



**Office of State Procurement
PROACT Contract Certification of Approval**

**This certificate serves as confirmation that the Office of State Procurement
has reviewed and approved the contract referenced below.**

Reference Number: 2000199641 (2)
Vendor: Health Management Systems
Description: Revision to SoW and add utilization of ELLI
Approved By: Sue Ellen Hopper
Approval Date: 5/02/2018

Your amendment that was submitted to OSP has been approved.

AMENDMENT TO
AGREEMENT BETWEEN STATE OF LOUISIANA
LOUISIANA DEPARTMENT OF HEALTH

Amendment #: 2
LAGOV#: 2000199641
LDH #: 061200

<u>(Regional/ Program/ Facility</u>	<u>Medical Vendor Administration</u>	Original Contract Amount	<u>\$ 7,650,000.00</u>
	<u>Bureau of Health Services Financing</u>	Original Contract Begin Date	<u>07-01-2016</u>
	<u>AND</u>	Original Contract End Date	<u>06-30-2019</u>
	<u>Health Management Systems, Inc</u>	RFP Number:	<u>300000503B</u>
	<u>Contractor Name</u>		

AMENDMENT PROVISIONS

Change Contract From: From Maximum Amount: \$7,650,000.00 Current Contract Term: 06/30/2019

Please see Attachment B - SOW

Change Contract To: To Maximum Amount: \$7,650,000.00 Changed Contract Term: 06/30/2019

Please see Attachment B - SOW

Justifications for amendment:

Please see Attachment B - SOW

This Amendment Becomes Effective: 04-18-2018

This amendment contains or has attached hereto all revised terms and conditions agreed upon by contracting parties.

IN WITNESS THEREOF, this amendment is signed and entered into on the date indicated below.

CONTRACTOR

Health Management Systems, Inc

Douglas Williams 4/9/2018
CONTRACTOR SIGNATURE DATE

PRINT NAME Douglas Williams

CONTRACTOR TITLE President Markets

**STATE OF LOUISIANA
LOUISIANA DEPARTMENT OF HEALTH**

Secretary, Louisiana Department of Health or Designee *MH*

Jon Steele 3/27/18
SIGNATURE DATE

NAME Jon Steele

TITLE Medicaid Director

OFFICE Office of the Secretary

Kerri Capello 3/26/2018
PROGRAM SIGNATURE DATE

NAME Kerri Capello, Section Chief



State of Louisiana
Louisiana Department of Health
Bureau of Health Services Financing

April 2, 2018

Ms. Pamela Bartfay Rice, Esq.
Assistant Director-Professional Contracts
Office of State Procurement
P. O. Box 94095
Baton Rouge, LA 70804-9095

Re: HMS Contract #2000199641
Amendment 2

Dear Ms. Rice:

In reference to the enclosed contract amendment, we do certify the following:

1. Either no employee of our agency is both competent and available to perform the services called for by the proposed contract or the services called for are not the type readily susceptible of being performed by persons who are employed by the state on a continuing basis;
2. The services are not available as a product of a prior or existing professional, personal, consulting, or social services contract;
3. When applicable, the requirements for consulting or social services contracts, as provided for under Louisiana Revised Statutes Title 39:1595, have been complied with.
4. The **Department of Health** has developed and fully intends to implement a written plan providing for:
 - a. The assignment of Sheila Savoy to a monitoring and liaison function; **and**
 - b. The periodic review of interim reports or other indicia of performance to date; **and**
 - c. The ultimate use of the final product of the services.
5. A cost-benefit analysis has been conducted which indicates that obtaining such services from the private sector is more cost-effective than providing such services by the agency itself or by an agreement with another state agency and includes both a short-term and long-term analysis and is available for review.
6. The cost basis for the proposed contract is justified and reasonable.

Name
Date
Page 2

7. A description of the specific goals and objectives, deliverables, performance measures and a plan for monitoring the services to be provided are contained in the proposed contract.
8. An inquiry has been conducted to determine if the contract outsources a key internal control of the agency. The results have been documented in the agency's files and are available for review, upon request. If warranted, the RFP and contract have included provisions which address the need for assurances and/or monitoring of the key internal control.
9. The Board of Regents has been notified in accordance with R.S. 39:136 of services that are the type readily susceptible of being performed by persons who are employed by or who are students of a postsecondary institution of the state.

Sincerely,



Kerri Capello
MMIS Section Chief

John Bel Edwards
GOVERNOR



Rebekah E. Gee MD, MPH
SECRETARY

State of Louisiana
Louisiana Department of Health
Bureau of Health Services Financing

April 02, 2018

Ms. Pamela Bartfay Rice, Esq.
Assistant Director – Professional Contracts
Office of State Procurement
P. O. Box 94095
Baton Rouge, LA 70804-9095

RE: HMS Contract #2000199641
Amendment 2

Dear Ms. Rice:

Amendment #2 to HMS' contract is being submitted to your office this date for your review and approval in accordance with LRS 39:1551 et. Seq. and the rules and regulations adopted pursuant thereto:

Submitting Agency: Louisiana Department of Health
Contractor: Health Management Systems, Inc. (HMS)
Contract Amount: \$7,650,000.00
Amendment 2 Amt: \$0.00

Your cooperation in this regard is greatly appreciated. If any additional information is needed, please contact Sheila Savoy at (225-342-8743).

Sincerely,

A handwritten signature in black ink, appearing to read "Sheila Savoy", with a long horizontal flourish extending to the right.

Sheila Savoy
Medicaid Program Manager

SCOPE OF WORK

A. Project Overview

At a minimum, the Contractor will:

1. Develop and implement a collections process for seeking reimbursement from liable third party health insurance carriers or directly from Medicaid providers for medical services provided under Title XIX or Title XXI Medicaid for fee -for-service enrollees and Medicaid managed care members. Managed Care Organizations (MCOs) have three hundred sixty-five (365) calendar days from date of service to collect from liable third parties. The State has reserved the right to pursue collection as a "come behind" process after the three hundred sixty-five (365) calendar day time frame for the MCOs to collect has elapsed.
2. Including the following, develop and implement a cost avoidance process by which TPL is added to the resource file:
 - a. When Contractor has identified and verified third party coverage;
 - b. Prior to instructing providers to bill carriers; and
 - c. After the Contractor has billed carriers directly and received payment.
3. Augment the Fiscal Intermediary (FI)'s monthly Medicare recovery efforts.
4. Develop and annually implement a review process as approved by the Louisiana Department of Health (LDH), which seeks reimbursement from Medicaid participating hospital providers through which overpayments (i.e., credit balances) for medical services provided under Title XIX or Title XXI Medicaid for fee-for-service enrollees are identified and recovered.

B. Deliverables

The Contractor will complete deliverables in accordance with the requirements in this section.

Reporting

The Contractor shall work with the State and agree to the required timelines for delivery of all reporting functions. Although the State has indicated the reports that are required, the Contractor may suggest additional reports. The State also reserves the right to require additional reports beyond what is included in this document. All report formats must be approved by the State. Reports require State approval before being considered final.

Auditing

The Contractor shall perform audits throughout the course of their contract. The State will approve audit schedules and the mechanisms for which these will be completed.

Validation

The Contractor shall perform validations to ensure the State is being provided the highest quality of deliverables. The Contractor should suggest areas which require validation.

Monitoring

The Contractor shall monitor and evaluate the project progress and shall identify and report any deficiencies or issues needing to be resolved along with the recommended solutions in the form of project status reporting or other formats deemed necessary by the State. The Contractor shall meet with the State on a regular basis, as determined by mutual agreement between the State Contract Monitor and the Contractor.

1. General Requirements

This section identifies tasks the selected Contractor will perform, at a minimum, during the contract period. These tasks and associated deliverables will be the basis by which the Contractor's performance will be measured.

The Contractor shall:

- a. Pursue third party liability (TPL) recoveries for federally mandated pay and chase claims which are paid by Medicaid without regard to known health insurance coverage.
- b. Pursue TPL recoveries for claims paid and adjudicated prior to updates to the resource file denoting current and retroactive health insurance coverage. If a Medicaid enrollee has multiple types of coverage, the Contractor shall prioritize the coverage and report the information to the Department in the following order:
 - i. Major medical or major medical without maternity coverage;
 - ii. Pharmacy coverage; and
 - iii. Dental only, vision only, cancer only, and other specialized types of coverage (reported only in the absence of major medical or pharmacy coverage).
- c. Obtain a monthly file from all health insurance carriers, as required by LA R.S. 44:14, and conduct a data match with the Louisiana Medicaid enrollee file to identify liable third parties to the Department for updating the Medicaid resource file:
 - i. Issue billings to carriers based on data match criteria in order to maximize recoveries;
 - ii. Initiate and maintain a comprehensive resource file review program for file maintenance of third party resource data in order to maximize cost avoidance;
 - iii. Process the nightly files delivered via Secure File Transfer Protocol (SFTP) from the Medicaid eligibility system containing information on Medicaid enrollees who are currently enrolled in private insurance or whose insurance enrollment status is unknown. The Contractor shall verify insurance coverage for these Medicaid enrollees within five (5) business days of receipt of the file delivered from the Medicaid eligibility system;
 - iv. Perform carrier code updates and consolidation; and
 - v. Perform cleanup of invalid scopes of coverage.
- d. Pursue follow-up on outstanding accounts receivables six (6) months after Contractor issues billings to carriers with the requirement of ninety percent (90%) resolution of claims within ninety (90) calendar days of six (6) month follow-up. For the purposes of B.1.d, resolution shall mean claims that have been closed on the accounts receivable. Ninety percent (90%) is defined as being calculated by the total number of claims resolved divided by the total number of claims billed.
- e. Within ninety (90) calendar days of contract execution, at a minimum, provide twenty-four (24) months of insurance data obtained through data match agreements with insurance carriers of Louisiana residents, searchable by social security number, for the Department to access via a web service call. The data specifications shall be determined in collaboration between the Department and the Contractor and shall be an on-going process throughout the life of the contract; however, the specifications must include the ability to access data real time.

Provide for secure, web-based access to claim information for all appropriate providers, within ninety (90) calendar days of contract execution, in order to fulfill requirements mandated by Act 517 (SB 33) of the 2008 Regular Legislative Session. Information on Act 517 will be made available in the procurement library. For each Medicaid reclamation claim paid by a health insurer, provide claim identifying information (control number, patient account number), comprehensive insurance billing data, payment information, and posting date of payment. The Contractor must provide electronic notification to providers when payment updates are available and host data on a web server for a minimum of sixty (60) calendar days after notification to the provider. The Contractor must develop and implement a provider training curriculum and maintain an adequately staffed provider inquiry line Monday through Friday, 8am-5pm CT, excluding Louisiana state holidays. In addition, the Contractor must provide for submission of online extension requests for claims for which the provider must bill and must provide a module for providers to review the status of submitted inquiries with regard to recovery projects within the web portal.

- g. Provide for secure, web-based access to claims billed to carriers to include specific

data elements as determined by the Department in an agreed-upon format within two (2) weeks after the date of billing.

- h. Conduct an annual electronic data match with the Defense Enrollment Eligibility Reporting System (DEERS) in accordance with the date and file formatting required by DEERS. The DEERS online data system shall be used in conjunction with the annual file.
- i. Provide an electronic data file to the Department of Children & Family Services (DCFS) pursuant to an interagency agreement between LDH and DCFS in accordance with Act 578 of the 2008 Louisiana Legislature. Information on Act 578 will be made available in the procurement library.
- j. Perform a quarterly data match with support enforcement information system data as per the Centers for Medicare and Medicaid Services (CMS) regulations as specified by the Department.
- k. Perform identification and collection activities for commercial insurance within sixty (60) calendar days of the receipt of the Medicaid Adjudicated Claims History File data, as mandated by Federal Regulation 42 CFR 433.139 Collection and Disposition of Recovered Funds.
- l. Develop and implement a review process for Medicaid participating hospital providers for the purpose of annually identifying and recovering potential Medicaid overpayments by means of performing a combination of provider self-reviews, desk reviews and onsite reviews.

2. Programmatic Requirements

- a. Information provided by the Department to the Contractor shall include, but not be limited to the following:
 - i. Copies of the Medicaid enrollee file, the resource file, the provider file, and the adjudicated claims history file on, at a minimum, a monthly basis through the Department's FI.
 - ii. An SFTP file, on a quarterly basis, of the FI's Medicare monthly void/adjustment data.
 - iii. A TPL Carrier Code listing is available on the Louisiana Medicaid website.
 - iv. Access to support enforcement information system data in a format and medium determined by DCFS.
 - v. Access to Medicare recovery data will be coordinated by the Department to ensure non-duplication and timely filing assurance.
- b. The Department will monitor and measure the performance of the Contractor by:
 - i. Assuring that all state and federal regulations are promptly and appropriately implemented.
 - ii. Assuring that the recovered funds balance with the invoice, and authorizing the disposition of the associated funds which correspond to the appropriate Medicaid expenditures.
 - iii. Reviewing and ensuring the accuracy of invoices and authorizing invoice payment.
 - iv. Acting as coordinator between the Contractor and the FI.
 - v. Providing Louisiana Medicaid Management Information System (LMMIS) access to any and all files which the Department determines necessary for the fulfillment of contractual requirements.
 - vi. Providing copies on request of the Louisiana Title XIX State Plan, including amendments hereto as published, and copies of the administrative regulations, as necessary, under which the Louisiana Title XIX State Plan is to be operated.
 - vii. Furnishing, in writing, the name and title of each individual, with the scope of authority of such individual, authorized to act for the Department regarding this contract.
 - viii. Participating with the Contractor in developing a report delivery schedule listing the time and location of delivery of reports produced by the Contractor. Such schedule will be used to determine whether or not penalties for late reports are to be assessed.
 - ix. Providing review for approval or rejection of any replacement of Contractor staff within forty-five (45) calendar days of

notification to the Department of such proposed change. The Department may request any contractor personnel changes at any time that it deems necessary with regard to this contract.

- x. Assuring that state personnel are available for consultation in the specifications of the awarded contract.

- c. The performance of the Contractor will be measured during the period of the contract by consideration of the following:
 - i. Enhancement of recoveries and third party cost avoidance.
 - ii. Collection of identified potential accounts receivables or receipt of documentation refuting the corresponding claims.
 - iii. The Contractor shall act as the Department's agent in collecting data from carriers, at a minimum, on a monthly basis.
 - iv. The Contractor shall provide to the resource file, in a fixed-length record format to be delivered by LDH to the Contractor, adds and updates (changes and terminations to third party coverage) within thirty (30) calendar days from receipt of the information. Documentation of the adds and updates shall be maintained by the Contractor.
 - v. Progress of the Contractor along a pre-determined series of project management oriented milestones as defined in the work plan.
 - vi. Requirement and demonstration that the Contractor's proposed personnel are working on the project. Completion of annual hospital credit balance reviews for all Medicaid participating hospital providers as selected and approved by LDH. The contractor will pursue all overpayments through an amnesty process A review is considered complete once all Medicaid provider overpayments associated with that review have been received and processed by the FI or the Department's designee.
 - vii. Collection of identified and verified provider overpayments.

3. Operations Requirements

a. Medicaid Recovery Process

- i. The Contractor shall provide identifying information via SFTP for recoupment of claims submitted to providers to bill carriers.

- 1. The recoupment data shall include data elements identified below and shall be produced per the specifications furnished by the FI or the Department's designee.

- Enrollee First and Last Name
- Claim Type
- Provider Billed Amount
- Recoupment Amount
- Attending Provider Number
- Enrollee Medicaid Identification Number
- Beginning Date of Service
- Date(s) of Service
- MMIS or MCO Internal Control Number (ICN)
- Medicaid or MCO Paid Amount
- Billing Provider Number

- 2. A recoupment data log shall be produced electronically in an Excel spreadsheet to include the data elements identified below:

- Enrollee First and Last Name
- Invoice Number
- Ending Date of Service
- Recoupment Amount
- Report Totals
- Recoupment Date Identification Number
- Beginning Date of Service
- MMIS or MCO ICN
- Medicaid or MCO Paid Amount

- ii. The Contractor shall provide identifying information via SFTP for commercial insurance collections for disposition of funds recovered and adjustment of Medicaid claims.

- 1. The adjustment data shall include data elements identified below and shall be produced per the specifications furnished by the FI or the Department's designee. NOTE: Excludes carrier overpayments (insurance policy obligation amounts in excess of Medicaid payment).

- Enrollee First and Last Name

- Carrier Name

- Enrollee Medicaid Identification Number
- Claim type
- Provider Billed Amount
- TPL Payment Amount
- Check Number
- Attending Provider Number
- MMIS or MCO ICN
- Date(s) of Service
- Medicaid or MCO Paid Amount
- Pay-In Voucher (PIV) Number
- Billing Provider Number

2. An adjustment data check log shall be produced electronically in an Excel spreadsheet to include data elements identified below:

- Invoice Number
- Name of Third Party Carrier
- Check Number
- Carrier Paid Amount
- Adjustment Data Identification Number
- PIV Number
- Check Date
- Report Totals

iv. Entire payments or additional payments for services and/or beneficiaries not billed by the Contractor, but included in checks for claims billed by the Contractor, shall be entered on a log produced to include data elements identified below:

- Check Number
- Check Date
- Amount Not Billed
- Remitter/Third Party Carrier Name
- Amount of Check Dispositioned

1. Check copies and remittance pages reflecting the services and/or beneficiaries and research notations to assist with identifying beneficiaries shall be attached to the check log.
2. The log with attachments shall be enclosed with each adjustment file. Adjustment reports shall be in an electronic format.

iv. The Contractor shall provide a file which includes all insurance adds and updates to the resource file for all identified third party coverage of Medicaid enrollees within thirty (30) days of receipt of third party payment.

1. The data file shall be produced electronically to include data elements identified below:

- Enrollee First and Last Name
- Enrollee Date of Birth
- Enrollee SSN
- Policy Number
- Beginning Date of Coverage
- Scope of Coverage
- Contractor's Initiator Code
- Enrollee Medicaid Identification Number
- Policyholder Information
- Carrier Code
- Group Number
- Ending Date of Coverage
- Support Enforcement (SES) Initiator Code

- v. The Contractor shall review FI-generated updates, reject reports, and complete updates within five (5) business days.
- vi. The Contractor shall notify the Department of carrier code additions and/or updates.
- vii. The Contractor shall maintain a provider relations hotline with sufficient staff to fulfill the contract requirements related to Medicaid recovery Monday through Friday, 8am-5pm CT, excluding Louisiana state holidays and weekends.

b. Annual Hospital Credit Balance Reviews

i. The Contractor shall provide identifying information via SFTP for recoupment of claims submitted to providers to bill carriers.

1. The recoupment data shall include data elements identified below and shall be produced per the specifications furnished by the FI or the Department's designee.

- Enrollee First and Last Name
- Claim Type
- Date(s) of Payment
- Provider Billed Amount
- Recoupment Amount
- Attending Provider Number
- Enrollee Medicaid Identification Number
- Date(s) of Service
- MMIS or MCO Internal Control Number (ICN)
- Medicaid or MCO Paid Amount
- Billing Provider Number

2. A recoupment data log shall be produced electronically in an Excel spreadsheet to include data elements identified below:

- Invoice Number
- Enrollee First and Last Name
- Ending Date of Service
- Provider Billed Amount
- Recoupment Amount
- Recoupment Data Identification Number
- Beginning Date of Service
- MMIS or MCO Internal Control Number (ICN)
- Medicaid or MCO Paid Amount
- Report Totals

ii. The Contractor shall maintain a provider relations hotline with sufficient staff to fulfill the contract requirements related to Medicaid provider overpayments Monday through Friday, 8am-5pm CT, excluding Louisiana state holidays and weekends.

c. Verified Cost Avoidance Records / File Maintenance

i. The Contractor shall complete all insurance add/update requests from LDH, managed care organizations, providers, and members as follows:

1. Emergency – policies termed within four (4) business hours (For purposes of this contract, emergency is defined as the inability of a enrollee to have a prescription filled because of incorrect third party insurance coverage on the resource file OR any emergency as determined by LDH).

2. Non-emergency – verified add/update within five (5) business days.

3. Insurance adds/updates shall contain the following:

- Enrollee First and Last Name
- Enrollee SSN
- Policyholder Information
- Policy Number
- Beginning Date of Coverage
- Scope of Coverage
- SES Initiator Code
- Enrollee Medicaid Identification Number
- Enrollee Date of Birth
- Carrier Code
- Group Number
- Ending Date of Coverage
- Contractor's Initiator Code

4. The Contractor shall submit a nightly electronic file to the FI or the Department's designee in the specified format with all verified insurance adds and updates. The data file shall, at a minimum, contain the following:

- Enrollee First and Last Name
- Enrollee SSN
- Policyholder Information
- Policy Number
- Beginning Date of Coverage
- Scope of Coverage
- SES Initiator Code
- Enrollee Medicaid Identification Number
- Enrollee Date of Birth
- Carrier Code
- Group Number
- Ending Date of Coverage
- Contractor's Initiator Code

5. The Contractor shall review FI-generated updates reject reports and complete updates within five (5) business days.

6. The Contractor shall re-verify all policies on the resource file, at a minimum, on a quarterly basis.
7. The Contractor shall perform the following tasks to update, add, and inactivate carrier information:
 - Eliminate duplicate entries;
 - Validate entries;
 - Inactivate carrier codes of companies that have been acquired, merged or liquidated;
 - Undertake a process prior to each carrier code consolidation that identifies all enrollees impacted by the change and crosswalk enrollees under the old code to the new carrier code;
 - Inactivate carrier codes that are consolidated; and
 - Request new carrier codes from the FI or the Department's designee, as necessary. All Blue Cross/Blue Shield carriers shall be coded with the host plan.
8. The Contractor shall maintain an appropriately-staffed call center/verification unit with sufficient staff to fulfill the contract requirements related to cost avoidance and file maintenance Monday through Friday, 8am-5pm CT excluding Louisiana state holidays and weekends.
9. HMS shall receive from LDH, SSA files to verify other insurance information one time per quarter. Information received from SSA files will be verified and returned on the nightly file within 45 business days of receipt

d. Medicare Recovery Process

- i. The Contractor shall maintain an appropriately-staffed call center/verification unit with sufficient staff to fulfill the contract requirements related to recovery services Monday through Friday, 8am-5pm CT excluding Louisiana state holidays and weekends.
- ii. Medicare recoveries shall be coordinated with the Department to ensure non-duplication and timely filing assurance.
- iii. An SFTP file of the FI's monthly Medicare void/adjustment data will be provided to the Contractor.
- iv. After receipt of the FI's monthly Medicare void/adjustment data, the Contractor shall prepare correspondence to providers advising them of the amount of Medicaid payments to be voided/adjusted. Correspondence should be mailed to the providers within five (5) business days of the receipt of the data from the FI or the Department's designee in order to allow timely claim submittal by the provider to the carrier. The project will close in thirty (30) calendar days and the Contractor shall submit a void file in an approved format identifying the claims from the Medicare project within fifteen (15) business days of the close of the project.
- v. Within five (5) business days of notification from the FI or the Department's designee that the void file has processed, the Contractor shall prepare and submit data to LDH for manual recoupment of the claims which failed to void or adjust electronically. The Contractor shall be responsible for resolving and responding to provider inquiries and deleting the claims to be voided/adjusted if so indicated.

e. Deposit System

- i. The Contractor shall ensure that the liable third parties shall submit payment to LDH. Collections shall be handled through a Louisiana based bank security deposit system, such as a "lock box." (The Contractor is responsible to set up and pay for all costs associated with this security deposit system.) The bank shall transfer the deposits to a LDH fiscal account within twenty-four (24) hours of receipt. The bank shall provide images of all checks, remittance notices, and any other information sent by the third parties to LDH fiscal. The Contractor shall make copies of checks and remittance notices available to LDH upon request at no cost to

-
- the Department.
- ii. The Contractor shall provide a monthly detailed list of the checks transmitted to LDH fiscal by an electronic file, in the format

specified by LDH fiscal, along with an electronic report in an agreed-upon format. The LDH fiscal section will add a PIV number to the file and return the file to the Contractor. The Contractor is responsible for including the PIV number with the other related data in the adjustment file. Information contained on the file shall include but not be limited to:

- Total Amount per Deposit - Date of Deposit - Carrier Name
- PIV Number - Check Number
- Check Date - Check Amount

f. Refunds

i. The Contractor shall notify the Department of any refunds due carriers or providers when it has been determined that a carrier paid the claim or when a provider claim was voided/adjusted and a refund is due. Notification shall include, but not be limited to, the following data elements:

- Enrollee First and Last Name - Enrollee Medicaid Identification Number
- Carrier/Provider Name (Pay To) - Carrier Mailing Address
- LDH Provider ID Number - Refund Amount
- Original Check Amount - Check Date
- Check Number - MMIS or MCO ICN (of approved original claim)
- RA ICN (of voided claim) - RA ICN (of approved original claim)
- Date of Service - Reason for refund (with supporting documents)

ii. The Contractor shall assure that the refunded amount is credited on the next invoice submitted to the Department.

g. Follow-up Activities

- i. The Contractor shall be responsible for follow-up activities associated with identification and collection efforts.
- ii. Follow-up activities may involve, but are not limited to, resolution of coverage or referral to the Commissioner of Insurance in cases where a denial for timely filing or prior authorization is received from a carrier and is less than thirty-six (36) months from date of service.

h. Additional Contractor Requirements

i. The Contractor shall provide for off-site storage and a remote back-up of operating instructions, procedures, reference files, system documentation, and operational files.

ii. The data back-up policy and procedures shall include, but not be limited to:

1. Descriptions of the controls for back-up processing, including how frequently back-ups occur;
2. Documented back-up procedures;
3. The location of data that has been backed up (off-site and on-site, as applicable);
4. Identification and description of what is being backed up as part of the back-up plan;
5. A list of all back-up files to be stored at remote locations and the frequency with which these files are updated; and
6. Any change in back-up procedures in relation to the Contractor's technology changes.

iii. The Contractor shall provide, at its own expense, its own office space, furniture, equipment, and supplies. The Contractor is not required to locate its office space in the Baton Rouge area; however, the Department shall have the option to require contract performance facilities within East Baton Rouge parish or a contiguous parish if the Department determines at any time that the success of the contract is dependent on immediate and extensive access to the contract staff and resources.

iv. The Contractor shall obtain prior written approval from the Department for all contract related correspondence including, but not limited to, letters, mass mailings, e-mailings, and call scripts for outbound calls or customer service centers. All proposed correspondence must be submitted via email to the

Department. The Department will only consider correspondence submitted from the Contractor, not subcontractors or vendors.

- v. The Contractor shall produce accurate reports and statistics in a format specified by the Department, and within the timeframe provided by the Department.
- vi. Monthly and Quarterly reports shall be delivered to LDH no later than 11 business days following the end of the month or end of the quarter being reported.
- vii. New reports requested by LDH shall be completed within 90 business days of LDH's request.
- viii. The Contractor shall respond to requests by the Department, state and/or federal auditors or the Centers for Medicare and Medicaid Services (CMS) by deadlines provided by the Department.
- ix. The Contractor shall turn over upon request, at no extra charge to the Department, copies of files and documentation including, but not limited to, manuals, operations manuals, and other documentation relating thereto that are essential to initiation and operation of the Medicaid program.
- x. The Contractor shall obtain and/or accept from the Department and/or FI documents and reports necessary in the performance of TPL functions.
- xi. The Contractor shall use no data or information provided to the Contractor by the Department or its FI (other than to satisfy the requirements of the contract) without the prior written consent of the Department.

4. Staffing Requirements and Qualifications

The Contractor shall:

- a. Maintain an adequate organizational structure and staffing level with sufficient experience to discharge the Contractor's responsibilities and provide this information in writing when requested by the Department.
- b. Maintain an adequate liaison with the Department in connection with contractual responsibilities. Liaison shall be fostered by meetings as needed between the Department and the Contractor. Any request for information from the FI or the Department's designee which is necessary to perform contract-related activities shall be made to the Contract Monitor.
- c. Notify the Department in writing of persons authorized to act on behalf of the Contractor.
- d. Maintain an appropriate level of staff to accomplish the performance requirements of the contract.
- e. Assume complete responsibility for staff training and the cost and timely accomplishment of all contractual responsibilities.
- f. Cooperate fully with any contractors, consultants, or other parties that may be engaged by the Department. Permit access by any other parties, when requested in writing by the Department, to the Medicaid program files, procedures, and records which may be in the possession of or under the control of the Contractor.
- g. Assign a Project Manager dedicated to the day-to-day operations of recovery activities, who possesses a minimum of three (3) years project management experience working with a project of similar size and scope and a minimum of one (1) year working with Medicaid TPL.
 - i. The Project Manager shall take part in weekly conference calls with the Department. The weekly meeting times and days shall be established through mutual agreement between the Department and the Contractor.
 - ii. The Project Manager shall serve as liaison with Department personnel. At a minimum, the Project Manager shall be responsible for problem resolution, assuring that all contract employees are properly trained and supervised, and assuring that appropriate quality control procedures are in place.

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- iii. The Project Manager shall be responsible for review of reports, meetings with the Department, establishment of data match contracts with insurance carriers, establishment of overall procedures and management of the contract, daily depositing to

the lock box, and reconciliation of collections to Medicaid payments.

- h. Assign recoveries operational staff responsible for reviewing claims, requesting third party payments, processing collections, and collecting updates to existing coverage and termination of coverage.
- i. Assign a Project Manager dedicated to the day-to-day operations of hospital credit balance reviews, who possesses a minimum of three (3) years of direct hospital credit balance review management experience working with a project of similar size and scope and a minimum of one (1) year working with Medicaid TPL.
- i. The Project Manager shall take part in weekly conference calls with the Department. The weekly meeting times and days shall be established through mutual agreement between the Department and the Contractor.
- j. Assign operational staff to perform the credit balance reviews at a level sufficient to accomplish the performance requirements of the contract.
- k. Assign a Project Manager dedicated to the day-to-day operations of file maintenance and cost avoidance operations, who possesses a minimum of three (3) years file maintenance project management experience working with a project of similar size and scope and a minimum of one (1) year working with Medicaid TPL.
 - i. The Project Manager shall take part in weekly conference calls with the Department. The weekly meeting times and days shall be established through mutual agreement between the Department and the Contractor.
- l. Assign operational staff to perform the file maintenance and verification functions at a level sufficient to accomplish the performance requirements of the contract.
- m. Submit proposed personnel change requests, supervisory level and above, in writing to the Department forty-five (45) business days in advance of the proposed change. Contractor shall provide resumes of personnel proposed for consideration. No personnel change may be made without written approval by the Department. Immediate notification is required should any personnel with access to LDH systems be removed from the contract for any reason.

5. Record Keeping Requirements

- a. Invoices for recoveries may be submitted to the contract monitor for payment authorization after the Department has notified the Contractor that adjustments submitted by the Contractor have been processed successfully. The Department shall be notified within five (5) business days of any checks received in error and provided a list which contains the remitter, check number, check date, and check amount. A copy of the check and all documentation received with the check shall be attached.
- b. Contractor is responsible for providing minutes from all meetings as specified by the Department to the Department within five (5) business days.
- c. Contractor shall maintain copies of meeting minutes and copies should be made available per Department request, at no cost to the Department.

6. Reporting Requirements

The Department reserves the right to require any other reports as deemed necessary.

a. Project Status Reports

- i. The Contractor shall provide progress reports with respect to recovery activities, annual hospital credit balance reviews, and file maintenance cost avoidance activities including specified data elements as determined by the Department. Project status reports

shall be prepared and submitted within an agreed-upon time frame between the Department and the Contractor.

b. Billing Reports

- i. The Contractor shall provide access to all billings to include specified data elements as determined by the Department in an agreed-upon format due within two (2) weeks after the date of billing.

c. Invoice Reports

- i. The Contractor shall produce the following adjustment reports which shall include specified data elements as determined by the Department in an agreed-upon format:

- | | |
|--------------------------------|---|
| - Recoveries | - Pay and Chase |
| - Carrier Overpayments | - Summary by Recovery Type |
| - Refunds | - Summary of Recovery Subtotal by Carrier |
| - Payment recouped by Carriers | - Monthly Report by Claim Type |

- ii. The Contractor shall produce the following recoupment reports which shall include specified data elements as determined by the Department in an agreed-upon format:

1. Commercial Insurance Recoveries
2. Provider Overpayment Recoveries
3. Medicare Recoveries
4. Refunds

d. Managed Care TPL Report

- i. The Contractor shall report the amount billed and collected for Medicaid enrollees in Managed Care Organizations.

e. Accounts Receivable Reports

i. Project Accounts Receivable Reports

1. Reports shall be submitted with the invoice. The identified potential accounts receivables shall be classified after a project as being:

- Denied – an Explanation of Benefits (EOB) received from provider/carrier with a reason identifying that the claim in question was not the responsibility of a third party; or
- Outstanding – neither payment nor documentation received refuting claim.

2. The identified potential accounts receivables shall continue to be reported on a monthly report to provide an update to the status of each project. This report shall include, as required, six (6) month follow-up activity. The Accounts Receivable Reports shall be submitted monthly for each project until at least ninety percent (90%) of claims have been classified as Collected or Denied.

ii. Quarterly Accounts Receivable Reports

1. A quarterly accounts receivable report shall be produced in accordance with the requirements of the Department.

f. Carrier Reports

- i. The Contractor shall submit a monthly carrier file report identifying all carriers submitting eligibility files to the Contractor, the date (mm/dd/yyyy) the file is received, the frequency of the submission of the files, and the status of outreach to those carriers that are not providing files.

g. File Maintenance Reports

The Contractor shall:

- i. Submit a monthly carrier code update report identifying those carrier codes that have been added and carrier codes that have been inactivated.

- ii. Submit a monthly carrier file report identifying all carriers submitting files to the Contractor, the frequency of the submission of the files, and the status of outreach to those carriers that are not providing files. iii. iv. Submit a monthly report identifying the date (mm/dd/yyyy) a carrier eligibility file is received, the name of the carrier, the date (mm/dd/yyyy) the carrier eligibility file is verified, and the date (mm/dd/yyyy) that the verified adds or updates are loaded to the resource file.

h. Recovery Reports

- i. The Contractor shall provide access to all billings to include specified data elements as determined by the Department in an agreed-upon format due within the time frame as determined by the Department.

7. Contingency Plan

- a. The Contractor, regardless of the architecture of its systems, shall develop and be continually ready to invoke a contingency plan to protect the availability, integrity, and security of data during unexpected failures or disasters (either natural or man-made) to continue essential application or system functions during or immediately following failures or disasters. Contingency plans shall include a disaster recovery plan (DRP) and a business continuity plan (BCP). A DRP is designed to recover systems, networks, workstations, applications, etc. in the event of a disaster. A BCP shall focus on restoring the operational function of the organization in the event of a disaster and includes items related to information technology, as well as operational items such as employee notification processes and the procurement of office supplies needed to do business in the emergency mode operational environment. The practice of including both the DRP and the BCP in the contingency planning process is a best practice.
- b. The Contractor shall have a contingency plan no later than thirty (30) business days from the date the contract is signed. At a minimum, the contingency plan shall address the following scenarios:
 - i. The central computer installation and resident software are destroyed or damaged;
 - ii. The system interruption or failure resulting from network, operating hardware, software, or operations errors compromise the integrity of transactions that are active in a live system at the time of the outage;
 - iii. System interruption or failure resulting from network, operating hardware, software, or operations errors compromise the integrity of data maintained in a live or archival system;
 - iv. System interruption or failure resulting from network, operating hardware, software, or operations errors does not compromise the integrity of transactions or data maintained in a live or archival system but does prevent access to the system, such as it causes unscheduled system unavailability;
- c. The contingency plan shall specify projected recovery times and data loss for mission-critical systems in the event of a declared disaster.
- d. The Contractor shall annually test its plan through simulated disasters and lower level failures in order to demonstrate to the Department that it can restore system functions. In the event the Contractor fails to demonstrate through these tests that it can restore system functions, the Contractor shall be required to submit a corrective action plan to the Department describing how the failure shall be resolved within ten (10) business days of the conclusion of the test.

8. Transition Plan

This section outlines the requirements of the Contractor during the hand-off to a successor Contractor at the end of the contract term or in the event of contract termination.

- a. The Contractor shall submit a transition/takeover plan which outlines the procedures and timelines to ensure continuity of services. The transition/takeover plan must be a comprehensive document detailing the proposed schedule, activities, and resource requirements associated with the transition tasks. The transition/takeover plan must be approved by the Department. In addition to the initial transition plan, an updated plan shall be provided to the Department upon the Department's request.
- b. The transition/takeover plan must include procedures that shall, at a minimum, comply with the following stipulations:
 - i. Upon expiration of the contract term, or upon termination if terminated prior to expiration, all records, reports, worksheets, or any other pertinent materials related to the execution of the contract shall become the property of the Department. The Contractor must provide the Department with all data, documentation, or other pertinent information for the Department or a subsequent contractor to assume the operational activities successfully. This includes correspondence, documentation of ongoing issues, and other operational support documentation. The information must be supplied in media and format specified by the Department and according to the schedule approved by the Department.
 - ii. The Contractor shall transfer all data to the Department or a third party at the sole discretion of the Department and as directed by the Department. All transferred data must be compliant with HIPAA. All relevant data must be received and verified by the Department or the subsequent Contractor. If the Department determines that not all of the data was transferred to the Department or the subsequent Contractor, as required, or the data is not HIPAA compliant, the Department reserves the right to hire an independent contractor to assist the Department in obtaining and transferring all required data and to insure that all the data are HIPAA compliant. The reasonable cost of providing these services will be the responsibility of the Contractor.
 - iii. In the event of contract termination, the Contractor shall transfer all data and nonproprietary systems to the Department or new contractor within the agreed-upon time frame.
- c. The transition/takeover plan must be adhered to within thirty (30) days of written notification of contract termination, unless other appropriate time frames have been mutually agreed upon by both the Contractor and the Department.
- d. If the contract is not terminated by written notification as provided above, the Contractor shall propose a transition/takeover plan six (6) months prior to the end of the contract period, including extensions to such period. The plan shall address the possible transition of the records and information maintained to either the Department or a third party designated by the Department.

9. Additional Services

HMS agrees to allow unlimited access to HMS's product, Elli, by LDH Staff at no additional cost. (Addendum A).

C. Liquidated Damages

1. In the event the Contractor fails to meet the performance standards specified within the contract, the liquidated damages defined below may be assessed. If assessed, the liquidated damages will be used to reduce the State's payments to the Contractor or if the liquidated damages exceed amounts due from the State, the Contractor will be required to make cash payments for the amount in excess. The State may also delay the assessment of liquidated damages if it is in the best interest of the State to do so. The State may give notice to the Contractor of a failure to meet performance standards, but delay the assessment of liquidated damages in order to give the Contractor an opportunity to remedy the deficiency; if the Contractor subsequently fails to remedy the deficiency to the satisfaction of the State, the State may reassert the assessment of liquidated damages, even following contract termination.
2. The decision to impose liquidated damages may include consideration of some or all of the following factors:

a. The duration of the violation;

- b. Whether the violation (or one that is substantially similar) has previously occurred;
- c. The Contractor's history of compliance;
- d. The severity of the violation and whether it imposes an immediate threat to the health or safety of the consumers; and
- e. The "good faith" exercised by the Contractor in attempting to stay in compliance.

3. In the event the Contractor fails to perform as required, the Contractor shall pay the Department the specified amounts listed below as agreed liquidated damages. Liquidated damages assessed per quarter shall not exceed eight (8) percent of the contractor's total quarterly contingency fee payment within the current SFY quarter.

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REQUIREMENT	LIQUIDATED DAMAGES
Contractor shall submit reports in accordance with stated requirements, and/or as agreed upon during contract negotiations with LDH.	A twenty-five (\$25) dollar per business day charge to the Contractor may be imposed per each report for each day after the report due date until the report is received.
Contractor is responsible for providing minutes from all meetings as specified by the Department to the Department within five (5) business days.	A one hundred dollar (\$100) charge to the Contractor may be imposed for each occurrence in which minutes are not received by the Department within five (5) business days.
Contractor shall request approval to make changes of proposed key personnel to the Department.	A one hundred fifty dollar (\$150) per business day charge to the Contractor may be imposed for each day that a change in key personnel is made but not approved by the Department.
Project Manager(s) shall take part in weekly conference calls with the Department.	A one thousand dollar (\$1,000) charge to the Contractor may be imposed for each weekly meeting in which the Project Manager fails to participate without obtaining prior approval from the Department.
Contractor shall have, at a minimum, data match agreements with all health insurance carriers that have more than 1,000 covered lives in the State of Louisiana within ninety (90) calendar days of contract execution.	A one hundred dollar (\$100) per business day charge to the Contractor may be imposed for each data match agreement not obtained for each day beyond ninety (90) calendar days from contract effective date. This charge shall be waived if the Contractor provides sufficient documentation of efforts to obtain data match agreements but specific carriers remain unresponsive.
Contractor shall pursue follow-up on outstanding accounts receivables six (6) months after Contractor issues billings to carriers with the requirement of ninety (90) percent resolution of claims within ninety (90) days of six (6) month follow-up.	A three thousand dollar (\$3,000) charge to the Contractor may be imposed for each project that does not achieve a minimum of ninety percent (90%) resolution of claims within ninety (90) calendar days of six (6) month follow-up. For the purposes of this requirement, project is defined as all billings released in a given month. The liquidated damages will be assessed per project not meeting the performance requirement.
Contractor shall maintain an appropriately staffed call center with adequate staff available Monday through Friday, 8am-5pm CT excluding Louisiana state holidays and weekends.	A five thousand dollar (\$5,000) charge may be imposed for each day that the call center/ verification unit is not open and available to conduct business in accordance with requirements. A five hundred dollar (\$500) per hour charge may be imposed when the call center is not open and available to conduct business for more than two hours as required.

Contractor shall update the resource file by adding, terming, or updating insurance policy information as required.	Payment of fee to the Contractor may be withheld for recovery of Medicaid funds recouped as a result of insurance policy information not being updated as required. In addition, a two hundred seventy-five dollar (\$275) charge to the Contractor may be imposed for each addition, termination, or update of insurance policy information that is not completed as required.
Contractor shall complete annual reviews of every Medicaid hospital provider (approximately 150).	A five hundred dollar (\$500) charge to the Contractor may be imposed for each Medicaid hospital provider review not completed as required.
Contractor shall submit a nightly electronic file to the FI or the Department's designee in the specified format with all verified insurance adds and updates.	A four hundred dollar (\$400) charge to the Contractor may be imposed for each day the nightly electronic file is not submitted as required.
Verified insurance coverage shall be uploaded within thirty (30) calendar days of the data matches. For the purpose of this requirement, data match is defined as policy match that has been identified between LDH Medicaid eligibility and carrier eligibility and as of the date that HMS has verified the policy.	A one thousand dollar (\$1,000) per day charge to the Contractor may be imposed per record per day for each day the record is not loaded within thirty (30) calendar days of the data match.

D. Fraud and Abuse

1. The Contractor shall have internal controls and policies and procedures in place that are designed to prevent, detect, and report known or suspected fraud and abuse activities.
2. Such policies and procedures must be in accordance with state and federal regulations. The Contractor shall have adequate staffing and resources to investigate incidents and develop and implement corrective action plans to assist the Contractor in preventing and detecting potential fraud and abuse activities.

E. Technical Requirements

The Contractor must maintain hardware and software compatible with current State requirements which are as follows:

1. For recovery activities, the Contractor shall own, lease or have access to computer facilities to be able to accept electronic data, bill health carriers electronically, data match electronically, and produce Medicaid adjustments and reports through Department designated electronic media;
2. The Contractor is responsible for procuring and maintaining hardware and software resources which are sufficient to successfully perform the services detailed in this Statement of Work and associated RFP;
3. The Contractor should adhere to state and federal regulations and guidelines as well as industry standards and best practices for systems or functions required to support the requirements of this Statement of Work and associated RFP;
4. Unless explicitly stated to the contrary, the Contractor is responsible for all expenses required to obtain access to the State systems or resources which are relevant to successful completion of the requirements of this Statement of Work and associated RFP. The Contractor is also responsible for expenses required for the State to obtain access to the Contractor's systems or resources which are relevant to the successful completion of the requirements of this Statement of Work and associated RFP. Such expenses are inclusive of hardware, software, network infrastructure and any licensing costs;
5. Any confidential information must be encrypted to FIPS 140-2 standards when at rest or in transit;

6. Contractor owned resources must be compliant with industry standard physical and procedural safeguards (NIST SP 800-114, NIST SP 800-66, NIST 800-53A, ISO 17788, etc.) for confidential information (HITECH, HIPAA Part 164);
7. Any Contractor use of flash drives or external hard drives for storage of LDH data must first receive written approval from the State and upon such approval shall adhere to FIPS 140-2 hardware level encryption standards; and
8. All Contractor utilized computers and devices must:
 - a. Be protected by industry standard virus protection software which is automatically updated on a regular schedule;
 - b. Have installed all security patches which are relevant to the applicable operating system and any other system software; and
 - c. Have encryption protection enabled at the Operating System level.

The Contractor must maintain hardware and software compatible with LDH requirements throughout the contract. The Contractor shall provide all supplies and equipment for Contractor staff.

F. Subcontracting

1. The State shall have a single prime Contractor as the result of any contract negotiation, and that prime Contractor shall be responsible for all deliverables specified in this Statement of Work and associated RFP. This general requirement notwithstanding, Contractor may enter into subcontractor arrangements; however, Contractor shall acknowledge total responsibility for the entire contract.
2. If the Contractor intends to subcontract for portions of the work, the Contractor should identify any subcontractor relationships and include specific designations of the tasks to be performed by the subcontractor. Information required of the Contractor under the terms of this Statement of Work and associated RFP shall also be required for each subcontractor. The prime Contractor shall be the single point of contact for all subcontract work.
3. Unless provided for in the contract with the State, the prime Contractor shall not contract with any other party for any of the services herein contracted without the express prior written approval of the State.
4. For subcontractor(s), before commencing work, the Contractor will provide letters of agreement, contracts, or other forms of commitment which demonstrate that all requirements pertaining to the Contractor will be satisfied by all subcontractors through the following:
 - a. The subcontractor(s) will provide a written commitment to accept all contract provisions; and
 - b. The subcontractor(s) will provide a written commitment to adhere to an established system of accounting and financial controls adequate to permit the effective administration of the contract.
5. The Contractor shall not contract with any other vendor under a business agreement for the furnishing of any good, product, or merchandise, or the supplying of any good or service required by the contract without the express prior written approval of the State. The Contractor shall not substitute any vendor under a business agreement without the prior written approval of the State. For vendor(s), before commencing work, the Contractor will provide letters of agreement, contracts or other forms of commitment which demonstrate that all requirements pertaining to the Contractor will be satisfied by all vendors through the following:
 - a. The vendor(s) will provide a written commitment to accept all contract provisions; and
 - b. The vendor(s) will provide a written commitment to adhere to an established system of accounting and financial controls adequate to permit the effective administration of the contract.
6. Any work or service by a subcontractor, or the selling, offering to sell, or the furnishing of a specific good, product, or merchandise of a part of the principal contract by a vendor, must be performed within the geographical confines of the continental United States, Alaska, Hawaii, or its territories, including Puerto Rico,

Guam, Virgin Islands of the United States, the Northern Marianas and American Samoa.

G. Compliance with Civil Rights Laws

1. The Contractor agrees to abide by the requirements of the following as applicable: Title VI and Title VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and the Americans with Disabilities Act of 1990.
2. Contractor agrees not to discriminate in the rendering of services to and/or employment of individuals because of race, color, religion, sex, sexual orientation, gender identity, age, national origin, veteran status, political affiliation, or disabilities. Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

H. Insurance Requirements

Insurance shall be placed with insurers with an A.M. Best's rating of no less than A-:VI. This rating requirement shall be waived for Workers' Compensation coverage only. The Contractor shall purchase and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

1. Minimum Scope and Limits of Insurance

a. Workers' Compensation

Before any work is commenced, the contractor shall maintain during the life of this contract, Workers' Compensation insurance shall be in compliance with the Workers' Compensation laws of Louisiana and of the State of the Contractor's headquarters. Employers' Liability is included with a minimum limit of \$500,000 per accident/per disease/per employee.

b. Commercial General Liability

The contractor shall maintain during the life of the contract such Commercial General Liability insurance, including Personal and Advertising Injury Liability, shall have a minimum limit per occurrence of \$1,000,000 and a minimum general aggregate of \$2,000,000. The Insurance Services Office (ISO) Commercial General Liability occurrence coverage form CG 00 01 (current form approved for use in Louisiana), or equivalent, is to be used in the policy. Claims-made form is unacceptable.

c. Automobile Liability

The contractor shall maintain during the life of the contract such Automobile Liability Insurance shall have a minimum combined single limit per occurrence of \$1,000,000. ISO form number CA 00 01 (current form approved for use in Louisiana), or equivalent, is to be used in the policy. This insurance shall include third-party bodily injury and property damage liability for owned, hired and non-owned automobiles.

d. Professional Liability (Errors and Omissions)

The contractor shall maintain during the life of the contract such Professional Liability (Error & Omissions) insurance, which covers the professional errors, acts, or omissions of the Contractor, shall have a minimum limit of \$1,000,000. Claims-made coverage is acceptable. The date of the inception of the policy must be no later than the first date of the anticipated work under this contract. It shall provide coverage for the duration of this contract and shall have an expiration date no later than 30 calendar days after the anticipated completion of the contract. The policy shall provide an extended reporting period of not less than 24 months, with full reinstatement of limits, from the expiration date of the policy.

2. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and accepted by the State. The Contractor shall be responsible for all deductibles and self-insured retentions.

3. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions: a. General Liability and Automobile Liability Coverage

- i. The Department, its officers, agents, employees and volunteers shall be named as an additional insured as regards negligence by the Contractor. ISO Form CG 20 10 (current form approved for use in Louisiana), or equivalent, is to be used when applicable. The coverage shall contain no special limitations on the scope of protection afforded to the Department.
- ii. The Contractor's insurance shall be primary as respects the Department, its officers, agents, employees and volunteers. Any insurance or self-insurance maintained by the Department shall be excess and non-contributory of the Contractor's insurance. iii. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the policy limits.

b. Workers' Compensation and Employers' Liability Coverage

The insurer shall agree to waive all rights of subrogation against the Department, its officers, agents, employees and volunteers for losses arising from work performed by the Contractor for the Department.

c. All Coverage

- i. Coverage shall not be canceled, suspended, or voided by either party (the Contractor or the insurer) or reduced in coverage or in limits except after 30 calendar days written notice has been given to the Department. Ten-day written notice of cancellation is acceptable for non-payment of premium. Notifications shall comply with the standard cancellation provisions in the Contractor's policy.
- ii. Neither the acceptance of the completed work nor the payment thereof shall release the Contractor from the obligations of the insurance requirements or indemnification agreement.
- iii. The insurance companies issuing the policies shall have no recourse against the Department for payment of premiums or for assessments under any form of the policies.
- iv. Any failure of the Contractor to comply with reporting provisions of the policy shall not affect coverage provided to the Department, its officers, agents, employees and volunteers.

4. Acceptability of Insurers

All required insurance shall be provided by a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located. Insurance shall be placed with insurers with an A.M. Best's rating of **A- VI or higher**. This rating requirement may be waived for workers' compensation coverage only.

If at any time an insurer issuing any such policy does not meet the minimum A.M. Best rating, the Contractor shall obtain a policy with an insurer that meets the A.M. Best rating and shall submit another Certificate of Insurance as required in the contract.

5. Verification of Coverage

Contractor shall furnish the Department with Certificates of insurance reflecting proof of required coverage. The Certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The Certificates are to be received and approved by the Department before work commences and upon any contract renewal thereafter.

In addition to the Certificates, Contractor shall submit the declarations page and the cancellation provision endorsement for each insurance policy. The Department reserves the right to request complete certified copies of all required insurance policies at any time.

Upon failure of the Contractor to furnish, deliver and maintain such insurance as above provided, this contract, at the election of the Department, may be suspended, discontinued or terminated. Failure of the Contractor to purchase

and/or maintain any required insurance shall not relieve the Contractor from any liability or indemnification under the contract.

6. Subcontractors

Contractor shall include all subcontractors as insured's under its policies OR shall be responsible for verifying and maintaining the Certificates provided by each subcontractor. Subcontractors shall be subject to all of the requirements stated herein. The Department reserves the right to request copies of subcontractor's Certificates at any time.

7. Workers' Compensation Indemnity

In the event Contractor is not required to provide or elects not to provide workers' compensation coverage, the parties hereby agree that Contractor, its owners, agents and employees will have no cause of action against, and will not assert a claim against, the State of Louisiana, its departments, agencies, agents and employees as an employer, whether pursuant to the Louisiana Workers' Compensation Act or otherwise, under any circumstance. The parties also hereby agree that the State of Louisiana, its departments, agencies, agents and employees shall in no circumstance be, or considered as, the employer or statutory employer of Contractor, its owners, agents and employees. The parties further agree that Contractor is a wholly independent Contractor and is exclusively responsible for its employees, owners, and agents. Contractor hereby agrees to protect, defend, indemnify and hold the State of Louisiana, its departments, agencies, agents and employees harmless from any such assertion or claim that may arise from the performance of this contract.

8. Indemnification/Hold Harmless Agreement

Neither party shall be liable for any delay or failure in performance beyond its control resulting from acts of God or force majeure. The parties shall use reasonable efforts to eliminate or minimize the effect of such events upon performance of their respective duties under Contract. *Contractor shall be fully liable for the actions of its agents, employees, partners or subcontractors and shall fully indemnify and hold harmless the State and its Authorized Users from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property caused by Contractor, its agents, employees, partners or subcontractors, without limitation; provided, however, that the Contractor shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the State.*

If applicable, Contractor will indemnify, defend and hold the State and its Authorized Users harmless, without limitation, from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities and costs which may be finally assessed against the State in any action for infringement of a United States Letter Patent with respect to the Products furnished, or of any copyright, trademark, trade secret or intellectual property right, provided that the State shall give the Contractor: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at Contractor's sole expense, and (iii) assistance in the defense of any such action at the expense of Contractor. Where a dispute or claim arises relative to a real or anticipated infringement, the State or its Authorized Users may require Contractor, at its sole expense, to submit such information and documentation, including formal patent attorney opinions, as the Commissioner of Administration shall require.

The Contractor shall not be obligated to indemnify that portion of a claim or dispute based upon: i) Authorized User's unauthorized modification or alteration of a Product, Material or Service; ii) Authorized User's use of the Product in combination with other products not furnished by Contractor; iii) Authorized User's use in other than the specified operating conditions and environment.

In addition to the foregoing, if the use of any item(s) or part(s) thereof shall be enjoined for any reason or if Contractor believes that it may be enjoined, Contractor shall have the right, at its own expense and sole discretion as the Authorized User's exclusive remedy to take action in the following order of precedence: (i) to procure for the State the right to continue using such item(s) or part (s) thereof, as applicable; (ii) to modify the component so that it becomes non-infringing equipment of at least equal quality and performance; or (iii) to

replace said item(s) or part(s) thereof, as applicable, with non-infringing components of at least equal quality and performance, or (iv) if none of the foregoing is commercially reasonable, then provide monetary compensation to the State up to the dollar amount of the Contract.

For all other claims against the Contractor where liability is not otherwise set forth in the Contract as being "without limitation", and regardless of the basis on which the claim is made, Contractor's liability for direct damages, shall be the greater of \$100,000, the dollar amount of the Contract, or two (2) times the charges rendered by the Contractor under the Contract. Unless otherwise specifically enumerated herein or in the work order mutually agreed between the parties, neither party shall be liable to the other for special, indirect or consequential damages, including lost data or records (unless the Contractor is required to back-up the data or records as part of the work plan), even if the party has been advised of the possibility of such damages. Neither party shall be liable for lost profits, lost revenue or lost institutional operating savings.

The State and Authorized User may, in addition to other remedies available to them at law or equity and upon notice to the Contractor, retain such monies from amounts due Contractor, or may proceed against the performance and payment bond, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them.

I. Resources Available to Contractor

The State will have an assigned staff member who will be responsible for primary oversight of the contract. This individual will schedule meetings to discuss progress of activities and problems identified. Contractor may recommend additional State staff to be available during the contract.

J. Ownership of Proprietary Data and Work Product

1. Ownership. All non-third party software and source code, records, reports, documents and other material delivered or transmitted to Contractor by State shall remain the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract. All reports, documents, or other documentation prepared by Contractor exclusively for the State for this contract in connection with the performance of the services contracted for herein and specifically identified as a deliverable or included in the RFP as a report in the Section Reporting Requirements ("Work Product") shall become the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract. Other than the rights in the Work Product set forth above, the State shall have no rights, title, or any other interest in other Contractor work product, systems, processes, services or data which (a) are produced or used by Contractor or provided by Contractor to the State as part of or in the course of performing any work or services under this Contract, or (b) are conceived of or made during the term of this Contract; including but not limited to all inventions, improvements, computer programs, algorithms, code, edits, databases, discoveries, ideas, analyses, manuals, processes or process flows, policies, procedures, systems, reports, writings, documentation or materials, or other works made or conceived by Contractor. The State shall not attempt to reverse engineer, de-encrypt, disassemble, copy, or decompile any Contractor Intellectual Property (as defined below) or Work Product.

2. Contractor Intellectual Property.

a. Contractor provides, or in the future may provide, similar consulting services (including but not limited to cost avoidance, commercial insurance recovery services, disallowance, subrogation, health insurance premium payment, audit, and fraud, waste and abuse services) to other clients. Contractor is entitled to use the same information or data and apply the same ideas, inventions, and solutions that is created under this contract to its work for other clients so long as in performing work for Contractor's other clients, Contractor does not use or reveal any Confidential Information of the State (as defined in Section VI.A.1 of the RFP) or any third-party confidential information made available to Contractor by the State that Contractor did not have access to independent of this Contract.

b. For purposes of this Contract, "Contractor Intellectual Property" means proprietary information, templates, processes or process flows, methodologies, algorithms, source code, claim edits, policies, procedures, manuals, scenarios, systems, databases, inventions, patents, know-how and software that either (i) were licensed, created or owned by Contractor prior to the Effective Date of this Contract; or (ii) are subsequently licensed, created or owned by Contractor outside the scope of, and independent from, this Contract. Contractor Intellectual Property includes derivative works based upon improvements to any of the material described in 12.2.(B)(i) or 12.2.(B)(ii) above, provided that the derivative works or improvements shall not contain any Confidential Information of the State or any other information about or relating to the State.

c. As between the State and Contractor, Contractor shall retain sole and exclusive ownership of all right, title, and interest to Contractor Intellectual Property, and the State acknowledges and agrees that it does not now own, neither by virtue of this Contract nor the work or services rendered hereunder shall it acquire, any right, title, and interest in or to the Contractor Intellectual Property, and that all such right, title, and interest is and shall remain owned by Contractor. The State shall not attempt to reverse engineer, de-encrypt, disassemble, or decompile any Work Product or Contractor Intellectual Property.

d. To the extent Contractor Intellectual Property is necessary for the use of the Work Product to be provided under this Contract, Contractor grants to the State for the benefit of the State and its agents, successors and permitted assigns the irrevocable, non-exclusive, worldwide, royalty-free, paid-up right and license to use Contractor's Intellectual Property solely in connection with the State's permitted use of the Work Product for purposes of this Contract.

K. Contract Monitor

All work performed by the Contractor will be monitored by the contract monitor or designee:

Sheila Savoy
Department of Health
Bureau of Health Services Financing/MMIS
Bienville Building
225-342-8743
628 North 4th Street, 6th Floor
Baton Rouge, LA 70802
Sheila.Savoy@la.gov

L. Term of Contract

1. The contract shall commence on or near the date approximated in the Schedule of Events. The term of this contract shall be three (3) years. With all proper approvals and concurrence with the successful Contractor, the Department may also exercise an option to extend for up to twenty-four (24) additional months at the same rates, terms and conditions of the initial contract term. Prior to the extension of the contract beyond the initial thirty-six (36) month term, approval by the Joint Legislative Committee on the Budget (JLCB) or other approval authorized by law shall be obtained. Such written evidence of JLCB approval shall be submitted, along with the contract amendment to the Office of State Procurement (OSP) to extend contract terms beyond the initial three (3) year term.
2. No contract/amendment shall be valid, nor shall the state be bound by the contract/amendment, until it has first been executed by the head of the using agency, or his designee, and the Contractor and has been approved in writing by the OSP director. Total contract term, with extensions, shall not exceed five (5) years. The continuation of this contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract.

-
3. No provider recovery projects (i.e., commercial insurance and Medicare) shall begin after January 1, 2019 without written Department approval.

4. Upon contract termination, except in the instance of Termination for Cause or Convenience, Contractor shall have an additional period of three (3) months to continue follow-up activities, as contemplated in Section B(3)g of this document, and collect payment on claims originally billed prior to contract expiration ("Run-Out period").

M. Payment Terms

1. Payment of invoices is subject to State approval. Continuation of payment is dependent upon available funding. The Contractor shall submit deliverables in accordance with established timelines and shall submit itemized invoices monthly or as defined in the contract terms.

2. The State will make every reasonable effort to make payments within thirty (30) business days of the approval of invoices and under a valid contract. Contractor will not be paid more than the maximum amount of the contract. Contractor shall submit a final invoice to the Department within fifteen (15) business days following the end of the run-out period.

3. **Performance Bond**

The successful proposer shall be required to provide a performance (surety) bond in the amount of its total proposal cost to insure the successful performance under the terms and conditions of the contract negotiated between the successful proposer and the Department. Any performance bond furnished shall be written by a surety or insurance company currently on the U.S. Department of the Treasury Financial Management Service list of approved bonding companies which is published annually in the *Federal Register*, or by a Louisiana domiciled insurance company with at least an A-rating in the latest printing of the A.M. Best's Key Rating Guide to write individual bonds up to 10 percent of policyholders' surplus as shown in the A.M. Best's Key Rating Guide or by an insurance company that is either domiciled in Louisiana or owned by Louisiana residents and is licensed to write surety bonds. No surety or insurance company shall write a performance bond which is in excess of the amount indicated as approved by the U.S. Department of the Treasury Financial Management Service list or by a Louisiana domiciled insurance company with an A-rating by A.M. Best up to a limit of 10 percent of policyholders' surplus as shown by A.M. Best; companies authorized by this Paragraph who are not on the treasury list shall not write a performance bond when the penalty exceeds 15 percent of its capital and surplus, such capital and surplus being the amount by which the company's assets exceed its liabilities as reflected by the most recent financial statements filed by the company with the Department of Insurance. In addition, any performance bond furnished shall be written by a surety or insurance company that is currently licensed to do business in the state of Louisiana.

4. Invoices may not be filed for less than one thousand dollars (\$1,000) with the exception of the last invoice which shall be for the final amount. Final invoice(s) shall be received within fifteen (15) business days following the end of the run-out period.

5. Invoices shall be in a hard copy format on Contractor letterhead as well as an electronic version to include specified data elements as determined by the Department.

6. **Recovery**

- a. Contractor shall receive a contingency fee of 6.5% based on the amount of third party payments collected. Invoices shall be paid after Medicaid claims are successfully collected via adjustment, void, or negative balance transactions.
- b. Contractor shall be responsible for adding or updating coverage, prior to invoicing the Department, for any recovery made on the behalf of the Department.

7. **Annual Hospital Credit Balance Reviews**

- a. Contractor shall receive a contingency fee of 6.5% based on the amount of provider payments collected. Invoices shall be paid after Medicaid provider overpayments are successfully collected via adjustment, void, or negative balance transaction.

8. File Maintenance and Cost Avoidance

- a. Contractor shall receive a monthly fee of \$125,000 for maintenance of the resource file for all Medicaid enrollees.

Contract Amendment 2 (July 1, 2016-June 30, 2019)

Author	Exhibit/Document	Section	Change From:	Change To:	Justification	HMS/LDH Response
LDH	Attachment B	B.3.c.i.9 (NEW)		<p><u>HMS will receive from LDH, SSA files to confirm other insurance information one time per quarter.</u> <u>Information received from SSA files will be verified and returned on the nightly file within 45 business days of receipt.</u></p>	<p>This revision is needed in order require the Contractor utilize quarterly SSA TPL lead files sent to LDH.</p>	

Contract Amendment 2 (July 1, 2016-June 30, 2019)

LDH	Attachment B	K	<p>All work performed by the Contractor will be monitored by the contract monitor or designee.</p> <p>Chris Ourso Department of Health, Bureau of Health Services Financing/MMIS Bienville Building 628 North 4th Street, 6th Floor Baton Rouge, LA 70802 Chris.ourso@la.gov</p>	<p>All work performed by the Contractor will be monitored by the contract monitor or designee. Chris Ourse-Sheila Savoy Department of Health Bureau of Health Services Financing/MMIS Bienville Building <u>225-342-9076</u> 628 North 4th Street, 6th floor Baton Rouge, LA 70802 Chris.ourse@la.gov Sheila.Savoy@la.gov</p>	<p>Removed former HMS contract monitor's name and added MMIS Section Chief telephone number.</p>	
LDH	ELLI Services Addendum	B. 9.		<p>HMS is providing LDH ELLI tool at no additional cost to the existing contract.</p>	<p>This tool will allow LDH to provide a web based view a Medicaid member's comprehensive claims history</p>	

ELLI SERVICES ADDENDUM

This Elli Services Addendum ("Addendum") is an addendum to Attachment B Scope of Work (the "Scope of Work") to the contract between Louisiana Department of Health (the "Client") and Health Management Systems, Inc. on behalf of itself, its subsidiaries, and its affiliates (collectively "HMS"), LaGov# 2000199641, effective as of July 1, 2016 (the "LDH TPL Contract"). HMS and Client may be referred to individually as a "Party" and collectively as the "Parties." Capitalized terms used but not defined herein have the meanings specified in the Agreement or the Scope of Work.

BACKGROUND

Client has participated in a beta test regarding HMS's Member Health Profile system now known as the Elli System. Due to the success of the beta test, Client wishes to access and use the production version of the Elli System pursuant to this Addendum.

The Parties agree as follows:

TERMS

A. Term, Fees, and Business Associate Addendum.

1. **Term.** The term of this Addendum begins on March 31, 2018 (the "Addendum Effective Date") and, unless terminated earlier as specified in this Addendum, will continue until June 30, 2019.
2. **Fees.** The following discounted/early adopter fees ("Fees") are payable by Client:
 - 2.1. Implementation Fee: Waived.
 - 2.2. Monthly Fee: HMS waives the early adopter discount rate of \$20,000 per month for the term of this Addendum and will allow access to ELLI by an unlimited number of LDH Staff (Client Users) at no additional cost.
 - 2.3. Initial On-Site Training Fee: HMS will provide to Client and its Users up to eight collective hours of initial on-site training on the use of the Elli System at no charge (the particulars of the training such as date(s), session number(s) and duration will be mutually agreed upon in writing by the Parties). Thereafter, any additional training will be subject to a mutually agreed upon scope document that will establish the details and pricing for such training.
 - 2.4. Advisory Services Fee: the parties will agree upon the fee for any advisory services provided by HMS to Client pursuant to a mutually agreed upon scope document.
3. **Business Associate Addendum.** The Parties have entered into the LDH TPL Contract. Attachment A to the LDH TPL Contract is a HIPPA Business Associate Addendum (the "Business Associate Addendum"). The Parties agree that HMS's use of the Client Data in accordance with this Addendum shall constitute a permissible use of Protected Health Information (PHI) under Section 5 of the Business Associate Addendum.

B. Definitions.

1. **"Client Data"** means all claims, eligibility, fee-for-service, encounter, and other data as provided by Client to HMS regarding Members that Client uploads directly, or provides to HMS for uploading, into the Elli System.
2. **"Designated MCO"** means a managed care organization (MCO) that: (i) has contracted with HMS to receive the Elli Services subject to terms substantially similar to these Terms; (ii) has contracted with Client regarding the delivery of medical services; (iii) provides information (including PHI) to Client that comprises the Client Data; and (iv) may access and use the Client Data in the Elli System for the purpose of improving health care operations.
3. **"Services"** means the services described in Section C below regarding access to and use of the Elli System and its outputs.
4. **"Elli System"** means HMS's Web-based proprietary health profile analytics system.

5. **"User"** means an individual who: (i) is authorized by Client to use the Services pursuant to this Addendum; (ii) has been supplied User Credentials by Client (or by HMS at Client's request); and (iii) must be an employee of Client.
6. **"User Credentials"** means the confidential and unique access details issued to a User to access and use the Elli System.
7. **"Documentation"** means the user guide and release notes regarding use of the Services.

C. Elli Services

1. **Provision of Services.** Subject to the terms of this Addendum and Client's compliance with such terms, HMS: (i) will make the Services available to Client; and (ii) grants to Client a non-exclusive, non-transferable, non-sublicensable, revocable, and limited right to access and use the Services and Documentation as permitted under this Addendum.
2. **Set Up.** HMS will set up access to the Services for Client and its Users including setup of User Credentials.
3. **Support and Training.** HMS shall provide technical support for Client's use of the Services. If requested by Client, HMS will provide training on the use of the Services to Client and its Users in accordance with the fees and scope as agreed to by the Parties in writing.
4. **Database Population.** Subject to HMS's receipt of the Client Data, HMS will populate the Elli System with up to three years of Client Data. HMS, in its discretion, may incorporate data from other sources into the Elli System to improve system and performance results.
5. **Modifications and Enhancements.** HMS reserves the right to modify or enhance the Services provided that no such modification or enhancement affects the functionality of the Services in a materially adverse manner. HMS agrees to provide Client with any associated updates to the Documentation resulting from such modifications or enhancements.

D. Client Obligations

1. **Permitted Use.** Use of the Services by Client and its Users is limited to Client's internal use to assess member care utilization, risk profiles and other member metrics for purposes of improving health care operations in coordination with the Designated MCOs or otherwise.
2. **Use Restrictions.** Client and its Users shall not: (i) attempt to reverse-engineer, replicate, de-encrypt, or decompile any of the intellectual property systems in the Elli System, any HMS Work (as defined in Section G.2.2. (HMS Intellectual Property)), or any related intellectual property of HMS; (ii) modify, copy, or create derivative works based on the Elli System; (iii) access the Elli System to build a competitive product or service; (iv) resell, distribute, license, sublicense, lease, or rent access to and use of the Services and the Elli System; or (iv) in any other way commercialize the use of the Services and the Elli System by providing services to third parties on a service bureau, data processing, timesharing basis or otherwise.
3. **Feedback.** Client agrees: (i) to provide feedback to HMS based on Client's use of the Elli System with special emphasis on usability and its value proposition, including suggestions for HMS improvements or enhancements, recommendations for additional features, and reports of malfunctions or bugs ("**Feedback**"); (ii) that Feedback is not confidential information of Client; (iii) that nothing in this Addendum or otherwise will restrict HMS's right to use or disclose Feedback; and (iv) that HMS is not required to compensate Client or any User, or credit Client or any User as being the source of the Feedback.
4. **Cooperation.** Client will contribute to any HMS effort to create case studies or white papers related to the Services. If requested by HMS, Client will provide references for HMS relating to Client's use of the Services. Client will also cooperate with HMS regarding matters pertaining generally to the Client Data.
5. **Required Consents.** Client shall cooperate with HMS in connection with obtaining any consent, authorization or permission that may be required (including Member consent) for HMS to use the Client Data for purposes of the Elli System.
6. **Access.**

6.1 Client shall be solely responsible for maintaining the confidentiality of the User Credentials and is fully responsible for all activities that occur regarding a User and his/her User Credentials. Client shall

designate a User as an "Administrative User" who shall administer and keep confidential the User Credentials.

- 6.2 Client agrees to: (i) secure its computing environment according to generally accepted industry standards to prevent unauthorized access to the Elli System; (ii) use best efforts to promptly stop any unauthorized access to the Elli System known to Client that is attributable to use of the Elli System by Client or a User; and (iii) promptly notify HMS of any security incident or threat known to Client that may involve the Elli System.
- 6.3 Access to and use of the Services and the Elli System is limited to Client and its Users. No access and use right is granted to any other party under this Addendum including any other governmental (i) agency, (ii) department, (iii) branch, (iii) division, or (iv) similar organizational unit.
7. **Users.** Client shall ensure that each User uses his/her User Credentials in accordance with this Addendum. User Credentials cannot be shared or used by more than one individual. Client agrees to promptly notify HMS regarding any User that no longer needs to use the Services due to termination of employment or otherwise.
8. **Client's Lawful Conduct.** Client agrees to comply with all applicable local, state, federal, and foreign laws, treaties, regulations, and conventions in connection with its access to and use of the Services.
9. **Acceptable Use.** Client agrees that it will not knowingly use the Services in any manner that could damage, disable, overburden, or impair the Services or interfere with any other party's use and enjoyment of the Services. Client agrees to comply with, and to cause its Users to comply with: (a) HMS's Privacy Policy (available at <http://hms.com/privacy-policy/>); and (b) such reasonable acceptable-use policies as HMS may from time to time establish or update with respect to the Services, including, but not limited to, the following acceptable use policies: when using the Services, Client shall not (i) engage in any unlawful, invasive, infringing, defamatory, or fraudulent purpose; (ii) interfere with the use of the Services, or any technology or equipment used to provide the Services; (iii) alter, disable, interfere with or circumvent any aspect of the Services; and/or (iv) use the Services or a component of the Services in a manner not authorized by HMS. Client is responsible and liable for misuse of the Elli System by its Users, including any use that violates HMS's acceptable-use policies or the Terms of this Addendum.
10. **Payment of Fees.** Client agrees to pay HMS the Fees and all other amounts due under this Addendum within 30 days of the date of HMS's invoice. Client will pay any collection costs, including reasonable attorney's fees, and other expenses incurred by HMS to collect amounts owed by Client under this Addendum. All amounts due under this Addendum will be paid in U.S. Dollars and will be exclusive of taxes. Any taxes, duties, excises or tariffs imposed on amounts due under this Addendum will be the sole responsibility of Client notwithstanding any change in law, policy or tax rate impacting the amount of taxes required to be remitted under this Addendum; provided, however, that Client will have no responsibility for taxes based on the net income of HMS. If Client claims a tax exemption, Client must provide HMS with a valid tax exemption certificate. If HMS is required by law to directly pay any taxes, fees, excises, tariffs or other charges for which Client has responsibility pursuant to this Section, Client will promptly reimburse HMS upon HMS's presentation to Client of documentation evidencing such payment.

E. Termination

1. **Termination.** This Addendum may be terminated (a) by either Party if the other Party materially breaches this Addendum and does not cure the breach within thirty (30) days of written notice of the material breach; (b) by either Party if the other Party becomes insolvent, invokes as a debtor any laws relating to the relief of debtors' or creditors' rights, or has such laws invoked against it as a debtor; or (c) by HMS immediately upon written notice if Client uses the Services in an unauthorized manner.
2. **Effect of Termination.** Upon any termination of this Addendum, Client and each User shall immediately cease all use of the Services and delete, destroy or return all copies of any Documentation each has in its possession or control.

F. Data

1. **Ownership of Client Data.** As between the Parties, Client shall own the Client Data. Client shall be solely responsible for the accuracy and quality of the Client Data.

2. **Use of Client Data.** Client grants HMS the right to (i) use the Client Data to populate the Elli System for use by Client and the Designated MCOs; (ii) use PHI (as provided to HMS as part of the Client Data) to provide Data Aggregation services relating to, or for the benefit of, the health care operation purposes for the benefit of Client and the Designated MCOs, as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B); and (iii) de-identify such PHI in accordance with the standards set forth in 45 C.F.R. § 164.514(b) and aggregate such de-identified information for any purpose not prohibited by HIPAA.

G. Intellectual Property

1. **Ownership.** Client's right to access and use the Services, the Elli System, and the Documentation is a limited access and use right, and not a transfer of ownership, title or other proprietary interest to the Services, the Elli System, the Documentation or any associated Work. No rights are granted to Client other than as expressly stated in this Addendum. HMS has and shall have sole and exclusive ownership of all rights, title, and interest in and to the Services, the Elli System, the Documentation and all modifications, improvements, enhancements, and derivative works thereof (including ownership of all trade secrets, copyrights, and intellectual property rights pertaining thereto). All rights not expressly granted to Client under this Addendum are reserved by HMS.
2. **HMS Intellectual Property.**
 - 2.1 All HMS intellectual property (including the Elli System and other components or elements therein, as well as any and all analytics, tools, algorithms, outputs, reports, improvements, enhancements, modifications, code, or other technology or software incorporated into or associated with the Services and any copies thereof), shall be the sole and exclusive property of HMS.
 - 2.2 Any additional product, analysis, presentation, demonstration, model, interface, report, or other work created or developed by HMS under or in relation to this Addendum or offered as part of the Services ("Work"), shall be the sole and exclusive intellectual property of HMS.
 - 2.3 To the extent that Client intellectual property, including Client Feedback, is incorporated into any Work, Client grants HMS a full, worldwide royalty-free, irrevocable and unrestricted license in perpetuity to the use of such Client intellectual property for any purpose.

H. Confidentiality.

For purposes of this Addendum, "Confidential Information" shall include the terms of this Addendum, the Services, and other information, material or data that either Party provides to the other in connection with this Addendum which is clearly identified in writing at the time of disclosure as confidential or reasonably should be known to be proprietary or confidential. Each Party agrees: (a) to keep confidential all Confidential Information disclosed to it by the other Party or by a third-party; (b) not to use the Confidential Information of the other Party except to the extent necessary to perform its obligations or exercise rights under this Addendum; and (c) to protect the confidentiality thereof in the same manner as it protects the confidentiality of similar information and data of its own (at all times exercising at least a reasonable degree of care in the protection of such Confidential Information) and to make Confidential Information available to employees only on a "need to know" basis. Confidential Information shall not include information which: (1) is known publicly; (2) is generally known in the industry before disclosure; (3) has become known publicly, without fault of the recipient, subsequent to disclosure by the disclosing Party; or (4) the recipient becomes aware of from a third party not bound by non-disclosure obligations to the disclosing Party and with the lawful right to disclose such information to the recipient. Notwithstanding the foregoing, this Section will not prohibit the disclosure of Confidential Information to the extent that such disclosure is required by law or order of a court or other governmental authority or regulation. The confidentiality obligations set forth herein shall survive the termination of this Addendum.

I. Disclaimers.

THE SERVICES ARE PROVIDED STRICTLY ON AN "AS IS" AND "AS AVAILABLE" BASIS. HMS SPECIFICALLY DISCLAIMS ALL WARRANTIES WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. HMS DOES NOT REPRESENT THAT THE SERVICES WILL MEET CLIENT'S REQUIREMENTS, BE ERROR-FREE, BE WITHOUT INTERRUPTION, OR THAT

ALL ERRORS OR FAULTS WILL BE CORRECTED. CLIENT ASSUMES SOLE RESPONSIBILITY FOR THE USE OF, AND RESULTS OBTAINED FROM, THE SERVICES. CLIENT SHALL BE RESPONSIBLE FOR ALL DECISIONS MADE REGARDING MEMBERS THAT RELATE TO OR ARISE FROM THE USE OF THE SERVICES.

J. Limitation of Liability.

IN NO EVENT WILL HMS'S LIABILITY TO CLIENT EXCEED THE AMOUNTS RECEIVED BY HMS UNDER THIS ADDENDUM DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE CLAIM. HMS SHALL NOT BE LIABLE FOR ANY LOSS OF BUSINESS, LOST PROFITS, REVENUE, OR DATA, FOR ANY "COVER" DAMAGES, OR FOR ANY INCIDENTAL, EXEMPLARY, CONSEQUENTIAL, SPECIAL, PUNITIVE OR INDIRECT DAMAGES OF ANY KIND, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR OTHERWISE, EVEN IF HMS OR ITS SUPPLIERS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND WHETHER OR NOT ANY REMEDY PROVIDED SHOULD FAIL OF ITS ESSENTIAL PURPOSES, OR FOR ANY CLAIM BY ANY THIRD PARTY. THESE LIMITATIONS WILL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS ADDENDUM. CLIENT ACKNOWLEDGES THAT THE LIMITATIONS SET FORTH HEREIN ARE INTEGRAL TO THE FEES CHARGED IN CONNECTION WITH MAKING THE SERVICES AVAILABLE TO CLIENT AND THAT WERE HMS TO ASSUME ANY FURTHER LIABILITY SUCH FEES WOULD OF NECESSITY BE SET HIGHER.

K. Equitable Remedies.

The Parties acknowledge that in certain cases damages at law may be an inadequate remedy, especially with respect to enforcement of rights under Sections D.1 (Permitted Use); D.7 (Users); D.8 (Client's Lawful Conduct); D.9 (Acceptable Use); G (Intellectual Property); and H (Confidentiality). In addition to, and without prejudice to, all other remedies that may be available at law or equity, each Party will have the right to seek specific performance, injunction or other equitable remedy in the event of a breach or threatened breach of this Addendum.

Except as expressly provided in this Addendum, all of the terms of the Agreement remain in full force and effect. In the event of inconsistency or conflict between the provisions of the Agreement, the Scope of Work, and this Addendum, the provisions of this Addendum will prevail. The Parties hereby indicate their acceptance of this Addendum by the signatures of their duly authorized representatives.

State of Louisiana, Department of Health

By: [Signature]

Name: Jan Stuck

Title: Medical Director

Date: 5/14/18

Address: 628 North 4th Street
Baton Rouge, LA 70802

Health Management Systems, Inc.

By: [Signature]

Name: William C. Lucia

Title: Chief Executive Officer

Date: 5/12/18

Address: 5615 High Point Drive
Irving, TX 75038



**Office of State Procurement
PROACT Contract Certification of Approval**

**This certificate serves as confirmation that the Office of State Procurement
has reviewed and approved the contract referenced below.**

Reference Number: 2000199641 (2)

Vendor: Health Management Systems

Description: Revision to SoW and add utilization of ELLI

Approved By: Sue Ellen Hopper

Approval Date: 5/02/2018

Your amendment that was submitted to OSP has been approved.

**STATE OF LOUISIANA
DIVISION OF ADMINISTRATION**

Date: 10/31/2017 Dept/Budget Unit/Program #: 09-305 / Prg 200
 Dept/Agency/Program Name: DHH / Medical Vendor Administration / MVA OCR/CFMS Contract #: _____
 Agency/Program BA-22 #: 27 LAGOV PO# 200019964 1

Fiscal Year for this BA-22: 2017-2018 BA-22 Start/End Dates: 07/01/17 06/30/18
(yyy-yy) (Start Date) (End Date)

Multi-year Contract (Yes/No): Yes If "Yes", provide contract dates:
7/1/2016 06/30/19
(Start Date) (End Date)

Health Management Systems 310089156
(Contractor/Vendor Name) (Contractor/Vendor No.)

Perform recovery and cost avoidance activities through billing of insurance carriers and submission of claims data to hospital providers to bill carriers as well as through completion of annual hospital credit balance reviews and eligibility support through maintenance of the eligibility resource files.

Contract Amendment (Yes/No): No Amendment Start/End Dates: _____
(Start Date) (End Date)

Contract Cancellation (Yes/No): No Date of Cancellation: _____
(Start Date) (End Date)

FY18
(Provide rationale for amendment or cancellation)

This information is to be provided at the Agency/Program Level

MEANS OF FINANCING	AMOUNT			
	Current Year	%	Total Contract	%
State General Fund	\$939,956.25	37.50%	\$2,868,750.00	37.50%
Interagency Transfers	\$0.00	0.00%	\$0.00	0.00%
Fees and Self Gen.	\$0.00	0.00%	\$0.00	0.00%
Statutory Dedication	\$0.00	0.00%	\$0.00	0.00%
Federal	\$1,566,593.75	62.50%	\$4,781,250.00	62.50%
TOTALS	\$2,506,550.00	100.00%	\$7,650,000.00	100.00%

Are revenue collections for funds utilized above in line with budgeted amounts? (Yes/No) Yes
 If not, explain.

This information is to be provided at the Agency/Program Level

Name of Object Code/Category:	Professional Services - Other Professional Services
Object Code/Category Number:	3480
Amount Budgeted:	\$150,531,164
Amount Previously Obligated:	\$ 110,049,646.37
Amount this BA-22:	\$2,506,550
Balance:	\$37,975,068

The approval of the aforementioned contract will not cause this agency/program to be placed in an Object Category deficit.

Agy/Prg Contact: Jenny Borjers
 Name: Jenny Borjers
 Title: FMO Budget Analyst
 Phone: 342-8454

Reviewed/Approved By: Lana Goldsmith
 Name: Lana Goldsmith
 Title: Medicaid Program Manager 4
 Phone: 225-342-9480

FOR AGENCY USE ONLY

AGENCY	PROGRAM	ACTIVITY	ORGANIZ	OBJECT	REPT CAT	AMOUNT
305	200		7103	3480	2050	\$1,174,725.00
			7103	3480	2049	\$1,331,825.00

SAM Search Results
List of records matching your search for :

Search Term : health* management* systems* inc*
Record Status: Active

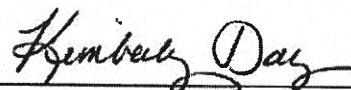
ENTITY	Health Management Systems, Inc.	Status:Active
DUNS: 075266346	+4:	CAGE Code: 3ZQD6 DoDAAC:
Expiration Date: Feb 2, 2019	Has Active Exclusion?: No	Debt Subject to Offset?: No
Address: 5615 High Point Dr Ste 100		
City: Irving	State/Province: TEXAS	
ZIP Code: 75038-2434	Country: UNITED STATES	

ENTITY	Health Management Systems, Inc	Status:Active
DUNS: 155290463	+4:	CAGE Code: 366E3 DoDAAC:
Expiration Date: Jun 5, 2018	Has Active Exclusion?: No	Debt Subject to Offset?: No
Address: 601 Washington Blvd-Suite 200		
City: Detroit	State/Province: MICHIGAN	
ZIP Code: 48226-3130	Country: UNITED STATES	

SECRETARY'S CERTIFICATE
HEALTH MANAGEMENT SYSTEMS, INC.

The undersigned, Kimberly J. Day, as Assistant Secretary of Health Management Systems, Inc., a New York corporation (the "*Company*"), hereby certifies that as of the date hereof, Douglas Williams is duly authorized pursuant to resolutions adopted by the Board of Directors of the Company by unanimous written consent on November 25, 2015, to execute customer contracts, including any certifications pursuant thereto, for and on behalf of the Company, with a total contract value of up to \$15 million.

IN WITNESS WHEREOF, the undersigned has executed this Secretary's Certificate as of the 23rd day of February, 2016.



Kimberly J. Day
Assistant Secretary



Contract Review – Agency Request Form

Form Revision Date: 03/16

FOR CIVIL SERVICE USE ONLY

Effective Date of Contract	Approval Date	
	<i>SCS Commission Approval (if required)</i>	<i>SCS Approval (Initial and Date)</i>
Comments		

COMPLETE THE FOLLOWING INFORMATION FOR REQUESTS DEALING WITH THE CONTRACTING OF STATE SERVICES AND/OR STATE PERSONNEL

Agency Name	Personnel Area Number	Agency Number
LDH/Medical Vendor Administration/BHSF	305	305-7103

CONTRACT INFORMATION

Contract #	Name of Contractor	
2000199641	Health Management Systems, Inc.	
Is this an amendment to an existing contract?		If yes, OCR # (if applicable)
Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		
Start Date of Contract	End Date of Contract/Amendment	Dollar Amount of Contract (Including Amendment)
July 1, 2016	June 30, 2019	\$7,650,000

CONTRACT DETAILS PROVIDED BY AGENCY TO SCS

Provide a brief overview of services to be performed to include the following:

Services to be replaced/provided by a contractor:

Recovery of Medicaid funds from liable third parties and maintenance of Medicaid resource file for all Medicaid members.

Advantages of contracting out services:

Health Management Systems, Inc. has performed these services for LDH for approx. 20 yrs. We do not have the expertise in-house to perform the services.

Justification for contracting out services:

We do not have the expertise in-house to perform the services.

POTENTIAL IMPACTS ON CLASSIFIED STATE EMPLOYEES

Will this contract result in the removal of responsibilities from one or more classified state employees?

Yes No

Will this contract establish a relationship wherein an employee or official of the state takes the following actions:

<i>Determines the work hours of the person performing the contractual services</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<i>Determines the day to day duties of that person</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<i>Approves the absences from the work place of that person</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

If the answer to all of the previous four questions is "NO," please email this completed form to DSCScontractreview@la.gov or send it in PROACT for SCS approval. If the answer to any of the questions is "YES," please complete the "Notification of SCS Commission's Authority on Contracts" portion of the form and then submit two copies of the proposed contract with this form to the Department of State Civil Service, Employee Relations Division, P.O. Box 94111, Baton Rouge, LA 70804-9111.

NOTIFICATION OF SCS COMMISSION'S AUTHORITY ON CONTRACTS

An agency requesting approval of an outsourcing contract which will result in the involuntary displacement of a classified employee must have the State Civil Service Commission's approval as provided in Civil Service Rule 2.9(h). The Commission will review all request for contract approval under the following guidelines:

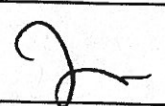
1. The Commission will review all contracts that directly affect civil service employees within in a reasonable period of time to the contract's implementation.
2. The Commission will ensure that classified employees are competitively selected on the basis of merit, free from political influence, and will protect classified employees from dismissal or disciplinary actions for religious or politically-motivated reasons.
3. The Commission will approve contracts that are entered into for reasons of efficiency and economy, provided that the decision to privatize is made without political motivation as to the civil servants.
4. The Commission will request all documents from the agency which are necessary to determine if any classified employee will be involuntarily displaced from civil service and if so, whether the contract was entered into for reasons of efficiency and economy and not for politically-motivated reasons.
5. The Commission will not determine whether a service should or could be provided within the classified system, whether the contract is in the best interest of the State, or whether the fiscal restraints presented by the state justify privatization.
6. The Commission will challenge in the court system of Louisiana any contract that it has good cause to believe was entered into as a pretext for the discriminatory dismissal or treatment of civil servants for religious or political reasons.

APPOINTING AUTHORITY ACKNOWLEDGEMENT FOR CONTRACTS REQUIRING SCS COMMISSION APPROVAL

I hereby acknowledge that I have reviewed the information listed above pertaining to the authority of the Civil Service Commission in relation to contracts and further verify, to the best of my knowledge, that the proposed contract has been entered into for reasons of efficiency and economy and not for politically motivated reasons.

Name of Appointing Authority	Date
Title of Appointing Authority	

AGENCY INFORMATION

Signature of Appointing Authority or Designee	Date
	11/30/17
Title of Person Signing this Request	
Medicaid Director	

Contact Information (Human Resources Contact)			
Name		Phone Number	(###) ###-####
Email			

Rev. 06/2016

HIPAA Business Associate Addendum

This HIPAA Business Associate Addendum is hereby made a part of this contract in its entirety as Attachment A to the contract.

1. The Louisiana Department of Health ("LDH") is a Covered Entity, as that term is defined herein, because it functions as a health plan and as a health care provider that transmits health information in electronic form.
2. Contractor is a Business Associate of LDH, as that term is defined herein, because contractor either: (a) creates, receives, maintains, or transmits PHI for or on behalf of LDH; or (b) provides legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, or financial services for LDH involving the disclosure of PHI.
3. Definitions: As used in this addendum –
 - a. The term "HIPAA Rules" refers to the federal regulations known as the HIPAA Privacy, Security, Enforcement, and Breach Notification Rules, found at 45 C.F.R. Parts 160 and 164, which were originally promulgated by the U. S. Department of Health and Human Services (LDHS) pursuant to the Health Insurance Portability and Accountability Act ("HIPAA") of 1996 and were subsequently amended pursuant to the Health Information Technology for Economic and Clinical Health ("HITECH") Act of the American Recovery and Reinvestment Act of 2009.
 - b. The terms "Business Associate", "Covered Entity", "disclosure", "electronic protected health information" ("electronic PHI"), "health care provider", "health information", "health plan", "protected health information" ("PHI"), "subcontractor", and "use" have the same meaning as set forth in 45 C.F.R. § 160.103.
 - c. The term "security incident" has the same meaning as set forth in 45 C.F.R. § 164.304.
 - d. The terms "breach" and "unsecured protected health information" ("unsecured PHI") have the same meaning as set forth in 45 C.F.R. § 164.402.
4. Contractor and its agents, employees and subcontractors shall comply with all applicable requirements of the HIPAA Rules and shall maintain the confidentiality of all PHI obtained by them pursuant to this contract and addendum as required by the HIPAA Rules and by this contract and addendum.
5. Contractor shall use or disclose PHI solely: (a) for meeting its obligations under the contract; or (b) as required by law, rule or regulation (including the HIPAA Rules) or as otherwise required or permitted by this contract and addendum.
6. Contractor shall implement and utilize all appropriate safeguards to prevent any use or disclosure of PHI not required or permitted by this contract and addendum, including administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of LDH.
7. In accordance with 45 C.F.R. § 164.502(e)(1)(ii) and (if applicable) § 164.308(b)(2), contractor shall ensure that any agents, employees, subcontractors or others that create, receive, maintain, or transmit PHI on behalf of contractor agree to the same restrictions, conditions and requirements that apply to contractor with respect to such information, and it shall ensure that they implement reasonable and appropriate safeguards to protect such information. Contractor shall take all reasonable steps to ensure that its agents', employees' or subcontractors' actions or omissions do not cause contractor to violate this contract and addendum.
8. Contractor shall, within three (3) days of becoming aware of any use or disclosure of PHI, other than as permitted by this contract and addendum, report such disclosure in writing to the person(s) named in section 14 (Terms of Payment), page 1 of the CF-1. Disclosures which must be reported by contractor include, but are not limited to, any security incident, any breach of unsecured PHI, and any "breach of the security system" as defined in the Louisiana Database Security Breach Notification Law, La.R.S. 51:3071 *et seq.* At the option of LDH, any harm or damage resulting from any use or disclosure which violates this contract and addendum shall be mitigated, to the extent practicable, either: (a) by contractor at its own expense; or (b) by LDH, in which case contractor shall reimburse LDH for all expenses that LDH is required to incur in undertaking such mitigation activities.
9. To the extent that contractor is to carry out one or more of LDH's obligations under 45 C.F.R. Part 164, Subpart E, contractor shall comply with the requirements of Subpart E that apply to LDH in the performance of such obligation(s).
10. Contractor shall make available such information in its possession which is required for LDH to provide an accounting of disclosures in accordance with 45 CFR § 164.528. In the event that a request for accounting is made directly to contractor, contractor shall forward such request to LDH within two (2) days of such receipt. Contractor shall implement an appropriate record keeping process to enable it to comply with the requirements of this provision. Contractor shall maintain data on all disclosures of PHI for which accounting is required by 45 CFR § 164.528 for at least six (6) years after the date of the last such disclosure.
11. Contractor shall make PHI available to LDH upon request in accordance with 45 CFR § 164.524.
12. Contractor shall make PHI available to LDH upon request for amendment and shall incorporate any amendments to PHI in accordance with 45 CFR § 164.526.
13. Contractor shall make its internal practices, books, and records relating to the use and disclosure of PHI received from or created or received by contractor on behalf of LDH available to the Secretary of the U. S. LDHS for purposes of determining LDH's compliance with the HIPAA Rules.
14. Contractor shall indemnify and hold LDH harmless from and against any and all liabilities, claims for damages, costs, expenses and attorneys' fees resulting from any violation of this addendum by contractor or by its agents, employees or subcontractors, without regard to any limitation or exclusion of damages provision otherwise set forth in the contract.
15. The parties agree that the legal relationship between LDH and contractor is strictly an independent contractor relationship. Nothing in this contract and addendum shall be deemed to create a joint venture, agency, partnership, or employer-employee relationship between LDH and contractor.
16. Notwithstanding any other provision of the contract, LDH shall have the right to terminate the contract immediately if LDH determines that contractor has violated any provision of the HIPAA Rules or any material term of this addendum.
17. At the termination of the contract, or upon request of LDH, whichever occurs first, contractor shall return or destroy (at the option of LDH) all PHI received or created by contractor that contractor still maintains in any form and retain no copies of such information; or if such return or destruction is not feasible, contractor shall extend the confidentiality protections of the contract to the information and limit further uses and disclosure to those purposes that make the return or destruction of the information infeasible.