of employment or alleged employment by the CONTRACTOR may not be entitled to any compensation, rights, or benefits from the Procuring Agency (including, but not limited to, tenure rights, medical and hospital care, sick and annual/vacation leave, severance pay, or retirement benefits).

6.   The CONTRACTOR's employees and Subcontractors will not, in any sense, be considered providers of Medicaid benefits under this Agreement.

ARTICLE 13 – STATUS OF CONTRACTOR

A.   Independent CONTRACTOR. The CONTRACTOR and its agents and employees are independent CONTRACTORs performing professional services for the Agency and are not employees of the State of New Mexico. The CONTRACTOR and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of state vehicles, or any other benefits afforded to employees of the State of New Mexico as a result of this Agreement. The CONTRACTOR acknowledges that all sums received hereunder are personally reportable by it for income tax purposes as self-employment or business income and are reportable for self-employment tax.

B.   Subject of Proceedings. CONTRACTOR warrants that neither the CONTRACTOR nor any officer, member, director or employee of the CONTRACTOR, is presently subject to any litigation, civil or criminal, or administrative proceeding before any court or administrative body which would have an adverse effect on the CONTRACTOR's ability to perform under this Agreement; nor, to the best knowledge of the CONTRACTOR, is any such litigation or proceeding presently threatened against it or any of its officers, stockholders, directors or employees. If any such proceeding is initiated or threatened during the term of this Agreement, the CONTRACTOR shall immediately disclose such fact to the Procuring Agency.

ARTICLE 14 - CHANGE MANAGEMENT

A.   Changes. CONTRACTOR may only make changes or revisions within the Scope of Work as defined by Article 2 and Exhibit A after receipt of written approval by the Executive Level Representative. Such change may only be made to Tasks or Sub-Task as defined in the Agreement. Under no circumstance shall such change affect the:

    1.   Deliverable requirements;

    2.   Compensation due under the terms of this Agreement; or

    3.   Due Date of any Deliverable, as outlined in the Agreement.

B.   Change Request Process. In the event that circumstances warrant a change to accomplish the Scope of Work as described above, a Change Request shall be submitted that meets the following criteria:

    1.   The Project Manager shall draft a written Change Request for Executive Level Representative review and approval to include: the name of the person requesting the change, a summary of the required change, the start date for the change, the reason and necessity for change, the urgency level for the change, the elements to be altered, the impact of the change, the staffing plan associated with the change, the impact on the schedule for implementing the change, the cost impact, the risk assessment and a recommended approach to the change, and

    2.   The Executive Level Representative shall provide a written decision on the Change Request to the CONTRACTOR within a maximum of ten (10) business days of receipt of the Change Request. All decisions made by the Executive Level Representative are final. Change requests, once approved, become a part of the Agreement and become binding as a part of the original Agreement.

ARTICLE 15 – DEFAULT/BREACH

In case of default and/or breach by the CONTRACTOR, for any reason whatsoever, the Procuring Agency and the State of New Mexico may procure the goods or services from another source and hold the CONTRACTOR responsible for any resulting excess costs and the Agency and the State of New Mexico may also seek all other remedies under the terms of this Agreement and under law or equity.

ARTICLE 16 – EQUITABLE REMEDIES

CONTRACTOR acknowledges that its failure to comply with any provision of this Agreement may cause the Procuring Agency irrevocable harm and that a remedy at law for such a failure would be an inadequate remedy for the Procuring Agency, and the CONTRACTOR consents to the Procuring Agency's obtaining from a court of competent jurisdiction, specific performance, or injunction, or any other equitable relief in order to enforce such compliance. Procuring

Agency's rights to obtain equitable relief pursuant to this Agreement shall be in addition to, and not in lieu of, any other remedy that Procuring Agency may have under applicable law, including, but not limited to, monetary damages.

ARTICLE 17 – LIMITATION OF LIABILITY

A.   The CONTRACTOR's cumulative liability to the Procuring Agency for any and all actions, whether in contract or in tort, shall not exceed two (2) times the Base Amount set forth in Article 3(B) Payment, of this Agreement.

B.   The limitation of liability set forth in Article 17(A) above, shall not apply to:

    1.   Damages finally adjudicated to be a direct result from CONTRACTOR's bad faith or willful misconduct; and

    2.   Indemnification claims arising from bodily injury to third parties or damage to tangible personal property.

C.   Neither party shall be liable for indirect or consequential damages regardless of the form of action, whether in contract, tort or otherwise, and even if such party has been advised of the possibility of such damages. Any specific types or forms of damages not addressed in this Agreement shall be subject to the liability cap set forth in Article 17(A) above.

D.   In addition to any compensatory damages that may be awarded to the Procuring Agency (such compensatory damages are subject to the liability cap set forth in Article 17(A) above), the CONTRACTOR's maximum liability for exemplary or punitive damages shall not exceed two (2) times the Base Amount set forth in Article 3(B).

E.   The CONTRACTOR shall be liable for damages arising out of bodily injury to persons and/or damage to real or tangible personal property before or after Acceptance, delivery, installation and use of the equipment, and during the warranty period either at the CONTRACTOR's site or the Procuring Agency's place of business, provided that the injury or damage was caused by the negligence of the CONTRACTOR or defect of the equipment or installation subject to the liability cap set forth in Article 17(A) above. The CONTRACTOR shall not be liable for damages arising out of, or caused by, alterations to the equipment, (other than alterations performed or caused by CONTRACOR's officers, employees or agents), made by the Procuring Agency or for losses occasioned by the Procuring Agency's fault or negligence.

F.   The CONTRACTOR shall include special terms and conditions in its subcontract with Spectrum Industries, LLC ("Spectrum") that shall include, but are not limited to:

    1.   That Procuring Agency is a third-party beneficiary;

2. That the subcontract is entered into for goods and services that are to be directly provided by Spectrum to the Procuring Agency;

3. That the Procuring Agency, the State of New Mexico, its officers, directors, agents, and employees shall be indemnified by Spectrum for any claim that any product or service provided under the subcontract between CONTRACTOR and Spectrum, including all costs, damages and attorneys' fees that may be awarded as a result of such claim;

4. That the Procuring Agency has a direct claim against Spectrum for any product or service provided under the subcontract between CONTRACTOR and Spectrum that fails to meet the terms and conditions set forth therein; and

5. That Spectrum shall indemnify and hold harmless the CONTRACTOR for any direct or indirect claim brought against the CONTRACTOR, whether in tort or in contract, for goods provided and services rendered under the subcontract.

G. In Notwithstanding CONTRACTOR's existing obligations under Article 17 of the Agreement given the requirements set fourth in subsection (F), the CONTRACTOR shall not be liable to the Procuring Agency of the State for any loses, damages, costs, liabilities and expenses for any losses alleged to have been sustained by the Procuring Agency or the State resulting from the performance of non-performance by Spectrum of its obligations under the subcontract, including but not limited to negligence or breach of contract.

ARTICLE 18 – ASSIGNMENT

The CONTRACTOR shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of this Agreement's approval authorities.

ARTICLE 19 – SUBCONTRACTING

The CONTRACTOR shall not subcontract any portion of this Agreement without the prior written approval of the Procuring Agency. No such subcontracting shall relieve the CONTRACTOR from its obligations and liabilities under this Agreement, nor shall any subcontracting obligate payment from the Procuring Agency.

ARTICLE 20 – RELEASE

The CONTRACTOR's acceptance of final payment of the amount due under this Agreement shall operate as a release of the Procuring Agency, its officers and employees, and the State of New Mexico from all liabilities, claims and obligations whatsoever arising from or under this Agreement. The CONTRACTOR agrees not to purport to bind the State of New Mexico unless

the CONTRACTOR has express written authority to do so, and then only within the strict limits of that authority.

ARTICLE 21 – CONFIDENTIALITY

A.   Any confidential information, as defined in State or federal law, codes, rules, or regulations such as HIPAA, provided under this Agreement will not be made available to any individual or organization by the CONTRACTOR or its officers, agents, or employees without prior authorization by the Procuring Agency.

B.   The CONTRACTOR shall not make use of any information obtained during the course of this Agreement except as necessary for the proper discharge of its respective obligations herein.

C.   The CONTRACTOR warrants that it will maintain the confidentiality of all information derived from the Procuring Agency and will neither use or disclose it to any person or entity without the explicit written permission of the Procuring Agency, and that each and every employee, agent or assign of the CONTRACTOR has executed the binding agreement of the Statement of Confidentiality. The CONTRACTOR recognizes that irreparable harm can be occasioned to the Procuring Agency and their clients by disclosure of confidential information and accordingly, the CONTRACTOR will be solely responsible for any violations.

D.   The CONTRACTOR shall notify the Procuring Agency promptly of any unauthorized possession, use, knowledge, or attempt thereof, of confidential information. The CONTRACTOR shall promptly furnish to the Procuring Agency the full details of the unauthorized possession, use, or knowledge, or attempt thereof, and assist in investigating or preventing the recurrence thereof.

E.   The CONTRACTOR shall immediately notify the Procuring Agency of any attempt to subpoena or otherwise acquire the Procuring Agency's client records provided to the CONTRACTOR under this Agreement. Such records will not be released pursuant to subpoena without a court order signed by a judge. The provisions of 8 NMAC 3 ISD 030-039 will apply to confidential records provided to the CONTRACTOR by the Procuring Agency.

F.   The Procuring Agency shall retain the right to perform a background check of all CONTRACTOR's personnel, including any Subcontractor(s) assigned to this project. The CONTRACTOR must advise its employees and/or Subcontractors in writing of this possibility prior to their employment on this project.

G.   The CONTRACTOR shall treat all information and, in particular, information relating to recipients of the Procuring Agency's services, which is obtained through its performance under this Agreement as confidential information in accordance with the provisions of 45 C.F.R. 205.50, regulations promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and all other applicable federal and State laws and

regulations, and shall not use any information so obtained in any manner except as otherwise permitted by this Agreement and as necessary for the proper discharge of its obligations and securing of its rights hereunder. Subject to the provisions of Article 8 of this Agreement, the CONTRACTOR assumes responsibility for all liability caused by any breach of this Article and shall indemnify the Procuring Agency against all such liability accordingly. The CONTRACTOR shall comply with the breach notification requirements contained in Section 13402 of the Health Information Technology for Economic and Clinical Health (HITECH) Act, part of the American Recovery and Reinvestment Act of 2009 (ARRA), and with related regulations issued by CMS.

H.   The CONTRACTOR acknowledges that performance of their obligations under this Agreement makes it a Business Associate of the Procuring Agency as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and regulations promulgated thereunder. The CONTRACTOR agrees to the terms of the Business Associate Agreement.

ARTICLE 22 –CONFLICT OF INTEREST

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 22 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 22 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 22 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 22(B).

ARTICLE 23 - AMENDMENT

This Agreement shall not be altered, changed, or amended except by an instrument in writing executed by the Parties hereto. No amendment shall be effective or binding unless approved by all of the approval authorities.

ARTICLE 24 – NEW MEXICO EMPLOYEES HEALTH COVERAGE

A. If CONTRACTOR has, or grows to, six (6) or more employees who work, or who are expected to work, an average of at least 20 hours per week over a six (6) month period during the term of the Agreement, CONTRACTOR certifies, by signing this agreement, to:

1. have in place, and agree to maintain for the term of the Agreement, health insurance for those employees and offer that health insurance to those employees no later than July 1, 2008 if the expected annual value in the aggregate of any and all contracts between CONTRACTOR and the State exceed one million dollars or;

2. have in place, and agree to maintain for the term of the Agreement, health insurance for those employees and offer that health insurance to those employees no later than July 1, 2009 if the expected annual value in the aggregate of any and all contracts between CONTRACTOR and the State exceed $500,000 dollars or;

3. have in place, and agree to maintain for the term of the Agreement, health insurance for those employees and offer that health insurance to those employees no later than July 1, 2010 if the expected annual value in the aggregate of any and all contracts between CONTRACTOR and the State exceed $250,000 dollars.

B. CONTRACTOR agrees to maintain a record of the number of employees who have (a) accepted health insurance; (b) declined health insurance due to other health insurance coverage already in place; or (c) declined health insurance for other reasons. These records are subject to review and audit by a representative of the state.

C. CONTRACTOR agrees to advise all employees of the availability of State publicly financed health care coverage programs by providing each employee with, as a minimum, the following web site link to additional information: http://insurenewmexico.state.nm.us/.

D. For Indefinite Quantity, Indefinite Delivery contracts (price agreements without specific limitations on quantity and providing for an indeterminate number of orders to be placed against it); CONTRACTOR agrees these requirements shall apply the first day of the second month after the offeror reports combined sales (from state and, if applicable, from local public bodies if from a state price agreement) of $250,000, $500,000 or $1,000,000, depending on the dollar value threshold in effect at that time.

ARTICLE 25 – MERGER; SCOPE, ORDER OF PRECEDENCE

A. This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, agreements and understandings have been merged into this written Agreement. No prior

agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

B.   The provisions of this Agreement are severable, and if for any reason, a clause, sentence or paragraph of this Agreement is determined to be invalid by a court or agency or commission having jurisdiction over the subject matter thereof, such invalidity will not affect other provisions of this Agreement, which can be given effect without the invalid provision.

C.   This Agreement between the Parties will consist of this Agreement.

D.   Order of Documents. In the event of any conflict or contradiction between or among these documents, the documents shall control in the following order of precedence:

    (1)   The final executed Agreement, and all amendments thereto;

    (2)   The Agreement Exhibits, and all amendments thereto.

ARTICLE 26 – NOTICES

All deliveries, notices, requests, demands or other communications provided for or required by this Agreement shall be in writing and shall be deemed to have been given when sent by registered or certified mail (return receipt requested), when sent by overnight carrier, or upon telephone confirmation by CONTRACTOR to the sender of receipt of a facsimile communication that is followed by a mailed hard copy from the sender.   Notices shall be addressed as follows:

For PROCURING AGENCY:

John Padilla, Medical Assistance Systems Bureau Chief and
Contract Manager
Human Services Department
Medical Assistance Division
P.O. Box 2348
Santa Fe, NM 87504-2348

With a Copy to:

Human Services Department
Attention: General Counsel
P.O. Box 2348
Santa Fe, New Mexico 87504-2348

For CONTRACTOR:

Conduent State Healthcare, LLC

1720A Randolph Rd SE
Albuquerque, NM 87106
ATTN: Account Manager

With a copy to:

Conduent State Healthcare, LLC
12410 Milestone Center Drive
Germantown, MD 20876
ATTN: Contracts Department

Any change to the Notice individual or the address, shall be effective only in writing.

ARTICLE 27– GENERAL PROVISIONS

A.   Civil and Criminal Penalties. The Procurement Code, Sections 13-1-28 through 13-1-199 NMSA 1978, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities and kickbacks.

B.   Equal Opportunity Compliance. The CONTRACTOR agrees to abide by all federal and state laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws of the State of New Mexico, the CONTRACTOR agrees to assure that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If CONTRACTOR is found not to be in compliance with these requirements during the life of this Agreement, CONTRACTOR agrees to take appropriate steps to correct these deficiencies.

C.   Workers Compensation. The CONTRACTOR agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the CONTRACTOR fails to comply with the Workers Compensation Act and applicable rules when required to do so, this Agreement may be terminated by the Procuring Agency.

D.   Applicable Law. The laws of the State of New Mexico shall govern this Agreement. Venue shall be proper only in a New Mexico court of competent jurisdiction in the county where the Procuring Agency's main office is located. By execution of this Agreement, CONTRACTOR acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all such lawsuits.

E.   Waiver. A Party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that Party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights

under this Agreement shall be effective unless expressed and in writing, and no effective waiver by a Party of any of its rights shall be effective to waive any other rights.

F. Headings. Any and all headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement. Numbered or lettered provisions, sections and subsections contained herein, refer only to provisions, sections and subsections of this Agreement unless otherwise expressly stated.

G. CONTRACTOR responsibility for compliance with laws and regulations.

1. The CONTRACTOR is responsible for compliance with all laws, regulations, and administrative rules that govern the performance of the Services including, but not limited to, all State and Federal tax laws, State and Federal employment laws, State and Federal regulatory requirements, and licensing provisions.

2. The CONTRACTOR is responsible for ensuring that each of its employees, agents or Subcontractors who provide Services under this Agreement are properly licensed, certified, and/or have proper permits to perform any activity related to the Services.

3. The CONTRACTOR warrants that the Services comply with all applicable Federal, State, County, or other local laws, regulations, codes, ordinances, guidelines, and policies. The CONTRACTOR will indemnify the Procuring Agency and the State of New Mexico from and against any losses, liability, claims, damages, penalties, costs, fees or expenses arising from or in connection with the CONTRACTOR's failure to comply with or violation of any such law, regulation, code, ordinance, or policy.

H   CONTRACTOR's Responsibility for Compliance with laws and regulations relating to Information Security.

1. The CONTRACTOR, and all its employees, Subcontractors, consultants, or agents performing the Services under this Agreement must comply with the following:
    a) The Federal Information Security Management Act of 2002 (FISMA);
    b) The Health Insurance Portability and Accountability Act of 1996 (HIPAA);
    c) The Health Information Technology for Technology for Economic and Clinical Health Act (HITECH Act);
    d) Publication 1075 – Tax Information Security Guidelines for Federal, State and Local Agencies;
    e) Social Security Administration (SSA) Office of Systems Security Operations Management Guidelines; and
    f) NMAC 1.12.20, et seq.

I.   No waiver of sovereign immunity. The Parties expressly agree that no provision of this Agreement is in any way intended to constitute a waiver by the Procuring Agency or the State of New Mexico of any immunities from suit or from liability that the Procuring Agency or the State of New Mexico may have by operation of law.

ARTICLE 28 - SURVIVAL

The Articles entitled Intellectual Property, Intellectual Property Ownership, Confidentiality, and Warranties shall survive the expiration or termination of this Agreement. Software License and Software Escrow agreements and other unexpired agreements entered into in conjunction with this Agreement shall survive the expiration or termination of this Agreement.

ARTICLE 29 – TIME

Calculation of Time. Any time period herein calculated by reference to "days" means calendar days; provided, however, that if the last day for a given act falls on a Saturday, Sunday, or a holiday as observed by the State of New Mexico, the day for such act shall be the first day following that is not a Saturday, Sunday, or such observed holiday.

ARTICLE 30 – FORCE MAJEURE

Neither party shall be liable in damages or have any right to terminate this Agreement for any delay or default in performing hereunder if such delay or default is caused by conditions beyond its control including, but not limited to Acts of God, Government restrictions (including the denial or cancellation of any export or other necessary license), wars, insurrections and/or any other cause beyond the reasonable control of the party who performance is affected.

ARTICLE 31 – DAMAGES AND PENALTIES

A.   Notwithstanding any provisions stated elsewhere in this Agreement, but in addition to those provisions, the Procuring Agency reserves the right to assess damages and penalties upon the CONTRACTOR's failure to timely provide services required pursuant to this Agreement if such failure is due to the CONTRACTOR's fault. Notice of imposition of any assessment shall be given to the CONTRACTOR within forty-five (45) days of the Procuring Agency's discovery of such failure and, unless contested pursuant to Article 38, or otherwise agreed to in writing, shall be offset against the subsequent monthly payments. Assessment of any liquidated damage or penalty does not waive any other remedies available to the Procuring Agency pursuant to this Agreement or State or federal law.

B.   In the event the CONTRACTOR fails to meet the requirements set forth in this section, the CONTRACTOR shall pay damages as follows:

    1.   Should decertification of the MMIS occur for any period prior to Agreement expiration, termination, or extension thereof, the CONTRACTOR shall be liable to the Procuring Agency for the difference between the maximum allowable

enhanced federal financial participation (FFP) and the FFP actually received by the Procuring Agency, as a result of losing certification of the MMIS. The CONTRACTOR shall be liable under this paragraph only if the loss is attributable to the CONTRACTOR's failure to perform that is not caused by the Procuring Agency's or a third party's acts or omissions, negligence or intentional misconduct. Assessment of the amount due will be made by the Procuring Agency subsequent to the Centers for Medicare and Medicaid Services notifying the Procuring Agency of its decision in writing.

2. All payments, adjustments, and other financial transactions made through the MMIS will be made on behalf of eligible clients to enrolled providers for approved services in accordance with the payment rules and policies of the Procuring Agency and the Medicaid Program. The CONTRACTOR shall identify claims that have been incorrectly processed, and initiate appropriate action to correct processing outcomes. The CONTRACTOR shall notify the Procuring Agency immediately upon discovery of any incorrect payments or duplicate payments, irrespective of cause, prior to initiating recovery or corrective action. The CONTRACTOR shall notify the Procuring Agency by letter of any system errors that result in a potential provider overpayment or other incorrect payment, and indicate the plan for corrective action.

3. The CONTRACTOR shall be liable to the Procuring Agency for the actual amount of any overpayments or duplicate payments that were paid as a result of the CONTRACTOR's failure to perform that is not caused by the Procuring Agency's or a third party's acts or omissions, negligence or intentional misconduct and that have not been recovered within one hundred twenty (120) days of identification of the overpayment. If the erroneous payment is, in the Procuring Agency's sole determination, only partially due to CONTRACTOR's failure to perform that is not caused by the Procuring Agency's or a third party's acts or omissions, negligence or intentional misconduct, the CONTRACTOR's liability shall be limited to a partial amount of the non-recovered overpayment. Any amount recovered by the CONTRACTOR after reimbursing the Procuring Agency may be retained by the CONTRACTOR, up to the amount reimbursed to the Procuring Agency. The CONTRACTOR may seek recovery from providers to whom erroneous payments were made using methods approved by the Procuring Agency

C. Should the CONTRACTOR identify any area in which certification is jeopardized or federal audit requirements may not be met or any other reason for which maximum FFP would be jeopardized, the CONTRACTOR shall immediately inform the Procuring Agency of any such deficiencies.

D. Penalties:

The following performance requirements are essential to the administrative continuity of the CONTRACTOR and Procuring Agency services but not susceptible to specific

itemization of cost or damage for their failure to be timely and accurately provided. Penalties are, therefore, assigned based upon the Procuring Agency's determination of the relationship of the service or item to the performance of the CONTRACTOR's operational responsibilities. Without waiving its right to contest imposition of any assessment, the CONTRACTOR accepts the penalty amounts set forth below:

1. <u>Personnel Requirements</u>:

   a) The CONTRACTOR shall comply with the minimum staffing commitments defined by the Agreement, or made in the CONTRACTOR's proposal or in a subsequent Procuring Agency-approved staffing plan, by hiring equally qualified replacements to fill vacant positions timely. The Procuring Agency reserves the right to approve any replacement staff for these positions.

   b) Up to a maximum of five thousand dollars ($5,000.00) per occurrence may be assessed for each required position which is unfilled for more than thirty (30) calendar days during the Operational Phase.

   c) For each required position which remains unfilled for more than forty-five (45) calendar days, an additional five hundred dollars ($500.00) per occurrence may be assessed for each calendar day that an acceptable replacement for the position is not available, starting on the forty-sixth calendar day.

2. <u>Adjudicating Claims Timely</u>:

   a) The CONTRACTOR shall adjudicate claims within thirty (30) calendar days from date of receipt unless the claim processing delay was beyond the CONTRACTOR's control.

   b) For each claim, the CONTRACTOR shall pay the Procuring Agency ten cents ($.10) per day for each day in which the processing time exceeds thirty (30) calendar days.

3. <u>Adjudicating Adjustment Claims Timely</u>:

   a) The CONTRACTOR shall adjudicate adjustment claims within thirty (30) calendar days from date of receipt unless the processing delay was beyond the CONTRACTOR's control.

b) For each adjustment claim, the CONTRACTOR shall pay the Procuring Agency ten cents ($.10) per day for each day in which the processing time exceeds thirty (30) calendar days.

4. Timely Payment of Mi Via Timesheets and Invoices:

a) The CONTRACTOR shall process and pay all correctly and timely submitted Mi Via timesheets in the next scheduled timesheet payment cycle and all correctly and timely submitted Mi Via invoices in the next scheduled invoice payment cycle unless the processing delay was beyond the CONTRACTOR's control.

b) For each timesheet and invoice, the CONTRACTOR shall pay the Procuring Agency ten dollars ($10.00) per day that payment is delayed.

5. Failed Eligibility Update Transactions:

a) The CONTRACTOR shall update the MMIS recipient eligibility file based on data received from the state's eligibility determination system (e.g., ISD2 or its replacement). The CONTRACTOR is to communicate to ASPEN which records need to be corrected.

6. Reporting Delays:

a) The CONTRACTOR shall produce all required reports and deliver such reports via COLD or hard copy to the Procuring Agency on or before the due dates.

b) Unless the Procuring Agency notifies the CONTRACTOR otherwise, the due date for reports will be determined as follows:

   i.   Daily reports by noon of the next business day.
   ii.   Weekly reports by noon of the next business day.
   iii. Weekly reports by noon of the next business day.
   iv.   Quarterly reports by noon of the fifth business day after the end of the quarter.
   v.   Annual reports by noon of the tenth business day following the end of the year (whether federal fiscal year, State fiscal year, waiver year, or other annual period).
   vi.   Ad-hoc and on-request reports within ten (10) business days or on the date mutually agreed upon by the Procuring Agency and CONTRACTOR.

c) For failure to deliver usable reports by the deadlines specified in the Scope of Work, the CONTRACTOR shall pay the Procuring Agency twenty-five

dollars ($25) per calendar day per report for each day beyond the due date until received.

7.   MMIS System Availability:

a)   The CONTRACTOR shall ensure that on-line access to all MMIS applications is available to all State system users from 6:30 AM to 6:30 PM Mountain Time for all state business days. In addition, upon request by the Procuring Agency with at least twenty-four (24) hour notice, the system will be made available to the State for times outside the scheduled availability. An MMIS application is considered unavailable when a user does not get the complete correct full-screen response to an input transaction within three (3) minutes after depressing the "Enter" or other function key. The Procuring Agency will notify the CONTRACTOR when it has been determined that the system is unavailable. Cumulative system unavailability will not exceed two (2) hours during a continuous five (5) day period.

b)   For failure to meet the system availability requirements, the CONTRACTOR shall pay the Procuring Agency five hundred dollars ($500.00) for each continuous five (5) day period in which the unavailability time exceeded two (2) hours. For purposes of this Paragraph, a continuous five (5) day period is defined as Monday through Friday.

8.   Response Time:

a)   Where on-line access to the system by the Procuring Agency is specified, the CONTRACTOR shall ensure that the maximum response time is no greater than five (5) seconds for inquiry-only transactions and seven (7) seconds for update transactions at least ninety-five percent (95%) of the scheduled availability time. Scheduled availability time is from 6:30 AM to 6:30 PM Mountain Time for all State workdays.

b)   For failure to meet the response time requirements, the CONTRACTOR shall pay the Procuring Agency five hundred dollars ($500.00) per week in which the report demonstrates more than 5% of the transactions exceed the maximum response time of five (5) seconds for inquiries or seven (7) seconds for update transactions.

9.   Other System Availability:

a)   Externally available systems, such as the PBCPCS, AVRS, HIPAA translator and Web portal, will be operational on a seven (7) day per week, twenty-four (24) hour per day basis for at least 95% of each week, not including Procuring Agency-approved down time. Up to one (1) hour of

scheduled down time per day is allowed with prior approval of the Procuring Agency. For transactions submitted to the Web portal, the CONTRACTOR shall ensure that the maximum response time is no greater than five (5) seconds for inquiry-only transactions and seven (7) seconds for update transactions.

b)   For failure to meet the availability or response time requirements for externally available systems, the CONTRACTOR shall pay the Procuring Agency one thousand dollars ($1,000) per system per week in which the reports demonstrate the system was unavailable more than 5% of the time not including Procuring Agency-approved down time.

10.   <u>Help Desk Performance</u>:

a)   Hold times for the Provider Inquiry, Provider Enrollment, Client Eligibility Information, Client Solutions, Pharmacy Support, Mi Via, and HIPAA Help Desks shall not exceed, on average, more than two (2) minutes prior to reaching a help desk staff member.

b)   For failure to meet the speed of answer requirement, the CONTRACTOR shall pay the Procuring Agency seven hundred and fifty dollars ($750.00) per week for each call center for which the average hold time exceeds two (2) minutes.

11.   Other Performance Requirements:

a)   In addition to the damages specified above, damages may be assessed if the CONTRACTOR fails to meet other Contract requirements and fails to submit and/or implement a successful Corrective Action Plan (CAP) as directed by the Procuring Agency. The CONTRACTOR will submit the CAP to the State within ten (10) business days of notification. The CAP must meet State approval. Liquidated and actual damages may be assessed for performance measures that fail to occur within CAP specified times or do not meet requirements established in the CAP.

b)   For failure to deliver an acceptable CAP within ten (10) business days of notification by the Procuring Agency, the CONTRACTOR shall pay the Procuring Agency five hundred dollars ($500.00) per day that the CAP is late or unacceptable.

c)   For failure to meet the timeframe for correcting the deficiency as specified in the CAP or otherwise approved by the Procuring Agency, the CONTRACTOR shall pay the Procuring Agency five hundred dollars ($500) per day that the correction is late.

E.   If the CONTRACTOR's overall performance exposes the Procuring Agency to the likelihood of contracting with another person or entity to perform services required of the

CONTRACTOR under this Contract, upon reasonable notice setting forth the services, the Procuring Agency may withhold from the CONTRACTOR payments in a reasonable amount commensurate with the costs anticipated to be incurred. The Procuring Agency will use its best efforts to mitigate damages. If costs are incurred, the Procuring Agency will account to the CONTRACTOR and return any excess to the CONTRACTOR.

ARTICLE 32 – SOFTWARE SOURCE CODE

The CONTRACTOR agrees to provide a copy of the State-owned, CONTRACTOR-maintained MMIS software source code to the Procuring Agency's Information Technology Division. The source code will be in electronic form on media specified by the Procuring Agency. The Information Technology Division will be responsible for storage and safekeeping of the source code. The CONTRACTOR shall replace the copy of the source code no less frequently than every six (6) months, or sooner at the Procuring Agency's request, to ensure readability and preserve the software at the current revision level. The CONTRACTOR shall include with the copy of the source code all associated documentation to allow the Procuring Agency to load, compile and maintain the software.

ARTICLE 33 – CONTRACT MANAGER

The Procuring Agency will designate a Contract Manager to work with the CONTRACTOR's personnel in all aspects of takeover, enhancement, operations, and turnover activities. The Contract Manager will work with the CONTRACTOR's personnel throughout the term of the Agreement.

ARTICLE 34 – CONTRACT MANAGEMENT

A.   General Contract Management

      1.   The Procuring Agency will designate a person to serve as the Procuring Agency Contract Manager. The Procuring Agency Contract Manager will be responsible for monitoring compliance of the CONTRACTOR including compliance issues reported by the Project Manager or Division Business Manager and for material changes to the Agreement.

      2.   The CONTRACTOR agrees to maintain contact with the Contract Manager, Project Manager and/or Division Business Manager, as appropriate for each project. The CONTRACTOR shall promptly report to the Procuring Agency's Contract Manager, Project Manager and/or Division Business Manager, all events, problems, concerns, or requests affecting the Agreement or changes in the status of the CONTRACTOR regarding any requirement of the Agreement.

B.   Roles and Responsibilities

1. The Procuring Agency will designate in writing a Contract Manager who will be responsible for monitoring compliance and material changes during the term of this Agreement.

2. The HSD CIO shall be responsible for approving all invoices and for authorizing expenditures as required under Article 3.

3. The Procuring Agency will designate a person to serve as the Division Business Manager. The Division Business Manager will be responsible for coordinating all direction given in writing to the CONTRACTOR regarding system and non-system changes and direction.

4. For all system changes, planning, development, implementation, and enhancements made by the CONTRACTOR, the Procuring Agency's Information Technology Division (ITD) will designate a Project Manager. System changes are any change to the MMIS source code, PBCPC source code for the Procuring Agency use, the databases in the data warehouse, peripheral applications, and all changes made by the systems maintenance unit.

C. System Task Assignments

1. The Procuring Agency Project Manager and Division Business Manager shall be responsible for tasking the CONTRACTOR in writing for system planning, development, implementation, and system enhancements. The CONTRACTOR shall not proceed with system development, enhancements, or implementations without required coordination with HSD-ITD. All changes to project specifications shall be communicated to the CONTRACTOR in writing.

2. The Procuring Agency Project Manager and Division Business Manager shall be responsible for review, approval, and final acceptance of deliverables for system for system planning, development, implementation, and system enhancements.

3. Pursuant to HSD-ITD procedures, written task assignment descriptions will be reviewed and approved by the Procuring Agency's Project Manager and delivered to the CONTRACTOR. Such descriptions will include the Procuring Agency's requested completion date and other applicable specifications.

4. The CONTRACTOR will accomplish system tasks in order of priority as assigned in writing by the Procuring Agency's Project Manager working with the Division Business Manager. The CONTRACTOR shall identify to the Procuring Agency's Project Manager and Division Business Manager additional task requirements and possible reordering of priorities.

5. When requested, the CONTRACTOR shall provide a level of effort and scheduled completion date for a system task assignment within five (5) business days. The Procuring Agency is aware that the evaluation time required for a large

project could take longer than five (5) business days and as such, the evaluation time frames may be adjusted by mutual agreement between the CONTRACTOR and the Procuring Agency's Project Manager.

6.   The CONTRACTOR and the Procuring Agency's Project Manager and Division Business Manager shall discuss situations where there is disagreement concerning the level of effort and/or the scheduled completion date. In cases where the CONTRACTOR and the Procuring Agency's Project Manager and Division Business Manager cannot agree on the estimated level of effort and/or scheduled completion date, disputes will be presented before the HSD CIO prior to employing the Article 38 provision for handling disputes

D.   Operational Task Assignments

1.   The Division Business Manager shall direct and approve changes related to the business needs of the Procuring Agency that are not system changes, including pricing instructions and pricing updates; claim processing instructions and updates; provider billing instructions, education; edit dispositions, suspense locations, claim resolution instructions, provider messages; provider payouts and recoupments; reports other than system production reports, other user determined ad hoc reports, and federal MSIS reporting; the provider participation agreement approval process and other provider file updates; and reference system updates.

2.   Communications on operations and production problems shall be directed through the Division Business Manager using a coordinated process established by the Procuring Agency. All communications shall be in writing. All changes made by the CONTRACTOR shall be able to be traced by the CONTRACTOR to an appropriately authorized request or production problems report.

ARTICLE 35 – DISPUTES

A.   The entire Agreement shall consist of (1) this Contract, including the Scope of Work and any amendments, and the exhibits listed in Article 28.4.

B.   In the event of a dispute under the Agreement, the applicable documents will be referred to for the purpose of clarification or for additional detail in the following order of precedence:

1.   Amendments to the Contract in reverse chronological order, followed by

2.   The Contract, including the Scope of Work

C.   The Dispute Procedure is as follows:

1.   Any dispute unresolved by the CONTRACTOR, Procuring Agency Project Manager, Division Business Manager and Contract Manager concerning

performance by the parties shall be reported in writing and presented to the HSD CIO within thirty (30) days of the discovery of activity or incident giving rise to the dispute. The decision of the IT HSD CIO shall be delivered to the parties in writing within fifteen (15) calendar days of receipt of the written dispute and shall be final and conclusive unless, within fifteen (15) calendar days from the date of the decision, either party files with the SECRETARY or designee a written appeal of the decision of the HSD CIO.

a) Failure to file a timely appeal shall be deemed acceptance of the HSD CIO's decision and waiver of any further claim.

2. In any appeal under this Article, the CONTRACTOR and the Procuring Agency shall be afforded an opportunity to be heard and to offer evidence and argument in support of their position to the SECRETARY or designee. The SECRETARY or designee may seek information from other sources, if appropriate. The appeal may include an informal hearing that shall not be recorded or transcribed, and is not subject to formal rules of evidence or procedure.

3. The SECRETARY or designee will review the issues and evidence presented and will issue a determination in writing which will conclude the administrative process available to the parties. The SECRETARY or designee will notify the parties of the decision within thirty (30) days of notice of the appeal, unless otherwise agreed to by the parties in writing.

4. Pending decision by the SECRETARY or designee, both parties shall proceed diligently with performance of the Agreement, in accordance with its terms.

5. Failure to initiate or participate in any part of this process shall be deemed waiver of any claim that the CONTRACTOR may have had.

D. During the dispute, the Procuring Agency may involve representatives from other federal or State agencies if, in the Procuring Agency's opinion, such involvement is necessary to resolve the dispute in an efficient and equitable manner.

E. Pending final determination of any dispute hereunder, both parties shall proceed diligently with the performance of the Agreement and in accordance with the Agreement.

ARTICLE 36 – ERRONEOUS ISSUANCE OF BENEFITS OR FUNDS

In the event of an error that causes compensation to the CONTRACTOR to be issued in error, the CONTRACTOR shall reimburse the State within thirty (30) days of written notice of such error for the full amount of the loss. Interest shall accrue at the statutory rate upon any amounts not paid and determined to be due thirty (30) days following the notice. Written notice is considered tendered as of the postmark date if mailed and the date received if hand delivered.

ARTICLE 37 – CERTIFICATION AND DISCLOSURE REGARDING PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS

A. The applicable definitions and exceptions to prohibited conduct and disclosures contained in 31 U.S.C. § 1352 and 45 C.F.R. Part 93 or Subparts B and C of 7 C.F.R. Part 3018, as applicable, are hereby incorporated by reference in subparagraph (B) of this certification.

B. The CONTRACTOR, by executing this Agreement, certifies to the best of its knowledge and belief that:

1. No Federal 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 on his or her behalf 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; and

2. If any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) 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 on his or her behalf in connection with this solicitation, the offeror shall complete and submit, with its offer, OMB standard form LLL, Disclosure of Lobbying Activities, to the Contracting Officer.

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 sub recipients shall certify and disclose accordingly.

D. This certification is a material representation of fact upon which reliance is placed when this Agreement is made and entered into. Submission of this certification is a prerequisite for making and entering into this Agreement imposed under 31 U.S.C. § 1352. It shall be a material obligation of the CONTRACTOR to keep this certification current as to any and all individuals or activities of anyone associated with the CONTRACTOR during the pendency of this Agreement Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision, shall be subject to: (1) a civil penalty of not less than $10,000 and not more than $100,000 for such failure; and/or (2) at the discretion of the HSD, termination of the Agreement.

ARTICLE 38 – DEBARMENT & SUSPENSION

A. Consistent with either 7 C.F.R. Part 3017 or 45 C.F.R. Part 76, as applicable, and as a separate and independent requirement of this Agreement the CONTRACTOR certifies by signing this Agreement, that it and its principals, to the best of its knowledge and belief: (1) are not debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal Procuring Agency or agency; (2) have not, within a three-year period preceding the effective date of this Agreement, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; (3) have not been indicted for, or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with, commission of any of the offenses enumerated above in this Article 41(A); (4) have not, within a three-year period preceding the effective date of this Agreement, had one or more public agreements or transactions (Federal, State or local) terminated for cause or default; and (5) have not been excluded from participation from Medicare, Medicaid or other federal health care programs pursuant to Title XI of the Social Security Act, 42 U.S.C. § 1320a-7.

B. The CONTRACTOR's certification in Article 40(A), above, is a material representation of fact upon which the HSD relied when this Agreement was entered into by the parties. The CONTRACTOR's certification in Article 40(A), above, shall be a continuing term or condition of this Agreement. As such at all times during the performance of this Agreement, the CONTRACTOR must be capable of making the certification required in Article 40(A), above, as if on the date of making such new certification the CONTRACTOR was then executing this Agreement for the first time. Accordingly, the following requirements shall be read so as to apply to the original certification of the CONTRACTOR in Article 40(A), above, or to any new certification the CONTRACTOR is required to be capable of making as stated in the preceding sentence:

  1. The CONTRACTOR shall provide immediate written notice to the Procuring Agency's Contract Manager if, at any time during the term of this Agreement, the CONTRACTOR learns that its certification in Article 40(A), above, was erroneous on the effective date of this Agreement or has become erroneous by reason of new or changed circumstances.

  2. If it is later determined that the CONTRACTOR's certification in Article 40(A), above, was erroneous on the effective date of this Agreement or has become erroneous by reason of new or changed circumstances, in addition to other remedies available to the Procuring Agency, the Procuring Agency may terminate the Agreement.

C. As required by statute, regulation or requirement of this Agreement, and as contained in Article 41(A), above, CONTRACTOR shall require each proposed first-tier Subcontractor whose subcontract will equal or exceed $25,000, to disclose to the CONTRACTOR, in writing, whether as of the time of award of the subcontract, the Subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by any Federal Procuring Agency or agency. The CONTRACTOR shall make such disclosures available to the HSD when it requests Subcontractor approval from the HSD. If the Subcontractor, or its principals, is debarred, suspended, or proposed for debarment by any Federal, state or local Procuring Agency or agency, the Procuring Agency may refuse to approve the use of the Subcontractor.

ARTICLE 39 – INTERNAL CONTROLS

A. If the CONTRACTOR is a company subject to the requirements of Section 404 (15 U.S.C. § 7262, Management Assessment of Internal Controls) of the Sarbanes-Oxley Act of 2002, the CONTRACTOR shall submit to the Procuring Agency's Contract Administrator a copy of the internal control report that the CONTRACTOR is required to file under 15 U.S.C. § 7262(a), including the management attestation, and a copy of the internal control evaluation and report required under 15 U.S.C. § 7262(b), including the auditor attestation. The reports and attestations submitted to the Procuring Agency shall comply with rules, requirements and standards adopted by the Securities and Exchange Commission and the Securities Exchange Commission Oversight Board pursuant to 15 U.S.C. § 7262. The reports and attestations submitted to the Procuring Agency shall be the most current filed reports available and shall be submitted to the Procuring Agency by no later than October 15th following each state fiscal year, or each partial state fiscal year, that the Agreement is in effect. If the Agreement expires or is terminated prior to the October 15th deadline in a year in which a submission of reports and attestations is due to the Procuring Agency, the CONTRACTOR's obligation to submit the reports and attestations to the Procuring Agency shall survive the expiration or termination of the Agreement.

B. The CONTRACTOR shall submit to the Procuring Agency's Contract Administrator a Type II Service Audit Report prepared and issued in accordance with the SSAE-16 Service Organization Controls (SOC) Type II audit. The CONTRACTOR shall include with the Service Audit Report a correction plan detailing any deficiencies identified in the report and target dates for correction. The Procuring Agency will assess and respond to the acceptability of the correction plan. The Service Audit Report and correction plan, if any, shall be submitted to the Procuring Agency no later than August 15th following each state fiscal year, or each partial state fiscal year, that the Agreement is in effect and shall cover the previous twelve-month period ending June 30th. If the Agreement expires or is terminated prior to the August 15 deadline in a year in which a submission of a Service Audit Report and correction plan is due to the Procuring Agency, the CONTRACTOR's obligation to submit such report and plan to the Procuring Agency shall survive the expiration or termination of the Agreement.

C.   The CONTRACTOR will provide a SOC 2 Examination Report covering the controls specific to the Services provided to Contract Administrator and relevant to the Trust Services Principles of Security, for the procuring agency. CONTRACTOR shall provide the Procuring Agency a copy the SOC 2 Report as soon as reasonably possible after the conclusion of such examination, but not later than August 15th following each state fiscal year or partial state fiscal year, that the Agreement is in effect and shall cover the previous twelve-month period ending June 30th. If the Agreement expires or is terminated prior to the August 15th deadline in a year in which submission of a Service Audit Report and correction plan is due to Procuring Agency, the CONTRACTOR's obligation to submit such report and plan to the Procuring Agency shall survive the expiration or termination of the Agreement

ARTICLE 40 – PERFORMANCE

In performance of this Agreement, the CONTRACTOR agrees to comply with and assume responsibility for compliance by its employees, its Subcontractors, and/or Business Associates (BA), as applicable, with the following requirements:

A.   All work will be performed under the supervision of the CONTRACTOR, the CONTRACTOR's responsible employees, and the CONTRACTOR's subcontracted staff.

B.   CONTRACTOR agrees if Protected Health Information (PHI) as defined in 45 C.F.R. § 160.103, limited to PHI received from, or created on behalf of, HSD by CONTRACTOR; or Personally Identifiable Information (PII) as defined by the National Institute of Standards of Technology, limited to PII received from, or created on behalf of, HSD by CONTRACTOR pursuant to the Services; are collectively referred to as Confidential Information in Article 10 of this Agreement, made available to CONTRACTOR, shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and will not be divulged or made known in any manner to any person or entity except as may be necessary in the performance of this contract. Inspection by, or disclosure to, any person or entity other than an officer, employee, or Subcontractor of the CONTRACTOR is prohibited.

C.   CONTRACTOR agrees that it will account for all Confidential Information upon receipt and store such Confidential Information in a secure manner before, during, and after processing. In addition, all related output will be given the same level of protection by the CONTRACTOR as required for the source material.

D.   The CONTRACTOR certifies that the Confidential Information processed during the performance of this Agreement will be purged from all electronic data storage components in CONTRACTOR's facilities, including paper files, recordings, video, written records, printers, copiers, scanners and all magnetic and flash memory components of all systems and portable media, and no output will be retained by the CONTRACTOR at the time the work is completed or when this Contract is terminated. If immediate purging of all electronic data storage components is not possible, the CONTRACTOR certifies that any Confidential Information remaining in any storage component will be safeguarded to prevent unauthorized disclosures beyond the term of this Agreement as long as CONTRACTOR is in possession of such Confidential Information.

E.   Any spoilage or any intermediate hard copy printout that may result during the processing of Confidential Information will be given to the HSD or his or her designee. When this is not possible, the CONTRACTOR will be responsible for the destruction (in a manner approved by the HSD) of the spoilage or any intermediate hard copy printouts, and will provide the HSD or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.

F.   All of CONTRACTOR's computer systems, office equipment, written records, and portable media receiving, processing, storing, or transmitting Confidential Information must meet the requirements defined in relevant federal regulations such as HIPAA Privacy Rule (45 CFR Part 160 and Subparts A and E of Part 164), HIPAA Security Rule (45 CFR Part 160 and Subparts A and C of Part 164), and/or any other Federal requirements that may apply to this contract. To meet functional and assurance requirements, the security features of the CONTRACTOR's environment must provide for security across relevant managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Confidential Information.

G.   No work involving Confidential Information furnished under this Agreement will be subcontracted without prior written approval of the HSD.

H.   The CONTRACTOR will maintain a list of its personnel, Subcontractors, and/or business related entities with authorized access (electronic or physical) to HSD Confidential Information. Such list will be provided to the HSD and, upon request, to the federal agencies as required.

I.   The CONTRACTOR will provide copies of signed acknowledgments for its staff and its Subcontractors and/or Business Associates, to provide certification that relevant information security awareness and training was completed. These certifications will be provided to the HSD upon contract start and, at a minimum, annually thereafter during the term of this Agreement.

J.   The HSD will have the right to terminate the contract if the CONTRACTOR or its Subcontractors or Business Associates fail to provide the safeguards described above, consistent with the termination clause herein.

K.   Upon request, the CONTRACTOR will provide the HSD copies of current policies and/or summaries of its current plans that document CONTRACTOR's privacy and security controls as they relate to HSD Confidential Information. This includes, at a minimum, any System Security Plans which describe the administrative, physical, technical, and system controls to be implemented for the security of the Department's Confidential Information. The plan shall include the requirement for a CONTRACTOR notification to the Department Security Officer or Privacy Officer of breaches or potential breaches of information within three (3) days of their discovery.

L.   All incidents affecting the compliance, operation, or security of the HSD's Confidential Information must be reported to the HSD. The CONTRACTOR shall notify the HSD of any instances of security or privacy breach issues or non-compliance promptly upon their discovery, but no later than

a period of three (3) days (as stated above). Notification shall include a description of the privacy and security non-compliance issue and corrective action planned and/or taken.

M.   The CONTRACTOR must provide the HSD with a summary of a corrective action plan (if any) to provide any necessary safeguards to protect PII from security breaches or non-compliance discoveries. The corrective action plan must contain a long term solution to possible future privacy and security threats to PII. In addition to the corrective action, the CONTRACTOR must provide updates as to the progress of all corrective measures taken until the issue is resolved. The CONTRACTOR shall be responsible for all costs of implementing the corrective action plan.

N.   The HSD will have the right to seek remedies consistent with the liability terms of this contract Agreement and/or terminate the Agreement if the CONTRACTOR or its Subcontractors or Business Associates fail to provide the safeguards or to meet the security and privacy requirements to safeguard Confidential Information as described above, consistent with the liability and/or termination clauses herein.

O.   All client files and patient records created or used to provide services under this Agreement, as between the parties, are at all times property of HSD. Upon termination of this Agreement for any reason, Business Associate shall return or destroy all PHI in its possession, and shall retain no copies of the PHI. In the event that Business Associate determines that returning or destroying the PHI is not feasible, Business Associate shall provide to the Department notification of the conditions that make return or destruction of PHI not feasible. Upon consideration and mutual agreement of the Parties that return or destruction of the PHI is infeasible, Business Associate shall agree, and require that its agents, affiliates, subsidiaries and Subcontractors agree to the extension of all protections, limitations and restrictions required of Business Associate hereunder.

P.   HSD Personally Identifiable Information (PII) cannot be accessed by HSD employees, agents, representatives, or CONTRACTORs located offshore, outside of the United States territories, embassies, or military installations. Further, HSD PII may not be received, processed, stored, transmitted, or disposed of by information technology (IT) systems located offshore.

ARTICLE 41 – CRIMINAL/CIVIL SANCTIONS

A.   It is incumbent upon CONTRACTOR to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C.552a. Specifically, 5 U.S.C.552a(i)(1), which is made applicable to CONTRACTORs by 5 U.S.C.552a(m)(1), provides that any officer or employee of a CONTRACTOR, who by virtue of his/her employment or official position, has possession of or access to HSD records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is so prohibited, willfully disclose the material in any manner to any person not entitled to receive it, shall be guilty of a misdemeanor and fined not more than $5,000.

B.   CONTRACTOR agrees that granting access to PHI and PII must be preceded by certifying that each individual understands the HSD's applicable security policy and procedures for safeguarding PHI and PII. CONTRACTORs must maintain their authorization to access PHI and

PII through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review.

ARTICLE 42 – INSPECTION

The HSD shall have the right, with 24 hour notice, to send its inspectors into the offices and plants of the CONTRACTOR to inspect the facilities and operations provided for the performance of any work related to PHI and PII under this Agreement. On the basis of such inspection specific measures may be required in cases where the CONTRACTOR is found to be noncompliant with contract safeguards.

ARTICLE 43 – CONTRACTOR'S RESPONSIBILITY FOR COMPLIANCE WITH LAWS AND REGULATIONS

A.   The CONTRACTOR is responsible for compliance with applicable laws, regulations, and administrative rules that govern the CONTRACTOR's performance of the Scope of Work of this Agreement and Exhibit A, including but not limited to, applicable State and Federal tax laws, State and Federal employment laws, State and Federal regulatory requirements and licensing provisions.

B.   The CONTRACTOR is responsible for causing each of its employees, agents or Subcontractors who provide services under this Agreement to be properly licensed, certified, and/or have proper permits to perform any activity related to the Scope of Work of this Agreement and Exhibit A.

C.   If the CONTRACTOR's performance of its obligations under the terms of this agreement qualifies it as a Business Associate of the HSD as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and regulations promulgated thereunder, the CONTRACTOR agrees to execute the HSD Business Associate Agreement (BAA), attached hereto as Exhibit B, and incorporated herein by this reference, and comply with the terms of the BAA and subsequent updates.

ARTICLE 44 – CONTRACTOR'S RESPONSIBILITY FOR COMPLIANCE WITH LAWS AND REGULATIONS RELATING TO INFORMATION TECHNOLOGY

A.   The CONTRACTOR agrees to monitor and control all its employees, Subcontractors, consultants, or agents performing the Services under this PSC in order to assure compliance with the following regulations and standards insofar as they apply to CONTRACTOR's processing or storage of HSD's Confidential Information or other data:

1.   The Federal Information Security Management Act of 2002 (FISMA);
2.   The Health Insurance Portability and Accountability Act of 1996 (HIPAA);
3.   The Health Information Technology for Technology for Economic and Clinical Health Act (HITECH Act);
4.   Electronic Information Exchange Security Requirements, Guidelines, And Procedures For State and Local Agencies Exchanging Electronic Information With The Social Security Administration; and

5. NMAC 1.12.20, *et seq.* "INFORMATION SECURITY OPERATION MANAGEMENT".

ARTICLE 45 – AUTHORITY

If the CONTRACTOR is other than a natural person, the individual(s) signing this Agreement on behalf of the CONTRACTOR or represents and warrants that he or she has the power and authority to bind the CONTRACTOR, and that no further action, resolution, or approval from the CONTRACTOR is necessary to entering into a binding agreement.

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: _____   Date: 12/20/19
David R. Scrase, M.D.
HSD Cabinet Secretary

By: _____   Date: 12/28/19
Danny Sandoval
HSD Chief Financial Officer

By: _____   Date: 12/23/19
Sean Pearson
HSD Chief Information Officer

By: _____   Date: 12/19/2019
Donna Migoni, Senior Vice President
Conduent State Healthcare, LLC

Approved as to Form and Legal sufficiency:

By: _____   Date: 12/20/19
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: _____   Date: 12/24/19
Vincent Martinez, DoIT Secretary

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: **02-408915-00-0**

By: _____   Date: 12.23.19
Taxation and Revenue Department

This Agreement has been approved by the State Purchasing Division:

By: _____   Date: 1-3-2020
State Purchasing Agent   EFFECTIVE
                                          JANUARY 1, 2020

EXHIBIT A

Scope of Work

I. Purpose of the Agreement

Certified Project Name: HSD-MMIS
Goal: The Human Services Department (Procuring Agency) is seeking the continued administrative support of its health care programs through the provision of technical and operational services. The Medicaid Management Information System (MMIS) that will be operated, maintained and modified by the CONTRACTOR is essential to the effective administration of the Medicaid, Children's Health Insurance, State Coverage Initiative, and other health care programs. The system enhancements included in the scope of work will ensure that the State continues to meet federal requirements while providing for increased program efficiency.

Objectives The New Mexico Human Services Department has established the following objectives for this project:
   a. Service continuation without interruption;
   b. Transition of responsibilities to new state-procured vendors;
   c. Assistance with data transfer, readiness testing and parallel runs through full transition of December 31st, 2022.
   d. Clear and concise transition plan

II. Transition Support: CONTRACTOR shall perform and deliver all transition support for the MMISR Project and modules that are assuming the duties and functions of the MMIS. This includes data extracts, mapping and conversion of existing data and other integration of batches and interfaces from module vendors. The CONTRACTOR shall provide Transition support through the entirety of the transition through December 31st, 2022 as necessary. The CONTRACTOR shall include in the transition plan dedicated staff to ensure transition is a priority and not compromised by other competing projects.

III. Performance Measures: CONTRACTOR shall perform and deliver all specifications for each item labeled as a "Deliverable" in the Scope of Work. In the event the CONTRACTOR fails to obtain the results described in the Scope of Work, the Procuring Agency may provide written notice to the CONTRACTOR of the default and specify a reasonable period of time in which the CONTRACTOR shall advise the Procuring Agency of specific steps it will take to achieve these results and the proposed timetable for implementation. Nothing in this Section shall be construed to prevent the Procuring Agency from exercising its rights pursuant to Article 6.

IV. Activities: The CONTRACTOR will operate and maintain the OmniCaid component of the MMIS that is owned by the Procuring Agency and is currently in production. In addition, the CONTRACTOR will operate and maintain several systems peripheral to

OmniCaid to support functions such as drug claims processing; drug rebate; fraud and abuse detection; claims scanning, capture, storage and retrieval; online report storage and retrieval; and inquiry or complaint tracking.

The CONTRACTOR will operate and maintain the MMIS using a mainframe computer and/or other platforms owned by the CONTRACTOR. The MMIS is used to process Medicaid Program claims as well as claims for other State medical programs, including, but not limited, to the Children's Medical Services Program for the Department of Health and the Child Protective Services Program for the Children, Youth and Families Department.

In addition to providing technical support for the MMIS, the CONTRACTOR will provide fiscal agent services, including claim processing and payment, provider enrollment, and customer service for providers and clients.

The CONTRACTOR will also function as the Financial Management Agent (FMA) for Mi Via, the state's self-directed waiver program for long-term care services. As part of its FMA responsibilities, the CONTRACTOR will operate a Plan of Care Management System, enter employer (the Mi Via participant) and employee information, perform background and criminal record checks on prospective employees, support timesheet and invoice processing, and generate employee and vendor payments.

The scope of work includes several system enhancements that will enable the Procuring Agency to meet federal requirements, provide additional self-service capabilities for clients and providers, increase efficiency and all transition cost.

Upon termination of the contract or upon request of the Procuring Agency, the CONTRACTOR must perform all activities required to successfully and smoothly turn over the MMIS or any of its functions and all corresponding work in progress to the Procuring Agency or its agent. Procuring Agency can amend the contract for future development and any unforeseen situations.

V.   Transition plan must outline how related deliverables will be terminated and contract cost adjusted once the procuring agency has approved the successor contractor system relating to distinguished deliverable.

VI.   Scope of Work

The following sections describe the required tasks and subtasks to be performed by the CONTRACTOR for each Deliverable under the terms of this Agreement. The CONTRACTOR must perform each task and/or subtask but is not limited to performing only the identified task or subtasks in a given project area. The Parties hereby agree that the Deliverable(s) are the controlling items and that the CONTRACTOR's obligation is to perform and deliver all specifications for each item labeled as a "Deliverable" in the following sections.

A. Deliverable Number 1: OmniCaid – Ongoing Operation and Maintenance

Deliverable One	Due Date	Compensation
OmniCaid – Ongoing Operation and Maintenance [Monthly System Operations]	Start: 1-Jan-2020 End: 31-Dec-2022	Total compensation not to exceed $18,451,384.56, plus NM GRT, due per agreed payment schedule.

Task Item	Subtasks	Description
1.1 Support Required Interfaces and Reporting	1.1.1 Support New and Existing System Interfaces	The New Mexico OmniCaid system documentation identifies internal interfaces and interfaces with external entities that are necessary to support MMIS functions. The CONTRACTOR shall support these interfaces, modify them in response to changes in requirements, and develop new interfaces as necessary to support new program initiatives.
	1.1.2 Operate Existing MMIS System and Provide All Reports	The CONTRACTOR shall operate the existing OmniCaid system and related systems and shall provide all reports as specified in the current systems documentation. The CONTRACTOR will modify existing reports and develop and implement new reports as requested by the Procuring Agency.
	1.1.3 Provide All Technology Infrastructure & Staff Support	The CONTRACTOR shall supply the necessary hardware, software, telecommunications and other components and information technology staff support to operate the system
	1.1.4 Provide Regular Reports	The CONTRACTOR is responsible for the following general reporting tasks: 1.1.4.1 Produce all required production reports on designated schedule, as agreed upon by the Procuring agency, as exists in OmniCaid or is referenced in system documentation and provide other reports and downloads of data on request.
1.1 Support Required Interfaces and Reporting (continued)	1.1.4 Provide Regular Reports (continued)	1.1.4.2 Provide electronic report output at the option of the Procuring Agency for any individual report and distribute such reports to the user(s). 1.1.4.3 Maintain a list of all MMIS scheduled outputs, the frequency of production, and the media, and for reports distributed via hard copy, the number of copies and to whom the copies are to be provided.

		The CONTRACTOR shall be responsible for all Transform Medicaid Statistical Information System (T-MSIS) reporting, including, but not limited to the following:
	1.1.5 Complete All Transform Medicaid Statistical Information System (T-MSIS) Reporting Tasks	1.1.5.1 Serving as the primary contact with the federal government or their contractors in constructing, submitting, testing, and achieving approval on all T-MSIS submissions. 1.1.5.2 Maintain and update crosswalks of data from the MMIS to federal T-MSIS reporting requirements. 1.1.5.3 Produce T-MSIS reports and transmit them to the Centers for Medicare and Medicaid Services as required by the Centers for Medicare and Medicaid Services. 1.1.5.4 Coordinate changes, error thresholds, corrections, and resubmissions as required with the Centers for Medicare and Medicaid Services or their contractors.
1.2 Provide Maintenance and Modification Support	1.2.1 Meet Business Support Unit Specifications	The CONTRACTOR shall provide a Business Support Unit composed of a staff of business analysts to provide analysis of operational issues, analysis of system problems and changes, conduct testing, develop and distribute documentation updates, and other MMIS support functions. The Business Support Unit shall: 1.2.1.1 Participate in the program planning and development functions at the Procuring Agency's request. 1.2.1.2 Document system test and review test data results prior to sending results to the Procuring Agency for review. 1.2.1.3 Support MMIS development through attending meetings and representing the CONTRACTOR when local representation is required.
1.2 Provide Maintenance and Modification Support (continued)	1.2.1 Meet Business Support Unit Specifications (continued)	1.2.1.4 Investigate issues of data accuracy and validation for production reports. 1.2.1.5 Support MMIS reporting activities through user training and technical support of the T-MSIS, Financial, FADS, Drug Rebate, and other MMIS reporting systems.

		1.2.1.6 Support MMIS operational activities through training and technically supporting MMIS users regarding MMIS system functions and capabilities, including reviewing and assisting with reviews of test data associated with system changes and/or development, and the meaning and use of values and codes in the MMIS. 1.2.1.7 Investigate problem reports on operational and systems issues and make recommendations for correction. 1.2.1.8 Remain informed on changes in transactions, codes and values at the national level and coordinates their introduction into the MMIS system with approval and input from the Procuring Agency. 1.2.1.9 Review changes in national coding systems for impact on MMIS, exceptions, payment, and other claims processing issues. 1.2.1.10 Review changes and proposed changes in program policies and reimbursement for impact on the MMIS and make recommendations for necessary changes in exceptions and parameters. 1.2.1.11 Function as subject matter experts on MMIS data and databases. 1.2.1.12 The Business Support Unit shall consist of a technically and operationally-experienced skilled staff consisting at minimum of a Business Support Manager and a sufficient number of Business Analysts to provide timely and responsive MMIS maintenance support, as proposed by the CONTRACTOR and accepted by the Procuring Agency. 1.2.1.13 Business Support Unit personnel will be knowledgeable in the Medicaid Program and in the business needs and operations of the functional area(s) they support.
1.2 Provide Maintenance and Modification Support (continued)	1.2.1 Meet Business Support Unit Specifications (continued)	1.2.1.14 Business Support Unit staff will possess the technical expertise to effectively use the MMIS. 1.2.1.15 The CONTRACTOR shall designate at least one Business Support Unit staff member to function as the liaison to the Medical Assistance Division to serve as a single point of contact on issues of claims processing and files maintenance.

	1.2.2 Meet System Maintenance Unit Specifications	The CONTRACTOR shall provide a System Maintenance Unit comprising a staff of programmers to develop changes that may be required as a result of legislative decisions, program and policy changes, or errors discovered in the executable software.
		The System Maintenance Unit shall:
		1.2.2.1 Perform software updates and enhancements and maintain system documentation.
		1.2.2.2 Analyze and size change requests generated by the Procuring Agency.
		1.2.2.3 Perform software support and error correction.
		1.2.2.4 Be made up of a sufficient number of technically and operationally experienced and skilled professionals to provide timely and responsive MMIS maintenance support, as proposed by the CONTRACTOR and accepted by the Procuring Agency, under the leadership of an experienced Systems Manager, specifically dedicated to the New Mexico MMIS. At any given time the majority of the MMIS System Maintenance staff dedicated to the New Mexico MMIS must each have at least one year of experience working with MMIS or other healthcare payment systems.
		1.2.2.5 The Systems Manager will have a Bachelor's degree from a four-year accredited college or university or equivalent work experience and eight (8) years substantive experience in data processing management (systems or operations).
		1.2.2.6 System Maintenance Unit personnel will be knowledgeable in the Medicaid Program and in the business needs and operations of the functional area(s) they support.
1.2 Provide Maintenance and Modification Support (continued)	1.2.2 Meet System Maintenance Unit Specifications (continued)	1.2.2.7 The System Maintenance Unit will be in addition to the technical staff necessary for computer operating system support and support of peripheral but related systems such as the Pharmacy Benefits Management System, Web portal, Audio Voice Response System, Drug Rebate System, Fraud and Abuse Detection System, and the CONTRACTOR's HIPAA translation solution.

	1.2.3 Provide a Dedicated System Development Consultant	CONTRACTOR shall assign at least one senior staff member with significant technical expertise regarding New Mexico's MMIS implementation as a System Development Consultant fully-dedicated to requests by the Procuring Agency for technically-detailed analyses of upcoming projects; state and federal initiatives; and critical system issues.
		1.2.3.1 At the direction of the Procuring Agency, the System Development Consultant shall perform additional reviews of system test results and provide recommendations to Procuring Agency staff for technical resolutions.
		1.2.3.2 At the direction of the Procuring Agency, the System Development Consultant shall represent the Procuring Agency at meetings with other contractors and government agencies pertaining to technical initiatives.
1.3 Manage System Maintenance and Modification Activities	1.3.1 Maintain Written, Approved IT Processes	At a minimum, the CONTRACTOR shall have written processes approved by the Procuring Agency describing in detail how the CONTRACTOR shall perform the following functions as they relate to software development: software configuration management, requirements management, software project planning, software project tracking and oversight, software quality assurance, and system tests.
	1.3.2 Comply with State Codes and Regulations	All Project Planning and Program Management activities will comply with New Mexico Administrative Code Title 1, Chapter 12, Part 5 (1.12.5 NMAC) and other rules or regulations as established by the Procuring Agency or the New Mexico Department of Information Technology (DoIT).
	1.3.3 Provide IT Process Documentation to the State	The CONTRACTOR shall provide the Procuring Agency with copies of the CONTRACTOR's IT management processes and related procedures, including, but not limited to, Software Development Life Cycle procedures.
1.3 Manage System Maintenance and Modification Activities (continued)	1.3.4 Obtain Approval for IT Process Changes	Any change to these processes or any related procedures will be made only after the Procuring Agency's approval.
	1.3.5 Provide Updated Versions of	After completion of changes to any of these processes or to any related procedures, a new copy of any changed process or procedure will be provided to the Procuring Agency.

	IT Process Documents	Upon Procuring Agency request, the CONTRACTOR shall provide the Procuring Agency with detailed documentation for any change to computer code, including a description of the parts of the code were changed, the purpose of the change, and the specific changes that were made, along with an updated Version Description Document acceptable to the Procuring Agency.
	1.3.6 Provide Detailed Documentation of Computer Code Changes Upon Request	
		The CONTRACTOR shall use a written Change Management Process, approved by the Procuring Agency, for changes to the MMIS software, including releases of revisions or enhancements to the application software, and upgrades to programming languages and databases.
	1.3.7 Maintain Written, Approved Change Management Process	
		The CONTRACTOR's written Change Management Process will include, at a minimum, provisions for the following activities:
	1.3.8 Meet Change Management Specifications	
		1.3.8.1 Development of a detail level analysis describing the required system changes and a detail level estimate identifying the estimated staff hours required to develop, test, implement and document the change.
		1.3.8.2 Procuring Agency approval of detail level analyses and estimates prior to starting programming of any system change initiated by the Procuring Agency, and of other changes upon request.
		1.3.8.3 Procuring Agency approval of the CONTRACTOR's test results prior to releasing any change initiated by the Procuring Agency, and for other changes upon request.
		1.3.8.4 An estimated completion date provided by the CONTRACTOR when requested by the Procuring Agency for a change request.
		1.3.8.5 Release management for new releases of the application software when applicable.
1.3 Manage System Maintenance and Modification Activities (continued)	1.3.8 Meet Change Management Specifications (continued)	1.3.8.6 Provision of advanced notice, consistent with Procuring Agency requirements, prior to implementing system changes and updates in order to ensure minimum down time and support coordination with the various Network Help Desks operated by the Procuring Agency.

		1.3.8.7 Update of system documentation and user manuals within fifteen (15) business days of updates or changes and supply of the updated version to the Procuring Agency in an electronic format.
		1.3.8.8 A method for the Procuring Agency to determine the estimated and actual hours allocated to change requests and the personnel assigned to each request, when requested by the Procuring Agency.
		1.3.8.9 A method for the Procuring Agency to determine the estimated and actual hours allocated to change requests and the personnel assigned to each request, when requested by the Procuring Agency.
		1.3.8.10 Updating the system from daily maintenance transactions.
		1.3.8.11 Monitoring and providing adequate space allocations for the system's data volume.
		1.3.8.12 Maintaining online access to system files within scheduled business hours.
		1.3.8.13 Purging, archiving, backing up, and restoring required data.
	1.3.9 Use an Approved Change Management Tracking Tool	The CONTRACTOR shall manage and track all change requests by using an automated change and tracking tool approved by the Procuring Agency.

The change tracking tool and process must provide for classifying and assigning defect types (root causes), including categories identical or comparable to the following: |
| 1.3 Manage System Maintenance and Modification Activities (continued) | 1.3.10 Provide Sufficient Classification Categories for Root Cause Analysis | 1.3.10.1 Code – code error or issue (requires development fix and re-test).

1.3.10.2 SCM – Software Configuration/Migration issues identified in a migration package, or migration error (requires configuration fix and re-test). |

		1.3.10.3 Env – The test environment caused the issue (requires fix to environment before re-testing).
		1.3.10.4 Proc – Test error due to input data or test sequence or validation error (requires correction to test plan and/or data followed by re-test).
		1.3.10.5 Reqs – The requirements were wrong or missed (requires business to fix requirements, then possible code modifications and re-testing).
		1.3.10.6 Design – Design was wrong (requires design fix, re-coding, and re-testing).
		1.3.10.7 As designed – Works as designed, and business code does not need to be fixed.
		1.3.10.8 Docs – Documentation error with requirement or design document or migration package (need to correct documents or document versions, but no impact to code).
		1.3.10.9 Not Repro – Issue is not reproducible.
	1.3.11 Collect and Analyze Trending Metrics	The change tracking tool must provide for collecting and trending metrics, to include:
		1.3.11.1 Number of change requests opened and closed per Quality Assurance reporting period.
		1.3.11.2 Defect backlog (number in the open state) for each defect type.
1.3 Manage System Maintenance and Modification Activities (continued)	1.3.12 Document Deficiencies Resulting from Insufficient System Maintenance	The CONTRACTOR shall document any deficiencies resulting from insufficient system maintenance. The document will provide a detailed description of the deficiency and the CONTRACTOR's plan for resolution of the problem.
		The CONTRACTOR shall provide multiple and complete online MMIS test environments to support unit, system and acceptance testing, including test versions of all batch and

1.4 Test Programming Changes	1.4.1 Provide Sufficient Online Test Environments	online programs and files to be used for testing releases and non-release changes.
	1.4.2 Conduct Tests Approved by the State	The CONTRACTOR shall conduct repeatable testing in accordance with written processes and procedures approved by the Procuring Agency. The processes and procedures will not be changed without prior approval by the Procuring Agency. Test plans will be created for major system changes or as otherwise requested by the Procuring Agency.
	1.4.3 Provide Test Documentation Upon Request	Documentation of test results for all Procuring Agency-initiated system changes, as well as other changes when requested by the Procuring Agency, will be provided to the Procuring Agency for review and approval.
	1.4.4 Support the State's Ongoing User Acceptance Testing	The Procuring Agency will conduct User Acceptance Testing (UAT) for user interface changes delivered by CONTRACTOR. The form of each UAT will be determined by the criticality, frequency, complexity and novelty of the user task supported by each change; and by the staffing resources available to the Procuring Agency.
		1.4.4.1 CONTRACTOR shall support UAT by deploying the changes to the UAT environment from the system test environment and consulting with the Procuring Agency on any issues that the Contractor encountered during system testing.
		1.4.4.2 CONTRACTOR shall provide communication and planning with the Procuring Agency to help the Procuring Agency establish the format and plan for UAT.
1.4 Test Programming Changes (continued)	1.4.4 Support the State's Ongoing User Acceptance Testing (continued)	1.4.4.3 Procuring Agency shall provide a detailed UAT Plan including all user test scenarios and acceptance criteria, for review by CONTRACTOR at least fourteen (14) business days before the UAT sessions are scheduled to begin. CONTRACTOR shall review the UAT Plan and provide feedback to the Procuring Agency at least seven (7) business days before the UAT sessions are scheduled begin.

1.4.4.4 CONTRACTOR shall deliver complete test scenario instructions for the designated users participating in the UAT, for each of the test scenarios in the UAT Plan, at least three (3) business days before the UAT sessions are scheduled to begin. |

	1.4.4 Support the State's Ongoing User Acceptance Testing (continued)	1.4.4.5 CONTRACTOR shall provide a software tool (i.e., Rational) to log UAT defects and allow users to track the progress of the defect correction. 1.4.4.6 CONTRACTOR shall review the list of UAT participants proposed by the Procuring Agency and identify any individuals who may have participated in the design or development of the system features being tested. 1.4.4.7 CONTRACTOR shall migrate the changes in the system test environment to the UAT environment at least two (2) business days before the UAT testing is scheduled to begin. 1.4.4.8 CONTRACTOR shall ensure UAT workstations are properly configured for the UAT environment.
1.5 Manage Agreed Payment Schedule	1.5.1 Invoice the State According to the Operations Payment Schedule	CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule: 1.5.1.1 Jan 1, 2020 – Dec 31, 2020: $ 512,538.46 1.5.1.2 Jan 1, 2021 – Dec 31, 2021: $ 512,538.46 1.5.1.3 Jan 1, 2022 – Dec 31, 2022: $ 512,538.46

B. Deliverable Number 2: Data Warehouse – Ongoing Operation and Maintenance

Deliverable Two	Due Date	Compensation
Data Warehouse – Ongoing Operation and Maintenance [Monthly System Operations]	Start: 1-Jan-2020 End: 31-Dec-2022	Total compensation not to exceed $506,716.08, plus NM GRT, due per agreed payment schedule.

Task Item	Subtasks	Description
2.1 Meet Data Warehouse System Requirements	2.1.1 Implement a Data Warehouse (DW) Comparable to the Current System 2.1.2 Meet Detailed DW Specifications	The CONTRACTOR shall continue to support a Data Warehouse (DW) that will be accessible, by using key fields, for ad hoc reporting, analysis and other Procuring Agency needs. The CONTRACTOR shall provide a Data Warehouse that meets or exceeds the functionality available in the current system, as proposed by the CONTRACTOR and accepted by the Procuring Agency. Modifications to the Data Warehouse require approval by the Procuring Agency. The Data Warehouse must: 2.1.2.1 Include servers at CONTRACTOR and/or Procuring Agency locations to provide sufficient power, performance and query response time by splitting the overall workload between the two systems and to support backup and disaster recovery, eliminating downtime during supported business hours. 2.1.2.2 Ensure the server hardware has processor speed, cache attributes, video capability, working memory, and storage specifications sufficient to deliver the agreed service levels for the Data Warehouse. 2.1.2.3 Be refreshed on a regular or as needed basis per Procuring Agency requirements from the central, host-resident, live database. Various reference files will be refreshed monthly, weekly, or daily, as approved by the Procuring Agency. Data for clients and providers will be refreshed daily. Data for claims will be refreshed weekly. 2.1.2.4 Accommodate the Procuring Agency's business needs to readily access or receive MMIS data.

2.1 Meet Data Warehouse System Requirements (continued)	2.1.2 Meet Detailed DW Specifications (continued)	2.1.2.5 Contain all data necessary to emulate the live data from the host computer and all data necessary for the functional areas to perform all data related tasks. A minimum of seven (7) years of data will be maintained with the capability to load archived data for special requirements.
		2.1.2.6 Provide a minimum of 100 licenses for State users for Sybase or whatever Procuring Agency–approved software supports the Data Warehouse. The software version shall be the latest available release. The CONTRACTOR is responsible for migrating the Data Warehouse to future releases of the software.
		2.1.2.7 Provide Procuring Agency personnel access and permit them to sort, select, query, statistically manipulate, and report on the data, with the assistance and training provided by the CONTRACTOR.
		2.1.2.8 Provide tools to the Procuring Agency for accessing the Data Warehouse via the Procuring Agency network. The tools will allow users to define or select output formats. The tools will include, but not be limited to, fourth-generation languages (using English sentences), graphics, statistical social science-oriented languages, "cookbook programs" and other pre-programmed utilities required by the Procuring Agency.
		2.1.2.9 Provide the flexibility to interface and extract data into other applications and products (e.g., Excel, SAS, other PC-based software) online without the need for programming expertise.
		2.1.2.10 Incorporate business intelligence tools (such as Cognos, as approved by the Procuring Agency) to be used as a reporting tool for users of the data warehouse. The CONTRACTOR shall provide licenses to the business intelligence software for a minimum of 100 users and shall install and configure the software.
		2.1.2.11 Incorporate Executive Information reporting capabilities, using a framework provided by the CONTRACTOR, tailored to fit the Procuring Agency's needs.

2.1 Meet Data Warehouse System Requirements (continued)	2.1.2 Meet Detailed DW Specifications (continued)	2.1.2.12 The Executive Information reporting capabilities shall provide convenient, "point and click" dashboard reporting of claims, provider, client, and financial data as developed by the CONTRACTOR in response to Procuring Agency requirements. These reports shall provide multiple options for viewing aggregated data. The Executive Information reporting capabilities shall allow for the graphical display of report data and allow users to save reports and graphs in a variety of formats. 2.1.2.13 All databases will comply with current ANSI SQL standards.
2.2 Operate and Maintain Data Warehouse	2.2.1 Provide All DW Operations, Infrastructure & Staff Support	The CONTRACTOR shall operate and maintain a Data Warehouse (DW) that will be accessible, by using key fields, for ad hoc reporting, analysis and other Procuring Agency needs.
	2.2.2 Obtain Prior Approval for DW Modifications	The CONTRACTOR shall supply the necessary hardware, software, telecommunications and other components and information technology staff support to operate the system.
	2.2.3 Operate, Maintain and Update the Executive Information Reporting	Modifications to the Data Warehouse as requested by the Procuring Agency.
	2.2.4 Make Timely MMIS Downloads	The CONTRACTOR shall operate and maintain the Executive Information reporting capabilities. In response to the changing needs of users, the CONTRACTOR shall incorporate new or modified reports into the Executive Information reporting capabilities using dedicated resources in accordance with the contract's change management procedures
	2.2.5 Maintain Flexibility in the Data Structure	The CONTRACTOR shall download the host MMIS data to the Data Warehouse within 24 hours of the agreed upon file refresh frequency.
	2.2.6 Keep the DW Ready for Workload Growth	The CONTRACTOR shall be able to easily and rapidly change the data structure so that data elements, fields, or values can be added, changed, or updated; or the lengths of data fields can be expanded as required by the Procuring Agency.

2.2 Operate and Maintain Data Warehouse (continued)	2.2.7 Upgrade DW Hardware on the Agreed Schedule	2.2.7.1 The CONTRACTOR shall allow for growth in usage on a schedule that anticipates the need for faster processing, more memory and expansion of available storage capacity. 2.2.7.2 The CONTRACTOR shall provide scheduled hardware upgrades. Each server shall be replaced every four years on a staggered schedule.
2.3 Provide Data Warehouse Support and Analysis	2.3.1 Meet Detailed Specifications for DW Technical Support Unit	The CONTRACTOR shall provide a Technical Support Unit comprising a staff of technical analysts to provide reporting and Data Warehouse support. The Technical Support Unit will: 2.3.1.1 Produce ad hoc and periodic reports and decision support at the request of MMIS users 2.3.1.2 Provide training and assistance on use of the MMIS Data Warehouse and query tools 2.3.1.3 Program user PC based queries into the Data Warehouse; and provide for development of query tools and other decision support software. 2.3.1.4 Participate in the program planning and development functions at the Procuring Agency's request. 2.3.1.5 Oversee downloading and refreshing of data into the Data Warehouse and ensure the accuracy and completeness of such data through appropriate balancing and monitoring procedures. 2.3.1.6 Support the efficient use of the Data Warehouse through appropriate indexing of fields and structuring of data. 2.3.1.7 Support Data Warehouse development through attending meetings and representing the CONTRACTOR when local representation is required. 2.3.1.8 Investigate issues of data accuracy and validation for ad hoc reports. 2.3.1.9 Functions as subject matter experts on MMIS data and databases.

2.3 Provide Data Warehouse Support and Analysis (continued)	2.3.2 Ensure Technical Support Unit Staff are Qualified and Continuously Trained	The Technical Support Unit shall consist of a technically and operationally-experienced skilled staff consisting at minimum of a Technical Support Manager, a Database Administrator (DBA), and a sufficient number of technical analysts to provide timely and responsive MMIS Data Warehouse support, as proposed by the CONTRACTOR and accepted by the Procuring Agency. 2.3.2.1 Technical Support Unit personnel will be knowledgeable in the Medicaid Program and Medicaid data. 2.3.2.2 Technical Support Unit staff will possess the technical expertise to effectively use the Data Warehouse to provide reliable, effective decision support.
2.4 Manage Agreed Payment Schedule	2.4.1 Invoice the State According to the Operations Payment Schedule	CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule: 2.4.1.1 Jan 1, 2020 – Dec 31, 2020: $ 21,113.17 2.4.1.2 Jan 1, 2021 – Dec 31, 2021: $ 21,113.17 2.4.1.3 Jan 1, 2022 – Dec 31, 2022: $ 0.00

C. Deliverable Number 3: Pharmacy Benefits Management System (PBMS) – Ongoing
Operation and Maintenance

Deliverable Three	Due Date	Compensation
PBMS – Ongoing Operation and Maintenance **[Monthly System Operations]**	**Start: 1-Jan-2020** **End: 31-Dec-2022**	**Total compensation not to exceed $ 4,106,290.68, plus NM GRT, due per agreed payment schedule.**

Task Item	Subtasks	Description
3.1 Meet Claims Processing Requirements	3.1.1 Provide and Maintain a Pharmacy Benefits Management System (PBMS)	The CONTRACTOR shall provide and maintain a Pharmacy Benefits Management System (PBMS) with the capability to process electronic point of sale and paper transactions. The system will be accessible either by POS device or through a provider's own practice management system. Providers will be responsible for obtaining and paying for required interface equipment, software, switch vendor, telecommunications (phone lines and service; analog, fiber optic, internet service provider, DSL, T-1 lines, etc.) and support services necessary to transmit and receive all data and messaging required under NCPDP standards in effect on given date of service.
	3.1.2 Meet the PBMS Specifications	The CONTRACTOR shall provide the following claims processing capabilities through the PBMS: 3.1.2.1 The system, including online real-time adjudication of pharmacy claims shall be available twenty-four (24) hours per day, seven (7) days per week for provider billing purposes. 3.1.2.2 Payment methodologies shall allow for variable dispensing fees based on provider, refill status, product selection activity by comparing the prescribed NDC to the dispensed NDC; variable limitations on days supply for defined groups of providers or recipients (e.g., Indian Health Service); all federal upper payment limits and restrictions, National Average Drug Acquisition Cost (NADAC), other payment limitations as directed by the Procuring Agency, and the ability to reimburse pharmacies as approved by the Procuring Agency in accordance with applicable federal regulations (42 CFR § 447.331 and 42 CFR § 447.332) applying various co-pay arrangements as defined or approved by the Procuring Agency,

3.1 Meet Claims Processing Requirements (continued)	3.1.2 Meet the PBMS Specifications (continued)	3.1.2.3 Enforce limitations of program benefits based on client's categories of eligibility, participation in other programs such as hospice and PACE, residence in an institution, or other circumstances that affect client benefits.
		3.1.2.4 Edit pharmacy claims to ensure that only valid claims are paid, including:
		3.1.2.5 Enforcing Procuring Agency payment policies for clients with insurance or other third-party liability; recognizing fee for service claims submitted for members identified to have third-party coverage according to State policies, and the ability to allow providers to submit a third party's carrier identification number and plan/policy numbers for insurance carriers not listed on the State roster.
		3.1.2.6 Maintain and support use of therapeutic category codes, therapeutic class codes, generic class spread codes, and therapeutic equivalents for each drug, and using this information to determine payment levels and coverage as directed by the Procuring Agency.
		3.1.2.7 Enforce the Procuring Agency's prior authorization policies.
	3.1.3 Meet Drug Reference Database Specifications	The drug reference in the PBMS shall include the following capabilities and responsibilities:
		3.1.3.1 Maintain a master drug table, which will contain an entire list of products available including legend and OTC drugs, as well as supplies and all injectable drugs that have been assigned National Drug Codes (NDCs).
		3.1.3.2 Edit all online drug update data to ensure the integrity and quality of the information contained on the drug database.
		3.1.3.3 Maintain maximum and minimum daily dosage ranges for drug items.
	3.1.4 Maintain Flexibility of the PBMS	The PBMS must allow sufficient flexibility and adaptability to enforce Procuring Agency Pharmacy Program policies, including allowing different dispositions for different client groups, and for encounter data.

3.1 Meet Claims Processing Requirements (continued)	3.1.5 Design the PBMS to Permit Administrator Overrides	The PBMS must provide the capability to permit overrides for emergencies, life-threatening illnesses, and other situations defined by the Procuring Agency and administered by the CONTRACTOR.
	3.1.6 Flexibility of Claims Processing	The PBMS must allow the CONTRACTOR's Pharmacy Support Help Desk staff to permit a claim to bypass specific edits when the provider submits an authorization issued by CONTRACTOR in accordance with Procuring Agency guidelines.
3.2 Meet Prospective Drug Utilization Review (ProDUR) Requirements	3.2.1 Provide Prospective Drug Utilization Review (ProDUR) Capabilities in the PBMS	The PBMS shall provide Prospective Drug Utilization Review (ProDUR) capability from the point-of-sale per 42 CFR § 456.700-705, using online real-time intervention at the point-of-sale with clinical edits to detect therapeutic duplication, drug/disease contraindication, drug/drug interaction, incorrect drug dosage, incorrect duration of drug treatment, clinical abuse or misuse, non-compliance/underutilization, excessive utilization, high cost, and not using first drug of choice.
	3.2.2 Meet Detailed PBMS Specifications for ProDUR	The PBMS must include the following ProDUR features: 3.2.2.1 The ability to set variable, State-defined look-back periods. 3.2.2.2 The ability to allow for the submitting provider to respond to alerts by overriding alerts, reversing the claim submitted, or for ProDUR denials, and to the extent possible using NCPDP standards, clear messaging as to reason for denial and phone number to call for follow-up. 3.2.2.3 The ability to set edits which cannot be over-ridden when the potential drug conflict reaches certain State-approved severity or significance levels. To the extent possible using NCPDP standards, the messages will be clear as to the meaning of each edit and what further actions are available (e.g., "prescriber must contact _____"; "pharmacy must contact_____"). 3.2.2.4 Standards and criteria that can be used to lock-in individual recipients and providers for exceptional drug utilization patterns.

| 3.2 Meet ProDUR Requirements (continued) | 3.2.2 Meet Detailed PBMS Specifications for ProDUR (continued) | 3.2.2.5 Standards and criteria for review by the Pharmacy and Therapeutics Committee, along with any modifications recommended and approved by the State.

3.2.2.6 Training for the Procuring Agency's staff, for CONTRACTOR staff, and for providers on application of ProDUR principles.

3.2.2.7 Support for interaction criteria in the system using flexible, statistically significant criteria so that only appropriate alerts/denials are transmitted back to the provider.

3.2.2.8 Provide for monthly ProDUR reporting of screening for potential drug therapy problems as outlined in 42 CFR 453.705(b)(1-7), including drug-drug interactions by level of severity. Reporting will include the ability to sort by pharmacy, alert type, claims paid, claims denied, claims reversed, and number of claims by percent and dollar amount.

3.2.2.9 Ability to identify the clinically significant alerts that the Procuring Agency has determined to receive an automatic denial.

3.2.2.10 Online or other easily retrievable access to DUR criteria/screening.

3.2.2.11 Provide an alert or a denial of a claim for over-utilization or under-utilization of drugs, drugs used in lower than or higher than effective doses, or refill patterns that suggest noncompliance by a patient.

3.2.2.12 Provide an alert or a denial of a claim with a drug-use duration exceeding therapy recommendations, or failure to use the first drug of choice, but allow payment when appropriate according to criteria.

3.2.2.13 Provide an alert or a denial of a claim where there is a prescribed overlap of two drugs from the same therapeutic class or generic class spread, or where drugs have the same or similar ingredients.

3.2.2.14 Provide for each such alert or denial to inform the provider of the alert conflict type, alert severity (e.g., minor, major, etc.), and available data related to the alert (e.g., other drug or condition in conflict). |

3.2 Meet ProDUR Requirements (continued)	3.2.2 Meet Detailed PBMS Specifications for ProDUR (continued)	3.2.2.15 Allow for online ProDUR responses from providers for Prospective Drug Utilization Review (ProDUR), to meet the requirement that providers enter codes for actions taken in response to drug interaction alerts and warnings and the outcomes of those actions. The POS system will maintain these acknowledgment codes in history, as well as report them in easily sorted electronic format. 3.2.2.16 Support for the following technology requirements for ProDUR: 3.2.2.16.1 An editing process in the system that should be parameter or table-driven to meet the dynamic needs of the Pharmacy and Therapeutics Committee. 3.2.2.16.2 Online access to DUR criteria/screening tables so that potential changes can be reviewed at Pharmacy and Therapeutics Committee meetings.
3.3 Meet Retrospective Drug Utilization Review (RetroDUR) Requirements	3.3.1 Provide Retrospective Drug Utilization Review (RetroDUR) Capabilities	The PBMS will accommodate interfaces as necessary for Retrospective Drug Utilization Review (RetroDUR) activities through an agent designated by the Procuring Agency and with all Procuring Agency contractors who may have responsibilities for analyzing information, making recommendation, or otherwise assisting the Procuring Agency with its drug program administration.
	3.3.2 Meet Detailed PBMS Specifications for RetroDUR	The PBMS requirements for RetroDUR include: 3.3.2.1 Marking a claim that has been set to pay and report for RetroDUR purposes. 3.3.2.2 Generation of data for RetroDUR purposes with monthly updates and summaries. 3.3.2.3 Generate Quarterly letters for focused educational interventions based on RetroDUR criteria to providers and patients at the direction of the Procuring Agency. 3.3.2.4 The capability to produce a report, upon request, listing all ProDUR encountered for specified members within the last twelve (12) months. Similar alerts will be listed first and then the remaining in chronological order.

3.4 Meet PBMS Reporting Requirements	3.4.1 Meet Detailed PBMS Reporting Specifications	In addition to reports produced by the MMIS, the PBMS shall produce reports and other output documents in easily sorted, clearly titled, electronic formats, which may be customized to the Procuring Agency's needs, including reports for general program administration, including:
		3.4.1.1 Report of pharmacies by amount paid.
		3.4.1.2 Report of top prescribing physicians ranked by ingredient cost, number of prescriptions and average prescription cost.
		3.4.1.3 Report of the most prescribed drugs ranked by amount paid and by number of prescriptions.
		3.4.1.4 Report of pharmacy generic drug usage ranked by percent of generic prescriptions, based on type of reimbursement.
		3.4.1.5 Physician generic prescribing report ranked by percent of generic prescriptions.
		3.4.1.6 Claims payment summary.
		3.4.1.7 Member drug history profile, on request.
		3.4.1.8 A monthly denied claims summary that will include denial reasons, denial codes, and number and percent from each provider by both individual denial code and aggregate denials as defined by the Procuring Agency. This report will indicate the need for provider education to be undertaken by the appropriate CONTRACTOR staff when the percent of claims denied due to provider error exceeds a threshold defined by the Procuring Agency.
		3.4.1.9 Per member per month pharmacy cost summary report.
		3.4.1.10 Report of all members with total monthly pharmacy expenditures greater than a threshold specified by the Procuring Agency.
		3.4.1.11 Member exception report.
		3.4.1.12 Report on the total dollar of paid pharmacy claims.

| 3.4 Meet PBMS Reporting Requirements (continued) | 3.4.2 Meet Detailed Reporting Specifications for the Drug File Reference Database | In addition to reports produced by the MMIS, the PBMS shall produce reports and other output documents in easily sorted, clearly titled, electronic formats, which may be customized to the Procuring Agency's needs on drug file reference database updates and changes, including:

3.4.2.1 Detail and summary reports for each automated table update including the total number of records received, processed, and successfully updated.

3.4.2.2 An exception report that identifies any transactions that were included on the update tape, but had errors or inconsistencies, which prevented the records from being updated.

3.4.2.3 A monthly report, as required by the Centers for Medicare and Medicaid Services, indicating all NDCs that have increased in price by greater than 50%. Drugs included in this report shall indicate NADAC prices in addition to the previous average wholesale price.

3.4.2.4 Audit trails showing before and after data fields for drug tables updated manually. |
| | 3.4.3 Meet Detailed RetroDUR Reporting Specifications | In addition to reports produced by the MMIS, the PBMS shall produce reports and other output documents in easily sorted, clearly titled, electronic formats, which may be customized to the Procuring Agency's needs for RetroDUR purposes, including:

3.4.3.1 Tracking and reporting on specific drugs, providers, groups of providers, and clients. The CONTRACTOR shall use this information to develop client profiles and provider profiles.
3.4.3.2 Information to support the Procuring Agency in completing DUR reports as described in Section 1927 (g)(3)(D) of the Social Security Act.

3.4.3.3 Claim, provider, and recipient files and control reports for the Procuring Agency. |

3.4 Meet PBMS Reporting Requirements (continued)	3.4.3 Meet Detailed RetroDUR Reporting Specifications (continued)	3.4.3.4 A monthly summary report that will contain a count of patients whose profiles are being flagged for the current month, a listing of patient names and numbers, and a listing of all drugs that caused profiles to be generated. This report will contain a count of the providers that caused profiles to be flagged and a listing of their names and shall identify what criteria were used. 3.4.3.5 Specific patient drug history reports which include a chronological listing of all drugs being taken and summarize the number of prescribers/providers involved in a patient's therapy. 3.4.3.6 Drug therapy risk assessment report. This report shall be generated before and after interventions are instituted to determine the impact of the DUR program on drug expenditures and drug therapy induced hospitalizations. This report shall be available at the first Pharmacy and Therapeutics Committee meeting following the generation of the report. 3.4.3.7 Quarterly follow-up drug history profiles and reports. 3.4.3.8 Provide quarterly educational intervention recommendations and reports based on RetroDUR analyses, including mix of educational interventions. 3.4.3.9 Summarization report of the severity and the number of alerts that have occurred over a given period. Based upon the results of this report, specific reports to display additional detail for any given type or category of alert may be requested by the Procuring Agency. 3.4.3.10 Listings of all drug claims and diagnostic information per member and the amount of money involved. 3.4.3.11 Quarterly reports for a user-defined period of time (e.g., all DUR activity that occurred between two dates) including alerts and denials by types, quantity, prescribing provider, and pharmacy provider. 3.4.3.12 Month-to-date and year-to-date reports on the RetroDUR program. 3.4.3.13 Periodic reports on costs and savings of the RetroDUR program.

3.4 Meet PBMS Reporting Requirements (continued)	3.4.3 Meet Detailed RetroDUR Reporting Specifications (continued)	3.4.3.14 Reports based upon pharmacy and physician criteria, such as:
		3.4.3.14.1 NDCs, generic drug codes, or therapeutic classification codes of drugs and specific ICD-10-CM.
		3.4.3.14.2 NDCs, generic drug codes, or therapeutic classification codes and quantities of drugs prescribed by a specific physician or filled by a specific pharmacy.
		3.4.3.15 Annual DUR report for submission to the Centers for Medicare and Medicaid Services.
		3.4.3.16 Reports, upon request, that list all ProDUR and RetroDUR alerts encountered for specified members within the last 12 months.
3.5 Operate and Maintain the PBMS	3.5.1 Provide Additional Staff for the PBMS	The CONTRACTOR shall supply the necessary hardware, software, telecommunications and other components and information technology staff support to operate the PBMS.
	3.5.2 Ensure PBMS Support Staff are Qualified	The CONTRACTOR shall have the ability to accommodate existing and future NCPDP standards, accommodate Procuring Agency policies regarding drug program payments and benefits, provide client eligibility verification using NCPDP standards, utilize a preferred drug list as defined by the Procuring Agency, and supply data and information as necessary for the drug rebate data system and functions. The CONTRACTOR shall produce and distribute via the EDMS, hard copy, or other Procuring Agency-approved means all production reports proposed as part of the CONTRACTOR's PBMS solution.
3.6 Modify the PBMS	3.6.1 Manage PBMS Revisions	All programming functions for the PBMS are the responsibility of staff assigned to PBMS support, and such staff is in addition to the System Maintenance Unit staff required by Deliverable 1.
		3.6.1.1 Programming staff assigned to support the PBMS will be knowledgeable in the system, in the Medicaid Program, and in the business needs and operations of the functional area supported by the system.

3.6 Modify the PBMS (continued)	3.6.1 Manage PBMS Revisions (continued)	3.6.1.2 The CONTRACTOR shall develop, test and implement software updates, corrections, and enhancements, including but not limited to the following subtasks: 3.6.1.2.1 Analyze and size change requests submitted by the Procuring Agency. 3.6.1.2.2 Perform software support and error correction. 3.6.1.2.3 Comply with the software development, change management and system test requirements contained in Tasks 1.3 and 1.4 of Deliverable 1.
	3.6.2 Modify Claim Edits and Payment Methodologies at No Additional Charge	The CONTRACTOR shall modify claim edits and payment methodologies as necessary or as defined by the Procuring Agency when policy or coverage changes are implemented at no additional charge to the Procuring Agency.
3.7 Manage Agreed Payment Schedule	3.7.1 Invoice the State According to the Operations Payment Schedule	CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule: 3.7.1.1 Jan 1, 2020 – Dec 31, 2020: $ 114,063.63 3.7.1.2 Jan 1, 2021 – Dec 31, 2021: $ 114,063.63 3.7.1.3 Jan 1, 2022 – Dec 31, 2022: $ 114,063.63

D. Deliverable Number 4: Fraud and Abuse Detection System (FADS) – Ongoing Operation and Maintenance

Deliverable Four	Due Date	Compensation
FADS – Ongoing Operation and Maintenance [Monthly System Operations]	Start: 1-Jan-2020 End: 30-Sept-2020	Total compensation not to exceed $446,729.40, plus NM GRT, due per agreed payment schedule.

Task Item	Subtasks	Description
4.1 Meet Fraud and Abuse Detection System Requirements	4.1.1 Provide Fraud and Abuse Detection System (FADS) Capabilities	The system must meet all federal standards for Surveillance and Utilization Review Subsystem certification and have the following functions, capabilities, and features:
	4.1.2 Meet Detailed Specifications for FADS	Utilize the capabilities of an upgraded MMIS Data Warehouse and include Decision Support System tools, a client server SURS-type system, and additional software tools designed specifically for fraud and abuse detection.
		4.1.2.1 Incorporate simple user interfaces appropriate for all levels of MMIS staff; provide drill-to-detail and export data-to-spreadsheet capability; serve as an effective investigative tool and provide overall program statistics at both a high-level view and at a detailed view as defined by the user.
		4.1.2.2 Provide fraud and abuse detection tools with algorithms and statistical modeling that look at claims and providers in a multitude of ways to identify fraud and permit fast investigations and provide for case documentation.
		4.1.2.3 Use a relational database that is available to the user at the user's PC workstation on a real-time basis with turn-around to longer queries available within 24 hours.
		4.1.2.4 Be equipped to detect possible program abuse and over-utilization by providing structures to compare business practices, medical services, quantities of service, treatment patterns, billing patterns, trending, and utilization patterns; beginning with general detection and provide the ability to continue the analysis to the claim detail level.

| 4.1 Meet Fraud and Abuse Detection System Requirements (continued) | 4.1.2 Meet Detailed Specifications for FADS (continued) | 4.1.2.5 Be able to produce a broad range of statistical data from claim payment information, such as frequency of use and expenditures associated with procedures, diagnoses, provider types, client categories of eligibility, demographic information, and other user defined parameters and include all services and claim types, including pharmacy claims.

4.1.2.6 Provide and maintain predefined groupings of codes and diagnoses.

4.1.2.7 Provide for flexibility, user-friendly tools, and clear presentations of data and options the user can master with limited training including using standard GUI point and click technology.

4.1.2.8 Allow reports to be displayed online for immediate user viewing and also be printed.

4.1.2.9 Utilize as inputs, claims history (including encounters as well as fee-for-service claims), provider demographic and enrollment data, client beneficiary demographic and eligibility data, reference data for descriptions of diagnosis and service codes.

4.1.2.10 Utilize user-maintained parameters that define report processes and content.

4.1.2.11 Uses proven focused detection algorithms (i.e. a comparison of procedure code and diagnosis codes to known fraud and abuse schemes).

4.1.2.12 Uses multiple identification models to detect fraud. These include, but are not limited to, looking at a single potentially-abusive claim transaction and/or examining relationships between one provider and one patient such that it examines the overall volume and nature of services delivered to the patient by that provider; and examining relationships based on the history of a patient (aggregating across all providers) or overall practice patterns of providers (aggregating over all patients). |

| 4.1 Meet Fraud and Abuse Detection System Requirements (continued) | 4.1.2 Meet Detailed Specifications for FADS (continued) | 4.1.2.13 Identifies potential fraud or abuse where providers may deliberately distribute fraudulent activity across several patients; which may be distributed within one practice; for billing patterns that might occur for a particular group of patients such as those in a nursing home or other care home; for patterns of claims activity by groups of practitioners affiliated with one another through practices, clinics, or other cooperative business arrangements; where several providers continually refer to and from themselves for unnecessary tests and services; and for billings of combinations of codes that represent unbundling or unnecessary services.

4.1.2.14 Permits a wide range of statistical modeling; allows comprehensive analysis of both providers and beneficiaries; and provides the enhanced flexibility to query by several variables and combination of variables, including provider, type of service, place of service, date of service, beneficiary, modifiers, and code combinations.

4.1.2.15 Provides early detection of new billing schemes, and the ability to identify new or emerging fraud or abuse billing schemes. The system must provide an artificial intelligence in the sense of logically detecting potentially fraudulent activity in the same manner that an individual reviewing data manually would detect certain occurrences as illogical, irrational, or unlikely, including detecting changing practice patterns. Detection of these circumstances must produce an alert to the user.

4.1.2.16 Illustrates suspected fraud or abusive billing graphically and geographically (mapping).

4.1.2.17 Has an ad-hoc query platform that enables users to develop and modify queries rapidly and easily.

4.1.2.18 Readily produces management and utilization reports.

4.1.2.19 Provides flexible, fully controlled, and easy changes to security levels and privileges. |

| 4.1 Meet Fraud and Abuse Detection System Requirements (continued) | 4.1.3 Meet Detailed Specifications for Surveillance and Utilization Review Subsystem (SURS) | The Surveillance and Utilization Review Subsystem (SURS) component of FADS must provide for enhanced reporting as follows:

4.1.3.1 Develops a comprehensive statistical profile of health care delivery and utilization patterns established by provider and beneficiary participants in various categories of services.

4.1.3.2 By means of computerized exception processing techniques, provides the ability to perform analyses and produces reports responsive to the changing needs of authorized users; be capable of developing provider, physician, and patient profiles sufficient to provide specific information as to the use of covered types of services and items, including prescribed drugs.

4.1.3.3 Produces reports that rank providers using exception weighting according to user designed exception criteria and according to peer grouping defined by the user, using weights and parameters also defined by the user.

4.1.3.4 Meets federal MMIS certification standards and has been federally certified in at least one state, including being able to generate all federally required statistical reports that support the ranking suspicious providers and clients, including, but not limited to, management summary reports (total and by peer group); exception provider reporting; exception client reporting; provider treatment analysis by peer group; profile reports; annual ranking by dollars for utilization for clients and providers; reports, as specified by the Procuring Agency that identify all services received by beneficiaries who are receiving a specific service or drug, are enrolled in selected programs, or have specific levels of care; and quarterly identification of the medical services for which over-utilization is most prevalent.

4.1.3.5 The system must be able to be accessed by MMIS users as authorized by the Procuring Agency and from locations other than the MAD offices, such as by the Medicaid Fraud Control Unit. |
| 4.2 Operate and Maintain FADS | 4.2.1 Provide All FADS Operations, Infrastructure & Staff Support | The CONTRACTOR shall supply the necessary hardware, software, telecommunications and other components and information technology staff support to operate the FADS. |

4.2 Operate and Maintain FADS (continued)	4.2.2 Produce & Distribute FADS Production Reports	The CONTRACTOR shall produce and distribute via the EDMS, hard copy, or other Procuring Agency-approved means all production reports proposed as part of the CONTRACTOR's FADS solution.
	4.2.3 Provide Additional Staff for FADS Support	All programming functions for the FADS are the responsibility of staff assigned to FADS support and such staff is in addition to the System Maintenance Unit staff required by Deliverable Number 1.
	4.2.4 Ensure FADS Support Staff are Qualified	Programming staff assigned to support the FADS will be knowledgeable in the system, in the Medicaid Program, and in the business needs and operations of the functional area supported by the system.
	4.2.5 Provide FADS Training for State Staff	Provide on-site training for Procuring Agency staff on-site annually.
4.3 Modify FADS	4.3.1 Manage FADS Revisions	The CONTRACTOR shall develop, test and implement software updates, corrections, and enhancements, including but not limited to the following subtasks: 4.3.1.1 Analyze and size change requests submitted by the Procuring Agency. 4.3.1.2 Perform software support and error correction. 4.3.1.3 Comply with the software development, change management and system test requirements contained in Tasks 1.3 and 1.4 of Deliverable 1.
	4.3.2 Develop New FADS Algorithms	The CONTRACTOR shall develop, at the direction of the Procuring Agency, additional algorithms to detect fraud and abuse and incorporate them into the FADS.
4.4 Manage Agreed Payment Schedule	4.4.1 Invoice the State According to the Operations Payment Schedule	CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule: 4.4.1.1 Jan 1, 2020 – Sept 30, 2020: $ 49,636.60 4.4.1.2 Oct 1, 2020 – Dec 31, 2021: $ 0.00 4.4.1.3 Jan 1, 2022 – Dec 31, 2022: $ 0.00

E. Deliverable Number 5: Plan of Care Management System (POCMS) – Ongoing Operation and Maintenance

Deliverable Five	Due Date	Compensation
POCMS – Ongoing Operation and Maintenance **[Monthly System Operations]**	**Start: 1-Jan-2020** **End: 31-Dec-2022**	**Total compensation not to exceed $3,387,505.32,** **plus NM GRT, due per agreed payment schedule.**

Task Item	Subtasks	Description
5.1 Meet Plan of Care Management System's General Requirements	5.1.1 Provide Appropriate POCMS Architecture 5.1.2 Meet Detailed Specifications for POCMS	The CONTRACTOR's Plan of Care Management System (POCMS) may consist of one system with all the functionality required to support Mi Via/SDCB FMA activities or multiple systems (e.g., FOCoS, TNT) that interface with each other and provide specific functionality. The POCMS must meet the following general requirements: 5.1.2.1 Provide role-based security access and enforce user access, authentication, and authorization using role-based security consistent with Procuring Agency-approved standards. 5.1.2.2 Provide automatic password expiration controls and user notifications consistent with Procuring Agency-approved standards. 5.1.2.3 Conform to the requirements of Section 508 of the Rehabilitation Act for accessibility to people with disabilities. 5.1.2.4 Support browser access using the most current versions of Microsoft Internet Explorer and Mozilla Firefox.
5.2 Meet Service and Support Plan System Requirements	5.2.1 Meet Detailed Specifications for SSP	The POCMS must meet the following requirements for Service and Support Plan (SSP) processing: 5.2.1.1 Provide web-based capability for SSP entry, updating, and inquiry to match New Mexico's SSP form.

| 5.2 Meet Service and Support Plan System Requirements (continued) | 5.2.1 Meet Detailed Specifications for SSP (continued) | 5.2.1.2 Generate automated email notifications to the Third-Party Assessor (TPA) and appropriate Consultant/Support Broker Agency for pending SSP entries, changes, approvals, and rejections.

5.2.1.3 Generate automated email notifications to the TPA and appropriate Consultant/Support Broker Agency for SSPs with insufficient funds for payroll.

5.2.1.4 Generate email notifications to the TPA and appropriate Consultant/Support Broker Agency of upcoming SSP expirations.

5.2.1.5 Provide queuing and workflow capabilities for handling SSPs.

5.2.1.6 Provide mechanism to modify existing SSPs and pend, review, approve, and reject service-level SSP changes.

5.2.1.7 Validate participant/member eligibility on a daily basis based on data from the MMIS.

5.2.1.8 Store key SSP dates, including but not limited to the date of expiration.

5.2.1.9 Track payroll expenditures against SSP and display this data online.

5.2.1.10 Provide the ability to produce the SSP as a report. |
| 5.3 Meet Employer, Employee Enrollment and Vendor Enrollment System Requirements | 5.3.1 Support Employer, Employee Enrollment and Vendor Enrollment | The POCMS must meet the following requirements for support of employer and employee enrollment:

5.3.1.1 Provide the capability to print Employer Information Packets and Employee Information Packets with fields pre-populated from POCMS data.

5.3.1.2 Provide web-based capability for entry, update, and inquiry of participant or member/employer, employee/vendor, contractor, and Consultant /Support Broker Agency data.

5.3.1.3 Provide web-based capability for entry, update, and inquiry of information packet data. |

5.3 Meet Employer, Employee Enrollment and Vendor Enrollment System Requirements (continued)	5.3.1 Support Employer, Employee Enrollment and Vendor Enrollment (continued)	5.3.1.4 Provide web pages for entry and inquiry of employee changes and separations. 5.3.1.5 Provide web pages to store license information, license indicators, and expiration dates. 5.3.1.6 Provide online indicators for participants/members entering and leaving Mi Via/SDCB program.
5.4 Meet Timesheet and Payment Request System Requirements	5.4.1 Meet Detailed Timesheet and Payment Request Specifications	The POCMS must meet the following requirements for timesheet and payment request processing: 5.4.1.1 Provide web-based capability for electronic timesheet submission, payment requests, and mileage reimbursements. 5.4.1.2 Provide online editing to ensure that employees and contractors do not report more than 40 hours per week on submitted timesheets. 5.4.1.3 Provide web-based capability for approving or rejecting timesheet submissions, payment requests, and mileage reimbursements. 5.4.1.4 Provide online editing to enforce existing and updated participant/member eligibility, total SSP annual amounts remaining, and employee/vendor validity as part of automated timesheet approval. 5.4.1.5 Provide capability to print timesheet submissions, payment requests, and mileage reimbursements.
5.5 Meet Payroll and Financial System Requirements	5.5.1 Meet Detailed Payroll and Financial Processing Specifications	The POCMS must meet the following payroll and financial processing requirements: 5.5.1.1 Provide automated controls for accumulating, validating, and controlling historical expenditures on behalf of the participant/member, including New Mexico policy limits on environmental modifications. 5.5.1.2 Generate payments based on approved timesheets and invoices, including retroactive timesheets.

| 5.5 Meet Payroll and Financial System Requirements (continued) | 5.5.1 Meet Detailed Payroll and Financial Processing Specifications (continued) | 5.5.1.3 Process and pay all correctly and timely submitted Mi Via/SDCB timesheets in the next scheduled timesheet payment cycle and all correctly and timely submitted Mi Via/SDCB invoices in the next scheduled invoice payment cycle unless the processing delay was beyond the CONTRACTOR's control.

5.5.1.4 Compute deductions, gross wages and net wages due to employees, including deductions for retroactive recoveries.

5.5.1.5 Maintain payroll and payment information.

5.5.1.6 Generate payroll reports for participants/members, employee, vendors, and the Procuring Agency.

5.5.1.7 Maintain financial data to help support an annual reconciliation and reimbursement process for Federal Insurance Contributions Act (FICA), State Unemployment Tax Act (SUTA) and Federal Unemployment Tax Act (FUTA) dollars. |
| 5.6 Meet MMIS Interface Requirements | 5.6.1 Meet Detailed POCMS Specifications for MMIS Interface | The POCMS must meet the following MMIS interface requirements:

5.6.1.1 Maintain an interface with the MMIS to update participant/member eligibility data.

5.6.1.2 Produce X12 837P claims and adjustments to reimburse payroll payments on behalf of participants/members, including adjustments for retroactive financial transactions, and submit those claims to the MMIS for processing.

5.6.1.3 Maintain an interface with the MMIS to receive paid claims to support automated reconciliation with 837P claims submitted to the MMIS.

5.6.1.4 Generate reports to identify discrepancies from the claim reconciliation process, including claims denied or suspended by the MMIS.

5.6.1.5 Provide online inquiry into 837P claims produced and reconciliation results with MMIS paid claims.
The POCMS must meet the following reporting requirements: |

5.7 Meet Mi Via/SDCB FMA Reporting Requirements	5.7.1 Meet Detailed Mi Via/SDCB FMA Specifications	5.7.1.1 Generate monthly Per Member Per Month (PMPM) reports.
		5.7.1.2 Generate monthly participant or member/employer reports.
		5.7.1.3 Generate data to support the Procuring Agency's CMS-372 reporting.
		5.7.1.4 Generate operational reports to support timesheet and payroll processing.
		5.7.1.5 Generate utilization and analysis reports to support program management.
		5.7.1.6 Generate all IRS and New Mexico payroll, income tax, and workers compensation forms, reports, and data for employees and vendors, including but not limited to W-2 and 1099 forms.
5.8 Operate and Maintain POCMS	5.8.1 Provide All POCMS Operations, Infrastructure and Staff	The CONTRACTOR shall operate and maintain a POCMS according to the specifications proposed by the CONTRACTOR and accepted by the Procuring Agency. 5.8.1.1 The CONTRACTOR shall supply the necessary hardware, software, telecommunications and other components and information technology staff support to operate the POCMS.
	5.8.2 Produce and Distribute POCMS Production Reports	The CONTRACTOR shall produce and distribute via the EDMS, hard copy, or other Procuring Agency-approved means all production reports proposed as part of the CONTRACTOR's POCMS solution.
	5.8.3 Provide Additional Staff for POCMS Support	All programming functions for the POCMS are the responsibility of staff assigned to POCMS support and such staff is in addition to the System Maintenance Unit staff required by Deliverable 1.
	5.8.4 Ensure POCMS Support Staff are Qualified	Programming staff assigned to support the POCMS will be knowledgeable in the system, in the Medicaid Program, and in the business needs and operations of the functional area supported by the system.

5.9 Modify POCMS	5.9.1 Manage POCMS Revisions	The CONTRACTOR shall develop, test and implement software updates, corrections, and enhancements, including but not limited to the following subtasks: 5.9.1.1 Analyze and size change requests submitted by the Procuring Agency. 5.9.1.2 Perform software support and error correction. 5.9.1.3 Comply with the software development, change management and system test requirements contained in Tasks 1.3 and 1.4 of Deliverable 1.
5.10 Manage Agreed Payment Schedule	5.10.1 Invoice the State According to the Operations Payment Schedule	CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule: 5.10.1.1 Jan 1, 2020 – Dec 31, 2020: $ 94,097.37 5.10.1.2 Jan 1, 2021 – Dec 31, 2021: $ 94,097.37 5.10.1.3 Jan 1, 2022 – Dec 31, 2022: $ 94,097.37

F. Deliverable Number 6: Drug Rebate System – Ongoing Operation and Maintenance

Deliverable Six	Due Date	Compensation
Drug Rebate System – Ongoing Operation and Maintenance **[Monthly System Operations]**	**Start: 1-Jan-2020** **End: 31-Dec-2022**	**Total compensation not to exceed $617,652.36, plus NM GRT, due per agreed payment schedule.**

Task Item	Subtasks	Description
6.1 Accommodate Required Drug Rebate Inputs	6.1.1 Accommodate Each Input Specified for the Drug Rebate System	The Drug Rebate System shall accommodate the following inputs: 6.1.1.1 Federal Centers for Medicare and Medicaid Services listing of Manufacturers with Drug Rebate Agreements. 6.1.1.2 Centers for Medicare and Medicaid Services listing of quarterly rebate unit amounts. 6.1.1.3 Pharmacy claims extracts. 6.1.1.4 Weekly interest rates (based on U.S. Treasury bills).
6.2 Provide Required Drug Rebate Functionality	6.2.1 Meet Detailed Specifications for the Drug Rebate System	The Drug Rebate system must: 6.2.1.1 Provide online access to pharmacy claims, the Centers for Medicare and Medicaid Services listing of Manufacturers with Drug Rebate Agreements, Centers for Medicare and Medicaid Services listing of quarterly rebate amounts, quarterly rebate invoiced amounts at the NDC Level, and other data as directed by the Procuring Agency. 6.2.1.2 Support rebate updating for specific drugs and also at the manufacturer (labeler) level across all NDCs for that manufacturer when labelers submit updated or revised pricing. 6.2.1.3 Maintain the pharmacy rebate agreement data online. 6.2.1.4 Calculate quarterly rebate amounts due based on number of units per NDC from pharmacy claims and the Centers for Medicare and Medicaid Services listing of quarterly unit rebate amounts.

6.2 Provide Required Drug Rebate Functionality (continued)	6.2.1 Meet Detailed Specifications for the Drug Rebate System (continued)	6.2.1.5 Provide an automated method of checking invoices to determine whether any unit rebate amounts are zero and provide an electronic report that identifies rebate amounts equal to zero and send it to the Procuring Agency. 6.2.1.6 Provide an automatic default of the unit rebate amount to the most recently paid rebate amount to address disputes unless that most recently paid rebate amount is zero. 6.2.1.7 Provide the capability for inclusion of unit type conversion factors for drug unit type mismatches between the pharmacy claim unit types paid, and the drug manufacturer unit rebate amount types on the Centers for Medicare and Medicaid Services rebate list. 6.2.1.8 Provide the ability to compare invoices to remittance advices returned by the manufacturer to determine which NDC line item is in dispute by providing an electronic version of all line items included in the quarterly invoice. 6.2.1.9 Recalculate invoices if the amount the manufacturer submits is different from the invoice and judged to be correct. 6.2.1.10 Identify inconsistencies between the rebate amount due and the amount paid to the pharmacy and flag the inconsistencies for review subject to State guidelines. 6.2.1.11 Provide Procuring Agency staff with a method of extracting claims and other documentation for NDC line items that are in dispute via electronic media. 6.2.1.12 Provide the capability to accept fractional and decimal amounts in the unit field to six digits to the right of the decimal point. 6.2.1.13 Calculate interest on quarterly rebate amounts due. Interest will begin to accrue on the thirty-ninth day after the day of mailing the quarterly rebate invoices. 6.2.1.14 Reconcile amounts paid to amounts invoiced by NDC line items. 6.2.1.15 Provide the capability to invoice manufacturers electronically.

6.2 Provide Required Drug Rebate Functionality (continued)	6.2.1 Meet Detailed Specifications for the Drug Rebate System (continued)	6.2.1.16 Provide the capability to accept payments from the drug manufacturers electronically. 6.2.1.17 Provide the capability to transmit requested detailed drug claim listings electronically as requested by the Procuring Agency via a Data Warehouse query or ad hoc request. 6.2.1.18 Provide the capability for the Procuring Agency to access and download drug rebate information electronically in a file type directed by the Procuring Agency. 6.2.1.19 Maintain a drug manufacturer data set for processing drug rebate claims. The data set will be accessible to the Procuring Agency online and will include the following information at a minimum: manufacturer ID, manufacturer name, manufacturer labeler code, mailing address, legal name and phone numbers, effective date (start of calendar quarter in which the manufacturer begins participation), financial contact and phone numbers, technical contact and phone numbers, date agreement becomes effective, retroactive indicator, invoice media indicator, and stop dates. 6.2.1.20 Maintain multiple effective date spans on the drug manufacturer records. Multiple segments are required to identify situations where a manufacturer becomes ineligible to participate in the Drug Rebate program for a period of time (as identified by the Centers for Medicare and Medicaid Services). 6.2.1.21 Validate for consistency of measurement units between the Centers for Medicare and Medicaid Services and MMIS drug reference data and provide automated conversions where specified by the State. 6.2.1.22 Provide the capability (if applicable) to separately identify drug rebate amounts by program and eligibility category. 6.2.1.23 Provide the capability to exclude specified drugs from drug rebate information processing based on Procuring Agency-defined criteria. 6.2.1.24 Provide the capability to perform batch and online updates to drug manufacturer data and to identify the sources of the updates.

6.2 Provide Required Drug Rebate Functionality (continued)	6.2.1 Meet Detailed Specifications for the Drug Rebate System (continued)	6.2.1.25 Capture address and other information (including last change date) supplied on the quarterly tape from the Centers for Medicare and Medicaid Services.
		6.2.1.26 Provide the capability to track pharmacy claims for Drug Rebate reporting by manufacturer via a desktop application. This will allow the Procuring Agency to derive claims level data based upon the Drug Rebate report application.
		6.2.1.27 Maintain a process to track Drug Rebate activities by NDC by manufacturer, including billing for manufacturers and tracking collection of rebates.
		6.2.1.28 Provide the capability to automatically determine the amounts of rebates due from each manufacturer, based on NDC codes, drug quantity units on paid pharmacy claims (both original and adjusted claims), rebate amounts, interest, and prior period adjustments per unit received from the Centers for Medicare and Medicaid Services.
		6.2.1.29 Provide the capability to manually enter and report on corrections to the NDC level on drug rebate invoices.
		6.2.1.30 Provide the capability to manually correct invoice records to the NDC level to support the dispute resolution process.
		6.2.1.31 Maintain original and corrected invoice information at the NDC level.
		6.2.1.32 Maintain an audit trail of all changes made to invoices and flag invoice records that have been changed to facilitate future processing.
		6.2.1.33 Provide the capability to display original and corrected records on reports defined by the Procuring Agency.
		6.2.1.34 Create an electronic Drug Rebate Accounts Receivable report automatically when the drug manufacturer invoices are produced.
		6.2.1.35 Provide the capability to transmit Accounts Receivable and balances to the Procuring Agency's Accounting System as required.

6.2 Provide Required Drug Rebate Functionality (continued)	6.2.1 Meet Detailed Specifications for the Drug Rebate System (continued)	6.2.1.36 Maintain a mechanism to identify providers that are public health service entities (as identified by the Centers for Medicare and Medicaid Services) that have separate agreements with manufacturers under the Veterans Health Care Act of 1992 and subsequent amendments, with effective dates. It is very important that these entities are not invoiced.
		6.2.1.37 Provide the capability to exclude from drug rebate invoices those units paid to public health service entities that have separate drug rebate agreements with manufacturers under the Veterans Health Care Act of 1992 and subsequent amendments.
		6.2.1.38 Provide the capability to perform online changes to Accounts Receivable information, including the amount owed. The online changes may be made by the Procuring Agency's Fiscal Management Bureau and by the Procuring Agency's Drug Rebate Analyst.
		6.2.1.39 Maintain the following information on the drug rebate accounts receivable by Labeler or by NDC including labeler number, original invoice amount, invoiced units/paid units, paid amount and date, applicable rebate quarter, adjusted invoice amount (multiple segments with dates), adjustment codes, additional payments (multiple segments with payment dates), interest charges, write-off reason, write-off amount and date, balance amount.
		6.2.1.40 Maintain an automated drug rebate dispute tracking system. This system should track by labeler and by NDC, the manufacturer name, number, invoiced amount, invoiced quantity, manufacturer's paid quantity for the NDC, unpaid quantity (positive or negative), rebate amount per unit, unpaid rebate amount, dispute reason, interest owed, and quarter.
		6.2.1.41 Provide the capability to receive manufacturers' dispute information electronically.
		6.2.1.42 Maintain the capability to merge pharmacy claims with provider table records for dispute resolution.
		6.2.1.43 Maintain an electronic table of all paid pharmacy claims for disputed products (NDCs) for the rebate quarter under review to facilitate dispute research.

6.2 Provide Required Drug Rebate Functionality (continued)	6.2.1 Meet Detailed Specifications for the Drug Rebate System (continued)	6.2.1.44 Add Drug Rebate data to the Data Warehouse. 6.2.1.45 Generate prescription/invoice request reports to billing pharmacies for the purpose of requesting information on claims for disputed products. 6.2.1.46 Provide the capability to override recoupments in accordance with criteria provided by the Procuring Agency. 6.2.1.47 Provide the capability to automatically recalculate the utilization for each disputed NDC for all manufacturers after all adjustments have been recorded. 6.2.1.48 Provide an automated mechanism to subject each disputed prescription to a series of queries that compare the billed amount, quantity paid, and system-calculated allowed amount (the maximum amount the Procuring Agency will pay of the prescription) in order to identify the universe of claims for disputed products. 6.2.1.49 Provide the capability to track and process prior period adjustments. 6.2.1.50 Maintain an automated tickler file to track Drug Rebate disputes. This will provide information on non-responding manufacturers. 6.2.1.51 Maintain a process to calculate and apply interest to Accounts Receivable based on drug rebates due to the Procuring Agency from manufacturers. 6.2.1.52 Accept data and calculate drug rebates for NDC codes that may be submitted on CMS-1500 and UB-04 forms and 837P and 837I claims. 6.2.1.53 The Drug Rebate System shall have the functionality to convert HCPCS codes for injectable items to NDC codes and claim the drug rebate when a direct one-to-one association can be established between a HCPCS code and an NDC code.

| 6.3 Meet Drug Rebate Reporting Requirements | 6.3.1 Meet Detailed Specifications for Drug Rebate Reporting | The Drug Rebate system must provide the following outputs:

6.3.1.1 Drug rebate reports (for the State and for manufacturers) in electronic formats as well as on paper.

6.3.1.2 Reports and bills to manufacturers on rebate details and amounts due.

6.3.1.3 Reports to track rebate recoveries.

6.3.1.4 Detail drug claims listing reports.

6.3.1.5 Drug rebate dispute spreadsheets and reports

6.3.1.6 Reports on the effects of drug rebate dispute claim adjustments on aggregate utilization by quarter.

6.3.1.7 Updated utilization summaries on disputed products with information specified by the Procuring Agency.

6.3.1.8 Periodic reports on current and past Accounts Receivable information for each drug manufacturer.

6.3.1.9 Reports on interest billed and collected as imputed by the State.

6.3.1.10 Reports on payment discrepancies and disputes with manufacturers.

6.3.1.11 Reports on drugs excluded from the drug rebate invoice process.

6.3.1.12 Reports to billing pharmacies requesting information on claims for disputed products. These reports will include dates of service, beneficiaries, and prescription numbers. The NDCs and the quantities billed will not be included on these reports. These reports will be used to confirm the accuracy of the claims data; it will be the providers' responsibility to review their records to ascertain that the quantities billed and NDCs are accurate on the claims.

6.3.1.13 Letters to manufacturers to accompany invoices. |

6.3 Meet Drug Rebate Reporting Requirements (continued)	6.3.1 Meet Detailed Specifications for Drug Rebate Reporting (continued)	6.3.1.14 Interest statements to manufacturers. These statements will accompany the invoices. 6.3.1.15 Manufacturer drug rebate invoices in both electronic format, with State capability to update pricing information, drug exclusions and contact information, and in paper format. 6.3.1.16 Reports showing amounts rebated compared to amounts paid by manufacturers by NDC quarter by line item. 6.3.1.17 Summary reports of Drug Rebate dispute amounts by dispute code by drug manufacturer labeler code. 6.3.1.18 Quarterly drug rebate information in a form compatible with CMS-64 reporting requirements. 6.3.1.19 A utilization file, transmitted to CMS quarterly, of all invoices including prior quarter adjustments and adjustments resulting from dispute resolutions and claim unit changes.
6.4 Operate and Maintain Drug Rebate System	6.4.1 Provide All Drug Rebate System (DRS) Operations, Infrastructure & Staff Support	The CONTRACTOR shall operate and maintain a Drug Rebate System according to the specifications proposed by the CONTRACTOR and accepted by the Procuring Agency. 6.4.1.1 The CONTRACTOR shall supply the necessary hardware, software, telecommunications and other components and information technology staff support to operate the Drug Rebate System.
	6.4.2 Produce and Distribute DRS Reports and Bills	The CONTRACTOR shall produce and distribute via the EDMS, hard copy, or other Procuring Agency-approved means all reports and bills relating to drug rebates proposed as part of the CONTRACTOR's Drug Rebate System solution.
	6.4.3 Generate DRS Utilization Summary Reports	The CONTRACTOR shall generate updated utilization summary reports for disputed products and submit the reports to the Procuring Agency.
	6.4.4 Transfer DRS Files from Point of Sale System	The CONTRACTOR shall transfer files from the Point of Sale (POS) System in an agreed upon format required to accomplish drug rebate tasks.

6.4 Operate and Maintain Drug Rebate System (continued)	6.4.5 Provide Additional Staff for DRS System Support	All programming functions for the Drug Rebate System are the responsibility of staff assigned to Drug Rebate System support and such staff is in addition to the System Maintenance Unit staff required by Deliverable 2.
	6.4.6 Ensure DRS Rebate System Support Staff are Qualified	Programming staff assigned to support the Drug Rebate System will be knowledgeable in the system, in the Medicaid Program, and in the business needs and operations of the functional area supported by the system.
6.5 Modify Drug Rebate System	6.5.1 Manage DRS Revisions Management	The CONTRACTOR shall develop, test and implement software updates, corrections, and enhancements, including but not limited to the following subtasks: 6.5.1.1 Analyze and size change requests submitted by the Procuring Agency. 6.5.1.2 Perform software support and error correction. 6.5.1.3 Comply with the software development, change management and system test requirements contained in Tasks 1.3 and 1.4 of Deliverable 1.
6.6 Manage Agreed Payment Schedule	6.6.1 Invoice the State According to the Operations Payment Schedule	CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule: 6.6.1.1 Jan 1, 2020 - Dec 31, 2020: $ 17,157.01 6.6.1.2 Jan 1, 2021 – Dec 31, 2021: $ 17,157.01, 6.6.1.3 Jan 1, 2022 – Dec 31, 2022: $ 17,157.01

G. Deliverable Number 7: Web Portal – Ongoing Operation and Maintenance

Deliverable Seven	Due Date	Compensation
Web Portal – Ongoing Operation and Maintenance **[Monthly System Operations]**	**Start: 1-Jan-2020** **End: 31-Dec-2022**	**Total compensation not to exceed $3,035,234.52, plus NM GRT, due per agreed payment schedule.**

Task Item	Subtasks	Description
7.1 Meet Web Portal System Requirements	7.1.1 Support the New Mexico Web Portal	CONTRACTOR must operate the current New Mexico Web portal for prospective and enrolled providers to provide program information, provider enrollment forms and instructions, other specialized forms as specified by the Procuring Agency, billing instructions and other training materials, and access to MMIS data. The Web portal will use industry standard security, as approved by the Procuring Agency, with provider passwords when required for secure documents or information.
	7.1.2 Meet Detailed Web Portal Specifications for Enrolled Providers	7.1.2.1 The Web portal must allow enrolled providers to verify client eligibility, inquire on the status of claims and prior authorizations, enter or modify banking information to support payment via electronic funds transfer (EFT), obtain weekly payment information, and download remittance advices. 7.1.2.2 The Web portal must allow providers, at no charge, to inquire on client eligibility and benefit information, managed care enrollment, TPL information, and long-term care status. 7.1.2.3 The Web portal must allow enrolled providers of Procuring Agency-defined provider types and specialties to inquire on the claim history of a client. Inquiry parameters shall be transmitted to the MMIS in real-time, which shall return relevant diagnosis and procedure code information from matching paid Medicaid claims.

7.1 Meet Web Portal System Requirements (continued)	7.1.3 Support Commonly Used Document Formats and Approved Hyperlinks	Documents on the CONTRACTOR's Web portal will be in easily accessible formats, such as Adobe Acrobat, Microsoft Word and Microsoft Excel. The Web portal must include hyperlinks to other sites deemed useful by the Procuring Agency or by the CONTRACTOR.
7.2 Operate and Maintain Web Portal	7.2.1 Meet Detailed Specifications for Web Portal Operations	The CONTRACTOR shall operate and maintain the Web portal according to the specifications proposed by the CONTRACTOR and accepted by the Procuring Agency.

7.2.1.1 The CONTRACTOR shall ensure that the hardware, software and telecommunications supporting the Web portal are sufficient to provide a response to submitted inquiries within five (5) seconds

7.2.2 All programming functions for the Web portal are the responsibility of staff assigned to Web portal support and such staff is in addition to the System Maintenance Unit staff required by Deliverable 1.

7.2.3 Programming staff assigned to support the Web portal will be knowledgeable in the system, in the Medicaid Program, and in the business needs and operations of the functional area supported by the system.

7.2.4 The CONTRACTOR shall prepare a monthly newsletter that addresses billing issues, upcoming program changes, announcements from the Procuring Agency, and other information, and post the newsletter to the Web portal for retrieval by providers.

7.2.5 The CONTRACTOR shall provide telephone support during regular business hours to assist providers with problems accessing information from the Web portal. |

7.3 Modify Web Portal	7.3.1 Meet Detailed Specifications for Web Portal Maintenance	The CONTRACTOR shall develop, test and implement software updates, corrections, and enhancements, including but not limited to the following subtasks:
		7.3.1.1 Analyze and size change requests submitted by the Procuring Agency.
		7.3.1.2 Perform software support and error correction.
		7.3.1.3 Comply with the software development, change management and system test requirements contained in Tasks 1.3 and 1.4 of Deliverable 1.
		7.3.1.4 The CONTRACTOR shall support direct data entry (DDE) of claims by providers.
		7.3.1.5 The CONTRACTOR shall support an interactive provider enrollment and maintenance component
7.4 Manage Agreed Payment Schedule	7.4.1 Invoice the State According to the Operations Payment Schedule	CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule: 7.4.1.7 Jan 1, 2020 – Dec 31, 2020 $ 84,312.07 7.4.1.5 Jan 1, 2021 – Dec 31, 2021: $ 84,312.07 7.4.1.6 Jan 1, 2022 – Dec 31, 2022: $ 84,312.07

H. Deliverable Number 8: Automated Voice Response System (AVRS) – Ongoing Operation and Maintenance

Deliverable Eight	Due Date	Compensation
AVRS – Ongoing Operation and Maintenance **[Monthly System Operations]**	**Start: 1-Jan-2020** **End: 30-Sept-2020**	**Total compensation not to exceed $9,155.97, plus NM GRT, due per agreed payment schedule.**

Task Item	Subtasks	Description
8.1 Meet Automated Voice Response System Requirements	8.1.1 Implement an AVRS	The CONTRACTOR shall support the Automated Voice Response System (AVRS), per procuring agency, that enables providers and clients to perform specific functions.
	8.1.2 Provide Sufficient Ports for AVRS	The AVRS must include sufficient ports to meet the performance standards of the Procuring Agency.
	8.1.3 Meet Detailed Specifications for the AVRS	The AVRS must include the following functionality for providers: 8.1.3.1 The AVRS must allow providers to verify client eligibility for a single date of service, including category of eligibility, managed care enrollment, lock-in, other insurance, and Medicare coverage. Eligibility may be obtained by entering the client ID number, the card control number, or both the Social Security Number and date of birth. 8.1.3.2 The AVRS must allow providers to obtain the amount of their most recent weekly payment amount. 8.1.3.3 The AVRS must allow providers to obtain the status of a claim by entering the claim's Transaction Control Number (TCN) or both the client ID number and date of service. The AVRS must include the following functionality for clients: 8.1.3.4 AVRS client functions must support English and Spanish language prompts.

8.2 Operate and Maintain AVRS	8.2.1 Provide All AVRS Operations, Infrastructure & Staff Support	8.2.1.1 The CONTRACTOR shall operate and maintain an AVRS according to the specifications proposed by the CONTRACTOR and accepted by the Procuring Agency. 8.2.1.2 The CONTRACTOR shall supply the necessary hardware, software, telecommunications and other components and information technology staff support to operate the AVRS.
	8.2.2 AVRS Production Reports	The CONTRACTOR shall produce and distribute via the EDMS, hard copy, or other Procuring Agency-approved means all production reports proposed as part of the CONTRACTOR's AVRS solution.
	8.2.3 Provide Additional Staff for AVRS Support	All programming functions for the AVRS are the responsibility of staff assigned to AVRS support and such staff is in addition to the System Maintenance Unit staff required by Deliverable 1.
	8.2.4 Ensure AVRS Support Staff are Qualified	Programming staff assigned to support the AVRS will be knowledgeable in the system, in the Medicaid Program, and in the business needs and operations of the functional area supported by the system.
8.2 Operate and Maintain AVRS (continued)	8.2.5 Ensure AVRS Maintains Agreed Service Level	The CONTRACTOR shall ensure that the AVRS is operational twenty-four (24) hours per day, seven (7) days per week with maintenance and support downtime for the AVRS scheduled for the low utilization periods when OmniCaid is also scheduled for maintenance and support.
	8.2.6 Minimize AVRS Busy Signals and Wait Time	The CONTRACTOR shall ensure there are sufficient incoming lines to access AVRS so that no more than 5% of incoming calls ring busy. The average wait time shall not exceed two (2) minutes. The AVRS will allow for a provider to hold until a connection is made. The call completion rate shall not be below 90%.
	8.2.7 Provide AVRS Weekly Reports	The CONTRACTOR shall provide to the Procuring Agency weekly reports containing AVRS call statistics identifying total calls, completed calls, abandoned calls, average time on call, and average wait time. The reports shall be provided in a Procuring Agency-approved format.

8.3 Modify AVRS	8.3.1 Manage AVRS Revisions	The CONTRACTOR shall develop, test and implement software updates, corrections, and enhancements, including but not limited to the following subtasks: 8.3.1.1 Analyze and size change requests submitted by the Procuring Agency. 8.3.1.2 Perform software support and error correction. 8.3.1.3 Comply with the software development, change management and system test requirements contained in Tasks 1.3 and 1.4 of Deliverable 1.
8.4 Manage Agreed Payment Schedule	8.4.1 Invoice the State According to the Operations Payment Schedule	CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule: 8.4.1.1 Jan 1, 2020 – Sept 30, 2020: $1,017.33 8.4.1.2 Oct 1, 2020– Dec 31, 2021: $ 0.00 8.4.1.3 Jan 1, 2022 – Dec 31, 2022: $ 0.00

I. Deliverable Number 9: Electronic Document Management System (EDMS) – Ongoing Operation and Maintenance

Deliverable Nine	Due Date	Compensation
EDMS – Ongoing Operation and Maintenance **[Monthly System Operations]**	**Start: 1-Jan-2020** **End: 31-Dec-2021**	**Total compensation not to exceed $454,099.20,** **plus NM GRT, due per agreed payment schedule.**

Task Item	Subtasks	Description
9.1 Meet Electronic Document Management System Requirements	9.1.1 Provide an EDMS	The CONTRACTOR shall support an Electronic Document Management System (EDMS) that performs scanning, image storage and retrieval, and optical character recognition of submitted claims.
	9.1.2 Store EDMS Images in Approved File Format	Images shall be stored in an industry-standard, Procuring Agency-approved format that is not restricted to a specific platform or system in order to permit their transfer to another EDMS.
	9.1.3 Provide an ERM Repository	The EDMS must include an Enterprise Report Management (ERM) repository, formerly known as "Computer Output to Laser Disc" (COLD), to provide storage and retrieval for all MMIS reports. 9.1.3.1 The ERM repository shall provide for easy access and search keys in order to locate specific data amid a large number of reports. 9.1.3.2 The CONTRACTOR shall provide sufficient storage capacity so that reports may be retained in the ERM repository indefinitely.
	9.1.4 Provide EDMS Access Security	The EDMS must incorporate security features restricting access to authorized CONTRACTOR and Procuring Agency users.
	9.1.5 Comply with Specified New Mexico Administrative Codes	The EDMS and CONTRACTOR's operating procedures shall meet the requirements of the New Mexico Administrative Code as specified in Title 1, Chapter 13, Part 3 (1.13.3 NMAC), "Management of Electronic Records"; and in Title 1, Chapter 15 (1.15 NMAC), "General Records Retention and Disposition Schedules" as appropriate to the specific records being stored.

9.2 Operate and Maintain EDMS	9.2.1 Provide All EDMS Operations, Infrastructure & Staff Support	9.2.1.1 The CONTRACTOR shall operate and maintain the EDMS and the EDMS Workflow according to the specifications proposed by the CONTRACTOR and accepted by the Procuring Agency. 9.2.1.2 The CONTRACTOR shall supply the necessary hardware, software, telecommunications and other components and information technology staff support to operate the EDMS.
	9.2.2 Retain ERM Records Indefinitely	The CONTRACTOR shall retain reports stored in the ERM repository indefinitely; reports are not to be purged or archived without the Procuring Agency's written permission.
	9.2.3 Provide Additional Staff for EDMS Support	All programming functions for the EDMS are the responsibility of staff assigned to EDMS support and such staff is in addition to the System Maintenance Unit staff required by Deliverable 1.
	9.2.4 Ensure EDMS Support Staff are Qualified	Programming staff assigned to support the EDMS will be knowledgeable in the system, in the Medicaid Program, and in the business needs and operations of the functional area supported by the system.
9.3 Modify EDMS	9.3.1 Manage EDMS Revisions	The CONTRACTOR shall develop, test and implement software updates, corrections, and enhancements, including but not limited to the following subtasks: 9.3.1.1 Analyze and size change requests submitted by the Procuring Agency. 9.3.1.2 Perform software support and error correction. 9.3.1.3 Comply with the software development, change management and system test requirements contained in Tasks 1.3 and 1.4 of Deliverable 1.
9.4 Manage Agreed Payment Schedule	9.4.1 Invoice the State According to the Operations Payment Schedule	CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule: 9.4.1.2 Jan 1, 2020 – Dec 31, 2020: $ 18,920.80 9.4.1.5 Jan 1, 2021 – Dec 31, 2021: $ 18,920.80 9.4.1.6 Jan 1, 2022 – Dec 31, 2022: $ 0.00

J. Deliverable Number 10: Ongoing Disaster Avoidance and Recovery

Deliverable Ten	Due Date	Compensation
Ongoing Disaster Avoidance and Recovery **[Monthly System Operations]**	**Start: 1-Jan-2020** **End: 31-Dec-2022**	**Total compensation not to exceed $224,388.36, plus NM GRT, due per agreed payment schedule.**
Task Item	Subtasks	Description
10.1 Maintain Disaster Avoidance Measures	10.1.1 Meet Detailed Specifications for Disaster Avoidance	The CONTRACTOR shall provide for Disaster Avoidance by maintaining all necessary safeguards against the destruction, loss, and improper alteration of the System Data, including the following: 10.1.1.1 Protection from disaster through multiple levels of hardware and software redundancy and the off-site storage of backup files that will allow the CONTRACTOR to recover from unexpected failures without interruption in service except for the time required to activate the CONTRACTOR's hot site and load backup software and files. 10.1.1.2 Reliability and high availability features to ensure delivery of continuous operation and the integrity and reliability of MMIS data, including: automatic recovery, online backup, roll-forward, failover, and replication. The MMIS will be available twenty-four (24) hours per day, seven (7) days per week unless down time is approved in advance by the Procuring Agency. 10.1.1.3 Backup servers to load balance and provide continued access to the System in the event a server fails. 10.1.1.4 Redundancy and fault tolerance of the data repository through disk arrays on the database servers; servers will be configured in clusters with redundant processors that take over in the event of CPU/memory failures. 10.1.1.5 Application monitoring software that will ensure that, if a process on the server fails, it is restarted automatically and with little perceptible delay to the users.

10.1 Maintain Disaster Avoidance Measures (continued)	10.1.1 Meet Detailed Specifications for Disaster Avoidance (continued)	10.1.1.6 System backups (daily for data and weekly for applications) that will be stored off-site at secure and fireproof locations. Backup procedures, including the media, format, frequency, type (incremental versus full) and storage locations shall be subject to the Procuring Agency's review and approval. 10.1.1.7 Uninterruptible power supplies and programs, including battery power that will protect the network and systems from spikes or drops in incoming power, generators at the MMIS platform location that can provide alternative power for at least 24 hours in the event of a regional power outage, and regularly scheduled tests of the CONTRACTOR's ability to switch to battery or generator power.
10.2 Develop and Maintain Disaster Recovery/Business Continuity Plan	10.2.1 Deliver Complete DR/BCP Plan in Agreed Time Period	The CONTRACTOR shall provide a Disaster Recovery (DR)/Business Continuity (BCP) Plan to the Procuring Agency. The DR/BCP Plan will provide for a wide range of disasters that could affect one or more of the MMIS system's locations and will provide a strategy to protect the MMIS data and maintain continuous operations during and after those disasters with minimal disruption.
	10.2.2 Adapt to Changing DR/BCP Standards at No Additional Charge	The CONTRACTOR shall modify the DR/BCP Plan as required to meet changing conditions or policies from the state at no additional charge to the Procuring Agency.
	10.2.3 Provide All DR/BCP Planning and Infrastructure	The CONTRACTOR supplies the DR/BCP Plan and provides all the hardware, software and/or services to support and carry out the DR plan. The CONTRACTOR shall provide at least one alternate location for business recovery in the event of a disaster.

10.2 Develop and Maintain Disaster Recovery/Business Continuity Plan (continued)	10.2.4 DR/BCP Plan Revision Management	The Procuring Agency will review the DR/BCP Plan and request modifications and additions as necessary. The CONTRACTOR shall make changes as necessary to obtain Procuring Agency approval prior to the start of the Contract. The CONTRACTOR shall update the plan throughout the term of the contract to ensure currency of the plan and as necessary to continually meet Procuring Agency standards. The DR/BCP Plan will include detailed procedures for an orderly shutdown, as well as sudden loss of operations (i.e., "crash" shutdowns) and detailed procedures for resumption of operations including estimated time in the event of a disaster.
	10.2.5 Meet Detailed Specifications in the DR/BCP Plan	The Disaster Recovery Plan/Business Continuity Plan will include, at a minimum:
		10.2.5.1 Assignment of responsibilities.
		10.2.5.2 Established order of restoration precedence.
		11.2.5.3 Identification of the operating system and its components (e.g., TSO, POWERBUILDER, CICS, etc.).
		10.2.5.4 Identification of operating system dependencies.
		10.2.5.5 Identification of all files, data stores, and utilities.
		10.2.5.6 Identification of all backup files and descriptions of the frequency and methods used to keep backup files updated. Backup files will be stored off-site and will include but not be limited to source programs, job control language (JCL), data files and databases, reference files, claims history files, eligibility master files, provider master files; application system, user, and operational documentation; system requirements, user documentation, ERM files, and files maintained on the CONTRACTOR'S local area network.
		10.2.5.7 Logistics for creating the disaster copies.
		10.2.5.8 Logistics for transferring operations to the backup location.
		10.2.5.9 Frequency of operating system backup.
		10.2.5.10 Other preparatory measures for disaster recovery and for assuring business continuity:

10.2 Develop and Maintain Disaster Recovery//Business Continuity Plan (continued)	10.2.5 Meet Detailed Specifications in the DR/BCP Plan (continued)	10.2.5.11 Procedures for regeneration of updates that may be lost due to operator errors, conversion errors, update errors, or system malfunctions. The CONTRACTOR shall describe its procedures for storing and backing up update files and retaining source documents required to recreate such files or updates. The CONTRACTOR shall store backup copies of source documents using electronic technology and media approved by the Procuring Agency.
10.3 Test and Implement Disaster Recovery /Business Continuity Plan	10.3.1 Conduct Annual Tests of the DR/BCP Plan	The CONTRACTOR shall conduct an annual test run of the Disaster Recovery Plan/Business Continuity Plan involving all responsible parties, with expected results as the benchmark. Results of the test run will be provided to the Procuring Agency for its review.
	10.3.2 Provide Sub-Contractors DR/BCP Plan	The CONTRACTOR shall provide Disaster Recovery Plan/Business Continuity Plan for all sub-contractor's systems annually.
	10.3.3 Meet Agreed Service Levels and Recovery Times During Actual Disasters	In the event a disaster causes the MMIS to become unavailable or causes an interruption in the delivery of administrative services, the CONTRACTOR shall immediately notify the Procuring Agency. The CONTRACTOR shall take steps to ensure timely resumption of administrative services and shall load System Data from backup media at the designated alternate site(s) to recover basic functionality of the System within 24 hours and restore complete functionality of the System within 48 hours from the occurrence of the disaster.
	10.3.4 Recover or Regenerate any Lost Data Within Agreed Time Period	In the event of a loss of any System Data, the CONTRACTOR shall use all necessary means to recover or regenerate the lost System Data, at the CONTRACTOR's expense, as soon as practicable within five (5) calendar days from the date the CONTRACTOR learns of the loss.
10.4 Manage Agreed Payment Schedule	10.4.1 Invoice the State According to the Schedule for Disaster Avoidance and Recovery	The CONTRACTOR will deliver invoices according to the following payment schedule for Disaster Avoidance and Recovery, plus the applicable New Mexico Gross Receipts Tax (NM GRT), with no retainage: 10.4.1.7 Jan 1, 2020– Dec 31, 2020: $ 6,233.01 10.4.1.7 Jan 1, 2021 – Dec 31, 2021: $ 6,233.01 10.4.1.7 Jan 1, 2022 – Dec 31, 2022: $ 6,233.01

K. Deliverable Number 11: Ongoing Network Support

Deliverable Eleven	Due Date	Compensation
Ongoing Network Support **[Monthly System Operations]**	**Start: 1-Jan-2020** **End: 31-Dec-2022**	**Total compensation not to exceed $ 6,637,468.68,** **plus NM GRT, due per agreed payment schedule.**

Task Item	Subtasks	Description
11.1 Maintain Network Management Unit	11.1.1 Provide a Qualified Network Management Unit	The CONTRACTOR shall provide an operationally experienced Network Management Unit consisting at a minimum of a manager and sufficient network analysts or technicians to support the CONTRACTOR's network and provide connectivity to the Procuring Agency's network.
11.2 Perform Support	11.2.1 Support Internal and External Connectivity 11.2.2 Meet Detailed Specifications for-Support	The CONTRACTOR shall provide operational support for its own network, hardware and software and shall provide connectivity between its network and the Procuring Agency's network to ensure access by authorized users to the MMIS, MMIS Data Warehouse, and other CONTRACTOR-operated systems. The CONTRACTOR shall perform, at a minimum, the following functions related to network support: 11.2.2.1 Provide all hardware, software and other resources necessary to maintain connectivity with the Procuring Agency network. 11.2.2.2 Ensure appropriate licensure for all software provided by the CONTRACTOR as part of its overall MMIS solution. 11.2.2.3 Provide access to the MMIS, MMIS Data Warehouse and other CONTRACTOR-operated systems and sub-contractors to authorized users on the Procuring Agency network. 11.2.2.4 Provide overall administration of its own LAN functions, including providing for continual virus checking and protecting all data through nightly back up routines. Virus detection capability shall be updated at least weekly, with immediate updates distributed in response to specific threat warnings issued by software vendors.

11.2 Perform Network Support (continued)	11.2.2 Meet Detailed Specifications for Network Support (continued)	11.2.2.5 Provide troubleshooting for problems affecting user access to the MMIS and other systems. 11.2.2.6 Work with the Procuring Agency's Information Technology Division to resolve issues affecting connectivity with the Procuring Agency network. 11.2.3 The CONTRACTOR shall provide secure and reliable access to OmniCaid, the MMIS Data Warehouse and other applications to users authorized by the Procuring Agency who are not on the Procuring Agency network, via Citrix or a Procuring Agency-approved alternative.
11.3 Provide Secure File Transfer Capability	11.3.1 Enable Authorized Users to Exchange Data via Secure File Transfer	The CONTRACTOR shall provide a secure, web-based file transfer capability for use by the Procuring Agency, other Procuring Agency contractors, and other Procuring Agency-authorized entities. The secure file transfer capability will support exchange of data with the CONTRACTOR as well as between the Procuring Agency and the Procuring Agency's other trading partners.
11.4 Manage Agreed Payment Schedule	11.4.1 Invoice the State According to the Operations Payment Schedule	CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule: 11.4.1.1 Jan 1, 2020 – Dec 31, 2020: $ 184,374.13 11.4.1.2 Jan 1, 2021 – Dec 31, 2021: $ 184,374.13 11.4.1.3 Jan 1, 2022 – Dec 31, 2022: $ 184,374.13

L. Deliverable Number 12: State Level Registry (SLR) – Ongoing Operation and Maintenance

Deliverable Twelve	Due Date	Compensation
SLR – Ongoing Operation and Maintenance **[Monthly System Operations]**	**Start: 1-Jan-2020** **End: 31-Dec-2022**	**Total compensation not to exceed $509,322.24,** **plus NM GRT, due per agreed payment schedule.**

Task Item	Subtasks	Description
12.1 Meet State Level Registry System Requirements	12.1.1 Provide State Attestation and Tracking System	The CONTRACTOR shall provide a "State Attestation and Tracking System" that enables providers to attest to their program eligibility and preserves evidence that they are making significant use of the system. This system will: 12.1.1.1 The State Attestation and Tracking System shall document, track and attest provider usage including the "meaningful use" of electronic health records. 12.1.1.2 The State Attestation and Tracking System shall support provider payment process according to program guidelines. 12.1.1.3 The State Attestation and Tracking System shall document and validate payment for certified systems. 12.1.1.4 The State Attestation and Tracking System shall support the appeals, reconciliation, and report provider and program compliance. 12.1.1.5 The State Attestation and Tracking System shall coordinate overlapping program (Medicare / Medicaid) and multi-state claims to prevent duplicate or over payments. 12.1.1.6 The State Attestation and Tracking System shall maintain an active data repository with history. 12.1.1.7 The State Attestation and Tracking System shall receive data from and provide data to the CMS National Level Repository (NLR) in accordance with CMS interface specifications.

12.1 Meet State Level Registry System Requirements (continued)	12.1.2 Meet Detailed Specifications for Web Portal Access	The CONTRACTOR will provide the State with a web-based application that delivers portal access. The web-portal will allow both providers and State users to access, provide and maintain information in accordance with their security role.
		Provider Requirements for the SLR Web Portal:
		12.1.2.1 Allow secure provider log-in.
		12.1.2.2 Allow providers to review and edit their demographic information.
		12.1.2.3 Allow for role-based screens (Eligible Provider or Eligible Hospital).
		12.1.2.4 Allow providers to complete meaningful use attestation forms.
		12.1.2.5 Allow submission of completed forms to Medicaid entities.
		12.1.2.6 Allow provider messaging from Medicaid entities.
		12.1.2.7 Provide a payment history log.
		12.1.2.8 Record and document SLR appeals in a centralized location by program year provider.
		12.1.2.9 Allow providers to upload Meaningful Use quality metrics in approved XML format.
		12.1.2.10 Include an online help function and User Manual.
		State User Requirements for the SLR Web Portal:
		12.1.2.11 Allow secure role-base log-in by authorized Procuring Agency users.
		12.1.2.12 Provide for provider registration information to be routed and approved.
		12.1.2.13 Allow Procuring Agency users to message or comment to providers on approval, denial or request additional information.

12.1 Meet State Level Registry System Requirements (continued)	12.1.2 Meet Detailed Specifications for Web Portal Access (continued)	12.1.2.14 Allow inactivation of eligibility upon removal from program.
		12.1.2.15 Allow Procuring Agency users to review and approve attestation information.
		12.1.2.16 Provide payment calculation function.
		12.1.2.17 Initiate payment cycle or payment reporting in conjunction with the New Mexico MMIS.
		12.1.2.18 Manage appeals support function.
		12.1.2.19 Provide information on quality metrics.
		12.1.2.20 Provide reporting to support completion of the CMS-37 and CMS-64 reports.
		12.1.2.21 Include an online help function and User Manual.
	12.1.3 Meet Detailed Specifications for State Level Registry (SLR) Database	The CONTRACTOR will provide the State with a State Level Registry (SLR) database that will perform the following actions:
		12.1.3.1 Receive seed data from MMIS.
		12.1.3.2 Establish and maintain records for providers requesting payment from State Medicaid agency.
		12.1.3.3 Receive batch files from the CMS National Level Repository (NLR) identifying new providers that have signed up for Medicaid incentives.
		12.1.3.4 Match NLR file to seed data (audit step).
		12.1.3.5 Send batch files to NLR with eligibility approval notification.
		12.1.3.6 Receive attestation information submitted to CMS by eligible hospitals.
		12.1.3.7 Request Prior Payment Information from NLR
		12.1.3.8 Receive Prior Payment Information from NLR

12.1 Meet State Level Registry System Requirements (continued)	12.1.3 Meet Detailed Specifications for SLR Database (continued)	12.1.3.9 Provide payment information to NLR. 12.1.3.10 Receive Program Switch notifications. 12.1.3.11 Receive "switch between states" notifications. 12.1.3.12 Send removal notifications to NLR. 12.1.3.13 Load hospital cost report information provided by the hospital. 12.1.3.14 Calculate provider incentive payment amount based on payment rules and eligibility/attestation criteria.
12.2 Operate and Maintain the State Level Registry	12.2.1 Provide All SLR Operations, Infrastructure & Staff Support	12.2.1.1 The CONTRACTOR shall operate and maintain the State Level Registry (SLR) System according to the specifications proposed by the CONTRACTOR and accepted by the Procuring Agency. 12.2.1.2 The CONTRACTOR shall supply the necessary hardware, software, telecommunications and other components and information technology staff support to operate the SLR.
	12.2.2 Produce and Distribute SLR Production Reports	The CONTRACTOR shall produce and distribute via the EDMS, hard copy, or other Procuring Agency-approved means all production reports proposed as part of the CONTRACTOR's SLR solution.
	12.2.3 Provide Additional Staff for SLR Support	All programming functions for the SLR are the responsibility of staff assigned to SLR support and such staff is in addition to the System Maintenance Unit staff required by Deliverable 1.
	12.2.4 Ensure SLR Support Staff are Qualified	Programming staff assigned to support the SLR will be knowledgeable in the system, in the Medicaid Program, and in the business needs and operations of the functional area supported by the system.
	12.2.5 Provide Initial "Tier 1" Help Desk for SLR	The CONTRACTOR will provide the help desk service for all initial "Tier 1" contacts by telephone, email or web regarding the SLR.

12.2 Operate and Maintain the State Level Registry (continued)	12.2.6 Train State Employees on Major SLR Changes	The CONTRACTOR will provide "train the trainer" classes to the Procuring Agency's employees in advance of major changes to the SLR.
12.3 Modify the State Level Registry	12.3.1 Manage SLR Revisions	The CONTRACTOR shall develop, test and implement software updates, corrections, and enhancements, including but not limited to the following subtasks: 12.3.1.1 Analyze and size change requests submitted by the Procuring Agency. 12.3.1.2 Perform software support and error correction. 12.3.1.3 Comply with the software development, change management and system test requirements contained in Tasks 1.3 and 1.4 of Deliverable 1.
	12.3.2 Adapt to Changing SLR Requirements at No Additional Charge	The CONTRACTOR shall modify the SLR as required to meet changing conditions or policies from the state at no additional charge to the Procuring Agency.
12.4 Manage Agreed Payment Schedule	12.4.1 Invoice the State According to the Operations Payment Schedule	CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule: 12.4.1.7 Jan 1, 2020 – Dec 31, 2020: $ 14,147.84 12.4.1.7 Jan 1, 2021 – Dec 31, 2021: $ 14,147.84 12.4.1.7 Jan 1, 2022 – Dec 31, 2022: $ 14,147.84

M. Deliverable Number 13: Ongoing Help Desk Services

Deliverable Thirteen	Due Date	Compensation
Ongoing Help Desk Services **[Monthly Fiscal Operations]**	**Start: 1-Jan-2020** **End: 31-Dec-2022**	**Total compensation not to exceed $132,963.84,** **plus NM GRT, due per agreed payment schedule.**

Task Item	Subtasks	Description
13.1 Maintain Telephone System	13.1.1 Provide State-of-the-Art Telephone System	The CONTRACTOR shall operate and maintain a state-of-the-art telephone system, including Private Branch Exchange (PBX), interaction management software, call management system, and voicemail
	13.1.2 Support All Help Desks	The telephone system shall support the following Help Desks: Provider Inquiry, Provider Enrollment, Client Eligibility Information, Pharmacy Support, Mi Via, Client Solution Center and Electronic Claim Support.
	13.1.3 Support Computer-Telephony Integration	The system will support Computer-Telephony Integration and interface with the CONTRACTOR's automated Contact Tracking System (Subtask 13.2.1)
	13.1.4 Provide Sufficient Number of Toll-Free Lines	The CONTRACTOR shall establish and maintain a sufficient number of toll-free telephone lines to provide a high level of service. The toll-free lines must be available to all of New Mexico and include a sufficient degree of toll-free access nationwide.
	13.1.5 Provide Weekly Help Desk Statistics	The CONTRACTOR shall provide the Procuring Agency with weekly reports with Help Desk call statistics identifying total calls, completed calls, abandoned calls, abandonment rate, average talk time, average speed of answer, average wait on abandoned calls, calls routed to voice mail, and staffing levels for all Help Desks.

13.2 Maintain Contact Tracking System	13.2.1 Provide Contact Tracking System (CTS)	The CONTRACTOR shall operate an automated Contact Tracking System (CTS) for documenting inquiries and complaints received from clients and providers. The system will be used for tracking each inquiry or complaint from creation to closure and will include, at a minimum, for each contact, a tracking number, client or provider identification, provider type, category or type of contact, date opened, description of problem, cause of contact (such as a request for a replacement ID card or difficulty getting a claim paid), resolution, and date closed.
	13.2.2 Enable Flexible, Comprehensive CTS Reporting	The CTS will have the ability to generate summary reports for the parameters listed above (Subtask 13.2.1) and for a flexible range of time spans.
	13.2.3 Enable CTS to Manage Help Desk Contacts	The CTS will be capable of documenting contacts received by any of the Help Desks operated by the CONTRACTOR unless otherwise approved by the Procuring Agency for specific help desks.
	13.2.4 Use CTS to Manage Contacts Received by Multiple Methods	The CTS will be used to register, and document contacts received through written mail, e-mail, fax, telephone, or face-to-face meetings.
	13.2.5 Provide Monthly Status Reports of Open Inquiries	The CONTRACTOR shall provide monthly reports to the Procuring Agency summarizing all contacts opened since the last such report, by type of contact, as well as all inquiries or complaints not yet closed. The CONTRACTOR must make detailed reports available upon request.
	13.2.6 Capture All Unresolved Contacts in CTS	If an answer to an inquiry or complaint cannot be resolved immediately, the CONTRACTOR shall leave that contact open in the CTS.
13.3 Promote Help Desk Quality	13.3.1 Implement a Call Monitoring System	The CONTRACTOR shall implement a call monitoring system to support quality assurance monitoring and training. The system shall support call recording, screen capture, entry of evaluation results, and auto-scheduling.

13.3 Promote Help Desk Quality (continued)	13.3.2 Present a Satisfaction Survey Option to Callers	The CONTRACTOR shall present a satisfaction survey option to callers as part of the quality assurance system, allowing callers to report their experience with the Help Desks' service. The content of the survey shall be approved by the Procuring Agency prior to implementing the survey option. The CONTRACTOR shall tabulate survey responses and provide the Procuring Agency with a monthly summary report.
	13.3.3 Provide Help Desk Training and Certification	The CONTRACTOR shall provide formal training for all newly employed CONTRACTOR personnel who staff the Help Desks designed to ensure they provide accurate and helpful information to all callers. This formal training will include information on New Mexico's Medical Assistance programs, all ISD programs, and the New Mexico MMIS throughout the term of the Contract. Staff personnel who complete this training will take a written test and receive certification for the Help Desk functions upon satisfactory completion of the test. This training and certification will be through a process approved by the Procuring Agency. The process will not be revised without prior approval of the Procuring Agency.
	13.3.4 Ensure State Approval is Obtained Before Limiting Help Desk Capacity	The CONTRACTOR may not limit the number of contacts by telephone, except as approved by the Procuring Agency to ensure efficient access to the Help Desks by other callers.
13.4 Manage Agreed Payment Schedule	13.4.1 Invoice the State According to the Operations Payment Schedule	CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule: 13.4.1.1 Jan 1, 2020 – Dec 31, 2020: $ 3,693.44 13.4.1.2 Jan 1, 2021 – Dec 31, 2021: $ 3,693.44 13.4.1.3 Jan 1, 2022 – Dec 31, 2022: $ 3,693.44

N. Deliverable Number 14: Ongoing HIPAA Translation Services

Deliverable Fourteen	Due Date	Compensation
Ongoing HIPAA Translation Services [Monthly Fiscal Operations]	Start: 1-Jan-2020 End: 31-Dec-2022	Total compensation not to exceed $ 6,010,558.56, plus NM GRT, due per agreed payment schedule.

Task Item	Subtasks	Description
14.1 Provide HIPAA Translation Services	14.1.1 Provide Some HIPAA Translation Alternative	The CONTRACTOR shall provide a HIPAA Translation solution, such as a clearinghouse option or its own HIPAA translator.
14.1 Provide HIPAA Translation Services	14.1.2 Meet Detailed Specifications for HIPAA Translation Services	The CONTRACTOR's HIPAA Translation solution must have the ability to receive and process all X12 5010 transaction sets except the 278 and to store and utilize all data elements submitted on the HIPAA X12 transaction sets. 14.1.2.1 Incoming batch files (for example, 837 transactions) must be processed by the translator and sent to OmniCaid within 24 hours of receipt. 14.1.2.2 Outgoing transactions received from OmniCaid (for example, 835 transactions) must be processed by the translator and sent to the corresponding trading partner within 24 hours of receipt. 14.1.2.3 The CONTRACTOR shall ensure the accuracy of information reported on HIPAA response transactions.
14.2 Provide Trading Partner Management System	14.2.1 Provide a Trading Partner Management System (TPMS) that Supports Core Functions	The CONTRACTOR shall provide a Trading Partner Management System (TPMS) that will be accessible by CONTRACTOR staff to enroll and disenroll submitters, identify what transactions submitters are allowed to submit, and their status (test or production).
	14.2.2 Coordinate Enrollments with the TPMS	The CONTRACTOR shall coordinate provider enrollment and other trading partner enrollment activities using the TPMS.

14.2 Provide Trading Partner Management System (continued)	14.2.3 Provide TPMS Access to State Employees	The CONTRACTOR shall provide authorized Procuring Agency staff with access to the TPMS.
14.3 Operate the System Enhanced with HIPAA 270/271 Transactions	14.3.1 Provide Ongoing Batch Support for HIPAA 270/271	The CONTRACTOR shall provide ongoing operational support for batch 270/271 transactions.
	14.3.2 Manage Revisions to the HIPAA 270/271 Enhancements	The CONTRACTOR shall develop, test and implement software updates, corrections, and modifications to the enhanced system, including but not limited to the following subtasks: 14.3.2.1 Analyze and size change requests submitted by the Procuring Agency. 14.3.2.2 Perform software support and error correction. 14.3.2.3 Comply with the software development, change management and system test requirements contained in Tasks 1.3 and 1.4 of Deliverable 1.
14.4 Operate the System Enhanced with HIPAA 820 Transactions	14.4.1 Provide Ongoing Support for HIPAA 820	The CONTRACTOR shall provide ongoing operational support for 820 transactions.
	14.4.2 Manage Revisions to the HIPAA 820 Enhancement	The CONTRACTOR shall develop, test and implement software updates, corrections, and modifications to the enhanced system, including but not limited to the following subtasks: 14.4.2.1 Analyze and size change requests submitted by the Procuring Agency. 14.4.2.2 Perform software support and error correction. 14.4.2.3 Comply with the software development, change management and system test requirements contained in Tasks 1.3 and 1.4 of Deliverable 1.

14.5 Operate the System Enhanced with HIPAA 834 Transactions	14.5.1 Provide Ongoing Support for HIPAA 834	The CONTRACTOR shall provide ongoing operational support for 834 transactions.
	14.5.2 Manage Revisions to the HIPAA 834 Enhancements	The CONTRACTOR shall develop, test and implement software updates, corrections, and modifications to the enhanced system, including but not limited to the following subtasks: 14.5.2.1 Analyze and size change requests submitted by the Procuring Agency. 14.5.2.2 Perform software support and error correction. 14.5.2.3 Comply with the software development, change management and system test requirements contained in Tasks 1.3 and 1.4 of Deliverable 1.
14.6 Maintain and Modify the 276/277 HIPAA Enhanced System	14.6.1 Provide Ongoing Support for HIPAA 276/277	The CONTRACTOR shall provide ongoing operational support for 276/277 transactions.
	14.6.2 Manage Revisions to the HIPAA 276/277 Enhancements	The CONTRACTOR shall develop, test and implement software updates, corrections, and modifications to the enhanced system, including but not limited to the following subtasks: 14.6.2.1 Analyze and size change requests submitted by the Procuring Agency. 14.6.2.2 Perform software support and error correction. 14.6.2.3 Comply with the software development, change management and system test requirements contained in Tasks 1.3 and 1.4 of Deliverable 1.

14.7 Maintain and Modify the HIPAA 277CA Enhanced System	14.7.1 Provide Ongoing Support for HIPAA 277CA	The CONTRACTOR shall provide ongoing operational support for 277CA transactions.
	14.7.2 Manage Revisions to the HIPAA 277CA Enhancements	The CONTRACTOR shall develop, test and implement software updates, corrections, and modifications to the enhanced system, including but not limited to the following subtasks: 14.7.2.1 Analyze and size change requests submitted by the Procuring Agency. 14.7.2.2 Perform software support and error correction. 14.7.2.3 Comply with the software development, change management and system test requirements contained in Tasks 1.3 and 1.4 of Deliverable 1.
14.8 Operate and Maintain the System HIPAA Operating Rules	14.8.1 Provide Ongoing Support	The CONTRACTOR shall provide ongoing operational support for EFT/ERA transactions and comply with the Operating Rules for those transactions.
	14.8.2 Manage Revisions to Enhanced Systems	The CONTRACTOR shall develop, test and implement software updates, corrections, and modifications to the enhanced system, including but not limited to the following subtasks: 14.8.2.1 Analyze and size change requests submitted by the Procuring Agency. 14.8.2.2 Perform software support and error correction. 14.8.2.3 Comply with the software development, change management and system test requirements contained in Tasks 1.3 and 1.4 of Deliverable 1.
14.9 Manage Agreed Payment Schedule	14.9.1 Invoice the State According to the Operations Payment Schedule	CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule: 14.3.1.1 Jan 1, 2020 – Dec 31, 2020: $ 166,959.96 14.3.1.2 Jan 1, 2021 – Dec 31, 2021: $ 166,959.96 14.3.1.3 Jan 1, 2022 – Dec 31, 2022: $ 166,959.96

O. Deliverable Number 15: Ongoing HIPAA Compliance

Deliverable Fifteen	Due Date	Compensation
Ongoing HIPAA Compliance **[Monthly Fiscal Operations]**	**Start: 1-Jan-2020** **End: 31-Dec-2022**	**Total compensation not to exceed $1,105,317.24, plus NM GRT, due per agreed payment schedule.**

Task Item	Subtasks	Description
15.1 Comply with HIPAA Requirements	15.1.1 Maintain HIPAA Knowledge and Meet All Requirements	The CONTRACTOR shall be knowledgeable about federal HIPAA requirements and meet HIPAA transaction, privacy, and security standards, both in their own functions and operations and in maintaining and operating the MMIS.
	15.1.2 Ensure Timely HIPAA Transactions	The CONTRACTOR shall ensure a timely response from the MMIS when responding to a HIPAA transaction.
	15.1.3 Provide Coordination Between HIPAA Translation and MMIS Functions	The CONTRACTOR shall provide for coordination of activities and processes between the CONTRACTOR's HIPAA Translation solution and MMIS functions, including supporting interfaces, supplying data files for downloading, researching potential interface issues, resolving interface issues, and enforcement of trading partner agreements.
	15.1.4 Provide Free Electronic Claim Submissions During Transition to New Web Portal	15.1.4.1 The CONTRACTOR shall provide free electronic claim submission capability to New Mexico providers by providing a direct data entry (DDE) component as part of the new Web portal enhancement. 15.1.4.2 The CONTRACTOR shall provide training and information on use of the HIPAA Translation solution, the CONTRACTOR's electronic claim submission solution, and HIPAA standards and requirements.
	15.1.5 Provide Training on HIPAA Standards and Contractor's Solutions	The CONTRACTOR shall remain informed on national code and value changes and initiate necessary changes in the MMIS with Procuring Agency approval.

15.1 Comply with HIPAA Requirements (continued)	15.1.6 Remain Informed of HIPAA Changes and Initiate Approved Solutions	The CONTRACTOR shall meet and enforce HIPAA privacy standards within their organization and in the operations of the MMIS.
	15.1.7 Meet All HIPAA Privacy Requirements	The CONTRACTOR shall meet and enforce HIPAA system security standards within their own organization, the sites at which they operate the MMIS, and within the MMIS itself, according to a Security Plan which must be developed by the CONTRACTOR and approved by the Procuring Agency.
	15.1.8 Meet all HIPAA Security Requirements	The CONTRACTOR shall meet and enforce physical security standards at each of their sites involved in operating the MMIS.
	15.1.9 Enforce Physical Security Standards at All MMIS Sites	The CONTRACTOR shall operate a HIPAA Help Desk to respond to questions from providers and submitters concerning the status of electronic transactions that were submitted to the MMIS.
	15.2.1 Provide Help Desk for Providers and Submitters	The state agencies to be served by the HIPAA Help Desk include the Human Services Department, Department of Health, and Children, Youth, and Families Department.
	15.2.2 Serve Specified State Agencies	The centralized, enterprise-wide HIPAA Help Desk shall: 15.2.3.1 Receive provider calls, respond to non-policy queries, and escalate calls as appropriate to the next level. 15.2.3.2 Track all incoming calls and the resolution of each call. 15.2.3.3 Respond to telephone inquiries from providers and billing agents on the location of claims.

15.2 Operate HIPAA Help Desk	15.2.3 Meet Detailed Specifications for HIPAA Help Desk	15.2.3.1 In performing this function, HIPAA Help Desk staff must understand the electronic claims submission process and flow; know whom to contact for technical issues on the translator and the CONTRACTOR's electronic claim submission solution; access translator software to view submitter's claim file and output report from the translator including understanding 999 and 277CA error messages; and access the MMIS to view the submitter's claim file and the error messages from that system. 15.2.3.2 The scope of questions to be handled includes all Medicaid and non-Medicaid transactions received via the CONTRACTOR's electronic claim submission solution or the HIPAA Translation solution and processed by the MMIS.
	15.2.4 Handle Medicaid and Non-Medicaid Transactions	The helpdesk must be prepared to receive, review, and appropriately triage provider and submitter calls relating to the following: 15.2.4.1 Access to the CONTRACTOR's electronic claim submission solution and transaction submission, including, edits, regenerative billing, and reporting. 15.2.4.2 Password resets for the Web portal, the CONTRACTOR's electronic claim submission solution, if applicable, and other applications associated with electronic claim submission or testing. 15.2.4.3 Inquiries regarding the status of transactions and assistance in troubleshooting rejected transactions. 15.2.4.4 Questions on companion guides and formatting of transactions, referring policy questions to the appropriate agency for response. 15.2.4.5 Inquiries on how to begin testing and assistance with resolving issues encountered during testing. 15.2.4.6 Technical problems experienced by providers and submitters.

	15.2.5 Route Denial and Payment Calls to Provider Inquiry Help Desk	Questions concerning claims denial and payment shall be routed to CONTRACTOR's Provider Inquiry Help Desk.
15.2 Operate HIPAA Help Desk (continued)	15.2.6 Provide Toll-Free Access to Providers, Billers and Clearinghouses	Providers, billers, and clearinghouses must be able to access the Help Desk through a toll-free number with sufficient lines to support specified service levels.
	15.2.7 Present Call Routing Menu to Toll-Free Callers	The toll-free line shall have a menu from which providers select the option based on their question.
	15.2.8 Ensure Help Desk has Staff with ASC X12 Knowledge	The HIPAA Help Desk must include two dedicated CONTRACTOR staff who understand ASC X12 transactions, have the ability to read and interpret X12 data strings, and understand the CONTRACTOR's electronic claim submission and HIPAA translation solutions.
	15.2.9 Provide All Help Desk Staff with Designated Tools & Access	Each staff member must have access to a PC with the current version of Internet Explorer, inquiry access to the MMIS, inquiry access to the CONTRACTOR's Trading Partner Management System and HIPAA translation solution, tracking tools to record calls and the disposition of those calls, and Microsoft Outlook.
	15.2.10 Include Specified Topics in Help Desk Staff Training	Staff training must include an overview of HIPAA Transactions and Code Sets rules and regulations, Implementation Guides, HIPAA Privacy and Security provisions, Medicaid and non-Medicaid transactions, and Companion Guides; an overview of the CONTRACTOR's HIPAA translation solution and how it interfaces with the MMIS; an overview of DDE requirements and procedures; an overview of the CONTRACTOR's Trading Partner Agreement Management System; and an overview of OmniCaid.

| 15.2 Operate HIPAA Help Desk (continued) | 15.2.11 Meet Detailed Performance Standards for HIPAA Help Desk | The CONTRACTOR's HIPAA Help Desk must meet the following performance standards:

15.2.11.1 Ensure the Help Desk toll-free numbers have sufficient incoming lines so that callers are not given a busy signal but are placed on hold to ensure maximum opportunities for reaching a staff person in the order the calls are received. The route table content will allow a caller to hold for at least five (5) minutes before being automatically transferred to voice mail. The telephone system will also give providers the option to branch at any time from hold to voice mail.

15.2.11.2 The Help Desk call abandonment rate must not exceed 10%, as measured on a monthly basis.

15.2.11.3 Hold times shall not exceed, on average, more than two (2) minutes prior to reaching a help desk staff member.

15.2.11.4 Ensure the Help Desk is available Monday through Friday from 8:00 AM to 5:00 PM Mountain Time, except for Thursdays which are 8:00 AM to 4:00 PM for training, and for holidays and closures approved by the Procuring Agency, to receive and respond to inquiries unless the Procuring Agency approves other hours of operation.

15.2.11.5 Provide a corrective action plan to the Procuring Agency if the abandonment rate exceeds 10% and/or the average speed of answer exceeds the maximum average two (2) minute threshold. An excessive number of calls routed to voice mail, as determined by the Procuring Agency, may prompt a request for corrective action.

15.2.11.6 For items needing research, respond with resolution or resolution status within 24 hours of call during days of operation. |
| | 15.2.12 Prepare and Submit Call Resolution Reports | The CONTRACTOR must prepare and submit call and resolution reports to the Procuring Agency as requested. |

15.2 Operate HIPAA Help Desk (continued)	15.2.13 Develop HIPAA Help Desk Operating Procedures Manual	The CONTRACTOR must develop and provide an operating procedures manual for the HIPAA Help Desk.
15.3 Manage Agreed Payment Schedule	15.3.1 Invoice the State According to the Operations Payment Schedule	CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule: 15.3.1.1 Jan 1, 2020 – Dec 31, 2020: $ 31,123.65 15.3.1.2 Jan 1, 2021 – Dec 31, 2021: $ 31,123.65 15.3.1.3 Jan 1, 2022 – Dec 31, 2022: $ 29,862.47

P. Deliverable Number 16: Ongoing Member Management Services

Deliverable Sixteen	Due Date	Compensation
Ongoing Member Management Services [Monthly Fiscal Operations]	Start: 1-Jan-2020 End: 31-Dec-2022	Total compensation not to exceed $461,332.08, plus NM GRT, due per agreed payment schedule.

Task Item	Subtasks	Description
16.1 Manage Member Information	16.1.1 Perform Specified File Maintenance	The CONTRACTOR shall perform the following files maintenance tasks to support the Member Management business process: 16.1.1.1 Update and reconcile client eligibility received from ASPEN interfaces 16.1.1.2 Merge records of duplicate clients. 16.1.1.3 Unmerge records of clients inappropriately combined. 16.1.1.4 Verify and add TPL coverage to Omnicaid when indicated on a claim, Explanation of Benefits or Managed Care file to ensure cost avoidance. 16.1.1.4.1 Maintain current "other Insurance" indicators and information on the eligibility file for all individuals. 16.1.1.4.2 Maintain the Recipient Resource File, incorporating the related requirements including client identifying information, the insurance carrier(s), the name and address of the carrier(s), the type of coverage, coverage dates, the source of the insurance information, policy holder name and social security number, and policy number. 16.1.1.4.3 Maintain the indicators to show the dates that coverage was in effect. The CONTRACTOR shall enter the insurance end date when it is determined that the individual no longer has insurance.

16.1 Manage Member Information (continued)	16.1.1 Perform Specified File Maintenance (continued)	16.1.1.4.4 Work out, with Procuring Agency approval, data exchanges with insurance carriers and governmental agencies; and perform those data exchanges on a schedule approved by the Procuring Agency.
		16.1.1.5 Manually enter Presumptive Eligibility (PE) based on information received from PE determiners and report back to the determiners. The CONTRACTOR shall maintain proper quality control on the accuracy of non-web Presumptive Eligibility updates to ensure that the rate of errors does not exceed 0.5% of the total number of updates processed in any month.
		16.1.1.6 Meet as directed by the Procuring Agency with Income Support Division (ISD) and Eligibility Bureau staff, and participate in meetings for the purpose of correcting, updating, or otherwise improving the eligibility interfaces or developing new systems or procedures.
16.2 Support Inquiries on Member Eligibility	16.2.1 Give Providers Multiple Ways to Check Eligibility	The CONTRACTOR shall allow providers to inquire on member eligibility via a secure Web portal, by calling an Automated Voice Response System, or calling the Client Eligibility Help Desk The CONTRACTOR shall perform the following enrollment tasks to support the Member Management business process: 16.2.1.1 The CONTRACTOR shall make changes to Managed Care and make other changes required to maintain accurate client managed care lock-in information (e.g., new enrollment, switches during open enrollment, and Native American opt in). Clients may select a managed care organization (MCO) by returning a hard copy enrollment form for entry by CONTRACTOR staff or speaking to the CONTRACTOR's Client Solutions Call Center.

16.3 Support Disenrollment on Member Eligibility	16.3.1 Disenrollment Tasks on Member Eligibility	The CONTRACTOR shall perform the following disenrollment tasks to support the Member Management business process: as directed by the Procuring Agency. 16.3.1.1 In response to a client's "just cause" request to switch managed care organizations, disenroll the client from the current MCO and enroll the client in the selected MCO based on Procuring Agency policy.
16.4 Support HIPAA on Member Eligibility	16.4.1 Comply with HIPAA on Member Eligibility	The CONTRACTOR and any subcontractors shall comply with all HIPAA provisions for privacy, security, and transmission of data with regards to client information.
16.5 Support Modifications to Member Data	16.5.1 Modifications to Member Eligibility Data	The CONTRACTOR shall develop, test and implement software updates, corrections, and modifications to the enhanced system, including but not limited to the following subtasks: 16.5.1.1 Analyze and size change requests submitted by the Procuring Agency. 16.5.1.2 Perform software support and error correction. 16.5.1.3 Comply with the software development, change management and system test requirements contained in Tasks 1.3 and 1.4 of Deliverable 1.
16.6 Manage Agreed Payment Schedule	16.6.1 Invoice the State According to the Operations Payment Schedule	CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule: 16.6.1.1 Jan 1, 2020 – Dec 31, 2020: $ 12,814.78 16.6.1.2 Jan 1, 2021 – Dec 31, 2021: $ 12,814.78 16.6.1.3 Jan 1, 2022 – Dec 31, 2022: $ 12,814.78

Q. Deliverable Number 17: Ongoing Provider Management Services

Deliverable Seventeen	Due Date	Compensation
Ongoing Provider Management Services **[Monthly Fiscal Operations]**	**Start: 1-Jan-2020** **End: 31-Dec-2022**	**Total compensation not to exceed $ 6,954,765.48, plus NM GRT, due per agreed payment schedule.**
Task Item	Subtasks	Description
17.1 Enroll Providers	17.1.1 Meet Detailed Specifications for Provider Enrollment	The CONTRACTOR shall perform, at a minimum, the following Provider Enrollment functions according to the standards and specifications determined by the Procuring Agency: 17.1.1.1 The CONTRACTOR shall make Provider Participation Agreement forms and instructions available to providers via download from the Web portal and on paper. Potential providers requesting Provider Participation Agreement forms will be directed to the Web portal if the provider appears to be eligible for enrollment. In addition, the CONTRACTOR shall contact potential providers regarding the enrollment process when the CONTRACTOR's Provider Relations staff receives claims identified as coming from an unenrolled provider or upon Procuring Agency request. 17.1.1.2 Screen applications received for completeness and verify the information on the application as necessary. The CONTRACTOR shall verify the licensure, certification, accreditation or other requirements for participation submitted by the provider. This may require contacting the prospective provider, a licensing board, another state's Medicaid agency, or another state's contractor. 17.1.1.3 Maintain an electronic log of all Provider Participation Agreement forms received from applicants. This log shall identify the applicant, the date the application was received, and the current status and location of each agreement through the final step of notifying a provider of the issued number.

17.1 Enroll Providers (continued)	17.1.1 Meet Detailed Specifications for Provider Enrollment (enrollment)	17.1.1.4 Retain the data in such a manner that all actions relevant to a particular applicant can be identified at any point in the process. Produce a report that will identify all open agreements sorted and tallied by status or stage in the process. 17.1.1.5 Verify that the applicant is in good standing with the Medicaid program and is not a Department of Health and Human Services Office of Inspector General (HHS-OIG) excluded entity through HHS-OIG's List of Excluded Individuals/Entities (LEIE) and other appropriate databases. 17.1.1.6 The CONTRACTOR shall access the provider risk evaluation subcontractor's database real-time when screening the provider's application to perform provider credentialing. 17.1.1.7 Verify prospective providers' eligibility through contact with the appropriate certification, licensing, or accreditation agencies as identified by the Procuring Agency. Verification of providers will be documented on a form approved by the Procuring Agency. The CONTRACTOR shall forward verified Provider Participation Agreements and appropriately screened documentation to the Procuring Agency for final approval. 17.1.1.8 Return any incorrect or incomplete Provider Participation Agreement forms with instructions to the prospective provider for proper completion of the form. Communicate to the applicant the need for any documentation of licensure, certification, or accreditation for provider Enrollment purposes. Notify providers through system-generated notices or in writing of cancellation of their provider numbers, and of the reasons for the cancellations. 17.1.1.9 Forward all completed and verified applications to the Procuring Agency for final approval and signatures within five (5) business days of receipt after the verification of accuracy and completeness of the application and screening. 17.1.1.10 Apply provider updates to the Provider File within five (5) business days of receipt of the information from the Procuring Agency or the provider. 17.1.1.11 Add new providers within five (5) business days of approval of the applications by the Procuring Agency.

| 17.1 Enroll Providers (continued) | 17.1.1 Meet Detailed Specifications for Provider Enrollment (enrollment) | 17.1.1.12 Re-verify provider participation information every three years, as tracked by the MMIS on an individual provider basis, by obtaining a properly completed Procuring Agency Provider Agreement Re-verification form and verifying licensure and/or certification. The CONTRACTOR shall forward high and moderate providers to the Procuring Agency for review and approval.

17.1.1.13 Obtain current licensure documentation from providers in writing at least 30 days in advance when licensure is due to expire as tracked by the MMIS. The CONTRACTOR shall update the Provider File upon receipt of current licensure documentation, shall scan and index the documentation so it becomes part of the provider's file available via the EDMS, and shall file the documentation in providers' hard copy files.

17.1.1.14 Maintain a file of all Provider Agreement forms with original provider signatures or electronic signatures via the Web portal and a list of individuals with ownership interests, if applicable. Hard copy files will be accessible by provider number.

17.1.1.15 Scan incoming provider applications and related documentation; these files will be accessible online by provider number via image retrieval via the CONTRACTOR's Electronic Document Management System (EDMS). |
| | 17.1.2 Make & Store Electronic Backup Copies | 17.1.2.1 Maintain all hard copy provider application material and related documentation, and the electronic images of any such material and documentation included in the CONTRACTOR's EDMS, as long as the provider is Medicaid enrolled and for seven (7) years following the end of the federal fiscal year in which the provider was terminated or disenrolled. Notes regarding the application made by the CONTRACTOR or the Procuring Agency will be documented in a clear written formal manner with signature and dates. Notes on scrap paper or post-it notepads are not acceptable. |

| 17.1 Enroll Providers (continued) | 17.1.3 Meet Detailed Specifications for Provider Enrollment Help Desk | The CONTRACTOR shall maintain a Provider Enrollment Help Desk to answer provider questions on provider participation, enrollment requirements, enrollment status, and other topics of interest to providers participating or wanting to participate. The CONTRACTOR shall:

17.1.3.1 Ensure the Help Desk toll-free numbers have sufficient incoming lines so that providers are not given a busy signal but are placed on hold to ensure maximum opportunities for reaching a staff person in the order the calls are received. The route table content will allow a provider or a client to hold for at least five (5) minutes before being automatically transferred to voice mail. The telephone system will also give providers the option to branch at any time from hold to voice mail.

17.1.3.2 The Help Desk call abandonment rate must not exceed 5%, as measured on a monthly basis.

17.1.3.3 Hold times shall not exceed, on average, more than two (2) minutes prior to reaching a Provider Enrollment staff member.

17.1.3.4 Ensure the Help Desk is available Monday through Friday from 8:00 AM to 5:00 PM Mountain Time, except for Thursdays which are 8:00 AM to 4:00 PM for training, and for holidays or closures approved by the Procuring Agency, to receive and respond to inquiries unless the Procuring Agency approves other hours of operation. Help Desk staff will be fully trained to answer and assist with all programs, including, at a minimum, Medicaid, CHIP, Children's Medical Services, CYFD, and Home and Community-Based Services Waivers.

17.1.3.5 Provide a corrective action plan to the Procuring Agency if the abandonment rate exceeds 5% and/or the average speed of answer exceeds the maximum average two (2) minute threshold. An excessive number of calls routed to voice mail, as determined by the Procuring Agency, may prompt a request for corrective action.

17.1.3.6 Track and respond to all written provider inquiries within ten (10) business days of the receipt of the query. |

17.1 Enroll Providers (continued)	17.1.3 Meet Detailed Specifications for Provider Enrollment Help Desk (continued)	17.1.3.7 Monitor the performance of the Help Desk. Reports shall be sent quarterly to the Procuring Agency, or more frequently as requested by the Procuring Agency when there is a performance issue. The CONTRACTOR shall provide backup personnel and support necessary to ensure that inquiries beyond the capability of the initially responding staff member are answered and/or properly referred to CONTRACTOR management or, when appropriate, to the Procuring Agency. 17.1.3.8 Ensure Help Desk staff members are thoroughly familiar with provider types and specialties, the services they provide, and the manner in which they bill.
17.2 Disenroll Providers	17.2.1 Disenroll Specified Providers	17.2.1 The MMIS system shall automatically track and disenroll a provider who fails to return a reverification Turnaround Document (TAD) or who does not submit updated licensure information in accordance with Procuring Agency requirements. 17.2.2 The CONTRACTOR shall disenroll disqualified providers when they are identified in a recognized exclusion database such as the HHS OIG List of Excluded Individuals/Entities (LEIE) or the GSA Excluded Parties List System (EPLS) at the direction of the Procuring Agency 17.2.3 The CONTRACTOR shall disenroll providers in response to provider request or at the direction of the Procuring Agency, the Department of Health or the Aging and Long-Term Services Department.
17.3 Manage Provider Information	17.3.1 Maintain a Provider Subsystem	The CONTRACTOR shall maintain the Provider Subsystem within the MMIS which is used, at a minimum, for correct claims payment, claims editing, accurate mailing addresses, medical necessity reviews, and reporting. The CONTRACTOR must provide all functionality present in the current system and processes.

17.3 Manage Provider Information (continued)	17.3.2 Meet Detailed Specifications for Provider Subsystem	The CONTRACTOR shall enter and maintain, at a minimum, the following information: 17.3.2.1 Demographic information as provided on the provider application form and supplemental information forms, re-verification forms, verification of licensure forms, and provider change requests. 17.3.2.2 Information as provided on licenses, certifications, and accreditations, all with effective dates, and other information from various accrediting and licensing agencies. Provider information is generally maintained online with the exception of Centennial Care Managed Care provider information that is supplied by batch interface. 17.3.2.3 Cross references to Medicare provider numbers to accommodate accurate payment of crossover claims. 17.3.2.4 Provider enrollment data from the Procuring Agency. 17.3.2.5 Current tax rates and taxable status associated with the provider.
	17.3.3 Cross-Reference Providers as Appropriate	The CONTRACTOR shall cross-reference individual providers to a group practice or other medical corporation, facility, or entity, as appropriate.
	17.3.4 Maintain MMIS Provider File & Make Timely Updates	The CONTRACTOR shall maintain an accurate MMIS Provider File and make all routine updates and changes to the Provider File within five (5) business days of the request from the Procuring Agency or other authorized source, such as a provider submitting a written address change.
	17.3.5 Provide Same-Day Provider File Updates When Necessary	The CONTRACTOR shall make every reasonable effort to make changes on the day that said changes or updates are requested when such updates or changes are necessary on an emergency basis

17.3 Manage Provider Information (continued)	17.3.6 Maintain Electronic History of Terminated or Suspended Providers Indefinitely	The CONTRACTOR shall maintain a history of terminated providers and providers with payments suspended. This history will include the action taken and the reason for and date of the action. MMIS provider data is retained on file indefinitely.
	17.3.7 Maintain Paper Documentation for Seven Years	The CONTRACTOR shall maintain all paper documentation related to provider enrollment, status, or changes for a minimum of seven years after provider termination.
	17.3.8 Scan All Paper Documentation Regarding Provider Enrollment to the EDMS	The CONTRACTOR shall scan all paper documentation related to provider enrollment, status, or changes; these files will be accessible online by provider number via image retrieval via the CONTRACTOR's Electronic Document Management System (EDMS). The CONTRACTOR shall make all routine updates and changes to the Provider File within fifteen (15) business days of the request.
	17.3.9 Provide Quality Control to Verify File Changes	The CONTRACTOR shall subject the file changes to verification with the CONTRACTOR's internal quality control process.
	17.3.10 Notify the State When Changes are Complete	The CONTRACTOR shall notify the Procuring Agency in writing when changes have been made if the change was at the request of the Procuring Agency.
	17.3.11 Maintain a Complete Audit Trail	The CONTRACTOR shall maintain an audit trail that identifies the date and time of the change, the person who made the change, who requested or authorized the change, and change details including before and after images of all modified data.
	17.3.12 Review Audit Trails for Accuracy	17.3.12.1 The CONTRACTOR shall review internal system audit trails to ensure that no unauthorized changes are made to the files.

17.3 Manage Provider Information (continued)	17.3.13 Process Clinical Laboratory Improvement Amendment (CLIA) Data	17.3.13.1 The CONTRACTOR shall process Clinical Laboratory Improvement Amendment (CLIA) data, certification, and effective dates, including laboratory certification CLIA numbers, and produce the CLIA Certification Update Report. 17.3.13.2 The CONTRACTOR shall track records for expiration and obtain updated documentation, including using CLIA data available through an interface with the Centers for Medicare and Medicaid Services.
	17.3.14 Maintain and Cross-Reference MCO Information	The CONTRACTOR shall maintain information about Managed Care and Coordinated Service Program (MCO) providers received from MCOs via an electronic interface, with cross-references that enable linking of the provider to the MCO contractors.
	17.3.15 Exclude Unauthorized Providers	The CONTRACTOR shall incorporate necessary security measures to ensure unauthorized providers are not included in the Provider File.
	17.3.16 Control Access to the Provider File	The CONTRACTOR shall prohibit CONTRACTOR and Procuring Agency staff that has claims resolution privileges from updating the Provider File.
	17.3.17 Distribute List of Staff Authorized to Update the Provider File	The CONTRACTOR shall maintain a current list of all CONTRACTOR and Procuring Agency personnel authorized to make Provider File updates and distribute the updated list periodically to the Procuring Agency.
	17.3.18 Develop and Maintain a Provider File Maintenance Manual	The CONTRACTOR shall develop and maintain an updated Provider File maintenance manual that documents the instructions and procedures used by CONTRACTOR staff for updating the Provider File and supply the current version to the Procuring Agency. Files maintenance instructions are subject to approval by the Procuring Agency.

17.3 Manage Provider Information (continued)	17.3.19 Send Active Provider Data to for screening Monthly for Monthly Monitoring	The CONTRACTOR shall send an interface file that includes active fee-for-service data to the provider risk evaluation subcontractor on a monthly basis. Provider risk evaluation subcontractor will assign a dynamic risk profile score to each active provider that evaluates the providers' backgrounds and alerts staff to critical changes. The risk profile score will be based on quantifiable attributes such as death indicators, licensure and criminal record, as well as factors such as associations with excluded providers, multiple address changes, etc.
	17.3.20 Make Screening Reports Available Electronically	The CONTRACTOR shall make screening reports generated by the provider screening subcontractor available via the Electronic Document Management System for Procuring Agency staff to retrieve and review.
	17.3.21 Make Screening Reports Available Electronically	The CONTRACTOR shall make screening files generated by the provider screening subcontractor available via the EDMS for Procuring Agency staff to retrieve and review.
	17.3.22 Recommend Methods to Improve the Provider File and Subsystem	The CONTRACTOR shall make recommendations to the Procuring Agency on methods for improving the forms, materials, and procedures involved with maintaining the Provider File and Subsystem.
17.4 Manage Provider Communication	17.4.1 Print & Mail System-Generated Notices	The CONTRACTOR shall print and mail system-generated notices pertaining to the provider enrollment process, including approval letters, disapproval letters, termination notices, license expiration reminders, and reverification Turnaround Documents (TADs).

17.4 Manage Provider Communication (continued)	17.4.2 Meet Detailed Specifications for Provider Inquiry Help Desk	The CONTRACTOR shall establish and maintain a Provider Inquiry Help Desk to answer provider questions on claim payments or denials, claim status, proper billing procedures, and other topics of interest to providers. The Provider Inquiry Help Desk must be equipped with a toll-free number that is available nationally as well as from any point in New Mexico. The CONTRACTOR shall: 17.4.2.1 Ensure the Provider Inquiry Help Desk is equipped with sufficient incoming lines so providers are not given a busy signal but are placed on hold to ensure maximum opportunities for reaching a staff person in the order the calls are received. The telephone route-table content will allow a provider or a client to hold. The telephone system will also give providers the option to branch from hold to voice mail. The CONTRACTOR shall respond to messages left on voice mail within one business day. 17.4.2.2 Ensure that hold times shall not exceed, on average, more than two (2) minutes prior to reaching a Provider Services staff member. 17.4.2.3 Ensure that the Help Desk call abandonment rate does not exceed 10%, as measured on a monthly basis. 17.4.2.4 Ensure that the Help Desk is available Monday through Friday from 8:00 AM to 5:00 PM Mountain Time, except for Thursdays which are 8:00 AM to 4:00 PM for training, and for holidays and closures approved by the Procuring Agency, to receive and respond to provider inquiries unless the Procuring Agency approves other hours of operation. Help desk staff will be fully trained to answer and assist with all programs and billing issues, including, at a minimum, Medicaid, CHIP, Insure New Mexico, Children's Medical Services, and Home and Community-Based Services Waivers. 17.4.2.5 Provide a corrective action plan to the Procuring Agency if the abandonment rate exceeds 10% and/or the average speed of answer exceeds the maximum average two (2) minute threshold. An excessive number of calls routed to voice mail, as determined by the Procuring Agency, may prompt a request for corrective action.

17.4 Manage Provider Communication (continued)	17.4.2 Meet Detailed Specifications for Provider Inquiry Help Desk (continued)	17.4.2.6 Direct providers to "Ask a Rep" to expedite provider inquiries and maintain an efficient tracking system. The CONTRACTOR shall also accept provider inquiries in letter format.
		17.4.2.7 Track and respond to all emailed provider inquiries within ten (10) business days of the receipt of the query.
		17.4.2.8 Provide, within ten (10) business days, verbal or written professional responses to all verbal and written inquiries regarding the status of claims. For telephone and walk-in inquiries regarding claim problems, the CONTRACTOR shall give the provider a complete answer or inform the provider as to when a complete answer will be received.
		17.4.2.9 Monitor the performance of the Provider Inquiry Help Desk. Reports shall be sent weekly to the Procuring Agency, or more frequently as requested by the Procuring Agency when there is a performance issue. The CONTRACTOR shall provide backup personnel and support necessary to ensure that inquiries beyond the capability of the initially responding staff member are answered and/or properly referred to CONTRACTOR management or, when appropriate, to the Procuring Agency.
		17.4.2.10 Review appeals, reconsiderations, claim status inquiries and adjustment requests and report final dispositions to the provider.
		17.4.2.11 Understand the MMIS sufficiently to identify missing and/or erroneous data on a hard copy claim that could prevent the claim from being paid or processed accurately. This will include claims from all programs, including, but not limited to, Medicaid, CYFD, Children's Medical Services, and Home and Community-Based Services Waivers.
		17.4.2.12 Utilize adjudication and claims resolution instructions used by the Fiscal Agent claims resolution staff.
		17.4.2.13 When an error in payment has been made because the CONTRACTOR's error in keying or adjudication and no correction is required on the part of the provider, the CONTRACTOR is required to receive the request for adjustment by telephone and initiate the adjustment for correct processing.

Task 17.4 Manage Provider Communication (continued)	17.4.2 Meet Detailed Specifications for Provider Inquiry Help Desk (continued)	17.4.2.14 Use online claims resolution instructions to assist providers in correcting any problems with their claims. 17.4.2.15 Detect problems in claims processing, errors in reference files, providers abusing the system or unclear program policy, and other errors and/or omissions in the program and report the problem to CONTRACTOR management and Procuring Agency staff for proper resolution and follow-up. 17.4.2.16 Ensure the staff has access to all data necessary to provide complete, accurate, and timely service to the provider making inquiry.
17.5 Perform Provider Outreach	17.5.1 Operate a Provider Training Unit	The CONTRACTOR shall operate a Field Representative team that will conduct initial and ongoing training to all New Mexico Medicaid providers.
	17.5.2 Conduct General Billing Training Seminars for IHS Providers	The CONTRACTOR shall conduct general billing training seminars for IHS/Tribal/638 providers twice per year, unless otherwise agreed on between the Procuring Agency and CONTRACTOR. The training seminars shall be conducted in Albuquerque and Northern Navajo.
	17.5.3 Offer Live Training Webcasts Monthly	On a monthly basis, the CONTRACTOR must offer live training webcasts on a variety of topics, including sessions targeted at new providers and billers as well as more specialized topics.
	17.5. Report Provider Training Summaries to the State Quarterly	The CONTRACTOR shall submit to the Procuring Agency a quarterly summary of training workshop activity, including the course name, medium (live workshop or webcast), number of participants, results of evaluation forms, provider comments, and recommendations for future workshops.
	17.5.6 Designate Staff Who Will Make On-Site Visits to Providers	The CONTRACTOR shall designate a staff member to be available for on-site visits with non- IHS providers throughout the State to help in resolution of claims submission and related problems. The staff member may also be designated to conduct provider training workshops and webcasts, and to meet with providers at the office of the CONTRACTOR, as appropriate.

17.5 Perform Provider Outreach (continued)	17.5.7 Designate Primary Contact for IHS Providers	The CONTRACTOR shall designate a staff member who shall serve as the primary contact for IHS providers. This staff member will receive guidance from the Procuring Agency's Native American Liaison and other Procuring Agency staff in addressing billing and claim payment issues experienced by these providers.
	17.5.8 Document Provider Meetings in CTS	The CONTRACTOR shall use the electronic Contract Tracking System to document every provider meeting, including documenting any actions to be taken by any party and any claims received for processing.
17.6 Provider Enrollment Staff Inspector	17.6.1 Conduct Provider Enrollment Site Visits	The CONTRACTOR shall employ an additional Provider Enrollment Inspector.
	17.6.2 Federally required pre- and post-enrollment provider site visits.	17.6.2.1 A provider that is classified as "moderate risk level" or "high risk level" cannot be enrolled or revalidated until a successful site visit conducted by the CONTRACTOR has been completed. This includes facilities within New Mexico and Border Providers as indicated and defined in OmniCaid. Reason for visit are as follows: • Initial/Change • Revalidation (re-verification) Turn -around Document (TAD) • Appeal • Ad Hoc/Unannounced Visit

| 17.6 Provider Enrollment Staff Inspector (continued) | 17.6.2 Federally required pre- and post-enrollment provider site visits. (continued) | 17.6.2.2 Provider types that are subject to the site visit requirement are as follows:
• 361 Home Health Agency
• 414 Medical Supply Company
• 336 Orthotist
• 337 Prosthetist
• 338 Prosthetist & Orthotist
• 351 Lab, Clinical Freestanding
• 353 Laboratory, Clinical with Radiology
• 354 Laboratory, Physiological
• 362 Hospice
• 402 Ambulance, Ground
• 433 Clinic, Mental Health Center - DOH Certified (CMHC)
• 446 Core Service Agency
• 455 Rehabilitation Facility, Comprehensive Outpatient (CORF)
• 352 Radiology Facility
• 453 Physical Therapist, Licensed & Certified
• 454 Physical Therapist, Licensed, Not Certified

17.6.2.3 The CONTRACTOR shall pay all expenses for travel to site visits, which will not exceed 50% of the working days of the year. In certain instances, as identified by Program Policy Bureau, the site visit may be conducted over the phone. |
| | 17.6.3 Medical Assistance Division Program Policy Bureau Responsibility | 17.6.3.1 The Program Policy Bureau will determine when a provider site visit must be conducted. Program Policy Bureau will communicate with the CONTRACTOR to perform the site visit. CONTRACTOR will use the designated MAD form when conducting an onsite visit. Visit types will include: Initial or Change, Revalidation (every 3 years), Appeal, and Ad Hoc or Unannounced Visit.

17.6.3.2 The CONTRACTOR must conduct visit within 10 business days from date when the Program Policy Bureau notifies Procuring Agency that a visit is required.

17.6.3.3 The CONTRACTOR cannot be required to complete the site visit within 10 business days when the provider is unwilling or unable to accommodate requested schedule. The CONTRACTOR will notify the Procuring Agency of any issues encountered in this regard when scheduling onsite visit. |

| 17.6 Provider Enrollment Staff Inspector (Continued) | 17.6.4 Onsite Visits when new staff joins provider practice | 17.6.4.1 When a site visit is required for a provider that has submitted a Revalidation, also known as Turn-around Document (TAD), the time it takes the CONTRACTOR to complete the site visit shall not be included in the 5-day period required by the CONTRACTOR to complete the TAD process.

17.6.4.2 The CONTRACTOR is not required to complete an onsite visit when new staff joins the provider practice if a passing pre-enrollment onsite visit was previously conducted or as directed by Program Policy Bureau. |
| 17.7 Manage Agreed Payment Schedule | 17.7.1 Invoice the State According to the Operations Payment Schedule | CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule:

17.6.1.1 Jan 1, 2020 – Dec 31, 2020: $ 193,187.93
17.6.1.2 Jan 1, 2021 – Dec 31, 2021: $ 193,187.93
17.6.1.3 Jan 1, 2022 – Dec 31, 2022: $ 193,187.93 |

R. Deliverable Number 18: Ongoing Operations Management Services

Deliverable Eighteen	Due Date	Compensation
Ongoing Operations Management Services **[Monthly Fiscal Operations]**	**Start: 1-Jan-2020** **End: 31-Dec-2022**	**Total compensation not to exceed $2,486,243.16, plus NM GRT, due per agreed payment schedule.**

Task Item	Subtasks	Description
18.1 Provide Service Authorizations	18.1.1 Maintain Existing Prior Authorization (PA) Subsystem	The CONTRACTOR shall meet or exceed the current MMIS Prior Authorization (PA) Subsystem functionality. The various interfaces and functioning of this subsystem are described in the system documentation. There is also documentation in the Claims Processing Subsystem regarding the interaction of claims processing with the PA Subsystem.
	18.1.2 Meet Detailed Specifications for Service Authorization	In support of the Service Authorization business process, the CONTRACTOR shall: 18.1.2.1 Receive files from the Third-Party Assessor (TPA) and Children's Medical Services, edit the incoming transactions, and load validated PA transactions to the MMIS. 18.1.2.2 Maintain an interface with the CONTRACTOR's Pharmacy Benefits Management System (PBMS) for receipt of approved drug PA records. 18.1.2.3 Meet regularly with the Third-Party Assessor to discuss and resolve interface issues.
18.2 Provide Claims / Encounter Adjudication	18.2.1 Maintain Existing Claims Processing Subsystem	The CONTRACTOR shall operate the existing OmniCaid Claims Processing Subsystem that, together with other OmniCaid subsystems and clerical activities, correctly adjudicates claims. The CONTRACTOR shall meet or exceed all existing claims processing functionality in OmniCaid and related peripheral systems, such as the document imaging and optical character recognition systems. Unless the context indicates otherwise, references to "claims" in this section will be all inclusive (for example, new claims, adjustments to claims, recycling claims, suspended claims, voided claims, corrections to previously suspended or processed claims, and encounters submitted by Managed Care Organizations).

18.2 Provide Claims / Encounter Adjudication (continued)	18.2.2 Meet Detailed Specifications for OmniCaid Operations	The CONTRACTOR shall operate OmniCaid and carry out the following functions and tasks:
		
		18.2.2.1 Adjudicate Medicaid and other State program claims according to program-specific payment rules.
		
		18.2.2.2 Maintain communications with the Procuring Agency regarding all claim processing functions including claims processing statistics, problems, delays, system errors, and deficiencies.
		
		18.2.2.3 Accept and process claims using the coding systems and values approved by the Procuring Agency.
		
		18.2.2.4 Receive, document receipt, control, and process all paper claims and attachments in the manner approved by the Procuring Agency. The CONTRACTOR shall perform claims processing functions related to handling of paper claims and attached documentation as follows:
		
		    18.2.2.4.1 Operate mailroom facilities with the capacity to expediently handle large volumes of hard copy claims, inquiries, and other correspondence.
		
		    18.2.2.4.2 Accept hard copy claims from providers and scan claims and attachments to support image storage and retrieval via an Electronic Document Management System (EDMS).
		
		    18.2.2.4.3 Date stamp or otherwise accurately date control all paper claims received.
		
		    18.2.2.4.4. Assign a unique Transaction Control Number (TCN) to each paper claim within one business day of receipt.
		
		    18.2.2.4.5 Review all hard copy attachments to determine their relevance to the submitted claims. These determinations will include prior approvals and invoices, insurance explanations of benefits, Children's Medical Services authorizations, CYFD authorizations, and other attachments to claims.

| 18.2 Provide Claims / Encounter Adjudication (continued) | 18.2.2 Meet Detailed Specifications for OmniCaid Operations (continued) | 18.2.2.4.6 Implement and document batch control procedures to ensure that claims are not lost or misrouted prior to data entry and that security measures are in place to prevent unauthorized action or access to information.

18.2.2.4.7 During claims screening and input, the CONTRACTOR shall rigorously inspect every claim for completeness and correctness. If the CONTRACTOR returns a claim to a provider for completion or correction, the CONTRACTOR shall notify the provider of all necessary changes at one time.

18.2.2.4.8 Return claims to providers for correction and resubmission only if appropriate based on Procuring Agency-approved criteria.

18.2.2.4.9 Make use of any postal rate reductions that may be available. The CONTRACTOR shall avoid sending separate mailings to a single provider.

18.2.2.4.10 Maintain an electronic log showing the provider number and name, dates, reason, that are physically returned to providers.

18.2.2.4.11 All paper claims will be retained for at least six (6) months from the date of receipt, after which they may be destroyed when authorized by the Procuring Agency.

18.2.2.5 Accept electronic media claim submissions in HIPAA standard formats. The CONTRACTOR shall support the use of electronic claims submission with provider training and Help Desk resources.

18.2.2.5.1 Assign a unique Transaction Control Number (TCN) to each electronic claim within 24 hours of receipt from the translator.

18.2.2.6 Process Medicare crossover claims for coinsurance, deductible, and other patient responsibility amounts. The CONTRACTOR shall maintain an accurate cross-reference |

| 18.2 Provide Claims / Encounter Adjudication (continued) | 18.2.2 Meet Detailed Specifications for OmniCaid Operations (continued) | between Medicare and Medicaid Provider Numbers to ensure accurate payment.

18.2.2.7 Convert Medicare data received to Medicaid data by using cross-references of Medicare provider numbers to Medicaid provider numbers, and client Medicare numbers to client Medicaid numbers.

18.2.2.8 Process managed care encounter data through the claims systems.

18.2.2.9 Process claims and encounters efficiently and accurately in accordance with Procuring Agency policy.

18.2.2.10 Ensure all claims contain valid data and comply with State and federal policies by editing them against MMIS claim exception criteria.

18.2.2.11 Maintain internal controls which track all submitted claims including processed claims, re-processed claims, suspended claims, pended claims, and claims submitted by the Procuring Agency for special claims processing through numbered memorandums.

18.2.2.12 Through the Claims Processing Subsystem the CONTRACTOR shall, at a minimum, perform the following activities:

    18.2.2.12.1 Perform claims processing functions related to claim exceptions as required by the system documentation.

    18.2.2.12.2 Properly process all claims using the provider file, the Prior Authorization (PA) file, the TPL file, the Eligibility file, the Procedure and Pricing files, and other reference files.

    18.2.2.12.3 Provide the Procuring Agency the option of selecting the disposition of a claim exception to suspend claims for prepayment or post-payment review, pay-and-report only, or automatically deny claims.

    18.2.2.12.4 Revise claim exception criteria (edit function, fail criteria, location disposition, and resolution) on instruction from the Procuring Agency. |

18.2 Provide Claims / Encounter Adjudication (continued)	18.2.2 Meet Detailed Specifications for OmniCaid Operations (continued)	18.2.2.12.5 Implement additional claim exceptions upon instruction from the Procuring Agency.
		18.2.2.12.6 Review claims for significant discrepancies between billed and paid amounts. The Procuring Agency will approve all parameters to be used by the CONTRACTOR.
		18.2.2.12.7 Detect TPL paid amounts included on claims and deduct such amounts from the Medicaid amounts allowed for the service.
		18.2.2.12.8 Detect claims subject to client TPL resources and process them in compliance with TPL requirements.
		18.2.2.13 The CONTRACTOR shall perform claims processing functions related to pricing and payments as follows and including related requirements in the system documentation or as directed or approved by the Procuring Agency:
		18.2.2.13.1 Price valid claims according to the appropriate reimbursement methodology.
		18.2.2.13.2 Ensure all payments for services that require authorization are paid in accordance with the authorization given.
		19.2.2.13.3 Price all claims for recipients with TPL resources in order to accurately report TPL cost avoidance.
		18.2.2.14 Perform claims processing functions related to claims suspended for resolution as follows and including related requirements in the system documentation or as otherwise directed and approved by the Procuring Agency.
		18.2.2.14.1 Perform online suspense resolution for all claims according to the suspense resolution instructions in the Exception Control File.
		18.2.2.14.2 Maintain and update procedure and resolution manuals and databases.

18.2 Provide Claims / Encounter Adjudication (continued)	18.2.2 Meet Detailed Specifications for OmniCaid Operations (continued)	18.2.2.14.3 Maintain an adequately staffed claims resolution unit to resolve suspended claims. The unit shall maintain a close working relationship with the Procuring Agency in developing and writing the resolution instructions and in resolving claims in accordance with program policy and procedures.
		18.2.2.14.4 Review the processes for resolving claims on a regular basis. Initiate or respond to requests from the Procuring Agency regarding improvements and changes such as authorizing appropriate user authority to resolve claims in the most efficient manner.
		18.2.2.14.5 Ensure claims are not denied without valid reasons. Each claim denial will have a specific explanation that clearly identifies the reason for denial.
		18.2.2.14.6 Suspend claims for review by the CONTRACTOR or the Procuring Agency for specific recipients, specific providers, or specific procedure codes, through a prepayment review process as requested by the Procuring Agency.
		18.2.2.14.7 Ninety percent of problem claims resolution will be adjudicated within ten (10) business days of claim suspension date.
		18.2.2.14.8 The CONTRACTOR shall resolve all suspended claims within thirty (30) business days of suspension unless otherwise determined by the Procuring Agency.
		18.2.2.14.9 The CONTRACTOR shall disposition manually any claims that cannot be automatically adjudicated by the automated system. General activities within the manual resolution phase include, but will not be limited to, the following:
		18.2.2.14.9.1 Analysis of error and suspended claims listings.
		18.2.2.14.9.2 CONTRACTOR will provide Procuring agency a weekly suspense report.
		18.2.2.14.9.3 Research and correction of possible errors.

18.2 Provide Claims / Encounter Adjudication (continued)	18.2.2 Meet Detailed Specifications for OmniCaid Operations (continued)	18.2.2.14.9.4 Routing of claims for medical review, eligibility validation, or TPL review. 18.2.2.14.9.5 Entering corrective actions to be applied to suspended claims. 18.2.2.14.9.6 Manually price claims, when appropriate, according to instructions issued by the Procuring Agency. 18.2.2.15 Perform, at a minimum, the following claims processing functions related to claims adjudication: 18.2.2.15.1 Adjudicate claims according to the Medical Assistance Program direction, provider billing instructions, claim resolution instructions, and in conformity with medical, dental, or institutional care practices as instructed by the Procuring Agency. 18.2.2.15.2 Adjudicate claims daily and through the MMIS online adjudicator, as directed by the Procuring Agency. 18.2.2.15.3 Maintain proper quality control on the accuracy of claims payments to ensure that the rate of claims processing errors will not exceed 0.5% of the total number of claims processed in any month. The error percentage will be determined in reference to the total claims processed in the reporting period. The CONTRACTOR shall sample claims on a monthly basis and provide the Procuring Agency with a report of claims payment accuracy. The CONTRACTOR's sampling criteria must be approved by the Procuring Agency 18.2.2.15.4 Correct any mis-payments and correct any system deficiencies that result in mis-payment or potential mis-payment of claims even if the overall error rate is under 0.5%. 18.2.2.16 Perform, at a minimum, the following claims processing functions related to credits and adjustments: 18.2.2.16.1 Process individual claim voids and adjustments submitted by providers.

| 18.2 Provide Claims / Encounter Adjudication (continued) | 18.2.2 Meet Detailed Specifications for OmniCaid Operations (continued) | 18.2.2.16.2 Process mass adjustment requests as requested by the Procuring Agency.

18.2.2.16.3 Process automated retroactive rate adjustments, as required.

18.2.2.16.4 Receive, log, organize, and control all provider requests for reconsideration of claim payments submitted via correspondence or claim adjustment. The CONTRACTOR shall research the payment of the claim to verify the accuracy of payments or, if necessary, forward these requests for review to the Procuring Agency or the designated utilization review organization, and then either allow or deny the request for adjustment of payment. The CONTRACTOR shall notify the provider within 30 business days by means of the RA and/or by written correspondence of the resolution of the request.

18.2.2.17 The CONTRACTOR shall provide training to CONTRACTOR claims processing personnel, enabling them to attain a detailed understanding of operational policies and procedures.

18.2.2.18 The CONTRACTOR shall report monthly to the Procuring Agency on the major reasons for claim denials related to provider error or misbilling; propose provider outreach activities and communications to reduce the number of claim denials; and provide an assessment of previous attempts to reduce provider denials.

18.2.2.19 When the Procuring Agency initiates requests for mass adjustments, and the CONTRACTOR shall process, track and validate the successful completion of all mass adjustments. |
| 18.3 Provide Payment and Reporting | 18.3.1 Meet Detailed Specifications for Payment and Reporting | The CONTRACTOR shall:

18.3.1.1 Execute a financial (payment) cycle no less than once per week.

18.3.1.2 Include capitation payments in at least one weekly financial (warrant cycle) per month, as directed by the Procuring Agency. |

| 18.3 Provide Payment and Reporting (continued) | 18.3.1 Meet Detailed Specifications for Payment and Reporting (continued) | 18.3.1.3 Issue provider and MCO payments and maintain an accounting file of financial transactions as approved by the Procuring Agency.

18.3.1.4 Make payment via electronic funds transfer (EFT) to providers who have supplied banking information via the CONTRACTOR's Web portal.

18.3.1.5 Perform, at a minimum, the following functions related to paper warrant production:

18.3.1.6.1 Maintain a check hold log of those providers who are determined by the Procuring Agency to be out of cost report compliance, have had a change of ownership, have had a voluntary closure, are subject to liens and court orders, or are out of compliance with Medicaid policies and procedures.

    18.3.1.6.1.1 Update the MMIS system list that prevents such providers from receiving payment via EFT and forces a paper warrant to be generated.

    18.3.1.6.4.2. The CONTRACTOR shall void or make warrants payable to the State or other entities, (e.g., Internal Revenue Service) as instructed by the Procuring Agency.

18.3.1.7 Process provider refund checks.

18.3.1.8 Process adjustments and voids related to provider refunds.

18.3.1.9 Balance the weekly check write amounts.

18.3.1.10 Process returned and voided warrants.

18.3.1.11 Process manual advance check requests from the Procuring Agency.

18.3.1.12 Communicate with the Procuring Agency and with the State Treasury Office regarding voided warrants, re-issued warrants, and other warrant issues. |

18.3 Provide Payment and Reporting (continued)	18.3.1 Meet Detailed Specifications for Payment and Reporting (continued)	18.3.1.13 Develop new remittance advice messages as needed and/or as required and approved by the Procuring Agency to improve communications to providers. 18.3.1.14 Mail Recipient Explanation of Medical Benefits (REOMB) to recipients of services in a timely manner, meeting all federal standards for REOMB and the REOMB process.
18.4 Provide Capitation and Premium Preparation	18.4.1 Ensure Functions and Maintenance of Managed Care	CONTRACTOR shall ensure the accuracy of the data maintained in Omnicaid, provided by ASPEN, and the full range of functions supported by the client, provider, claims, and general subsystems as described in the system documentation.
	18.4.2 Generate Capitation Claims	The CONTRACTOR shall use client enrollment and demographic information as well as information from the plan table and rates table to generate capitation claims.
	18.4.3 Edit Capitation Claims Before Adjudication	The CONTRACTOR shall edit capitation claims prior to adjudication to prevent payment of duplicate capitations or capitations generated for clients who have lost eligibility subsequent to capitation claim generation.
18.5 Provide Payment Information Management	18.5.1 Maintain Online Claims History File for Seven Years	The CONTRACTOR shall maintain paid and denied claims and encounters on the online Claims History file for a minimum of seven (7) years and make them available for inquiry.
	18.5.2 Maintain Rapid Response Time for Claims History Inquiries	The CONTRACTOR shall ensure an MMIS system response time for online inquiries into the Claims History file of under five (5) seconds unless requested using a non-key selection field (other than Transaction Control Number (TCN), Provider ID or Recipient ID) in which case the response time will be under ten (10) seconds.
	18.5.3 Provide Extracts of Paid Claims History File to the State	The CONTRACTOR shall provide extracts of the paid claims history file for Procuring Agency use in monitoring service utilization.
	18.5.4 Archive Claims Records Per State Policy	The CONTRACTOR shall archive claims records in accordance with Procuring Agency policy.

18.6 Manage Recoupment	18.6.1 Track Status of Individual Receivables	The CONTRACTOR will use the Accounting and Financial Reporting Subsystem to track the status of individual receivables.
	18.6.2 Deduct or Collect Outstanding Receivables	Receivables will be deducted from future provider payments if possible. Otherwise, the CONTRACTOR or the Procuring Agency, when appropriate, will collect outstanding receivables directly from providers.
	18.6.3 Post Payments to Accounts Receivable	The CONTACTOR shall receive and post payments from providers to apply to accounts receivable, including refunds, overpayments, and third-party payments.
	18.6.4 Analyze and Report Receivables Progress to the State	The CONTACTOR shall analyze the accounts receivable report monthly, documenting receivables that are slow in being recouped and receivables for which the provider is no longer active. The CONTRACTOR shall research receivables where the CONTRACTOR is no longer active to determine if provider participation occurs under a different provider number or as part of a group practice and forward such information to the Procuring Agency.
18.7 Manage Medicaid Services Questionnaire Third Party Liability Recovery	18.7.1 Meet Detailed Specifications for the TPL	18.7.1 The CONTRACTOR shall be responsible for the function and maintenance of the Third Party Liability (TPL) subsystem to ensure the proper cost avoidance, post payment recovery, and payment of claims. The CONTRACTOR is responsible for all functions of third party liability, through interfaces, using MMIS system functions, and by making manual updates and changes as necessary, to third party and other resource information maintained in the MMIS 18.7.2 The CONTRACTOR shall perform the following general Medicaid Services Questionnaire (MSQ) benefit recovery activities: 18.7.2.1 Process all payments received from third parties. 18.7.2.2 Identify, open, and close recovery cases, including aggressively pursuing data matches with other insurers to identify client third party resources. 18.7.2.3 Generate notices as required.

18.7 Manage Medicaid Services Questionnaire Third Party Liability Recovery (continued)	18.7.1 Meet Detailed Specifications for the TPL	18.7.2.4 Enter the amount of recovery on the TPL billing window. 18.7.2.5 Maintain the TPL Carrier File including the insurance carrier name and address, phone number, and the contact person.
18.8 Manage Agreed Payment Schedule	18.8.1 Invoice the State According to the Operations Payment Schedule	CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule: 18.8.1.1 Jan 1, 2020 – Dec 31, 2020: $ 69,062.31 18.8.1.2 Jan 1, 2021 – Dec 31, 2021: $ 69,062.31 18.8.1.3 Jan 1, 2022 – Dec 31, 2022: $ 69,062.31

S. Deliverable Number 19: Ongoing Drug Rebate Management

Deliverable Nineteen	Due Date	Compensation
Ongoing Drug Rebate Management **[Monthly Fiscal Operations]**	**Start: 1-Jan-2020** **End: 31-Dec-2022**	**Total compensation not to exceed $605,540.88, plus NM GRT, due per agreed payment schedule.**

Task Item	Subtasks	Description
19.1 Manage All CMS Interactions on Drug Rebates	19.1.1 Maintain the CMS Listing of Drug Rebate Agreements	The CONTRACTOR shall accept and maintain the Centers for Medicare and Medicaid Services (CMS) current listing of manufacturers with drug rebate agreements.
	19.1.2 Process CMS Drug Rebate Tape	The CONTRACTOR shall process the CMS drug rebate tape on a quarterly basis.
	19.1.3 Update Drug Record per CMS Data	The CONTRACTOR shall extract National Drug Code (NDC) termination dates and Drug-Effectiveness Source Identifier (DESI) flags from the CMS tape and update the appropriate coverage or pricing data on the drug record.
	19.1.4 Correct Drug Rebate Information	The CONTRACTOR shall use the quarterly tape from CMS to process and identify by NDC level any corrections to rebate information received from the CMS or from the manufacturers.
	19.1.5 Transmit Drug Rebate Invoices to CMS	The CONTRACTOR shall generate and transmit to the CMS a quarterly file of all drug rebate invoices including prior period adjustments resulting from dispute resolution.
	19.1.6 Resolve Any Processing Errors with CMS	The CONTRACTOR shall resolve any processing errors reported back from CMS concerning the quarterly rebate tape. Provide an explanation to CMS and to the Procuring Agency along with the method of correction to prevent the errors in future quarters.

19.1 Manage All CMS Interactions on Drug Rebates (continued)	19.1.7 Update Manufacturer Contacts Using the Federal Releases	The CONTRACTOR shall update all manufacturer contacts and addresses in the manufacturer's file using the federal releases from the central office. Contacts and addresses include the invoice address, dispute resolution address, accounting contact, and product information contact. The files on each manufacturer include dates of the rebate agreement addition/deletion, products covered, and any subsidiaries.
19.2 Perform Drug Rebate Functions	19.2.1 Meet Detailed Drug Rebate Specifications of Omnibus Budget Reconciliation Act of 1990 (OBRA '90)	The CONTRACTOR shall perform all functions necessary to meet the requirements of Omnibus Budget Reconciliation Act of 1990 (OBRA '90) regarding the collection of drug rebates from drug manufacturers, including: 19.2.1.1 Prepare and mail quarterly invoices to each manufacturer with rebate agreements with CMS. Invoices will be sorted by NDC and will follow the CMS and State standards. 19.2.1.2 Base invoice amounts on counts of prescriptions and payment totals by NDC for each manufacturer. 19.2.1.3 Calculate adjustments to previous quarter invoices based on claim adjustments received in the reporting quarter. 19.2.1.4 Prepare and mail invoices within two (2) weeks of receipt of the CMS tape or within sixty (60) days of the close of each calendar quarter, whichever comes first. 19.2.1.5 Reconcile drug manufacturer payments to invoices, including invoices for FFS claims and MCO encounters. 19.2.1.6 Post all drug rebate payments received from manufacturers within five (5) business days of receipt of payment. Record all payments, overpayments, and invoices that have not been paid. 19.2.1.7 Perform accounts receivable tracking, reporting, and updating, and make the status available to the Procuring Agency. 19.2.1.8 Generate initial collection letters to non-responding manufacturers 38 days from the mailing date of the invoice.

19.2 Perform Drug Rebate Functions (continued)	19.2.1 Meet Detailed Drug Rebate Specifications of OBRA '90 (continued)	19.2.1.9 Pursue resolution in a timely and aggressive manner of all amounts due to the Procuring Agency but not paid or disputed by the drug manufacturer for which the contractor has adequate claims, invoice, and if applicable, dispute resolution data from any source (including hardcopy files from the prior rebate contractor) that is sufficient to enable the contractor to identify the non-payment and report on the resolution of said non-payment.
		19.2.1.10 Establish and maintain close and ongoing coordination with the Procuring Agency in compiling and filing all necessary state and/or federal reports pertaining to the Procuring Agency's federal rebate program.
		19.2.1.11 Provide all necessary support, documentation, and testimony in the event of a state or federal audit of the Procuring Agency's drug rebate system, to the extent of the contractor's knowledge and the relevant documentation in the contractor's possession.
		19.2.1.12 Develop policies and procedures for performing drug rebate processing activities; all policies and procedures must adhere to State and Federal guidelines and be approved by the Procuring Agency.
	19.2.2 Maintain Drug Rebate / Invoice Records Online	The CONTRACTOR shall maintain all quarterly drug rebate/invoice information to accommodate prior period adjustment processing. Twelve (12) quarters will be available online.
	19.2.3 Review Claim Level Audit Reports and Perform Adjustments	The CONTRACTOR shall review claim level audit reports for unlikely units and utilization to correct invoices prior to invoicing manufacturers and shall perform claim adjustments to reflect adjusted drug utilization information identified during the drug rebate dispute resolution process.
	19.2.4 Recoup Claims If Billing Pharmacy Does Not Respond	The CONTRACTOR shall recoup claims if the billing pharmacy does not respond within a specified time period as determined by the Procuring Agency to a request for invoices or billing documents.
	19.2.5 Make Claim Adjustments	The CONTRACTOR shall initiate adjustments if the billing pharmacy identifies an error in the claim data billed.

19.3 Perform Dispute Resolution	19.3.1 Pursue Resolution of All Drug Manufacturer Disputes in a Timely and Aggressive Manner	The CONTRACTOR shall pursue resolution in a timely and aggressive manner all unresolved drug manufacturer disputes (regardless of when dispute was filed by the drug manufacturer) for which the contractor has adequate claims, invoice, payment, payment reconciliation, and dispute identification data from any source (including hardcopy files from the prior rebate contractor) that is sufficient to enable the contractor to identify the dispute, the current status thereof and report on the resolution of said dispute. The CONTRACTOR must contact dispensing pharmacies or administering practitioners or facilities when necessary to verify the accuracy of a claim or claims associated with disputes.
	19.3.2 Report Unresolved Disputes to the State Quarterly	The CONTRACTOR shall provide the Procuring Agency a quarterly report on the nature and status of unresolved disputes due by January 5th, April 5th, July 5th, and October 5th of each year.
	19.3.3 Support Any Drug Manufacturer Disputes that Escalate to Administrative or Judicial Review	The CONTRACTOR shall provide all necessary support and testimony should a drug manufacturer dispute proceed to administrative or judicial review, to the extent of the contractor's knowledge and the relevant documentation in the contractor's possession.
	19.3.4 Coordinate Claims Correction Issues	The CONTRACTOR shall coordinate any claims correction issues pertaining to drug rebate invoicing and disputes.
	19.3.5 Report Adjustments & Recoupments to the State	The CONTRACTOR shall report all adjustments and recoupments made as a result of the dispute research to the Procuring Agency.
19.4 Manage Agreed Payment Schedule	19.4.1 Invoice the State According to the Operations Payment Schedule	CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule: 19.4.1.1 Jan 1, 2020 – Dec 31, 2020: $ 16,820.58 19.4.1.2 Jan 1, 2021 – Dec 31, 2021: $ 16,820.58 19.4.1.3 Jan 1, 2022 – Dec 31, 2022: $ 16,820.58

T. Deliverable Number 20: Ongoing Program Management

Deliverable Twenty	Due Date	Compensation
Ongoing Program Management [Monthly Fiscal Operations]	Start: 1-Jan-2020 End: 31-Dec-2022	Total compensation not to exceed $1,046,557.08, plus NM GRT, due per agreed payment schedule.

Task Item	Subtasks	Description
20.1 Manage 1099 Series IRS Tax Forms	20.1.1 Maintain MMIS Ability to Produce 1099 Series IRS Tax Forms (1099s)	The CONTRACTOR shall maintain the MMIS functionality required to produce annual 1099 series IRS tax forms (1099s).
	20.1.2 Print and Mail 1099s	The CONTRACTOR shall print and mail provider 1099s annually.
	20.1.3 Forward 1099 Data to IRS	The CONTRACTOR shall forward the 1099 data file to the IRS as required.
	20.1.4 Correct & Re-Issue any 1099s Reported with Errors	The CONTRACTOR shall correct and re-issue any 1099 reported with name-number mismatch as reported by the provider.
20.2 Perform Accounting Functions	20.2.1 Operate Claims Payment, Reporting and Financial Subsystems	The CONTRACTOR shall operate the Claims Payment, the Reporting and the Financial Subsystems to track and report fiscal activity related to health care programs CONTRACTOR has paid. The CONTRACTOR shall meet or exceed the current MMIS Financial Subsystem functions.
	20.2.2 Use Double Entry Bookkeeping & Follow GAAP.	All financial transactions will be recorded using the double entry method of bookkeeping and will follow Generally Accepted Accounting Principles (GAAP).
	20.2.3 Segregate Transactions by Fiscal Years	All transactions involving expenses will be segregated by State and federal fiscal years and recorded appropriately in the accounting records, as controlled by the MMIS.

20.2 Perform Accounting Functions (continued)	20.2.4 Segregate Transactions with State Institutions	Transactions with State institutions will be segregated from the transactions of other providers as defined and provided for in the MMIS.
	20.2.5 Segregate Transactions with Specified Programs	Transactions for Children's Medical Services, other non-Medicaid services, Home and Community-Based Services Waivers, and other programs as specified by the Procuring Agency will also be segregated from other transactions and will be capable of being reported separately through the use of cost centers assigned in the MMIS.
	20.2.6 Entering Transactions into MMIS as Directed by the State	The CONTRACTOR is responsible for entering financial transactions (accounts receivable, payouts and receipts) into the MMIS as directed by the Procuring Agency.
	20.2.7 Limit Access to the Provider File	CONTRACTOR personnel who have financial transaction privileges must be prohibited from updating the Provider File.
	20.2.8 Transmit Financial Transactions to the State Electronically	The CONTRACTOR shall capture in the MMIS all financial transactions as defined by the Procuring Agency and provide information to the Administrative Services Division (ASD) through electronic transactions as defined by the Procuring Agency.
	20.2.9 Associate Transactions with Proper Accounting Codes	Each transaction will be associated with the proper cost center and/or accounting codes to enable the Procuring Agency to associate budgets and expenditures with cost categories, all as assigned by the MMIS.
	20.2.10 Meet Detailed Specifications for Accounting Functions	At a minimum, the CONTRACTOR shall: 20.2.10.1 Capture each financial transaction and determine applicable Federal Financial Participation (FFP). The Federal Financial Participation percentages are updated in the MMIS by the CONTRACTOR upon notification from the Procuring Agency. 20.2.10.2 Establish, monitor and maintain receivable balances for each provider and provide information to ASD through reports and electronic transactions and as defined by the Procuring Agency.

20.2 Perform Accounting Functions (continued)	20.2.10 Meet Detailed Specifications for Accounting Functions (continued)	20.2.10.3 Account for funds recouped from contracted third-party processor (HMS) and providers.
		20.2.10.4 Produce summary reports to monitor expenditures and program trends.
		20.2.10.5 Link summary level accounting transactions to individual claims or other MMIS transactions.
		20.2.10.6 Process financial transactions, including advances, cost settlements, gross level payouts to providers; maintain documentation for each transaction; and ensure each transaction is carried out only with proper authorization.
		20.2.10.7 Receive and post payments from providers to apply to accounts receivable, including refunds, overpayments, and third-party payments.
		20.2.10.8 Coordinate activities with the financial units of the Procuring Agency to ensure the correct disposition of financial transactions including meeting Procuring Agency requirements for the security and rapid disposition of all checks received by the CONTRACTOR.
		20.2.10.9 Ensure that all CONTRACTOR financial activities meet generally accepted accounting standards as approved by the Procuring Agency.
		20.2.10.10 Enforce strict oversight of all CONTRACTOR activities to ensure that there is no fraud, abuse, mismanagement, or poorly kept or incomplete financial records on the part of the CONTRACTOR.
		20.2.10.11 The CONTRACTOR shall provide interfaces between the MMIS and the Procuring Agency's Accounting System.
20.3 Support Quality Assurance Activities	20.3.1 Support the State's Quality Control, Contract Monitoring and Audits	The CONTRACTOR shall support Procuring Agency quality control and contract monitoring plans, federal and State audits, quality assurance reviews, and the CONTRACTOR's internal quality control program.

20.3 Support Quality Assurance Activities (continued)	20.3.2 Sample Past Claims for Quality Control	The CONTRACTOR shall collect random samples of past claims for quality control evaluations as requested by the Procuring Agency.
	20.3.3 Support the State's Medicaid Eligibility Quality Control Process	The CONTRACTOR shall provide Medicaid Eligibility Quality Control (MEQC) samples and explanations designed to support the MEQC process administered by the Procuring Agency. The CONTRACTOR's MEQC abilities shall meet or exceed the system functionality as described in the MMIS documentation. 20.3.3.1 The MEQC sample shall be produced monthly according to specifications given by the Procuring Agency. 20.3.3.2 Documentation shall include the MMIS eligibility record and claims payment histories for the selected clients and provide explanations for payment as necessary.
	20.3.4 Support the State's Work to Measure and Reduce Payment Error Rates	The CONTRACTOR shall support the Procuring Agency's Payment Error Rate Measurement (PERM) activities by providing specialized claims processing training to Procuring Agency staff, responding to information requests, and stationing a business analyst at the Procuring Agency's office in Santa Fe during on-site reviews by the federal PERM auditors.
	20.3.5 Support the State's Medicaid Integrity Plan Activities	The CONTRACTOR shall support the Procuring Agency's Medicaid Integrity Plan activities by providing specialized claims processing training to Procuring Agency staff, responding to information requests, and stationing a business analyst at the Procuring Agency's office in Santa Fe, if necessary, during on-site reviews by CMS-contracted Medicaid Integrity Contractors.
20.4 Maintain Benefit / Reference Information	20.4.1 Maintain the Reference File Subsystem	The CONTRACTOR shall be responsible for the functions and maintenance of all MMIS reference files, pricing files, and other MMIS files to ensure the proper payment of claims. The CONTRACTOR is responsible for all functions of the Reference File subsystem and file updates through interfaces, using MMIS system functions, and by making manual updates and changes as necessary to information maintained in the MMIS.

20.4 Maintain Benefit / Reference Information (continued)	20.4.1 Maintain the Reference File Subsystem (continued)	20.4.1.1 The Reference Files consist of several different files and associated maintenance and editing programs used to validate data on claims. Reference file information is also used in claims processing to assist in calculating the allowed payments to providers for specific services. In addition, the Reference Files contain information provided by the Procuring Agency to assist in enforcing various Medicaid policies. The CONTRACTOR shall meet or exceed all existing functionality in the OmniCaid Reference Subsystem. 20.4.1.2 Examples of Reference Files include but are not limited to Current Physician Terminology (CPT) codes, Healthcare Common Procedure Coding System (HCPCS) codes, ICD-10 CM diagnosis codes, and ICD-10-CM diagnostic procedure and surgical codes, various rates files, and exceptions (system edits and dispositions.) 20.4.1.3 Data elements and functions of the Reference Files are found in the system documentation and include elements associated with pricing and fee schedules; indicators necessary to control program benefits limitations, accumulate data for reports, detect medically inappropriate procedures or utilization and otherwise accurately process claims; laboratory CLIA information; and data to ensure procedures and diagnoses are consistent with the age and gender of the client.
	20.4.2 Maintain and Update all Reference File Data	The CONTRACTOR shall maintain and update the Reference File subsystem and Reference File data including but not limited to: 20.4.2.1 Diagnoses, procedures, drug codes, rate files, message and EOB text files and the exception (edit) location, disposition, and resolution files. 20.4.2.1 Changes to rates, benefit indicators, prior authorization indicators, and all other indicators that affect claims processing or reporting.
	20.4.3 Make and Document Reference File Updates When Requested	The CONTRACTOR shall make all Reference File updates and changes upon written request by the Procuring Agency and shall maintain complete and accurate documentation of all changes made. The CONTRACTOR shall provide controls to ensure that all data is correctly entered and verified.

20.4 Maintain Benefit / Reference Information (continued)	20.4.4 Inform the State of Any Changes Proposed in the Claim Exception Master File	The CONTRACTOR shall inform the Procuring Agency in writing of any changes made in the claim exception master file and document all changes made. Authority to authorize activation or deactivation of claim exceptions rests solely with the Procuring Agency.
	20.4.5 Periodic Updates to the Reference Files May be Handled as System Change Requests	When updates and changes to the data in the Reference Files are made because of the periodic updates from the official coding sources (for example, Current Procedural Terminology code updates in the Healthcare Common Procedure Coding System file), the updates and changes may be handled as System Change Requests through batch updates with the files maintenance staff responsible only for changes that cannot be accomplished systematically.
	20.4.6 Make Routine Updates Within Agreed Time Period, Using Quality Control and Maintaining an Audit Trail	The CONTRACTOR shall make all routine updates and changes to the files within five (5) business days of the requests unless otherwise directed by the Procuring Agency; shall subject the file changes to the CONTRACTOR's internal quality control process; shall notify the Procuring Agency in writing when the changes have been made; shall maintain an audit trail that can demonstrate any file changes were requested or authorized by the Procuring Agency, and shall review internal system audit trails to ensure that no unauthorized changes are made to the files.
	20.4.7 Provide Same-Day Reference File Updates When Necessary	When an update or change to data in the files is necessary on an emergency basis to avoid making an incorrect payment, the CONTRACTOR shall make every reasonable attempt to make the changes the same day the change or update is requested.
	20.4.8 Enter Updates to the Managed Care Files, Rate Files, and Cohort tables	The CONTRACTOR shall enter updates to the Managed Care files, Rate Files, and Cohort tables as instructed by the Procuring Agency.

20.4 Maintain Benefit / Reference Information (continued)	20.4.9 Make Updates Required by Changes in the National Billing Code System	The CONTRACTOR shall provide qualified expertise through positions or other organizational means to assume the primary responsibility for making changes to the MMIS Reference Files following updates from all national billing code systems and values, including diagnoses, procedures, valid values that are part of the national billing code schemes, and payment levels that are incorporated into the New Mexico pricing methodologies. This includes: 20.4.9.1 Tracking changes that are occurring at the national level and within Medicare and assuming the primary responsibility to implement changes approved by the Procuring Agency in the MMIS. 20.4.9.2 Preparing billing code and pricing updates for the MMIS under the direction of and for the final approval by the Procuring Agency. 20.4.9.3 Identifying the impact of billing code changes, pricing changes, and payment methodology changes on MMIS exceptions, utilization edits, National Correct Coding Initiative edits, and provider billing, and presenting the results of this analysis to the Procuring Agency for possible implementation of reference file updates. 20.4.9.4 Preparing drafts of the communications with providers pertaining to such changes.
	20.4.10 Maintain a Reference File Update Instructions Manual and Deliver it to the State	The CONTRACTOR shall develop and maintain an updated file maintenance manual that documents the instructions used by CONTRACTOR staff for updating Reference Files. The CONTRACTOR shall supply the current version to the Procuring Agency. Files maintenance instructions are subject to approval by the Procuring Agency.
	20.4.11 Provide the State with Reference Files	The CONTRACTOR shall provide the Procuring Agency with copies of each Reference File in the requested media when required by the Procuring Agency.
	20.4.12 Accept Reference File Instructions from in Electronic or Paper Media	The CONTRACTOR shall be capable of accepting initial or maintenance information from the Procuring Agency in hard copy or soft copy formats or as available from official sources on the Internet.

20.4 Maintain Benefit / Reference Information (continued)	20.4.13 Provide Reference File Reports	The CONTRACTOR shall provide scheduled and ad hoc reports based on the information in the reference files.
	20.4.14 Provide Sufficient Staff to meet Performance and Quality Standards	The CONTRACTOR shall provide sufficient files maintenance staff to meet the required performance and quality standards.
	20.4.15 Ensure Staff Understand the Reference Files and Provide Training	The CONTRACTOR shall have staff that are knowledgeable on the uses, functions, and operations of the files and will provide training and assistance to the Procuring Agency and other users as necessary.
	20.4.16 Ensure Staff Understand the Coding Systems and Provide Training	The CONTRACTOR shall have staff members that are knowledgeable on coding systems and will provide training and assistance to providers as necessary.
	20.4.17 Maintain Real-time Access for Query & Updates Alongside Batch Updates	The files are and will continue to be available for query and updates in an online, real-time mode but may also be updated through batch processes within a twenty-four (24) hour period unless prior approval is received from the Procuring Agency for an extended due date. Much of the data in the Reference Files must also be available in the Data Warehouse for query and reporting purposes. The files will be capable of storing and retrieving data as necessary to accurately process and pay claims and to support other MMIS functions.
	20.4.18 Produce Output Reports	The CONTRACTOR shall produce all output reports as indicated in the system documentation and as set up as production reports in the MMIS.
	20.4.19 Maintain Seven-Year History of Reference File Updates	The CONTRACTOR shall maintain a history of file updates and previous Reference file data for seven years.

20.5 Manage Agreed Payment Schedule	20.4.20 Perform Manual Pricing When State Provides Instructions	The CONTRACTOR shall perform manual pricing when the Procuring Agency can give adequate pricing instructions. The Procuring Agency staff will price services for which the Procuring Agency cannot give adequate pricing instructions.
	20.4.21 Update Gross Receipts Tax Rates for Each Region When They Change	The CONTACTOR will update the Gross Receipts Tax (GRT) rates in the MMIS to accommodate changes that typically occur on January 1 and July 1 of each year. New Mexico's GRT rates vary from county to county, for different towns and cities within a single county, for different zip codes within a town, and may also vary within the same zip code.
	20.4.22 Purchase Manuals Related to National Coding Systems and HIPAA Transactions	Upon request, the CONTRACTOR shall purchase such publications and manuals for Procuring Agency use and pass through the cost to the Procuring Agency.
20.5 Manage Agreed Payment Schedule	20.5.1 Invoice the State According to the Operations Payment Schedule	CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule: 20.5.1.1 Jan 1, 2020 – Dec 31, 2020: $ 29,071.03 20.5.1.2 Jan 1, 2021 – Dec 31, 2021: $ 29,071.03 20.5.1.3 Jan 1, 2022 – Dec 31, 2022: $ 29,071.03

U. Deliverable Number 21: Ongoing Pharmacy Benefits Management Services

Deliverable Twenty-One	Due Date	Compensation
Ongoing Pharmacy Benefits Management Services **[Monthly Fiscal Operations]**	**Start: 1-Jan-2020** **End: 31-Dec-2022**	**Total compensation not to exceed $879,319.08, plus NM GRT, due per agreed payment schedule.**

Task Item	Subtasks	Description
21.1 Process Pharmacy Claims	21.1.1 Use a Pharmacy Benefits Management System (PBMS)	The CONTRACTOR shall process pharmacy claims using a Pharmacy Benefits Management System (PBMS) provided by the CONTRACTOR. The Procuring Agency will supply guidance for PBMS operations.
	21.1.2 Maintain Drug Reference Files for Claim Pricing Capability	The CONTRACTOR shall maintain the drug reference files for claim pricing capability at all state and federally defined levels using "lower of" logic, claim editing capabilities, and detailed claims history in the PBMS. Selected data elements of the claims history and drug reference files shall be additionally kept in the MMIS through interfaces from the PBMS to the MMIS that shall occur not less than daily.
	21.1.3 Process Weekly Updates from Drug Pricing Service	The CONTRACTOR shall process weekly updates from First Data Bank or a similar Procuring Agency-approved drug pricing service to receive and update reference file data. The CONTRACTOR will provide the subcontracted drug pricing service at no additional cost to the Procuring Agency. Maintain and update all pricing levels as defined by the Procuring Agency, including estimated acquisition costs federal upper limits, NADAC, WAC (wholesale actual cost), federal supply schedule pricing, and any other pricing levels which the Procuring Agency can supply directly or through electronic interface.
	21.1.4 Ensure Sufficiency of PBMS Data	The data maintained in the MMIS as received from the PBMS shall be sufficient to meet all Procuring Agency payment, accounting, inquiry, and MMIS reporting standards. Warrants to the provider are issued by the MMIS.

21.1 Process Pharmacy Claims (continued)	21.1.5 Provide Secure Online Access to PBMS Data	The detailed claims history, reference files, and other databases of the PBMS shall be available to Procuring Agency and CONTRACTOR staff online through access-controlled inquiry functions.
	21.1.6 Maintain Interfaces Between MMIS and the PBMS	The CONTRACTOR shall maintain the necessary interfaces between the MMIS and the PBMS to ensure the availability of accurate information regarding client eligibility, provider eligibility, other insurance resources, client benefit limitations, managed care enrollment status, and other data necessary for the PBMS to correctly process pharmacy claims.
	21.1.7 Maintain Comprehensive Online Audit Trail	The CONTRACTOR shall maintain an audit trail of all database changes and updates accessible through online inquiry, with dates, times, and user ID codes and shall document reference database changes approved by the Procuring Agency.
	21.1.8 Use NCPDP standards and Pharmacy Universal Claim Form	The CONTRACTOR shall use NCPDP standards and the Pharmacy Universal Claim Form or a similar form approved by the Procuring Agency, including online submission of multiple ingredient compound prescriptions, ability to receive all NCPDP data fields, voids, rebilling, partial fill transactions, and the most detailed levels of reject code specificity.
	21.1.9 Enter Data from Paper Claims into the PBMS	The CONTRACTOR shall process paper claims and adjustments by entering the data into the PBMS using CONTRACTOR staff based in New Mexico, within 75 miles of Santa Fe, New Mexico. The staff entering paper claims into the PBMS may be the same CONTRACTOR staff that enters non-pharmacy claims into the MMIS.
	21.1.10 Protect Confidentiality of Eligibility Information	The CONTRACTOR shall supply appropriate safeguards to protect the confidentiality of eligibility information, to conform to all State and federal confidentiality laws, and to ensure that State and federal HIPAA data security standards are met.
	21.1.11 Process MCO Pharmacy Encounter Claims	The CONTRACTOR shall process pharmacy encounter claims from the Procuring Agency's Managed Care Organizations according to requirements and Procuring Agency standards that may differ from fee for service pharmacy claims.

21.1 Process Pharmacy Claims (continued)	21.1.12 Input All Other Claims to the PBMS	The CONTRACTOR shall process other input documents to the PBMS including, but not limited to, claims for Medicare coinsurance and deductible (crossover claims), in both paper and electronic formats, authorizations for service in paper and electronic formats, and claim adjustments in paper and electronic formats.
	21.1.13 Limit Pharmacy Payments to CMS-Approved Manufacturers	Limit payments of pharmacy claims to drugs that are manufactured by companies on the CMS listing of manufacturers with drug rebate agreements, except as directed by the Procuring Agency.
	21.1.14 Provide Ongoing Quality Control	The CONTRACTOR shall provide for ongoing quality management initiatives subject to Procuring Agency approval.
	21.1.15 Provide Local Education for Providers and Clients	The CONTRACTOR shall access, plan, develop, implement, and evaluate locally-based provider and client education initiatives including pharmacy program-specific training and communications to pharmacy providers, medical providers and clients (recipients).
21.2 Support Drug Prior Authorization	21.2.1 Meet Detailed Specifications for the State's Prior Authorization Policies	The CONTRACTOR shall enforce the Procuring Agency's prior authorization policies by performing the following activities: 21.2.1.1 Receiving prior authorization requests from providers, processing such requests in accordance with Procuring Agency policy, and entering approved authorizations into the PBMS. 21.2.1.2 Entering authorization information as necessary from paper copies, reports, logs, or other documents as determined by the Procuring Agency as necessary to process claims timely and accurately including allowing for direct entry of authorization information into the PBMS by CONTRACTOR staff.
21.3 Support E-Prescribing	21.3.1 Provide E-Prescribing Interfaces with Third Parties	The CONTRACTOR shall have the capability to interface with third party vendors to support with the Procuring Agency's E-Prescribing initiative.

21.3 Support E-Prescribing (continued)	21.3.2 Meet Detailed Specifications for E-Prescribing	The CONTRACTOR shall: 21.3.2.1 Conduct testing with Procuring Agency-specified, E-Prescribing vendors and become certified to exchange data with those vendors. 21.3.2.2 Coordinate the installation of dedicated telecommunication lines between the CONTRACTOR's PBMS and Procuring Agency-specified, E-Prescribing vendors, with those costs to be borne by the other vendors. 21.3.2.3 Provide a formulary benefit file to third party E-Prescribing vendors on a monthly basis. 21.3.2.4 Provide a client eligibility file to third party E-Prescribing vendors on a daily basis. 21.3.2.5 Accept eligibility verification requests and return responses in real-time. 21.3.2.6 Accept claim history requests and return responses in real-time.
21.4 Support Drug Utilization Review	21.4.1 Meet periodically with the Drug Utilization Review Committee	The CONTRACTOR shall meet periodically with the Drug Utilization Review Committee to ensure that its needs for data, statistics, and other information are met.
	21.4.2 Provide Training on ProDUR Principles	The CONTRACTOR shall provide training to the Procuring Agency staff, to CONTRACTOR staff, and to providers on application of Prospective Drug Utilization Review (ProDUR) principles.
	21.4.3 Help Eliminate Prescriber ID Errors	The CONTRACTOR shall work with pharmacies to minimize or eliminate missing or invalid prescriber identifying information.

21.5 Maintain Pharmacy Support Help Desk	21.5.1 Maintain and Staff Pharmacy Support Help Desk	The CONTRACTOR, either directly or through the PBMS, shall maintain and completely staff a Pharmacy Support Help Desk available twenty-four (24) hours per day, seven (7) days per week, to include a telephone system, telephone lines and 24-hour pharmacist backup. The telephone lines will be toll-free nationwide.
	21.5.2 Keep at Least One Member of the Pharmacy Support Help Desk Located in New Mexico	While the Pharmacy Support Help Desk may be located anywhere in the United States, the CONTRACTOR shall maintain a minimum of one full-time staff member in New Mexico with pharmacy-specific expertise sufficient to meet the in-state provider needs, including: provider education and communications, proactive problem solving, assisting the Procuring Agency in analysis of provider and client concerns and overall systems needs assessment, planning, implementation and evaluation of targeted resolution areas.
	21.5.3 Submit Telephone Company Records to the State Upon Request	The Procuring Agency will monitor the Pharmacy Support Help Desk's performance and blockage rate by calculating monthly averages. The CONTRACTOR shall submit reports from the telephone company to the Procuring Agency upon request to allow this calculation to be made.
	21.5.4 Ensure Pharmacy Support Help Desk Staff are Qualified and Trained	The CONTRACTOR shall ensure all Pharmacy Support Help Desk staff members are trained in billing procedures, current New Mexico Medicaid policy, and telephone etiquette. The CONTRACTOR shall provide for periodic training of telephone representatives.
	21.5.5 Make Timely Responses to Providers' Verbal Inquiries	The CONTRACTOR shall respond to all provider inquiries made verbally concerning recipient eligibility, provider status, claim status, billing procedures, and remittance vouchers immediately, if possible. If immediate verbal responses are not possible, written responses to verbal inquiries will be made within five (5) workdays of the date of the call. The Procuring Agency will approve all form letters in writing before they are put in use.
	21.5.6 Keep Waiting-on-Hold Time Within Agreed Service Levels	The average waiting-on-hold time before callers reach a Help Desk staff member shall not exceed two (2) minutes.

21.5 Maintain Pharmacy Support Help Desk (Continued)	21.5.7 Keep Call Abandonment Rate Within Agreed Service Levels	The Help Desk call abandonment rate must not exceed 5%, as measured on a monthly basis.
	21.5.8 Provide Corrective Action Plan If Agreed Service Levels are Breached	Provide a corrective action plan to the Procuring Agency if A) the abandonment rate exceeds 5% or; B) the average speed of answer exceeds the maximum average two (2) minute threshold or; C) the Procuring Agency determines that an excessive number of calls are being routed to voice mail.
	21.5.9 Maintain a Daily Log of Pharmacy Support Help Desk Activity & Keep It Available to the State's Pharmacy Administrator	The CONTRACTOR shall maintain a log of Pharmacy Support Help Desk activity that will include, at a minimum and when applicable, the name and phone number of the pharmacy, prescriber's name and identification number, client's name and identification number, name of drug, therapeutic class, type of call, action taken, and outcome. The CONTRACTOR shall make an electronic version of the log available daily to the Procuring Agency's Pharmacy Administrator. The CONTRACTOR shall provide summary reports as directed by the Procuring Agency. The format of the log and of the summary reports will be subject to the Procuring Agency's approval.
	21.5.10 Analyze the Root Cause of Calls & Work to Reduce Them	The CONTRACTOR shall document and analyze the reasons for calls and initiate enhancements to reduce the number of calls through better automation, and/or training.
21.6 Manage Agreed Payment Schedule	21.6.1 Invoice the State According to the Operations Payment Schedule	CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule: 21.6.1.1Jan 1, 2020 – Dec 31, 2020: $ 24,425.53 21.6.1.2 Jan 1, 2021 – Dec 31, 2021: $ 24,425.53 21.6.1.3 Jan 1, 2022 – Dec 31, 2022: $ 24,425.53

V. Deliverable Number 22: Mi Via Financial Management Agent (FMA) – Ongoing Operations and Maintenance

Deliverable Twenty-Two	Due Date	Compensation
Mi Via FMA - Ongoing Operations and Maintenance **[Monthly Fiscal Operations]**	**Start: 1-Jan-2020** **End: 31-Dec-2022**	**Paid at a Fixed Rate Per Member per Month and Per Claim** **Total compensation not to exceed $ 17,405,225.26,** **plus NM GRT, due per agreed payment schedule in 22.6.**

Task Item	Subtasks	Description
22.1 Serve as Mi Via Financial Management Agent	22.1.1 Perform Financial Management Agent (FMA) Functions for the Mi Via Program	The CONTRACTOR shall function as the Financial Management Agent (FMA) for this program. As FMA, the CONTRACTOR shall enter employer (participant) and employee information, perform background and criminal record checks on prospective employees, process employee timesheets and invoices, and generate employee payments on behalf of the participant. The CONTRACTOR shall create claims for services and goods approved on the SSP and submit them to the MMIS for processing.
	22.1.2 Provide FMA Services, Manage Policies & Retain Records	As the Mi Via Financial Management Agent, the CONTRACTOR shall provide financial management services, develop and maintain written policies and procedures, and retain all records in conformance with New Mexico and federal statutes, New Mexico income tax regulations, and federal Internal Revenue Service (IRS) regulations.
	22.1.3 Support Centennial Care's Self-Directed Community Benefit	The CONTRACTOR shall function as the FMA for Centennial Care's Self-Directed Community Benefit (SDCB). The cost of the CONTRACTOR's FMA services for a Centennial Care member who meets nursing facility Level of Care criteria and elects to self-direct shall be borne by the member's Managed Care Organization, not the Procuring Agency.
22.2 Support Employer and Employee Enrollment	22.2.1 Meet Detailed Specifications for Employer & Employee Enrollment	The CONTRACTOR shall support employer and employee enrollment by performing the following activities: 22.2.1.1 Mail Employer Information Packets and Employee Information Packets.

22.2 Support Employer and Employee Enrollment (continued)	22.2.1 Meet Detailed Specifications for Employer & Employee Enrollment (continued)	22.2.1.2 Provide telephone support to participants and employees for completion of information packets. 22.2.1.3 Receive and review completed Employer Information Packets and Employee Information Packets. 22.2.1.4 Receive, process and store federal and state forms as required, including but not limited to the New Mexico Department of Labor Form ES-802, and IRS Forms SS-8, W-3, and W-9. 22.2.1.5 Enter employer and employee data from information packets into the Plan of Care Management System (POCMS). 22.2.1.6 Obtain vendor license information and associated expiration dates and update this information in the POCMS. 22.2.1.7 Perform background and criminal record checks and fingerprinting, store hardcopy documents, and update indicators in the POCMS. 22.2.1.8 Store completed hardcopy Employer Information Packets and Employee Information Packets, including electronic funds transfer forms.
22.3 Support Timesheet and Payment Request Processing	22.3.1 Meet Detailed Specifications for Timesheet and Payment Request Processing	CONTRACTOR shall support timesheet and payment request processing by performing the following activities: 22.3.1.1 Receive timesheets for participants on the exception list and payment requests via hardcopy and fax. 22.3.1.2 Scan and store images of timesheets and payment requests received via hardcopy and fax. 22.3.1.3 Enter timesheets and payment requests into the POCMS. 22.3.1.4 Place telephone calls or send email to timesheet and payment request submitters to resolve errors encountered during the data entry process, determine corrections, and enter corrections into the POCMS.
22.4 Support Payroll and Financial Processing	22.4.1 Meet Detailed Specifications for Payroll and Financial Processing	The CONTRACTOR shall support payroll and financial processing by performing the following activities: 22.4.1.1 Set up positive and negative adjustments for retroactive timesheet and payment request changes.

22.4 Support Payroll and Financial Processing (continued)	22.4.1 Meet Detailed Specifications for Payroll and Financial Processing (continued)	22.4.1.2 Initiate retroactive payments, recoveries, and deductions from ongoing payments to offset previous overpayments.
		22.4.1.3 Compute gross and net wages to employee, including deductions for retroactive recoveries and New Mexico gross receipt taxes.
		22.4.1.4 Issue checks or direct deposits to employees at least biweekly and to vendors at least weekly.
		22.4.1.5 Issue checks for retroactive underpayments.
		22.4.1.6 As directed by the PROCURING AGENCY, block cash transactions and transactions from specified merchant category codes.
		22.4.1.7 Update the POCMS with payroll and payment information.
		22.4.1.8 Print and mail participant and vendor payroll/payment reports for any participants and vendors that do not have an email address on file in POCMS.
		22.4.1.9 Produce all IRS and New Mexico payroll, income tax, and workers compensation forms, reports, and data.
		22.4.1.10 Produce and mail W-2 and 1099 forms to employees and vendors.
		22.4.1.11 Provide routine workers compensation administration as part of payroll processing.
		22.4.1.12 Perform an annual reconciliation and reimbursement process to properly account for FICA, SUTA and FUTA dollars for employees/employers who did not generate sufficient wages within the tax year.
		22.4.1.13 Comply with the requirements of Phase 2 of the HIPAA Operating Rules for Electronic Funds Transfer (EFT) and Electronic Remittance Advice (ERA) [EFT/ERA] transactions by providing the capability for specified providers to receive an ASC X12 835 HIPAA transaction that complies with the requirements of section 1104 of the ACA.

22.5 Maintain Mi Via Help Desk	22.5.1 Maintain a Mi Via Call Center	The CONTRACTOR shall maintain a Mi Via Call Center to assist participants and employees with issues pertaining to the CONTRACTOR's FMA responsibilities.
	22.5.2 Meet Detailed Specifications for Mi Via Call Center	The CONTRACTOR shall:
		22.5.2.1 Provide a toll-free call-in number available twenty-four (24) hours per day, seven (7) days per week to for participants and vendors to leave a voicemail and the CONTRACTOR is required to return the call back within 24 hours, Monday through Friday.
		22.5.2.2 Provide call center representatives Monday, Tuesday, Thursday, and Friday from 8:00 AM to 5:00 PM Mountain Time, and Wednesday from 8:00 AM to 4:00 PM except for holidays and closures approved by the Procuring Agency.
		22.5.2.3 Provides call center language support in English and Spanish, in addition to a Spanish Language line.
		22.5.2.4 Provide fax capabilities available twenty-four (24) hours per day, seven (7) days per week.
		22.5.2.5 Enter call notes within an individual participant's record in the POCMS or a call tracking system.
		22.5.2.6 Ensure the call center's toll-free numbers have sufficient incoming lines so that callers are not given a busy signal but are placed on hold to ensure maximum opportunities for reaching a staff person in the order the calls are received. The route table content will allow a caller to hold for at least five (5) minutes before being automatically transferred to voice mail. The telephone system will also give callers the option to branch at any time from hold to voice mail.
		22.5.2.7 The Mi Via Call Center call abandonment rate must not exceed 5%, as measured on a monthly basis.
		22.5.2.8 Hold times shall not exceed, on average, more than two (2) minutes prior to reaching a call center staff member.

| 22.5 Maintain Mi Via Help Desk (continued) | 22.5.2 Meet Detailed Specifications for Mi Via Call Center (continued) | 22.5.2.9 Provide a corrective action plan to the Procuring Agency if the abandonment rate exceeds 5% and/or the average speed of answer exceeds the maximum average two (2) minute threshold. An excessive number of calls routed to voice mail, as determined by the Procuring Agency, may prompt a request for corrective action.

22.5.2.10 Monitor the performance of the Mi Via Call Center. Reports shall be sent quarterly to the Procuring Agency, or more frequently as requested by the Procuring Agency when there is a performance issue. The CONTRACTOR shall provide backup personnel and support necessary to ensure that inquiries beyond the capability of the initially responding staff member are answered and/or properly referred to CONTRACTOR management or, when appropriate, to the Procuring Agency. |
| 22.6 Manage Agreed Payment Schedule | 22.6.1 Invoice the State According to the Mi Via Operations Payment Schedule | CONTRACTOR shall be paid a fixed monthly rate per member, per month (PMPM) for Mi Via general administration activities, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule:

22.6.1.1 Jan 1, 2020 – Dec 31, 2020: PMPM $120.47
22.6.1.2 Jan 1, 2021 – Dec 31, 2021: PMPM $120.47
22.6.1.3 Jan 1, 2022 – Dec 31, 2022: PMPM $120.47

CONTRACTOR shall be paid a fixed rate per claim for Mi Via claims processing and payment, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for the month of claim adjudication, with no retainage, according to the following schedule:

22.6.1.1 Jan 1, 2020– Mar 31, 2020: Per Claim $34.64
22.6.1.2 Jan 1, 2021 – Dec 31, 2021: Per Claim $34.64
22.6.1.3 Jan 1, 2022 – Dec 31, 2022: Per Claim $34.64

Assuming 1,843 avg. mo. Mi Via clients and 84,712 Mi Via claims in calendar year 2020, and 105 avg. mo. additional Mi Via clients and no additional Mi Via claims in each of calendars years 2021-2022, these rates total $17,405,225 for the full three years. |

W. Deliverable Number 23: General Fiscal Agent Services – Ongoing Operations

Deliverable Twenty-Three	Due Date	Compensation
General Fiscal Agent Services – Ongoing Operations [Monthly Fiscal Operations]	Start: 1-Jan-2020 End: 31-Dec-2022	Total compensation not to exceed $ 10,662,267.56, plus NM GRT, due per agreed payment schedule.

Task Item	Subtasks	Description
23.1 Provide Organizational Support	23.1.1 Create Organizational Structure to Meet Contract Requirements & Service Levels	The CONTRACTOR shall implement and maintain an organizational structure with defined staffing and functional areas to meet all contract requirements, to execute all contractual duties, and to maintain responsive service levels.
	23.1.2 Document Organization Chart for the Total MMIS Operation	The CONTRACTOR shall provide a detailed organization chart depicting the CONTRACTOR's total MMIS operation. No change may be made to the basic organizational structure without the written approval of the Procuring Agency.
	23.1.3 Maintain Staffing Documented in Organization Chart	The personnel proposed and documented in the CONTRACTOR's organization charts, as appended to the final Agreement and including numbers and assignments for non-key staff, will be the minimum staffing that the CONTRACTOR shall maintain unless the Procuring Agency approves a reduction in writing.
	23.1.4 Ensure Staff Meet the Minimum Qualifications Specified	The CONTRACTOR shall fill all staff vacancies with similarly qualified persons and shall maintain sufficient qualified personnel to accomplish the work as defined in this Agreement. The following are minimum qualifications that may be waived on a case by case basis should the Procuring Agency concur that the proposed CONTRACTOR personnel are qualified to serve in the designated positions:

23.1 Provide Organizational Support (continued)	23.1.4 Ensure Staff Meet the Minimum Qualifications Specified (continued)	23.1.4.1 The Executive Account Manager will have a minimum of three (3) years of successful experience in comparable or similar positions with the CONTRACTOR or other Medicaid fiscal agent accounts within the past seven (7) years. The Executive Account Manager will be dedicated to this project on a full-time basis.
		23.1.4.2 The Deputy Account Manager will have a minimum of three (3) years of successful experience in comparable or similar positions with the CONTRACTOR or other Medicaid fiscal agent accounts within the past seven (7) years. The Deputy Account Manager will be dedicated to this project on a full-time basis.
	23.1.5 Obtain State Consent Before Diverting Key Personnel	Diversion of CONTRACTOR key personnel requires the express written consent of the Procuring Agency.
	23.1.6 Ensure Employees are Assigned According to the Staffing Plan	The CONTRACTOR warrants and represents that all employees to be assigned to the performance of this Agreement will be assigned in accordance with the staffing plan in the CONTRACTOR's proposal.
	23.1.7 Provide Additional Staff as Necessary to Perform the Agreed Work	Except where specific staff levels are specified in the contract, the CONTRACTOR shall provide additional staff as necessary during the term of the Agreement to perform the work required by the contract.
	23.1.8 Inform the State of All Staff Vacancies and Supply Equivalent Skills	When specific staffing levels are required by the contract, the CONTRACTOR will inform the Procuring Agency of any periods of vacancy and will supply the equivalent number of hours with similar personnel.
	23.1.9 Protect New Mexico MMIS Staff from Distracting Assignments	The CONTRACTOR shall not use staff dedicated to the New Mexico MMIS to perform other work or give them responsibilities with other contracts that affects their ability to perform their responsibilities in support of the New Mexico MMIS, unless they are replaced by personnel with similar experience and abilities and approved by the Procuring Agency.

23.1 Provide Organizational Support (continued)	23.1.10 Designate Staff to Remain On-Call at All Times	The CONTRACTOR shall designate a sufficient number of on-call staff members so that a contact is always available twenty-four (24) hours per day, seven (7) days per week to handle any production problems or other emergency situations.
	23.1.11 Ensure Performance of this Contract's Requirements Does Not Require State Personnel	Performance by the CONTRACTOR will not be contingent upon time availability of Procuring Agency personnel or resources with the exception of specific responsibilities stated in this Agreement.
23.2 Provide Infrastructure Support	23.2.1 Meet Agreed Requirements for Geographical Locations of Staff & Functions	23.2.1.1 For the operational phase, the CONTRACTOR shall have a physical site located within 75 miles of Santa Fe, New Mexico. At a minimum, staff in this location shall include the New Mexico executive account manager and staff supporting claim receipt and scanning, online data entry, resolution of suspended claims, files maintenance, TPL support, and operational and non-pharmacy customer service functions. 23.2.1.2 The following functions may be located in any location within the United States during the transition and operational phases: Optical character recognition scanning; claim capture and correction; Pharmacy Benefits Management System (PBMS) help desk services; drug rebate management and dispute resolution; HIPAA EDI Help Desk services; the MMIS System Maintenance Unit; MMIS technical system platform support; and any subcontracted work. 23.2.1.3 All work under this contract must be performed in the contiguous United States, Hawaii, or Alaska. No work under this contract may be performed by offshore resources, or by any resource in US territories outside of the continental United States, without the written consent of the Procuring Agency.
	23.2.2 Provide Management and Oversight at Each MMIS Location	The CONTRACTOR shall provide appropriate management and oversight at each location and support good communication structures between the various offices and the Procuring Agency.

23.2 Provide Infrastructure Support (continued)	23.2.3 Provide All MMIS Infrastructure, Forms & Documents	The CONTRACTOR shall provide all office space, equipment, hardware, software, forms, and documents necessary to operate, maintain, and enhance the MMIS and to carry out all MMIS functions.
	23.2.4 Provide Offices for Staff at the Claims Processing Facility	The CONTRACTOR shall provide working office space in their claim processing facility for a minimum of two (2) Procuring Agency staff members, including desks, chairs, and personal computers with access to e-mail and the MMIS.
	23.2.5 Supply All Forms, Paper and Envelopes Other Than Those Few Provided by the State	The CONTRACTOR shall supply, at CONTRACTOR's expense, all forms used for internal purposes and provider correspondence such as reports, remittance statements, provider letters, form letters, envelopes, computer paper, report forms, form request forms, Recipient Explanation of Medical Benefits (REOMB) forms, and all other stock and forms necessary for the MMIS operation. The only paper and forms supplied at the expense of the Procuring Agency shall be: claim forms; forms used by providers as attachments to claims; specialized paper for printing of provider warrants; and provider enrollment applications.
	23.2.6 Meet Specifications for Courier Services	The CONTRACTOR shall provide a courier service for picking up documents and distributing documents between their New Mexico offices and the Procuring Agency, other state agencies, and Procuring Agency's contractors relevant to MMIS functions. 23.2.6.1 At least three weekly courier runs must be provided, on Monday, Wednesday and Friday excluding holidays and closures. 23.2.6.2 In addition to the regular schedule, the CONTRACTOR shall provide for special courier runs when requested by the Procuring Agency due to an urgent need. 23.2.6.3 The CONTRACTOR shall document the delivery of reports and other data and track the status of deliveries.
	23.2.7 Provide Overnight Delivery of Documents When Required	The CONTRACTOR shall provide for daily overnight delivery of documents between their New Mexico and out of state offices as required for timely communications and delivery of documents.

23.3 Provide Training and Quality Management	23.3.1 Provide Ongoing Training and Quality Management	23.3.1.1 The CONTRACTOR shall schedule for ongoing training of Procuring Agency and CONTRACTOR personnel in the use of the MMIS. Computer-based training may be used to supplement classroom training when approved by the Procuring Agency. 23.3.1.2 A two-tiered approach to training will be employed to include general initial orientation and advanced training.
	23.3.2 Provide MMIS Contract Training to Contractor's Managers	The CONTRACTOR shall provide training to CONTRACTOR management personnel enabling them to understand the MMIS Contract requirements.
	23.3.3 Provide Initial and Ongoing Training to State Staff & Their Agents	The CONTRACTOR shall provide initial and ongoing training to all Procuring Agency staff and other agents of the Procuring Agency (e.g., utilization review contractor staff) that access and use the New Mexico MMIS. Training classes to be scheduled and offered quarterly as agreed to by the Procuring Agency and CONTRACTOR
	23.3.4 Maintain User Manuals for All Aspects of the MMIS	The CONTRACTOR shall maintain the User Manuals for all aspects of the system. These manuals will provide correct information in sufficient detail and user-friendly language, so that users may accomplish their everyday functions using the MMIS.
	23.3.5 Operate a Formal Quality Management Program Approved by the State	The CONTRACTOR shall maintain all training curriculum and supplemental materials. 23.3.5.1 The CONTRACTOR shall operate a formal quality management program, as approved by the Procuring Agency, with monthly periodic reports to the Procuring Agency. 23.3.5.2 The CONTRACTOR shall meet with the Procuring Agency on a periodic basis to identify key areas to be addressed by the quality management program.

23.4 Coordinate with State Staff and Program Stakeholders	23.4.1 Document All Instructions from the State in a Written Audit Trail	Ensure that all instructions used by the CONTRACTOR regarding claim resolution, payment levels and methodologies, system changes, changes to reports, and changes to a provider's status are in writing from an authorized Procuring Agency source and maintained by the CONTRACTOR for audit trail purposes.
	23.4.2 Provide Appropriate Representatives to MMIS Planning Meetings	At the Procuring Agency's request, the CONTRACTOR shall provide appropriate representation to participate in planning tasks, in meetings, and on task forces for projects that affect the MMIS, interface with the MMIS, or otherwise require coordination with the CONTRACTOR.
	23.4.3 Gather & Analyze MMIS Requirements from Other State Agencies	At the Procuring Agency's request, the CONTRACTOR shall conduct requirement gathering tasks and requirement analysis tasks with other state agencies to prepare the MMIS for other state agency use.
	23.4.4 Keep the Procuring Agency Informed of Contractor Operations for Other State Agencies	The CONTRACTOR shall keep the Procuring Agency informed of cost containment activities, service delivery models, and decision support and data access structures and processes that are effective in other state accounts operated by the CONTRACTOR.
	23.4.5 Support All Legal Inquiries & Events as Directed	The CONTRACTOR shall provide support for hearings, legal cases, audit, inquiries, and other studies as required, including testifying, attending meetings or other scheduled events, responding to subpoenas as directed by the Procuring Agency, and providing other documentation as required.
	23.4.6 Provide Reasonable Access for State & Federal Staff to Inspect Any MMIS Work Facility	The State of New Mexico, the State Auditor, the U.S. Procuring Agency of Health and Human Services, the U.S. Comptroller General, the U.S. General Accounting Office, or their authorized representatives will, at all reasonable times, have the right to enter the CONTRACTOR's premises or such other places where duties under this Agreement are being performed to inspect, monitor, or otherwise evaluate (including periodic systems testing) the work being performed. The CONTRACTOR shall provide reasonable access to all facilities and assistance to the State and federal representatives.

23.4 Coordinate with State Staff and Program Stakeholders (continued)	23.4.7 Develop a Cost Allocation Plan for Non-Medicaid Use of MMIS	The CONTRACTOR shall allocate costs for non-Medicaid use of the MMIS according to a Cost Allocation Plan, developed by the CONTRACTOR and approved by the Procuring Agency.
	23.4.8 Meet Detailed Specifications for Processing Claims for Other State Agencies	The CONTRACTOR shall support processing claims for other state agencies by: 23.4.8.1 Making MMIS system modifications to accommodate appropriate payment methodologies and enforce program rules and policies. 23.4.8.2 Accommodating needs for data and statistics for the other state agencies. 23.4.8.3 Assuring CONTRACTOR staff and managers are trained regarding the specialized non-Medicaid programs to ensure a high quality of service in all areas of the operation.
	23.4.9 Negotiate in Good Faith and Supply Supporting Documentation	The CONTRACTOR shall negotiate in good faith and supply supporting documentation to determine rates and other costs for processing claims and providing other supporting activities when significant program expansions are implemented that significantly expand CONTRACTOR responsibilities.
	23.4.10 Resolve Requests from Providers, Clients, TPA and Others	The CONTRACTOR shall receive, respond to, and resolve requests from providers, clients, the Third-Party Assessor (TPA), other Medicaid contractors, state agencies, and Procuring Agency staff for information concerning billing, claims status, and other CONTRACTOR activities. These inquiries may be verbal or in writing. The demands utilizing this function may vary greatly from time to time due to variations in CONTRACTOR performance and changes in policies, procedures, or other Medicaid Program requirements.
	23.4.11 Develop & Maintain Electronic Information Sharing Methods	The CONTRACTOR shall develop and maintain information exchange and sharing methods that will enable the CONTRACTOR to work closely with providers, other Medicaid contractors, and Procuring Agency staff. There must be a continual effort to reduce paper and increase electronic information capabilities with everyone served.

23.5 Conduct Special Mail-Outs	23.5.1 Deliver Special Client and Provider Notices by Paper Mail When Requested by the State	The CONTRACTOR shall be responsible for all special client and provider mail-outs requested by the Procuring Agency. The CONTRACTOR shall produce the quantity of notices applicable for each requested mail-out and ensure that mailings are completed within timeframes designated by the Procuring Agency.
	23.5.2 Use the Lowest-Bidding Subcontractor Who Meets Mail-Out Requirements	The CONTRACTOR must use the lowest-bidding subcontractor to perform these printings and mailings consistent with maintaining necessary quality and technology standards. The CONTRACTOR may pass through the invoice costs from the subcontractor to the Procuring Agency.
	23.5.3 Assume Responsibility for Mail-Out Errors	The CONTRACTOR shall assume financial and legal responsibility for all mail-out errors that are not the result of a Procuring Agency directive.
23.6 Perform Annual SOC 1 Audit	23.6.1 Complete an Annual, Independent EDP Audit before Each August 15th that Meets the Specifications of SOC 1.	Perform, through an independent contractor, an in-depth electronic data processing (EDP) audit of internal controls in accordance with the Auditing Standards Board's "Statements on Standards for Attestation Engagements No. " (SOC 1) and provide the Procuring Agency with a formal written report of this audit. This report shall be provided not later than August 15th following each state fiscal year, or partial state fiscal year, that the Agreement is in effect, and shall cover the previous state fiscal year. If the Agreement expires or is terminated prior to the August 15th deadline in a year in which a submission of a Service Audit Report is required, the CONTRACTOR'S obligation to submit such report to the Procuring Agency shall survive the expiration or termination of the Agreement.
	23.6.2 Report Any Variances from SOC 1 to the State Before the Audit	The CONTRACTOR shall report to the Procuring Agency any restrictions or limitations on the scope of the audit varying from the Statements on Standards for Attestation Engagements No. 18 prior to completing the audit, for approval or disapproval by the Procuring Agency.

23.6 Perform Annual SOC 1 Audit (continued)	23.6.3 Ensure SSAE 16 Auditor is Independent of Contractor's Corporate CPA	The EDP auditor shall be an independent auditing firm other than the CPA firm engaged as the CONTRACTOR's corporate auditor.
	23.6.4 Obtain State Approval of Auditor Selected	The selection of and contract with the EDP auditor shall be subject to the approval of the Procuring Agency.
	23.6.5 Require Auditor to Report Initial Findings to State Before Reporting to Contractor	The CONTRACTOR shall require the EDP auditor to submit a draft report of its initial audit findings to the Procuring Agency prior to receiving any comments and input from the CONTRACTOR.
	23.6.6 Require Auditor to Submit Final Report to State, with Rights to Distribute it to Other Auditors	The CONTRACTOR shall require the EDP auditor to submit a final report of its findings to the Procuring Agency following comments and input from the CONTRACTOR. The Procuring Agency shall have the right to provide copies of the final report to the Procuring Agency's external and internal auditors.
	23.6.7 Deliver a Corrective Action Plan for Any Deficiencies Identified in Auditor's Final Report & Obtain State Approval	The CONTRACTOR shall include with the report a corrective action plan detailing any deficiencies identified in the report and target dates for correction. The Procuring Agency will assess and respond to the acceptability of the correction plan.

| 23.7 Perform Annual SOC2 Audit | 23.7.1 Complete an Annual Independent audit August 15th each year, that meets the Specifications of SOC 2 in the Security Category | The CONTRACTOR will provide a SOC 2 (System and Organization Controls) Type II Examination Report (SOC 2 Report) covering the controls specific to the Services provided to the Contract Administrator and relevant to the Trust Services Principles of Security, for the procuring agency.

23.7.1.1 The CONTRACTOR shall provide Procuring Agency with a copy of the SOC 2 Report as soon as reasonably possible after the conclusion of such examination, but no later than August 15th, each year following the state fiscal year or partial state fiscal year, that the agreement is in effect and shall cover the previous twelve-month period ending June 30th. If the Agree expires or is terminated prior to the August 15th deadline in a year in which submission of a Service Audit Report and correction plan is due to Procuring Agency, the CONTRACTOR's obligation to submit such report and plan to the Procuring Agency shall survive the expiration or termination of the Agreement. |
| 23.8 Manage Agreed Payment Schedule | 23.8.1 Invoice the State According to the Operations Payment Schedule | CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule:

23.8.1.1 Jan 1, 2020 – Dec 31, 2020: $ 296,174.10
23.8.1.2 Jan 1, 2021 – Dec 31, 2021: $ 296,174.10
23.8.1.3 Jan 1, 2022 – Dec 31, 2022: $ 296,174.10 |

X. Deliverable 24: Optional Programming and Technical Staff

Deliverable Twenty-Four	Due Date	Compensation
Programming and Technical Staff	**Start: 1-Jan-2020 End: 31-Dec-2022**	**Total compensation not to exceed Per Payment Schedule 24.2.1 $1,996,056, plus NM GRT, due per agreed payment schedule.**

Task Item	Subtasks	Description
24.1 Optional Programming and Technical Staff.	24.1.1 Employ Additional Programmers, Business Analysts and Technical Analysts if State Exercises This Option	At the option of the Procuring Agency, the CONTRACTOR shall employ additional Programmers, Business Analysts and Technical Analysts beyond the minimum staffing levels proposed by the CONTRACTOR and accepted by the Procuring Agency, and shall incorporate this staff into the CONTRACTOR's existing organizational structure. Such staff will be used to execute tasks related to the performance of this Agreement and the carrying out of Medicaid program activities.
	24.1.2 Employ Up to Three Additional Programmer Staff in MMIS System Maintenance Unit	At the option of the Procuring Agency, the CONTRACTOR shall provide up to three (3) additional Programmer staff in the MMIS System Maintenance Unit in addition to the minimum staffing proposed by the CONTRACTOR and accepted by the Procuring Agency. The additional staff shall be used to provide additional support services for MMIS activities.
	24.1.2 Employ Up to Three Additional Business Analysts for MMIS Support	At the option of the Procuring Agency, the CONTRACTOR shall provide up to three (3) additional Business Analysts in addition to the minimum staffing proposed by the CONTRACTOR and accepted by the Procuring Agency. The additional staff shall be used to provide additional business support services for MMIS activities
	24.1.3 Employ Up to Three Additional Technical Analysts for MMIS and Data Warehouse	At the option of the Procuring Agency, the CONTRACTOR shall provide up to three (3) additional Technical Analysts in addition to the minimum staffing proposed by the CONTRACTOR and accepted by the Procuring Agency. The additional staff shall be used to provide additional technical analysis and data warehouse support services for MMIS activities.

24.2 Manage Agreed Payment Schedule for Optional Staff	24.2.1 Invoice the State According to the Agreed Monthly Rates for Optional Staff	When exercising this option, the Procuring Agency shall pay the CONTRACTOR a monthly rate for each position as follows:
		
		24.2.1.1 The monthly rate for each additional Programmer added by Procuring Agency shall be as follows, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage:
		
		      24.2.1.1.1 Jan 1, 2020 – Dec 31, 2020: $ 21,289
		      24.2.1.1.2 Jan 1, 2021 – Dec 31, 2021: $ 21,289
		      24.2.1.1.3 Jan 1, 2022 – Dec 31, 2022: $ 21,289
		
		24.2.1.2 The monthly rate for each additional Business Analyst added by Procuring Agency shall be as follows, plus the applicable NM GRT for that month, with no retainage:
		
		      24.2.1.2.1 Jan 1, 2020 – Dec 31, 2020: $ 16,026
		      24.2.1.2.2 Jan 1, 2021 – Dec 31, 2021: $ 16,026
		      24.2.1.2.3 Jan 1, 2022 – Dec 31, 2022: $ 16,026
		
		24.2.1.3 The monthly rate for each additional Technical Analyst added by Procuring Agency shall be as follows, plus the applicable NM GRT for that month, with no retainage:
		
		      24.2.1.3.1 Jan 1, 2020 – Dec 31, 2020: $ 18,131
		      24.2.1.3.2 Jan 1, 2021 – Dec 31, 2021: $ 18,131
		      24.2.1.3.3 Jan 1, 2022 – Dec 31, 2022: $ 18,131

Y. Deliverable 25 Turnover at End of Contract

Deliverable Twenty-Five	Due Date	Compensation
Turnover at End of Contract	As Requested by The Procuring Agent	No Compensation

Task Item	Subtasks	Description
25.1 Develop and Maintain Turnover Plan	25.1.1 Provide Turnover Plan per Agreed Schedule	Within sixty (60) days of receipt of notification of intent to transfer or replace any segment of MMIS components (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.
	25.1.2 Meet Detailed Specifications for Turnover Plan	The Turnover Plan will include, at a minimum, CONTRACTOR's:
		25.1.2.1 Proposed approach to Turnover.
		25.1.2.2 Tasks and sub-tasks for Turnover.
		25.1.2.3 Schedule for Turnover.
		25.1.2.4 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.
		25.1.2.5 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.
		25.1.2.6 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 Agency.
		25.1.2.7 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

25.1 Develop and Maintain Turnover Plan (continued)	25.1.2 Meet Detailed Specifications for Turnover Plan (continued)	25.1.2.8 A Statement of Resource Requirements that clearly describes all facilities and other resources required to operate any component of 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.
25.2 Provide Turnover Support for Specified System Processes	25.2.1 Turn Over Items Specified, According to the State's Directions and Schedule	Upon the Procuring Agency's initiation of turnover activities of Omnicaid, data warehouse, PDCS, Rebate, FADS, CDSS, or Self-Directed Care/Mi-Via, whether to the State or a successor contractor, the CONTRACTOR shall turn over the following as directed and scheduled by the Procuring Agency: 25.2.1.1 All non-proprietary computer source code on magnetic tapes or electronic media such as COLD or CD as directed by the Procuring Agency. 25.2.1.2 All necessary non-proprietary data and non-proprietary reference files in a format directed by the State. 25.2.1.3 All JCL and other utilities required to operate the Omnicaid, data warehouse, PDCS, Rebate, FADS, CDSS, or Self-Directed Care/Mi-Via, including transferring software licenses. 25.2.1.4 All records of claims, providers, encounters, etc., created during the full term of the contract. 25.2.1.5 Required documentation including, at a minimum, the non-proprietary system documentation, non-proprietary user and non-proprietary operation manuals that are currently used to operate and/or maintain Omnicaid, data warehouse, PDCS, Rebate, FADS, CDSS, or Self-Directed Care/Mi-Via, including non-proprietary training manuals and non-proprietary Companion Guides.

25.2 Provide Turnover Support (continued)	25.2.1 Turn Over Items Specified, According to the State's Directions and Schedule (continued)	25.2.1.6 Current non-proprietary operational and non-proprietary training manuals, non-proprietary Companion Guides and non-proprietary policies for Omnicaid, data warehouse, PDCS, Rebate, FADS, CDSS, or Self-Directed Care/Mi-Via shall be provided in their latest and most up to date versions.
		25.2.1.7 Current procedures for updating non-proprietary computer programs, JCL, and related documentation.
		25.2.1.8 Any other non-proprietary items determined to be required in support of a successful turnover, including (for example) identification and specifications for all Omnicaid, data warehouse, PDCS, Rebate, FADS, CDSS, or Self-Directed Care/Mi-Via interfaces.
		25.2.1.9 All non-proprietary configuration management logs.
		25.2.1.10 Contractor must participate fully in the Procuring Agency's required planning and mapping sessions on non-proprietary 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 non-proprietary data 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 to the Procuring Agency designated recipient.
	25.2.2 Train the Designated Staff in MMIS Operations	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 non-proprietary facets of Omnicaid, data warehouse, PDCS, Rebate, FADS, CDSS, or Self-Directed Care/Mi-Via. 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 Omnicaid, data warehouse, PDCS, Rebate, FADS, CDSS, or Self-Directed Care/Mi-Via.

25.2 Provide Turnover Support (continued)	25.2.3 Provide the Specified Turnover Results Report to the State	Following the turnover of operations, provide the Procuring Agency with a Turnover Results Report that will document completion and results of each step of the Turnover Plan.
	25.2.4 Ensure Contractor's MMIS Staff are Free to Accept New Employment with Successor MMIS Operator	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.
	25.2.5 Ensure MMIS Operations, Reporting and Deliverables Up to the Last Day of Contract Expiration	The CONTRACTOR shall be responsible for the completion of all operational activities, reporting, and deliverables. 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, as determined and agreed to by Procuring Agency and Contractor, that all suspended claims are worked by the turnover date and that its 1099 file reflects all payments for the calendar year.
25.3 Provide Post-Turnover Support	25.3.1 Correct Data Errors Made During Turnover at No Additional Cost	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.
	25.3.2 Negotiate Compensation Levels for Any MMIS Support Requested After Turnover is Complete	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 some for Omnicaid, data warehouse, PDCS, Rebate, FADS, CDSS, or Self-Directed Care/Mi-Via operations should the successor contractor fail to satisfactorily implement or perform those operations.

25.4 Support Data Conversion Prior to Turnover	25.4.1 Run Automated Scripts	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
	25.4.2 Turnover and Transition Process	The CONTRACTOR shall support turnover and transition process through Dec 31st, 2022 as necessary to include decommission of equipment and other systems.
	25.4.3 Support Data Conversion Testing	Contractor will utilize existing legacy Omnicaid 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. 25.4.3.1 The downloaded data will be supplied at a frequency requested by the procuring agency or vendor for a period limited to 8 months; after which charges will apply based on CPU costs. 25.4.3.2 If more staff are necessary to support the Data Conversion Testing, the procuring agent will utilize Deliverable Twenty-four (24) for supplemental support staffing. 25.4.3.3 The Omnicaid, data warehouse, PDCS, Rebate, FADS, CDSS, or Self-Directed Care/Mi-Via data conversion will be organized, managed and led by the procuring agency or the vendor receiving the data.
	25.4.4 Parallel Testing	Contractor will use existing Omnicaid legacy system maintenance staff to perform parallel testing with each of the 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 Agency. The Parallel Testing will be organized, managed and led by the Procuring Agency or the vendor receiving the data.

25.4 Support Data Conversion Prior to Turnover (continued)	25.4.5 Provide Data Cleansing Reports	Contractor will use existing Omnicaid and data warehouse 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.
25.5 Manage Turnover Work per Compensation Agreement	25.5.1 Acknowledge There is No Compensation for Deliverable 25	CONTRACTOR shall meet all specifications for Deliverable 25 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.
25.6 Deliver and Review Documents	25.6.1 Deliver and Review Documents to HSD 25.6.2 Deliver and Review Documents to the CONTRACTOR	CONTRACTOR shall: provide the following documents to HSD by email at least 10 business days prior to Contractor presenting the information to HSD Project Manager: • Proposed approach to Turnover. • Tasks and sub-tasks for Turnover. • Schedule for Turnover HSD shall review the documentation presented by the CONTRACTOR within five business after the CONTRACTOR formally presents the documentation to HSD. This includes HSD contacting and submitting any proposed changes or additional requests for clarification to the CONTRACTOR.
25.7 DoIT Formal Acceptance and Sign-off	25.7.1 DoIT Deliver and Review Documents with HSD	CONTRACTOR shall formally present the final documents to include any approved revision listed in Subtask "Deliver and Review Documents". HSD Shall: Review and approve the final documents Provide formal acceptance and sign-off for this deliverable authorizing the Contractor to submit an invoice for approved compensation as identified in the respective deliverable

25.8 Provide Turnover Support for Call Centers	25.8.1 Turnover for Call Centers According to the State's Directions and Schedule	25.8.1.1 Within thirty (30) days of receipt of notification of intent to take over or transfer responsibility for CSCC, MAD, Provider Relations, Mi Via, or HIPAA EDI call center functions, the CONTRACTOR shall provide a statement of the resources that will be required by the Procuring Agency or another CONTRACTOR to take over operation of the CSC, including estimates of numbers, type, and other resources.
		25.8.1.2 Within thirty (30) days of receipt of notification of intent to take over or transfer responsibility for the CSCC, MAD, Provider Relations, Mi Via, or HIPAA EDI call center functions, the CONTRACTOR shall turn over procedure manuals, performance reports, training materials and any other documentation related to the operation of CSC.
		25.8.1.3 The CONTRACTOR shall train the staff of the PROCURING AGENCY or its designated agent in the operation of the CSCC, MAD, Provider Relations, Mi Via, or HIPAA EDI call center functions.
		25.8.1.4 The CONTRACTOR shall not prohibit any staff or management working for the CSCC, MAD, Provider Relations, Mi Via, or HIPAA EDI call center functions from choosing to accept a position with the State of New Mexico.

Z. Deliverable 26: CDSS – Operations and Maintenance

Deliverable Twenty-six	**Due Date**	**Compensation**
CDSS – Operation and Maintenance **[Monthly System Operations]**	**Start: January 1, 2020** **End: December 31, 2021**	**Total compensation not to exceed $1,893,122.40, plus NM GRT, due per agreed payment schedule in 54.6.**

Task Item	Subtasks	Description
26.1 Operate the CDSS	26.1.1 Host the CDSS	The CONTRACTOR shall host the CDSS at its facility on hardware it provides and maintains.
	26.1.2 Operate and Maintain the CDSS	The CONTRACTOR shall operate the CDSS and update ETL processes as required by changes in MMIS table structures.
	26.1.3 Meet Required Service Levels	26.1.3.1 The CDSS shall be available at least 99.9% of the time effective on the first day of the fourth month following implementation, excluding scheduled downtime. 26.1.3.2 The CONTRACTOR shall request scheduled downtime at least 72 hours in advance of the outage. 26.1.3.3 The CONTRACTOR shall provide quarterly performance reports. 26.1.3.4 The CONTRACTOR shall provide telephone support on Procuring Agency business days from 8 a.m. to 5 p.m. Mountain Time, and email support at all other times.
	26.1.4 Provide Access to State Users	The CONTRACTOR shall provide access to up to 200 users, as designated by the Procuring Agency.
	26.1.5 Support Required Reporting	The CONTRACTOR shall support the Procuring Agency's CMS Adult Quality Grant reporting and Quality Improvement Project requirements through the provision of standardized analytical processes, data extracts and reporting tools.

26.2 Enhance the CDSS	26.2.1 Define Desired Capabilities	Following the initial deployment of the CDSS, the CONTRACTOR shall work with the Procuring Agency to define enhanced features to meet Adult Quality Grant objectives and State priorities
	26.2.2 Incorporate-ate and Deploy Defined Enhancement	The CONTRACTOR shall enhance the CDSS as defined by the Procuring Agency and deploy version 2.0 of the system.
26.3 Turnover Support for CDSS	26.3.1 Receive Notice from PROCURING AGENCY	Within thirty (30) days of receipt of notification of the Procuring Agency's intent to assume responsibility for the CDSS function, the CONTRACTOR shall:
	26.3.2 Provide Turnover Support	26.3.2.1 Enter into a mutually acceptable licensing agreement with the Procuring Agency. 26.3.2.2 Provide estimates of the staffing and hardware resources required to maintain the application under Procuring Agency staff operation. 26.3.2.3 Provide all necessary application documentation to facilitate the transition to state staff operation.
26.2 Manage Agreed Payment Schedule	26.4.1 Invoice the State According to the Operations Payment Schedule	CONTRACTOR shall be paid a fixed monthly rate for delivering these operations, plus the applicable New Mexico Gross Receipts Tax (NM GRT) for that month, with no retainage, according to the following schedule: 26.4.1.2 July 1, 2020 - Dec 31, 2020: $ 78,880.10 26.4.1.3 Jan 1, 2021 – Dec 31, 2021: $ 78,880.10 26.4.1.4 Jan 1, 2022 – Dec 31, 2022: $0.00

AA. Deliverable Number 27: Customer Service Center (CSC) Maintenance and Operations

Deliverable Twenty-seven	Due Date	Compensation
Customer Service Center (CSC) Maintenance and Operations **[Monthly System Operations]**	**Start: January 1, 2020** **End: June 30, 2020**	**Total compensation Not to Exceed: $3,768,553.80, plus NM GRT, per agreed payment schedule**

Task Item	Subtasks	Description
27.1 Customer Service Center (CSC)	27.1.1 Customer Service Center (CSC)	The CONTRACTOR shall maintain and operate a Customer Service Center (CSC) to respond to inquiries in both Spanish and English from Recipients and the general public regarding Public Assistance Programs that include Medicaid, , Supplemental Assistance Nutrition Assistance Program (SNAP), Cash Assistance, Low Income Home Energy Assistance Program (LIHEAP), YESNM, and NM Works administered by the Procuring Agency. 27.1.1.1 The CONTRACTOR shall document in ASPEN case comments all interactions pertaining to Recipient inquiries to include emails, calls, correspondence and voicemail. 27.1.1.2 CSC must be established within New Mexico. 27.1.1.3 The CONTRACTOR shall provide the Recipient with the contact information of State resources in a particular county upon request. 27.1.1.4 The CONTRACTOR shall identify discrepancies between Omnicaid and ASPEN and make referrals to MAD. 27.1.1.5 The CONTRACTOR will ensure the availability of staff fluent in Spanish to speak to Applicant and/or Recipient whose primary fluency is Spanish. 27.1.1.6 If language is other than Spanish, the CONTRACTOR will utilize a contracted translation service. 27.1.1.7 The CONTRACTOR will respond to calls concerning verification of coverage, questions concerning managed care enrollment or status requests for replacement ID cards, and other eligibility and enrollment issues except those requiring the explicit interpretation of Medicaid Program policy or recipient eligibility policy, as directed by the Procuring Agency.

27.1 Customer Service Center (CSC) (continued)	27.1.1 Customer Service Center (CSC) (continued)	27.1.1.8 At the option of the Procuring Agency, the CONTRACTOR shall use existing systems to support the new CSC:
		
		    27.1.1.8.1 Communications Management System
		    27.1.1.8.2 Call Management System
		    27.1.1.8.3 Contact Tracking System
		    27.1.1.8.4 Modular Messaging System
		    27.1.1.8.5 Call Recording System

27.2 Staffing	27.2.1 Maintain adequate Staff levels for the CSC	27.2.1.1 The CONTRACTOR shall hire and train additional personnel as needed to maintain staff levels in the CSC and respond to Recipient phone calls, emails, webmail and voicemails to meet SLAs.
		
		27.2.1.2 The CONTRACTOR will ensure that each CSC staff member meets the following qualifications prior to taking a call:
		    27.2.1.2.1 Is knowledgeable of the Procuring Agency's Income Support Programs;
		
		    27.2.1.2.2 Has access to, understands, and can navigate Omnicaid, ASPEN and YESNM;
		
		    27.2.1.2.3 Completes ISD approved training based on approved training curriculum provided by ISD;
		
		    27.2.1.2.4 Understands eligibility and Managed Care Enrollment policies; and
		
		    27.2.1.2.5 Understands the ISD phone tree selections to route according to the ISD qualifications and instructions.

27.3 Reporting	27.3.1 Schedule Reporting	The CONTRACTOR shall monitor the performance of the CSC. Reports shall be sent Weekly and Monthly to the Procuring Agency throughout the term of the Agreement or more frequently as requested by the Procuring Agency when there is a performance issue.

27.3 Reporting	27.3.1. Schedule Reporting (continued)	27.3.1.1 The CONTRACTOR shall report the following measures:
		• Total calls received
		• Total calls by queue
		• Total number of calls answered
		• Percentage of calls answered
		• Abandonment rate percentage
		• Total calls abandoned
		• Total abandoned by caller in 30 seconds or less
		• Total abandoned by caller in 1 minute or less
		• Average wait before call
		• Average speed of answer
		• Average handle time
		• Calls routed to voice message by agents
		• Voicemails returned within 24 hours
		• Notice of understanding
		• Food and Nutrition Services (FNS)
		• Staffing levels
		   o Agent stats
		   o Number of calls taken
		   o Average handle time
		   o Available time
		   o Number of calls transferred to ISD
		
		27.3.1.2 The CONTRACTOR shall report each measure for both Spanish and English calls for the following system queues:
		• Status
		• YESNM
		• Institutional Care Provider
		• Institutional Care Recipient
		• Medicaid
		
		27.3.1.3 The CONTRACTOR shall report YESNM Medicaid application numbers on a weekly basis to the Procuring Agency.
		
		27.3.1.4 The CONTRACTOR shall triage and respond to YESNM webmail and report the number of inquiries and resolutions to the Procuring Agency on a weekly basis

27.4 YESNM	27.4.1 YESNM Specifications	The CONTRACTOR shall provide support to YESNM users for navigation and password resets.
		27.4.1.1 The CONTRACTOR shall respond to all emails submitted to YESNM via phone call and, if after CONTRACTOR triage, the CONTRACTOR is unable to resolve the email request, the inquiry will be forwarded to ISD CSC.
		27.4.1.2 The CONTRACTOR will assist Recipient in completing YESNM Medicaid Applications over the phone.
		27.4.1.3 The CONTRACTOR shall provide assistance to Recipient in linking YESNM accounts to their ISD Case Number.
27.5 Restitution	27.5.1 Restitution Specifications	The CONTRACTOR shall refer Recipients who are calling regarding an over payment correspondence to 1-800-431-4593.
27.6 Child Support	27.6.1 Child Support Specifications	The CONTRACTOR shall refer the Recipients to 1-800-288-7207 if Recipient is calling regarding child support information or has questions regarding child support.
27.7 NM Works	27.7.1 NM Works Specifications	If the Recipient is calling in regard to contacting NM Works, then the CONTRACTOR will provide local NM Works office number.
27.8 IC/Waiver	27.8.1 IC/Waiver Specifications	If Recipient is calling regarding IC/Waiver, then the CONTRACTOR will verify the authorized representative to provide case information. The CONTRACTOR can advise caller to designate an authorized representative to complete or use the benefits being requested. If caller is not the authorized representative or has not designated an authorized representative, then no information can be released.
		27.8.1.1 If Provider is calling regarding IC/Waiver, then the CONTRACTOR will verify if provider is listed on the MAD 344. If Provider is not listed on the MAD 344, then the CONTRACTOR can only release status of pending, approved or denied. If CONTRACTOR is unable to resolve, then CONTRACTOR will transfer call to IC/Waiver Unit.

27.9 Medicaid (MAD)	27.9.1 Medicaid Specifications (MAD)	The CONTRACTOR shall respond to all eligibility inquiries. 27.9.1.1 The CONTRACTOR shall determine if MCO Change is less than 90 days from approval, and if it is less than 90 days from approval, then update and approve. The CONTRACTOR shall provide address to Medical Assistance Division and instruct Recipient to send letter of reason for the change if more than 90 days after initial approval. 27.9.1.2 If the Recipient is calling regarding a PED application and/or required documentation submitted 24 calendar days or more, then the CONTRACTOR shall confirm the application and documents were received. If application and/or required documentation submitted 24 calendar days or more, the CONTRACTOR will transfer call to ISD CSC. 27.9.1.3 The CONTRACTOR shall forward all calls to ISD CSC if the Recipient is calling to request retroactive eligibility. If the Recipient is calling regarding application and/or required documentation submitted less or equal to 24 calendar days then the CONTRACTOR shall confirm the application and documents were received. If application and/or required documentation submitted more than 24 calendar days, the CONTRACTOR will transfer call to ISD CSC.
	27.9.2 CHIP	If the Recipient is calling regarding a CHIP application and/or required documentation submitted less than or equal to 24 calendar days then the CONTRACTOR shall confirm the application and documents were received. If application and/or required documentation submitted more than 24 calendar days, then the CONTRACTOR will transfer call to ISD CSC.
	27.9.3 Insure New Mexico	If the Recipient is calling regarding a Insure New Mexico application and/or required documentation submitted less than or equal to 24 calendar days then the CONTRACTOR shall confirm the application and documents were received. If application and/or required documentation submitted more than 24 calendar days, then the CONTRACTOR will transfer call to ISD CSC.

	27.9.4 Children's Medical Service	If the Recipient is calling regarding a Children's Medical Services application and/or required documentation submitted less than or equal to 24 calendar days then the CONTRACTOR shall confirm the application and documents were received. If application and/or required documentation submitted more than 24 calendar days, then the CONTRACTOR will transfer call to ISD CSC.
	27.9.5 CYFD	If the Recipient is calling regarding a CYFD application and/or required documentation submitted less than or equal to 24 calendar days then the CONTRACTOR shall confirm the application and documents were received. If application and/or required documentation submitted more than 24 calendar days, then the CONTRACTOR will transfer call to ISD CSC.
	27.9.6 Home and Community Based Services Waiver	If the Recipient is calling regarding a Home and Community Based Services Waiver application and/or required documentation submitted less than or equal to 24 calendar days then the CONTRACTOR shall confirm the application and documents were received. If application and/or required documentation submitted more than 24 calendar days, then the CONTRACTOR will transfer call to IC/Waiver 27.9.6.1 The CONTRACTOR will transfer Recipient to the IC/Waiver interview line if Recipient has missed scheduled appointment. 27.9.6.2 If Recipient is unable to make scheduled interview, then the CONTRACTOR will transfer to the IC/Waiver.
27.10 SNAP	27.10.1 SNAP Specifications	If the Recipient is calling regarding a SNAP application and/or required documentation submitted less than or equal to 24 calendar days then the CONTRACTOR shall confirm the application and documents were received. If application and/or required documentation submitted more than 24 calendar days, then the CONTRACTOR will transfer call to ISD CSC. 27.10.1.1 The CONTRACTOR will transfer Recipient to the ISD CSC interview line if Recipient has missed scheduled appointment. 27.10.1.2 If Recipient is unable to make scheduled interview, then the CONTRACTOR will transfer to the ISD CSC.

27.11 CASH Assistance	27.11.1 CASH Assistance Specifications	If Recipient has received a sanction notice, then the CONTRACTOR will review correspondence, specifically the notice of adverse action and case comments. If not resolved, then the CONTRACTOR will transfer to the ISD CSC.
27.12 Energy Assistance/ LIHEAP	27.12.1 Energy Assistance/ LIHEAP Specifications	If the Recipient is calling regarding a LIHEAP application and/or required documentation submitted less than or equal to 24 calendar days, then the CONTRACTOR shall confirm the application and documents were received. If application and/or required documentation submitted more than 24 calendar days, then the CONTRACTOR will transfer call to ISD CSC. 27.12.1.1 If Recipient has a disconnect notice, then the CONTRACTOR will transfer to ISD CSC. 27.12.1.2 If the Recipient indicates that ISD has paid the incorrect vendor, then the CONTRACTOR will determine the vendor paid and get the correct vendor information and escalate to ISD.
27.13 Paris Match	27.13.1 Paris Match Specifications	The CONTRACTOR shall instruct the Recipient that proof of residency needs to be provided to ISD and if already provided, then transfer to ISD CSC.
27.14 CSC Assistance Solutions	27.14.1 Customer Service Center Specifications and Service level agreements.	The CONTRACTOR will ensure the CSC is equipped with sufficient incoming lines so Recipients and members of the general public are not given a busy signal but are placed on hold to ensure the CSC maximum opportunities for reaching a staff person in the order the calls are received. The telephone route-table content will allow caller to hold. The telephone system will also give callers the option to branch from hold to voice mail during normal business hours. 27.14.1.1 The CONTRACTOR will also give callers the option to leave a voice message during business hours or after hours. The CONTRACTOR shall respond to all voice messages left within one (1) business day. 27.14.1.2 The CONTRACTOR will respond to all webmail within one (1) business day of receipt of the webmail.

27.14 CSC Assistance Solutions (continued)	27.14.1 Customer Service Center Specifications and Service level agreements (continued)	27.14.1.3 The CONTRACTOR will ensure CSC agents are not to assist any other Conduent Call Centers. Any violation must be reported. 27.14.1.4 The CONTRACTOR will document each telephone and written inquiry using the CONTRACTOR's automated contact tracking system and identify the reason for each inquiry to support management and reporting. 27.14.1.5 The CONTRACTOR shall present a satisfaction survey option to callers as part of the quality assurance system, allowing callers to report their experience with CSC. The content of the survey shall be approved by the Procuring Agency prior to implementing the survey option. The CONTRACTOR shall tabulate survey responses and provide the Procuring Agency with a monthly summary report. 27.14.1.6 The CONTRACTOR will ensure average speed of answer shall not exceed, on average more than two (2) minutes as measured on a monthly basis. 27.14.1.7 The CONTRACTOR will ensure the CSC call abandonment rate does not exceed 10%, as measured on a monthly basis. 27.14.1.8 The CONTRACTOR will ensure the CSC is available Monday through Friday from 8:00 AM to 5:00 PM Mountain Time, except for holidays or closures approved by the Procuring Agency, to receive and respond to provider inquiries unless the Procuring Agency approves other hours of operation. 27.14.1.9 The CONTRACTOR will ensure CSC holiday schedule observes all state holidays. 27.14.1.10 The CONTRACTOR will provide a corrective action plan to the Procuring Agency if the abandonment rate exceeds 1 0 % and/or average speed of answer exceed the maximum average two (2) minute. An excessive number of calls routed to voicemail by agents, as determined by the Procuring Agency, may prompt a request for corrective action.

27.14 CSC Assistance Solutions (continued)	27.14.1 Customer Service Center Specifications and Service level agreements (continued)	27.14.1.11 SLAs and corresponding penalties, including administering a CAP, will not be enforced if either: 1) the CSC call volumes are greater than 55,000 calls per month and CONTRACTOR is staffed at 42 staff, inclusive of agents, supervisors and leads, at least 37 of whom have been on the floor taking calls for two weeks or more and have been trained with knowledge of SNAP, IC Waiver, YESNM, Cash assistance and LIHEAP calls, OR 2) the percentage of calls that require the CONTRACTOR to help the recipient fill out the application is greater than 5% of the total call volume for that month. 27.14.1.12 For failure to meet average speed of answer or abandonment rate/percentage requirement the CONTRACTOR shall pay the Procuring Agency 2% of monthly compensation per week for which average speed of answer exceed two (2) minutes or abandonment rate exceed 10%. If average speed of answer or abandonment rate requirements are out of compliance beyond 20 business days, the CONTRACTOR shall pay the Procuring Agency 3% of monthly compensation per week. If average speed of answer or abandonment rate requirements are out of compliance beyond 30 business days the CONTRACTOR shall pay the Procuring Agency 5% of monthly compensation per week. Penalty assessments will be capped at one thousand dollars ($1,000.00) per day or ten percent (10%) of the total aggregate monthly invoice, whichever is smaller. 27.14.1.13 For failure to deliver a CAP within ten (10) business days of notification by the Procuring Agency, the CONTRACTOR shall pay the Procuring Agency 2% of monthly compensation per day that the CAP is late. 27.14.1.14 The maximum total amount of liquidated damages and/or penalties that PROCURING AGENCY may assess for a calendar month for all performance requirements outlined in this Amendment 8 that CONTRACTOR fails to meet in that calendar month will not exceed Thirty Thousand Dollars and No Cents ($30,000.00). Thus, for example, if a penalty is assessed pursuant to both Sections 30.15.1.16 (above) and 30.16.1.1 (below) in one calendar month, then maximum amount of penalties that PROCURING AGENCY may assess for that month is Thirty Thousand Dollars and No Cents ($30,000.00).

| 27.15 Resolve Customer Concerns | 27.15.1 Adequately Resolve Customer's Concern Correctly and Efficiently. | 27.15.1 Contractor shall provide case specific information concerning applications or case status.

27.15.1.1CSR will review ASPEN Case Comments, Eligibility Summary Screen and Correspondence to inform the customer regarding of their application or case status.

27.15.2 Contractor shall provide information concerning benefit issuance date and benefit amount to customers.

27.15.2.1 CSR will review ASPEN Benefit Issuance Screen and provide the customer the payment amount as well as the Warrant date that the benefits were distributed to the customer.

27.15.3 The Contractor shall provide case denial reasons when customers call to inquire about case closure.

27.15.3.1The CSR can review Aspen Case Comments, Eligibility Summary Screen and Correspondence so that they can better inform the customer regarding their case closure or reason for case denial. |
| 27.16 Manage Agreed Payment Schedule for Customer Service Center | 27.16.1 Invoice the State According to the Agreed Monthly Rates | The CONTRACTOR shall be paid a monthly rate based on total call volume for the month recorded on the last business day of the month for delivering these operations, plus the applicable New Mexico gross receipts Tax (NM GRT) for that month according to the Volume Tier Schedule below:

Volume Tier Schedule
Up to 35,000 calls/month
Jan 1, 2020 - Jun 30, 2020 - $375,000.00

35,001 - 40,000 calls/month
Jan 1, 2020 - Jun 30, 2020 - $395,200.00

40,001 - 45,000 calls/month
Jan 1, 2020 - Jun 30, 2020 - $414,700.00

45,001 - 50,000 calls/month
Jan 1, 2020 - Dec 31, 2020 - $434,782.30

50,001 - 55,000 calls/month
Jan 1, 2020 - Jun 30, 2020 - $462,472.30 |

27.16 Manage Agreed Payment Schedule for Customer Service Center (continued)	27.16.1 Invoice the State According to the Agreed Monthly Rates (continued)	55,001 - 60,000 calls/month Jan 1, 2020 - Jun 30, 2020 - $490,032.30 60,001 - 65,000 calls/month Jan 1, 2020 - Jun 30, 2020 - $517,592.30 65,001 - 70,000 calls/month Jan 1, 2020 - Jun 30, 2020 - $545,282.30 70,001 - 75,000 calls/month Jan 1, 2020 - Jun 30, 2020 - $572,842.30 75,001 - 80,000 calls/month Jan 1, 2020 - Jun 30, 2020 - $600,402.30 80,001+ calls/month Jan 1, 2020 - Jun 30, 2020 - $628,092.30

Exhibit B

HIPAA Business Associate Agreement

This Business Associate Agreement ("BAA") is entered into between the New Mexico Human Services Department ("Department") and Conduent State Healthcare, LLC, hereinafter referred to as "Business Associate" , in order to comply with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") as amended by Health Information Technology for Economic and Clinical Health Act of 2009 (the "HITECH Act"), including the Standards of the Privacy of Individually Identifiable Health Information and the Security Standards at 45 CFR Parts 160 and 164.

BUSINESS ASSOCIATE, by this PSC Conduent State Healthcare, LLC has agreed to provide services to, or on behalf of the HSD which may involve the disclosure by the Department to the Business Associate (referred to in PSC 20-630-8000-0020 as "Contractor") of Protected Health Information. This Business Associate Agreement is intended to supplement the obligations of the Department and the Contractor as set forth in PSC 20-630-8000-0020 , and is hereby incorporated therein.

THE PARTIES acknowledge HIPAA, as amended by the HITECH Act, requires that Department and Business Associate enter into a written agreement that provides for the safeguarding and protection of all Protected Health Information which Department may disclose to the Business Associate, or which may be created or received by the Business Associate on behalf of the Department.

1. **Definition of Terms**

   a. Breach. "Breach" has the meaning assigned to the term breach under 42 U.S.C. § 17921(1) [HITECH Act § 13400 (1)] and 45 CFR § 164.402.

   b. Business Associate. "Business Associate", herein being the same entity as the Contractor in PSC 20-630-8000-0020, shall have the same meaning as defined under the HIPAA standards as defined below, including without limitation Contractor acting in the capacity of a Business Associate as defined in 45 CFR § 160.103.

   c. Department. "Department" shall mean in this agreement the State of New Mexico Human Services Department.

   d. Individual. "Individual" shall have the same meaning as in 45 CFR §160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR §164.502 (g).

   e. HIPAA Standards. "HIPAA Standards" shall mean the legal requirements as set forth in the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act of 2009, and the regulations and policy guidance, as each may be amended over time, including without limitation:

      i. Privacy Rule. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information in 45 CFR Part 160 and Part 164, Subparts A and E.

ii. Breach Notification Rule. "Breach Notification" shall mean the Notification in the case of Breach of Unsecured Protected Health Information, 45 CFR Part 164, Subparts A and D

iii. Security Rule. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Parts 160 and 164, Subparts A and C, including the following:

f. Security Standards. "Security Standards" hereinafter shall mean the Standards for the Protection of Electronic Protected Health Information at 45 CFR §164.306.

g. Administrative Safeguards. "Administrative Safeguards" shall mean the Standards for the Protection of Electronic Protected Health Information at 45 CFR §164.308.

h. Physical Safeguards. "Physical Safeguards" shall mean the Standards for the Protection of Electronic Protected Health Information at 45 CFR §164.310.

i. Technical Safeguards. "Technical Safeguards" shall mean the Standards for the Protection of Electronic Protected Health Information at 45 CFR §164.312.

j. Policies and Procedures and Documentation Requirements. "Policies and Procedures and Documentation Requirements" shall mean the Standards for the Protection of Electronic Protected Health Information at 45 CFR §164.316.

k. Protected Health Information. "Protected Health Information" or "PHI" shall have the same meaning as in 45 CFR §160.103, limited to the information created, maintained, transmitted or received by Business Associate, its agents or subcontractors from or on behalf of Department.

l. Required By Law. "Required By Law" shall have the same meaning as in 45 CFR §164.103.

m. Secretary. "Secretary" shall mean the Secretary of the U. S. Department of Health and Human Services, or his or her designee.

n. Covered Entity. "Covered Entity" shall have the meaning as the term "covered entity" defined at 45 CFR §160.103, and in reference to the party to this BAA, shall mean the State of New Mexico Human Services Department.

Terms used, but not otherwise defined, in this BAA shall have the same meaning as those terms in the HIPAA Standards. All terms used and all statutory and regulatory references shall be as currently in effect or as subsequently amended.

2.   **Obligations and Activities of Business Associate**

a. General Rule of PHI Use and Disclosure. The Business Associate may use or disclose PHI it creates for, receives from or on behalf of, the Department to perform functions, activities or services for, or on behalf of, the Department in accordance with the specifications set forth in this BAA and in this PSC 20-630-8000-0020; provided that such use or disclosure would not violate the HIPAA Standards if done by the Department; or as Required By Law.

i. Any disclosures made by the Business Associate of PHI must be made in accordance with HIPAA Standards and other applicable laws.

ii. Notwithstanding any other provision herein to the contrary, the Business Associate shall limit uses and disclosures of PHI to the "minimum necessary," as set forth in the HIPAA Standards.

iii. The Business Associate agrees to use or disclose only a "limited data set" of PHI as defined in the HIPAA Standards while conducting the authorized activities herein and as delineated in PSC 20-630-8000-0020 , except where a "limited data set" is not practicable in order to accomplish those activities.

iv. Except as otherwise limited by this BAA or PSC 20-630-8000-0020, Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

v. Except as otherwise limited by this BAA or PSC 20-630-8000-0020 Business Associate may disclose PHI for the proper management and administration of the Business Associate provided that the disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

vi. Business Associate may use PHI to report violations of law to appropriate federal and state authorities, consistent with 45 CFR § 164.502(j).

vii. Business Associate may use PHI to provide Data Aggregation services to the Department as permitted by the HIPAA Standards.

b. Safeguards. The Business Associate agrees to implement and use appropriate Security, Administrative, Physical and Technical Safeguards, and comply where applicable with subpart C of 45 C.F.R. Part 164, to prevent use or disclosure of PHI other than as required by law or as provided for by this BAA or PSC 20-630-8000-0020 Business Associate shall identify in writing upon request from the Department all of those Safeguards that it uses to prevent impermissible uses or disclosures of PHI.

c. Restricted Uses and Disclosures. The Business Associate shall not use or further disclose PHI other than as permitted or required by this BAA or PSC 20-630-8000-0020 the HIPAA Standards, or otherwise as permitted or required by law. The Business Associate shall not disclose PHI in a manner that would violate any restriction which has been communicated to the Business Associate.

i) The Business Associate shall not directly or indirectly receive remuneration in exchange for any of the PHI unless a valid authorization has been provided to the Business Associate that includes a specification of whether the PHI can be further exchanged for remuneration by the entity receiving the PHI of that individual, except as provided for under the exceptions listed in 45 C.F.R. §164.502 (a)(5)(ii)(B)(2).

ii) Unless approved by the Department, Business Associate shall not directly or indirectly perform marketing to individuals using PHI.

d. <u>Agents</u>. The Business Associate shall ensure that any agents that create, receive, maintain or transmit PHI on behalf of Business Associate, agree in writing to the same restrictions and conditions that apply to the Business Associate with respect to PHI, in accordance with 45 C.F.R. § 164.502(e)(1)(ii), and shall make that agreement available to the Department upon request. Upon the Business Associate's contracting with an agent for the sharing of PHI, the Business Associate shall provide the Department written notice of any such executed agreement.

e. <u>Availability of Information to Individuals and the Department</u>. Business Associate shall provide, at the Department's request, and in a reasonable time and manner, access to PHI in a Designated Record Set (including an electronic version if required) to the Department or, as directed by the Department, to an Individual in order to meet the requirements under 45 CFR § 164.524. Within three (3) business days, Business Associate shall forward to the Department for handling any request for access to PHI that Business Associate receives directly from an Individual. If requested by the Department, the Business Associate shall make such information available in electronic format as required by the HIPAA Standards to a requestor of such information and shall confirm to the Department in writing that the request has been fulfilled.

f. <u>Amendment of PHI</u>. In accordance with 45 CFR § 164.526, Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set that the Department directs or agrees to, at the request of the Department or an Individual, to fulfill the Department's obligations to amend PHI pursuant to the HIPAA Standards. Within three (3) business days, Business Associate shall forward to the Department for handling any request for amendment to PHI that Business Associate receives directly from an Individual.

g. <u>Internal Practices</u>. Business Associate agrees to make internal practices, books and records, including policies, procedures and PHI, relating to the use and disclosure of PHI, available to the Department or to the Secretary within seven (7) days of receiving a request from the Department or receiving notice of a request from the Secretary, for purposes of the Secretary's determining the Department's compliance with the Privacy Rule.

h. <u>PHI Disclosures Recordkeeping</u>. Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for the Department to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with the HIPAA Standards and 45 CFR § 164.528. Business Associate shall provide such information to the Department or as directed by the Department to an Individual, to permit the Department to respond to an accounting request. Business Associate shall provide such information in the time and manner reasonably designated by the Department. Within three (3) business days, Business Associate shall forward to the Department for handling any accounting request that Business Associate directly receives from an individual.

i. <u>PHI Disclosures Accounting</u>. Business Associate agrees to provide to the Department or an Individual, within seven (7) days of receipt of a request, information collected in accordance with Section 2 (h) of this Agreement, to permit the Department to respond to a request for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528.

j. <u>Security Rule Provisions</u>. As required by 42 U.S.C. § 17931 (a) [HITECH Act Section 13401(a)] , the following sections as they are made applicable to business associates under

the HIPAA Standards, shall also apply to the Business Associate: 1) Administrative Safeguards; 2) Physical Safeguards; 3) Technical Safeguards; 4) Policies and Procedures and Documentation Requirements; and 5) Security Standards. Additionally, the Business Associate shall either implement or properly document the reasons for non-implementation of all safeguards in the above cited sections that are designated as "addressable" as such are made applicable to Business Associates pursuant to the HIPAA Standards.

k. <u>Civil and Criminal Penalties</u>. Business Associate agrees that it will comply with the HIPAA Standards as applicable to Business Associates, and acknowledges that it may be subject to civil and criminal penalties for its failure to do so.

l. <u>Performance of Covered Entity's Obligations</u>. To the extent the Business Associate is to carry out the Department 's obligations under the HIPAA Standards, Business Associate shall comply with the requirements of the HIPAA Standards that apply to the Department in the performance of such obligations.

m. <u>Subcontractors</u>. The Business Associate shall ensure that any subcontractors that create, receive, maintain or transmit PHI on behalf of Business Associate, agree in writing to the same restrictions and conditions that apply to the Business Associate with respect to PHI, with 45 C.F.R. § 164.502(e)(1)(ii), and shall make such information available to the Department upon request. Upon the Business Associate's contracting with an agent for the sharing of PHI, the Business Associate shall provide the Department written notice of any such executed agreement. Upon the Business Associate's contracting with a subcontractor for the sharing of PHI, the Business Associate shall provide the Department written notice of any such executed agreement.

3. Business Associate Obligations for Notification, Risk Assessment, and Mitigation

During the term of this BAA or PSC 20-630-8000-0020 the Business Associate shall be required to perform the following pursuant to the Breach Notification Rule regarding Breach Notification, Risk Assessment and Mitigation:

Notification

a. Business Associate agrees to report to the Department Contract Manager or HIPAA Privacy and Security Officer any use or disclosure of PHI not provided for by this BAA or PSC 20-630-8000-0020 and HIPAA Standards, including breaches of unsecured PHI as required by 45 C.F.R. § 164.410, as soon as it (or any employee or agent) becomes aware of the Breach, and in no case later than three (3) business days after it (or any employee or agent) becomes aware of the Breach, except when a government official determines that a notification would impede a criminal investigation or cause damage to national security.

b. Business Associate shall provide the Department with the names of the individuals whose unsecured PHI has been, or is reasonably believed to have been, the subject of the Breach and any other available information that is required to be given to the affected individuals, as set forth in 45 CFR §164.404(c), and, if requested by the Department, provide information necessary for the Department to investigate promptly the impermissible use or disclosure. Business Associate shall continue to provide to the Department information concerning the Breach as it becomes available to it, and shall also provide such assistance and further information as is reasonably requested by the Department.

Risk Assessment

c. When Business Associate determines whether an impermissible acquisition, use or disclosure of PHI by an employee or agent poses a low probability of the PHI being compromised, it shall document its assessment of risk in accordance with 45 C.F.R. § 164.402 (in definition of "Breach", ¶ 2) based on at least the following factors: (i) the nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification; (ii) the unauthorized person who used the protected health information or to whom the disclosure was made; (iii) whether the protected health information was actually acquired or viewed; and (iv) the extent to which the risk to the protected health information has been mitigated. Such assessment shall include: 1) the name of the person(s) making the assessment, 2) a brief summary of the facts, and 3) a brief statement of the reasons documenting the determination of risk of the PHI being compromised. When requested by the Department, Business Associate shall make its risk assessments available to the Department.

d. If the Department determines that an impermissible acquisition, access, use or disclosure of PHI, for which one of Business Associate's employees or agents was responsible, constitutes a Breach, and if requested by the Department, Business Associate shall provide notice to the individuals whose PHI was the subject of the Breach. When requested to provide notice, Business Associate shall consult with the Department about the timeliness, content and method of notice, and shall receive the Department's approval concerning these elements. The cost of notice and related remedies shall be borne by Business Associate. The notice to affected individuals shall be provided as soon as reasonably possible and in no case later than 60 calendar days after Business Associate reported the Breach to the Department.

Mitigation

e. In addition to the above duties in this section, Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI, by Business Associate in violation of the requirements of this Agreement or the HIPAA Standards. Business Associate shall draft and carry out a plan of corrective action to address any incident of impermissible use or disclosure of PHI. If requested by the Department, Business Associate shall make its mitigation and corrective action plans available to the Department.

f. The notice to affected individuals shall be written in plain language and shall include, to the extent possible, 1) a brief description of the Breach, 2) a description of the types of Unsecured PHI that were involved in the Breach, 3) any steps individuals can take to protect themselves from potential harm resulting from the Breach, 4) a brief description of what the Business Associate and the Department are doing to investigate the Breach, to mitigate harm to individuals and to protect against further Breaches, and 5) contact procedures for individuals to ask questions or obtain additional information, as set forth in 45 CFR §164.404(c).

Notification to Clients

g. Business Associates shall notify individuals of Breaches as specified in 45 CFR §164.404(d) (methods of individual notice). In addition, when a Breach involves more than 500 residents of a State or jurisdiction, Business Associate shall, if requested by the

Department, notify prominent media outlets serving such location(s), following the requirements set forth in 45 CFR §164.406.

4. **Obligations of the Department to Inform Business Associate of Privacy Practices and Restrictions**

    a. The Department shall notify Business Associate of any limitation(s) in the Department's Notice of Privacy Practices, implemented in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

    b. The Department shall notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

    c. The Department shall notify Business Associate of any restriction in the use or disclosure of PHI that the Department has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

    d. The Department shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by the Department.

5. **Term and Termination**

    a. Term.   This BAA terminates concurrently with PSC 20-630-8000-0020 except that obligations of Business Associate under this BAA related to final disposition of PHI in this Section 5 shall survive until resolved as set forth immediately below.

    b. Disposition of PHI upon Termination.   Upon termination of this PSC 20-630-8000-0020 and BAA for any reason, Business Associate shall return or destroy all PHI in its possession, and shall retain no copies of the PHI. In the event that Business Associate determines that returning or destroying the PHI is not feasible, Business Associate shall provide to the Department notification of the conditions that make return or destruction of PHI not feasible. Upon consideration and mutual agreement of the Parties that return or destruction of the PHI is infeasible, Business Associate shall agree, and require that its agents, affiliates, subsidiaries and subcontractors agree, to the extension of all protections, limitations and restrictions required of Business Associate hereunder.

    c. If Business Associate breaches any material term of this BAA, the Department may either:

        i.   provide an opportunity for Business Associate to cure the Breach and the Department may terminate this PSC 20-630-8000-0020 and BAA without liability or penalty in accordance with Article 4, Termination, of PSC 20-630-8000-0020 if Business Associate does not cure the breach within the time specified by the Department; or,

        ii. immediately terminate this PSC 20-630-8000-0020 without liability or penalty if the Department determines that cure is not reasonably possible; or,

        iii. if neither termination nor cure are feasible, the Department shall report the breach to the Secretary.

The Department has the right to seek to cure any breach by Business Associate and this right, regardless of whether the Department cures such breach, does not lessen any right or remedy available to the Department at law, in equity, or under this BAA or PSC 20-630-8000-0020 nor does it lessen Business Associate's responsibility for such breach or its duty to cure such breach.

6.   Penalties and Training.

Business Associate understands and acknowledges that violations of this BAA or PSC 20-630-8000-0020 may result in notification by the Department to law enforcement officials and regulatory, accreditation, and licensure organizations. If requested by the Department, Business Associate shall participate in training regarding use, confidentiality, and security of PHI.

7.   Miscellaneous

a. Interpretation. Any ambiguity in this BAA, or any inconsistency between the provisions of this BAA or PSC 20-630-8000-0020 shall be resolved to permit the Department to comply with the HIPAA Standards.

b. Business Associate's Compliance with HIPAA. The Department makes no warranty or representation that compliance by Business Associate with this BAA or the HIPAA Standards will be adequate or satisfactory for Business Associate's own purposes or that any information in Business Associate's possession or control, or transmitted or received by Business Associate, is or will be secure from unauthorized use or disclosure. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI.

c. Change in Law. In the event there are subsequent changes or clarifications of statutes, regulations or rules relating to this BAA or PSC 20-630-8000-0020 the Department shall notify Business Associate of any actions it reasonably deems necessary to comply with such changes, and Business Associate shall promptly take such actions. In the event there is a change in federal or state laws, rules or regulations, or in the interpretation of any such laws, rules, regulations or general instructions, which may render any of the material terms of this BAA unlawful or unenforceable, or which materially affects any financial arrangement contained in this BAA, the parties shall attempt amendment of this BAA to accommodate such changes or interpretations. If the parties are unable to agree, or if amendment is not possible, the parties may terminate the BAA and PSC 20-630-8000-0020 pursuant to its termination provisions.

d. No Third Party Beneficiaries. Nothing express or implied in this BAA is intended to confer, nor shall anything herein confer, upon any person other than the Department, Business Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

e. <u>Assistance in Litigation or Administrative Proceedings</u>. Business Associate shall make itself and any agents, affiliates, subsidiaries, subcontractors or workforce members assisting Business Associate in the fulfillment of its obligations under this BAA and PSC 20-630-8000-0020 available to the Department, at no cost to the Department, to testify as witnesses or otherwise in the event that litigation or an administrative proceeding is commenced against the Department or its employees based upon claimed violation of the HIPAA standards or other laws relating to security and privacy, where such claimed violation is alleged to arise from Business Associate's performance under this BAA or PSC 20-630-8000-0020 except where Business Associate or its agents, affiliates, subsidiaries, subcontractors or employees are named adverse parties.

f. <u>Additional Obligations</u>. Department and Business Associate agree that to the extent not incorporated or referenced in any Business Associate Agreement between them, other requirements applicable to either or both that are required by the HIPAA Standards, those requirements are incorporated herein by reference.

APPENDIX 1

1. Configured and Integrated Proprietary Software

Pharmacy OS+ (owned by CONTRACTOR)
IFADS (owned by Subcontractor, Optum Insight)

2. SAAS

DRAMS (owned by CONTRACTOR)
State-level registry (owned by CONTRACTOR)
All FOCoS Innovations Corp. provided systems, specifically FOCoSonline (owned by Subcontractor, FOCoS Innovations Corp.)
All TNT provided system (no specific name) (owned by Subcontractor, TNT)
All Medversant provided systems (no specific name) (owned by Subcontractor, Medversant)
Predictive Risk Intelligence System (PRISM) (owned by Spectrum Informatics, LLC)