



**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

Vendor: Health Management Systems, Inc.

Description: Third Party Liability Activities

Approved By: Pamela Rice

Approval Date: 11/10/2016

The above referenced number has been assigned by this office and will be used as identification for the approved contract. Please use this number when referring to the contract in any future correspondence or amendment(s).

The Internal Revenue Service (IRS) may find that this contract creates an employment relationship between your agency and the contractor. You should be advised that your agency is responsible for all taxes and penalties if such a finding is forthcoming. It is incumbent upon your agency to determine if an employee/employer relationship exists. Your agency must make the appropriate withholdings in accordance with law and IRS regulations, if applicable.

**CONTRACT BETWEEN STATE OF LOUISIANA
LOUISIANA DEPARTMENT OF HEALTH
Bureau of Health Services Financing**

LAGOV: 2000199641
LDH: 061200
Agency # **305**

AND

Health Management Systems, Inc.

FOR

Interagency Personal Services Professional Services Consulting Services Social Services

INCLUDE RFP NUMBER (if applicable): 3000005038

1) Contractor (Registered Legal Name) Health Management Systems, Inc.			5) Federal Employer Tax ID# or Social Security # 13277043300 (Must be 11 Digits)		
2) Street Address 360 Park Avenue S 17th Floor			6) Parish(es) Served ST		
City New York	State NY	Zip Code 10010	7) License or Certification #		
3) Telephone Number (212) 857-5000			8) Contractor Status		
4) Mailing Address (if different)			Subrecipient: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
			Corporation: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
			For Profit: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
			Publicly Traded: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
City	State	Zip Code	8a) CFDA#(Federal Grant #) 93.778		

9) Brief Description Of Services To Be Provided:
The purpose of this contract is to 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 file.

10) Effective Date 07-01-2016	11) Termination Date 06-30-2019
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12) Maximum Contract Amount	\$ 7,650,000.00
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13) Amounts by Fiscal Year	SFY '17, SFY '18, SFY '19 - \$2,550,000 ea. yr
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14) Terms of Payment
If progress and/or completion of services are provided to the satisfaction of the initiating Office/Facility, payments are to be made as follows:
The Contractor shall submit deliverables in accordance with established time lines and shall submit itemized invoices monthly. Payment of invoices is subject to approval of the Department. See Statement of Work for complete terms.
Contractor shall receive a contingency fee of 6.5% based on the amount of third party payments collected via adjustment, void, or negative balance transactions.
Contractor shall receive a contingency fee of 6.5% based on provider credit balance payments collected via adjustment, void, or negative balance transaction.
Contractor shall receive a monthly fee of \$125,000 for maintenance of the resource file for all Medicaid enrollees.

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Contractor obligated to submit final invoices to Agency within fifteen (15) days after termination of contract the end of the run-out period.

PAYMENT WILL BE MADE ONLY UPON APPROVAL OF:	First Name William "Bill"	Last Name Perkins
	Title Medicaid Deputy Director	Phone Number (225) 342-8935

15) Special or Additional Provisions which are incorporated herein, if any (IF NECESSARY, ATTACH SEPARATE SHEET AND REFERENCE):

Attachment A: HIPAA Addendum	Exhibit 1: Board Resolution
Attachment B: Statement of Work	Exhibit 2: Certificate of Authority
	Exhibit 3: Multi Year Letter
	Exhibit 4: Out of State Justification
	Exhibit 5: Sec of State Good Standing
	Exhibit 6: Resumes
	Exhibit 7: Late Letter
	Exhibit 8: Performance Bond
	Exhibit 9: Additional Provisions

During the performance of this contract, the Contractor hereby agrees to the following terms and conditions:

1. **Discrimination Clause:** Contractor hereby agrees to abide by the requirements of the following as applicable: Titles VI and VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972; the Vietnam Era Veterans' Readjustment Assistance Act of 1974; Americans with Disabilities Act of 1990; the Rehabilitation Act of 1973; Federal Executive Order 11246 as amended; Title IX of the Education Amendments of 1972; the Age Discrimination Act of 1975; the Fair Housing Act of 1968; and all applicable requirements imposed by or pursuant to the regulations of the U. S. Department of Health and Human Services.

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, disability, political affiliation, veteran status, or any other non-merit factor. 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.

2. **Confidentiality:** Contractor shall abide by the laws and regulations concerning confidentiality which safeguard information and the patient/client confidentiality. Information obtained shall not be used in any manner except as necessary for the proper discharge of Contractor's obligations. (The Contractor shall establish, subject to review and approval of the Department, confidentiality rules and facility access procedures.)
3. **Auditors:** The State Legislative Auditor, Office of the Governor, Division of Administration, and Department Auditors or those designated by the Department shall have the option of auditing all accounts pertaining to this contract during the contract and for a three year period following final payment. Contractor grants to the State of Louisiana, through the Office of the Legislative Auditor, Department of Health and Hospitals, and Inspector General's Office, Federal Government and/or other such officially designated body the right to inspect and review all books and records pertaining to services rendered under this contract, and further agrees to guidelines for fiscal administration as may be promulgated by the Department. Records will be made available during normal working hours.

Contractor shall comply with federal and state laws and/or LDH Policy requiring an audit of the Contractor's operation as a whole or of specific program activities. Audit reports shall be sent within thirty (30) days after the completion of the audit, but no later than six (6) months after the end of the audit period. If an audit is performed within the contract period, for any period, four (4) copies of the audit report shall be sent to the Louisiana Department of Health, Attention: **Division of Fiscal Management, P.O. Box 91117, Baton Rouge, LA 70821-3797** and one (1) copy of the audit shall be sent to the **originating LDH Office**.

4. **Record Retention:** Contractor agrees to retain all books, records and other documents relevant to the contract and funds expended thereunder for at least four (4) years after final payment or as prescribed in 45 CFR 74:53 (b) whichever is longer. Contractor shall make available to the Department such records within thirty (30) days of the Department's written request and shall deliver such records to the Department's central office in Baton Rouge, Louisiana, all without expense to the Department. Contractor shall allow the Department to inspect, audit or copy records at the contractor's site, without expense to the Department.
5. **Record Ownership:** All records, reports, documents and other material delivered or transmitted to Contractor by the Department shall remain the property of the Department, and shall be returned by Contractor to the Department, at Contractor's expense, at termination or expiration of this contract. All records, reports, documents, or other material related to this contract and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of the Department, and shall, upon request, be returned by Contractor to the Department, at Contractor's expense, at termination or expiration of this contract.
6. **Nonassignability:** Contractor shall not assign any interest in this contract and shall not transfer any interest in the same (whether by assignment or novation), without written consent of the Department thereto, provided, however, that claims for money due or to become due to Contractor from the Department under this contract may be assigned to a bank, trust company or other financial institution without advanced approval. Notice of any such assignment or transfer shall be promptly furnished to the Department and the Division of Administration, Office of State Procurement.
7. **Taxes:** Contractor hereby agrees that the responsibility for payment of taxes from the funds received under this contract shall be Contractor's. The Contractor assumes responsibility for its personnel providing services hereunder and shall make all deductions for withholding taxes, and contributions for unemployment compensation funds.
8. **Insurance:** Contractor shall obtain and maintain during the contract term all necessary insurance including automobile insurance, workers' compensation insurance, and general liability insurance. The required insurances shall protect the Contractor, the Department of Health and Hospitals, and the State of Louisiana from all claims related to Contractor's performance of this contract. Certificates of Insurance shall be filed with the Department for approval. Said policies shall not be canceled, permitted to expire, or be changed without thirty (30) days advance written notice to the Department. Commercial General Liability Insurance shall provide protection during the performance of work covered by the contract from claims or damages for personal injury, including accidental death, as well as claims for property damages, with combined single limits prescribed by the Department.
9. **Travel:** In cases where travel and related expenses are required to be identified separate from the fee for services, such costs shall be in accordance with State Travel Regulations. The contract contains a maximum compensation which shall be inclusive of all charges including fees and travel expenses.
10. **Political Activities:** No funds provided herein shall be used to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the Legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition or any election ballot or a proposition or matter having the effect of law being considered by the Legislature or any local governing authority. Contracts with individuals shall be exempt from this provision.
11. **State Employment:** Should Contractor become an employee of the classified or unclassified service of the State of Louisiana during the effective period of the contract, Contractor must notify his/her appointing authority of any existing contract with State of Louisiana and notify the contracting office of any additional state employment. This is applicable only to contracts with individuals.

- ~~12. **Ownership of Proprietary Data:** 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 non-third-party software and source code, records, reports, documents, or other material related to this contract and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein 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.~~

- 13. Subcontracting:** Contractor shall not enter into any subcontract for work or services contemplated under this contract without obtaining prior written approval of the Department. Any subcontracts approved by the Department shall be subject to conditions and provisions as the Department may deem necessary; provided, however, that notwithstanding the foregoing, unless otherwise provided in this contract, such prior written approval shall not be required for the purchase by the contractor of supplies and services which are incidental but necessary for the performance of the work required under this contract.

No subcontract shall relieve the Contractor of the responsibility for the performance of contractual obligations described herein.

- 14. Conflict of Interest:** Contractor warrants that no person and no entity providing services pursuant to this contract on behalf of Contractor or any subcontractor is prohibited from providing such services by the provisions of R.S. 42:1113.
- 15. Unauthorized Services:** No claim for services furnished or requested for reimbursement by Contractor, not provided for in this contract, shall be allowed by the Department. In the event the Department determines that certain costs which have been reimbursed to Contractor pursuant to this or previous contracts are not allowable, the Department shall have the right to set off and withhold said amounts from any amount due the Contractor under this contract for costs that are allowable.
- 16. Fiscal Funding:** This contract is subject to and conditioned upon the availability and appropriation of Federal and/or State funds; and no liability or obligation for payment will develop between the parties until the contract has been approved by required authorities of the Department; and, if contract exceeds \$2,000, the Division of Administration, Office of State Procurement.

The continuation of this contract is contingent upon the appropriation of funds from the legislature to fulfill the requirements of the contract. If the Legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

- 17. State and Federal Funding Requirements:** Contractor shall comply with all applicable requirements of state or federal laws or regulations relating to Contractor's receipt of state or federal funds under this contract.

If Contractor is a "subrecipient" of federal funds under this contract, as defined in 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), Contractor shall comply with all applicable requirements of 2 CFR Part 200, including but not limited to the following:

- Contractor must disclose any potential conflict of interest to the Department and the federal awarding agency as required by 2 CFR §200.112.
- Contractor must disclose to the Department and the federal awarding agency, timely and in writing, all violations of federal criminal laws that may affect the federal award, as required by 2 CFR §200.113.
- Contractor must safeguard protected personally identifiable information and other sensitive information, as required by 2 CFR §200.303.
- Contractor must have and follow written procurement standards and procedures in compliance with federally approved methods of procurement, as required by 2 CFR §§200.317 - 200.326.
- Contractor must comply with the audit requirements set forth in 2 CFR §§200.501 - 200.521, as applicable, including but not limited to:
 - o Electronic submission of data and reports to the Federal Audit Clearinghouse (FAC) (2 CFR §200.512(d)).
 - o Ensuring that reports do not include protected personally identifiable information (2 CFR §200.512(a)(2)).

Notwithstanding the provisions of paragraph 3 (Auditors) of these Terms and Conditions, copies of audit reports for audits conducted pursuant to 2 CFR Part 200 shall not be required to be sent to the Department.

- 18. Amendments:** Any alteration, variation, modification, or waiver of provisions of this contract shall be valid only when reduced to writing, as an amendment duly signed, and approved by required authorities of the Department; and, if the contract exceeds \$2,000, by the Division of Administration, Office of State Procurement. Budget revisions approved by both parties in cost reimbursement contracts do not require an amendment if the revision only involves the realignment of monies between originally approved cost categories.
- 19. Non-Infringement:** Contractor will warrant all materials, products and/or services produced hereunder will not infringe upon or violate any patent, copyright, trade secret, or other proprietary right of any third party. In the event of any such claim by any third party against LDH, the Department shall promptly notify Contractor in writing and Contractor shall defend such claim in LDH's name, but at Contractor's expense and shall indemnify and hold harmless LDH against any loss, expense or liability arising out of such claim, whether or not such claim is successful. This provision is not applicable to contracts with physicians, psychiatrists, psychologists or other allied health providers solely for medical services.
- 20. Purchased Equipment:** Any equipment purchased under this contract remains the property of the Contractor for the period of this contract and future continuing contracts for the provision of the same services. Contractor must submit vendor invoice with reimbursement request. For the purpose of this contract, equipment is defined as any tangible, durable property having a useful life of at least (1) year and acquisition cost of \$1000.00 or more. The contractor has the responsibility to submit to the Contract Monitor an inventory list of LDH equipment items when acquired under the contract and any additions to the listing as they occur. Contractor will submit an updated, complete inventory list on a quarterly basis to the Contract Monitor. Contractor agrees that upon termination of contracted services, the equipment purchased under this contract reverts to the Department. Contractor agrees to deliver any such equipment to the Department within 30 days of termination of services.
- 21. Indemnity:** Contractor agrees to protect, indemnify and hold harmless the State of Louisiana, LDH, from all claims for damages, costs, expenses and attorney fees arising in contract or tort from this contract or from any acts or omissions of Contractor's agents, employees, officers or clients, including premises liability and including any claim based on any theory of strict liability. This provision does not apply to actions or omissions for which R.S. 40:1237.1 et seq. provides malpractice coverage to the Contractor, nor claims related to treatment and performance of evaluations of persons when such persons cause harm to third parties (R.S. 13:5108.1(E)). Further, it does not apply to premises liability when the services are being performed on premises owned and operated by LDH.

22. **Severability:** Any provision of this contract is severable if that provision is in violation of the laws of the State of Louisiana or the United States, or becomes inoperative due to changes in State and Federal law, or applicable State or Federal regulations.
23. **Entire Agreement:** Contractor agrees that the current contract supersedes all previous contracts, negotiations, and all other communications between the parties with respect to the subject matter of the current contract.
24. **E-Verify:** Contractor acknowledges and agrees to comply with the provision of R.S. 38:2212.10 and federal law pertaining to E-Verify in the performance of services under this contract.
25. **Remedies for Default:** Any claim or controversy arising out of this contract shall be resolved by the provisions of R.S. 39:1672.2-1672.4.
26. **Governing Law:** This contract shall be governed by and interpreted in accordance with the laws of the State of Louisiana, including but not limited to R.S. 39:1551-1736; rules and regulations; executive orders; standard terms and conditions, and specifications listed in the RFP (if applicable); and this Contract.
27. **Contractor's Cooperation:** The Contractor has the duty to fully cooperate with the State and provide any and all requested information, documentation, etc. to the state when requested. This applies even if this Contract is terminated and/or a lawsuit is filed. Specifically, the Contractor shall not limit or impede the State's right to audit or shall not withhold State owned documents.
28. **Continuing Obligation:** Contractor has a continuing obligation to disclose any suspension or debarment by any government entity, including but not limited to the General Services Administration (GSA). Failure to disclose may constitute grounds for suspension and/or termination of the Contract and debarment from future contracts.
29. **Eligibility Status:** Contractor and each tier of Subcontractors, shall certify that it is not excluded, disqualified, disbarred, or suspended from contracting with or receiving federal funds or grants from the Federal Government. Contractor and each tier of Subcontractors shall certify that it is not on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs promulgated in accordance with E.O.s 12549 and 12689, "Debarment and Suspension," as set forth at 24CFR Part 24, and "NonProcurement Debarment and Suspension" set forth at 2CFR Part 2424.
30. **Termination for Cause:** The Department may terminate this Contract for cause based upon the failure of the Contractor to comply with the terms and/or conditions of the Contract; provided that the Department shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) days after receipt of such notice, the Contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the Department may, at its option, place the Contractor in default and the Contract shall terminate on the date specified in such notice. The Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the Department to comply with the terms and conditions of this contract; provided that the Contractor shall give the Department written notice specifying the Department's failure and a reasonable opportunity for the state to cure the defect.
31. **Termination for Convenience:** The Department may terminate this Contract at any time by giving thirty-(30) sixty (60) days written notice to the Contractor. The Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.
32. **Commissioner's Statements:** Statements, acts and omissions made by or on behalf of the Commissioner of Administration regarding the RFP or RFP process, this Contract, any Contractor and/or any subcontractor of the Contractor shall not be deemed a conflict of interest when the Commissioner is discharging her duties and responsibilities under law, including, but not limited, to the Commissioner of Administration's authority in procurement matters.

SIGNATURES TO FOLLOW ON THE NEXT PAGE

THIS CONTRACT CONTAINS OR HAS ATTACHED HERETO ALL THE TERMS AND CONDITIONS AGREED UPON BY THE CONTRACTING PARTIES. IN WITNESS THEREOF, THIS CONTRACT IS SIGNED ON THE DATE INDICATED BELOW.

Health Management Systems, Inc.

[Handwritten Signature]

SIGNATURE DATE

Douglas Williams

NAME

President, Markets

TITLE

[Blank Signature Box]

SIGNATURE DATE

NAME

TITLE

STATE OF LOUISIANA
LOUISIANA DEPARTMENT OF HEALTH

SIGNATURE DATE

NAME

Secretary, Louisiana Department of Health or Designee

TITLE

Bureau of Health Services Financing

[Handwritten Signature] 10/28/16
SIGNATURE DATE

NAME

TITLE

Jen Steele

Medicaid Director

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.

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.
- 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.
- f. 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. 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 | - Enrollee Medicaid Identification Number |
| - Claim Type | - Date(s) of Service |
| - Provider Billed Amount | - MMIS or MCO Internal Control Number (ICN) |
| - Recoupment Amount | |
|
 | |
| - Attending Provider Number | - 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 | - Recoupment Date Identification Number |
| - Invoice Number | - Beginning Date of Service |
| - Ending Date of Service | - MMIS or MCO ICN |
| - Recoupment Amount | - Medicaid or MCO Paid Amount |
| - Report Totals | |

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

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

- Invoice Number
- Recoupment Data Identification Number
- Enrollee First and Last Name
- Beginning Date of Service
- Ending Date of Service
- MMIS or MCO Internal Control Number (ICN)
- Provider Billed Amount
- Medicaid or MCO Paid Amount
- Recoupment 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 Medicaid Identification Number
- Enrollee SSN
- Enrollee Date of Birth
- Policyholder Information
- Carrier Code
- Policy Number
- Group Number
- Beginning Date of Coverage
- Ending Date of Coverage
- Scope of Coverage
- Contractor's Initiator Code
- SES 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 Medicaid Identification Number
- Enrollee SSN
- Enrollee Date of Birth
- Policyholder Information
- Carrier Code
- Policy Number
- Group Number
- Beginning Date of Coverage
- Ending Date of Coverage
- Scope of Coverage
- Contractor's Initiator Code
- SES 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.

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. 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.
- vii. 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.
- viii. The Contractor shall obtain and/or accept from the Department and/or FI documents and reports necessary in the performance of TPL functions.
- ix. 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.
 - 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. Submit a monthly report identifying pharmacy insurance policies that do not have a corresponding major medical segment.
- 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.

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.

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
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.	A one thousand dollar (\$1,000) per day charge to the Contractor may be imposed for each day the file 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:
 - d. The subcontractor(s) will provide a written commitment to accept all contract provisions; and
 - e. 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:
 - f. The vendor(s) will provide a written commitment to accept all contract provisions; and
 - g. 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:

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

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 Contractor 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

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

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 1st day of July, 2016.



Kimberly J. Day
Assistant Secretary

Tom Schedler
SECRETARY OF STATE

State of Louisiana
Secretary of State



COMMERCIAL DIVISION
225.925.4704

07/30/2014

Administrative Services
225.932.5317 Fax
Corporations
225.932.5314 Fax
Uniform Commercial Code
225.932.5318 Fax

ONLINE FILING
CLSBRFF@wolterskluwer.com

HEALTH MANAGEMENT SYSTEMS, INC.

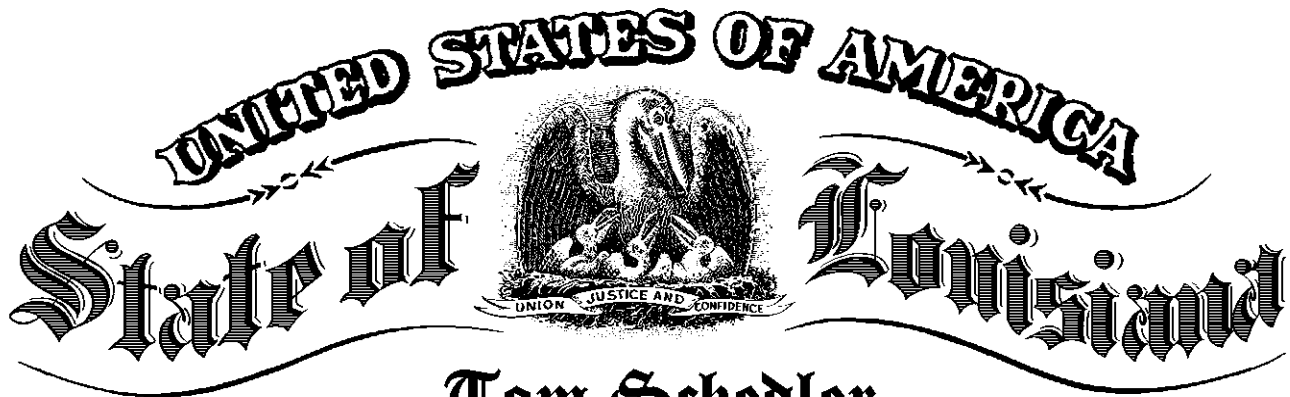
It has been a pleasure to approve and place on file your reinstatement. The appropriate evidence is attached for your files.

Payment of the filing fee is acknowledged by this letter.

Online filing options are available if changes are necessary to your registration or you need to file an annual report. Please visit our website at **GeauxBiz.com** for your future business needs.

Sincerely,

The Commercial Division
WEB



Tom Schedler

SECRETARY OF STATE

As Secretary of State of the State of Louisiana, I do hereby Certify that

The Certificate of Authority of

HEALTH MANAGEMENT SYSTEMS, INC.

to transact business in the State of Louisiana was revoked on June 17, 2014, pursuant to R.S. 12:313A(1).

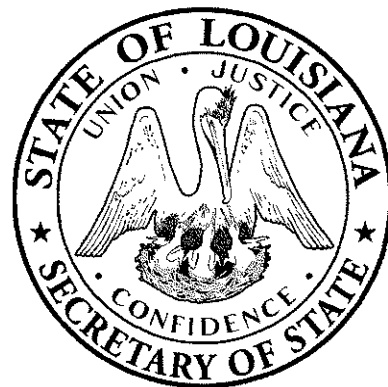
I further certify that the revocation was suspended on July 30, 2014 and the Certificate of Authority to transact business in the State of Louisiana is reinstated.

In testimony whereof, I have hereunto set my hand and caused the Seal of my Office to be affixed at the City of Baton Rouge on,

July 30, 2014

Secretary of State

WEB 32929980F



Certificate ID: 10513624#S9E52

To validate this certificate, visit the following web site, go to **Commercial Division, Certificate Validation**, then follow the instructions displayed.
www.sos.louisiana.gov

Tom Schedler
SECRETARY OF STATE

State of Louisiana
Secretary of State






COMMERCIAL DIVISION
225.925.4704

July 30, 2014

Administrative Services
225.932.5317 Fax
Corporations
225.932.5314 Fax
Uniform Commercial Code
225.932.5318 Fax

The attached document of HEALTH MANAGEMENT SYSTEMS, INC. was received and filed on July 30, 2014.

WEB 32929980F

<p>Tom Schedler Secretary of State</p> 	<p>FOREIGN CORPORATION ANNUAL REPORT & REINSTATEMENT</p> <p>For Period Ending 2/25/2014</p>	 32929980F  2014						
<p>Mailing Address Only (INDICATE CHANGES TO THIS ADDRESS IN THIS BOX)</p> <p>32929980 F HEALTH MANAGEMENT SYSTEMS, INC.</p> <p>5615 HIGH POINT DR. ATTN: LEGAL DEPARTMENT IRVING, TX 75038</p>	1	<p>(INDICATE CHANGES TO THIS ADDRESS IN THIS BOX)</p> <p>Domicile Street Address in State Where Incorporated (Do not use P. O. Box) 360 PARK AVE. S. NEW YORK, NY 10010</p>						
		Federal Tax ID Number						
<p>Our records indicate the following registered agents for the corporation. Indicate any changes or deletions below. All agents must have a Louisiana address. Do not use a P. O. Box. A NEW REGISTERED AGENT REQUIRES A NOTARIZED SIGNATURE</p> <p>C T CORPORATION SYSTEM 5615 CORPORATE BLVD., STE. 400B BATON ROUGE, LA 70808</p>								
<p>I hereby accept the appointment of registered agent(s).</p> <p>SIGNED ELECTRONICALLY (SEE ATTACHED.)</p> <p style="text-align: center;">New Registered Agent Signature</p>	<p>Sworn to and subscribed before me on NOTARY NAME MUST BE TYPED OR PRINTED WITH NOTARY #</p> <hr/> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%; text-align: center;">Notary Signature</td> <td style="width: 40%; text-align: center;">Date</td> </tr> </table>		Notary Signature	Date				
Notary Signature	Date							
<p>This report reflects a maximum of three officers or directors from our records for this corporation. Indicate any changes or deletions below. Include a listing of all names along with each title held and their address. Do not use a P. O. Box. If additional space is needed attach an addendum.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">WILLIAM C. LUCIA 5615 HIGH POINT DRIVE IRVING, TX 75038</td> <td style="width: 50%;">President, Officer, Director</td> </tr> <tr> <td>TRACY A. SOUTH 5615 HIGH POINT DRIVE IRVING, TX 75038</td> <td>Officer, Executive Vice-President</td> </tr> <tr> <td>DOUGLAS WILLIAMS 5615 HIGH POINT DRIVE IRVING, TX 75038</td> <td>President</td> </tr> </table>			WILLIAM C. LUCIA 5615 HIGH POINT DRIVE IRVING, TX 75038	President, Officer, Director	TRACY A. SOUTH 5615 HIGH POINT DRIVE IRVING, TX 75038	Officer, Executive Vice-President	DOUGLAS WILLIAMS 5615 HIGH POINT DRIVE IRVING, TX 75038	President
WILLIAM C. LUCIA 5615 HIGH POINT DRIVE IRVING, TX 75038	President, Officer, Director							
TRACY A. SOUTH 5615 HIGH POINT DRIVE IRVING, TX 75038	Officer, Executive Vice-President							
DOUGLAS WILLIAMS 5615 HIGH POINT DRIVE IRVING, TX 75038	President							
<p>Our records indicate the following addresses for the corporation. Indicate any changes below.</p> <p>Principal business office wherever located: 360 PARK AVE. S. /NEW YORK, NY 10010</p> <p>Registered office in Louisiana (Must be the same as agent's address): 5615 CORPORATE BLVD., STE. 400B /BATON ROUGE, LA 70808</p> <p>Principal business establishment in Louisiana (Do not use a P. O. Box): 5615 CORPORATE BLVD., STE. 400B /BATON ROUGE, LA 70808</p>								
<p>The filing of a false public record, with the knowledge of its falsity, is a crime, subjecting the filer to the fine or imprisonment or both under R.S. 14:133.</p>								
SIGN →	<p>To be signed by authorized individual</p> <p>KIMBERLY DAY (SIGNED ELECTRONICALLY)</p>	Title	Phone	Date 07/30/2014				
	Signee's address	Email Address CLSBRFF@wolterskluwer.com		(For Office Use Only)				
<p>Enclose filing fee of \$155.00</p> <p>Make remittance payable to Secretary of State Do Not Send Cash Do Not Staple</p> <p>web site: www.sos.louisiana.gov</p>		<p>Return by: 2/25/2014</p> <p>To: Commercial Division P. O. Box 94125 Baton Rouge, LA 70804-9125 Phone (225) 925-4704</p>		11				
DO NOT STAPLE								

Annual Report Supplemental Page for Period Ending 2/25/2014

Charter Number : 32929980F

Charter Name: HEALTH MANAGEMENT SYSTEMS, INC.

Additional Officers

JOEL PORTICE President
5615 HIGH POINT DRIVE IRVING, TX 75038

EUGENE V. DEFELICE Executive Vice-President,
Secretary, Director
5615 HIGH POINT DRIVE IRVING, TX 75038

SEMONE WAGNER Executive Vice-President
5615 HIGH POINT DRIVE IRVING, TX 75038

CYNTHIA NUSTAD Executive Vice-President
5615 HIGH POINT DRIVE IRVING, TX 75038

SPENCER YOUNG Vice-President
7501 TRINITY PEAK DR.
SUITE 210 LAS VEGAS, NV 89128

JOSEPH DONABAUER Vice-President, Officer,
Treasurer
360 PARK AVENUE SOUTH NEW YORK, NY 10010

KIMBERLY J. DAY Secretary
5615 HIGH POINT DRIVE IRVING, TX 75038

CRISELDA H. ROQUE Secretary
5615 HIGH POINT DRIVE IRVING, TX 75038

SECRETARY OF STATE



Agent Affidavit and Acknowledgement of Acceptance

Charter Number: 32929980F

Charter Name: HEALTH MANAGEMENT SYSTEMS, INC.

The agent / agents listed below accept the appointment of registered agent for and on behalf of the Charter Name above.

Date Responded	Agent(s)	Agent(s) Electronic Signature
07/30/2014	C T CORPORATION SYSTEM	CHASITY CAILLOUET



State of Louisiana
Department of Health
Bureau of Health Services Financing

La Gov # 2000199641
Exhibit 3

July 19, 2016

Pamela B. Rice
Director
Office of Contractual Review
Division of Administration
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

RE: Justification for Three-Year TPL Collections Contract
Health Management Systems, Inc.

Dear Ms. Rice:

Please consider this justification for the Department of Health to enter into a three-year contract with Health Management Systems, Inc. to perform Third Party Liability activities for the Medicaid program. The State has been awarding this contract for a period of three years for almost two decades. Competition for this contract has been rigorous in the past; however, HMS was the only proposer for this RFP.

Once a contract is awarded, start-up time for a new contractor may take several months, but many of the data matches must be done in compliance with a strict federal time schedule and any delay may cause the State to miss an opportunity to obtain reimbursement of Medicaid funds and also to be out of compliance with federal regulations governing third party recoveries. Start-up tasks include receiving electronic data and testing electronic matches, reviewing the test results and obtaining necessary approvals, putting security measures into place, setting up a lock box to receive checks, obtaining and converting multiple file layouts, and creating multiple mandatory reports.

In order to avoid missing opportunities to recover Medicaid funds, it is imperative that this contract be approved as soon as possible.

Should additional information be required, please feel free to contact me at (225) 342-0840.

Sincerely,

Chris Ourso
Contract Monitor



State of Louisiana
Department of Health
Bureau of Health Services Financing

LaGov # 2000199641
Exhibit 4

July 19, 2016

Pamela B. Rice
Director
Office of Contractual Review
Division of Administration
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

RE: Justification for Out-of-State Contractor

Dear Ms. Rice:

Please consider this justification for the Department of Health to enter into a contract with the out-of-state contractor, Health Management Systems, Inc. (HMS).

This consulting contract is driven by the Third Party Liability Request for Proposal which was released on April 11, 2016. As a result, HMS submitted the only proposal.

HMS currently is performing recovery of Medicaid funds from liable third parties by identifying and billing the liable third parties as required by Federal Regulation 42 CFR 433, subpart D – Third Party Liability through an emergency contract which began on March 1, 2016. The Department requests this justification be approved thereby avoiding any interruption in services to the healthcare providers and citizens of Louisiana served by this contract.

Should additional information be required, please feel free to contact me at (225) 342-0840.

Sincerely,

A handwritten signature in cursive script that reads "Chris Ourso".

Chris Ourso
Contract Monitor



Louisiana

SECRETARY
OF STATE

TOM SCHEDLER



HOME

Search for Louisiana Business Filings

Name	Type	City	Status
HEALTH MANAGEMENT SYSTEMS, INC.	Business Corporation (Non-Louisiana)	NEW YORK	Active

Previous Names

Business: HEALTH MANAGEMENT SYSTEMS, INC.
Charter Number: 32929980F
Registration Date: 2/25/1980

Domicile Address

360 PARK AVENUE SOUTH, 17TH FLOOR
NEW YORK, NY 10010

Mailing Address

5615 HIGH POINT DRIVE
IRVING, TX 75038

Principal Business Office

360 PARK AVENUE SOUTH, 17TH FLOOR
NEW YORK, NY 10010

Registered Office in Louisiana

3867 PLAZA TOWER DR.
BATON ROUGE, LA 70816

Principal Business Establishment in Louisiana

5615 CORPORATE BLVD., STE. 400B
BATON ROUGE, LA 70808

Status

Status: Active
Annual Report Status: In Good Standing
Qualified: 2/25/1980
Last Report Filed: 1/26/2016
Type: Business Corporation (Non-Louisiana)

Registered Agent(s)	
Agent:	C T CORPORATION SYSTEM
Address 1:	3867 PLAZA TOWER DR.
City, State, Zip:	BATON ROUGE, LA 70816
Appointment Date:	7/30/2014

Officer(s)	Additional Officers: No
Officer: WILLIAM C. LUCIA Title: President, Director Address 1: 5615 HIGH POINT DRIVE City, State, Zip: IRVING, TX 75038	
Officer: JEFFREY S. SHERMAN Title: Treasurer, Director Address 1: 5615 HIGH POINT DRIVE City, State, Zip: IRVING, TX 75038	
Officer: KIMBERLY J. DAY Title: Secretary Address 1: 5615 HIGH POINT DRIVE City, State, Zip: IRVING, TX 75038	

Amendments on File (12)	
Description	Date
Reinstatement	7/30/2014
Stmnt of Chg or Chg Prin Bus Off	10/18/2015
1 2	

Marcus Asberg

Healthcare Program Cost Containment Specialist

Business & Contract Development • Carrier Relations • Casualty Recovery • EDI • Claims Processing • Commercial Insurance Recovery • Cost Avoidance • TRICARE • Federal Revenue Maximization • Electronic Billing • Estate Recovery • Family Planning • Data Matching • Credit Balance Audits • Third Party Revenue Recovery • HIPAA Compliance • Managed Care • Yield Management • Post Payment Utilization Review • Health Insurance Premium Payment

Current Practice

Health Management Systems, Inc.

Regional Director, 2009–Present

- Oversees all aspects of the North Carolina recovery and cost containment contracts including:
 - Other insurance identification
 - Commercial claims recovery
 - Medicare provider claims recovery
 - Credit balance claims recovery
 - Casualty recovery
 - Estate recovery
 - Health Insurance Premium Payment
 - Casualty recovery for the State Health Plan
 - Recovery Audit and Post Payment Review Contract
 - Trust Recovery
- Oversaw LME/MCO compliance audit per SB 208
- Oversees all aspects of the SC recovery and cost containment contracts including:
 - Recovery Audit Contract
 - NCCI
- Oversees all aspects of Louisiana and Mississippi TPL Contracts
- Managed all aspects of the Virginia third party recovery and identification contract (2008–2013) including:
 - Other insurance identification
 - Commercial claims recovery
 - Medicare provider claims recovery
 - Credit balance claims recovery
 - Family planning claims identification/federal claiming

Career History

Health Management Systems, Inc.

Program Director, 1998–2007

- Managed implementation and operational phases of the Texas Medicaid Estate Recovery program
- Managed the daily operations of the identification and recovery project with the State of Texas Medicaid Agency
- Managed the MMIS transition of third-party identification and recovery services from EDS to ACS
- Managed a range of identification and recovery functions, including: third-party identifications, pharmacy billing and recovery, supplemental billings to Medicare managed care organizations, medical service billing and recovery, and casualty recovery

Marcus Asberg

Résumé Continued

- Assisted in drafting of State legislation requiring insurers and pharmacy benefit managers to provide eligibility information and/or conduct eligibility matches to enhance third party identifications
- Assisted the State Attorney General's office in a qui tam lawsuit against a pharmacy benefit manager for withholding eligibility information, improperly denying payment for services rendered, and improperly processing Medicaid reclamation claims
- Proposed changes to Texas's workers' compensation legislation to strengthen existing notification and recovery requirements
- Initiated provider recoupments for claims that cannot be recovered through traditional recovery methods; conducts pilot reviews of target hospitals to ensure viability of program and efficiency of operations
- Completed various special projects, including:
 - Streamlining the electronic billing process with Blue Cross Blue Shield of Texas via AdvancePCS
 - Managing the process of transitioning the AdvancePCS/BCBSTX process to Prime Therapeutic
- Initiated a project for identifying employers who qualify for federal and state tax refunds and credits
- Assisted in drafting of state legislation requiring Pharmacy Benefit Managers to conduct eligibility data matches with the state of Texas
- Negotiated data match contracts on behalf of Texas per the aforementioned legislation
- Worked with CMS to educate Pharmacy Benefit Managers about Medicaid Subrogation
- Assisted with the implementation of a production office and paper and file management processes
 - Designing a system for repricing of Medicare Crossover Claims from input of client, managers, and previous repricing unit
 - ▶ The system managed electronic claims, data entry of paper claims into State mainframe system, and reporting
 - Establishing electronic billings for all major Pharmacy Benefit Managers
 - Converting proprietary electronic pharmacy billing formats to HIPAA (NCDPD 5.1) compliant formats for multiple pharmacy insurance carriers
- Supervised staff and answered provider questions
- Managed daily operations along with all data
- Conducted hospital credit balance audits and a study on cost effectiveness of reimbursement methodology for Medicare Part B drug claims submitted through a physician's office vs. network pharmacy
- Managed the implementation of recovery efforts for all claim types
- Established set up for billing of institutional, pharmacy, and professional claims

Education

- *Bachelor of Science in Business Administration, Appalachian State University*
- *Master of Business Administration, Clark University*

Donna Price, HIA

Healthcare Cost Containment and Program Integrity Expert

Dependent Eligibility Audits • Healthcare Program Integrity • Contract Implementation • Research & Business Solutions Development • Health Insurance Data Matching and Identification • Third Party Liability Recovery • Casualty/Trauma Recovery • Provider Overpayment Audits • Provider Relations • Contract Compliance

Current Practice

Health Management Systems, Inc.

Vice President, State Government Services Administration, 2014–Present

- Provides executive leadership for engagements with State Employee Benefit plans, including Dependent Eligibility Audits and Claim Audits as well as other cost containment initiatives
- Holds senior accountability for state agency contracts throughout the Southern region of the U.S., including those in North Carolina, South Carolina, Florida, Mississippi, Alabama, Georgia, Tennessee, Arkansas, and Louisiana
- Holds responsibility for sales and operations of HMS's service offerings including Third Party Liability billing and recovery, cost avoidance, casualty, estate recovery, Medicare identification, credit balance and provider and pharmacy auditing, and program integrity services including recovery audit services
- Manages teams dedicated to servicing regional clients and coordinates the efforts of project teams in New York City; Atlanta, GA; Jackson, MS; Tallahassee, FL; and Irving, TX

Career History

Health Management Systems, Inc.

Senior Vice President, 2003-2013

- Guided HMS vision and strategy, oversees operations, and provides executive leadership for product offerings in new and emerging markets
- Established and directed HMS's Employer Solutions division, including its vision, strategy, operations; provided executive leadership for product offerings with new and emerging markets
- Developed and directs special projects and initiatives for State Government Services
- Led the integration of strategic acquisitions related to Dependent Eligibility Audits and Claim Audits for employers
- Provided oversight over research and strategic business solutions development for multiple state healthcare programs
- Advised state healthcare programs on strategic legislative initiatives to strengthen programs' ability to guard against fraud, waste and abuse, and to identify and recover overpayments.
- Oversaw HMS's marketing, channel partner management and engagement management efforts to meet the needs of existing and potential government clients

Vice President of Program Management, 2001–2003

- Exploited extensive program delivery expertise and knowledge to continuously train staff and maintain performance at the maximum level in key areas such as policies, rules, and procedures
- Managed core team of HMS TPL Program Directors and numerous offices nationwide
- Oversaw and direct all field operations, client relations, contract compliance, and client satisfaction for over 15 state client contracts
- Developed a comprehensive yield management follow-up plan to maximize recoveries from all payer categories; initiated and supervise ongoing intensive tracking

Résumé Continued

Donna Price, HIA

Senior Program Director, 1998–2001

- Oversaw client relations and TPL, revenue maximization, and cost avoidance projects in Missouri and New York; served as Program Director for Medicaid TPL contracts in Indiana, Louisiana, and the District of Columbia
- Provided continuing training for new HMS Program Directors
- Designed and performed comprehensive evaluation of all current state, HMO, and fiscal intermediary TPL activities for the Indiana Medicaid Program
- Revamped, reviewed, and redesigned HMS's internal TRICARE data match and billing process.
- Developed methodologies to bill Medicare HMOs for prescription drug claims when pharmacy coverage existed for the Louisiana Medicaid Program

Anthem, Inc. Acordia Healthcare Solutions

Director, Third Party Liability, 1993–1997

- Managed and directed all of the TPL contingency fee contract business
- Assumed primary responsibility for the development, implementation, and ongoing operation of all contracts
- Created and documented new procedures for commercial insurance data matches, employer-based data matches, and cost avoidance tape production
- Developed long-range program goals based on extensive knowledge of the Medicaid industry, particularly in the area of managed care
- Developed and implemented innovative direct billing of claims via personal computer to the TRICARE fiscal intermediaries
- Reviewed and revised internal operating procedures for maximum efficiency and cost effectiveness.
- Supervised both operational and programming staff

South Carolina State Health and Human Services Finance Commission

Director, Division of Third Party Liability, 1988–1993

- Managed and directed all aspects of the Medicaid TPL Program
- Designed, developed, and implemented a fully integrated, state-of-the-art cost avoidance and benefit recovery subsystem to the state's Medicaid MMIS; achieved CMS recognition as a model program
- Increased total annual TPL savings from \$3.4 million to \$42 million; established new policies and procedures to maximize recoveries from health insurers, liability carriers, and Medicare
- Designed and supervised the implementation of TPL insurance verification and benefit recovery services; included verification of 1,500 new health insurance policies monthly
- Doubled trauma recoveries; prepared and presented a series of continuing legal education seminars for the South Carolina Bar Association regarding Medicaid's Trauma Claim Recovery program
- Served as an invited speaker at three national HCFA TPL Conferences
- Served on the Medicaid Managed Care Committee to develop the state's 1115 Demonstration Waiver, the Palmetto Health Initiative. Evaluated possible strategies for TPL operations in a managed care environment; recommended the most feasible option

Medicaid Policy Analyst, 1987–1988

- Conducted preliminary research and developed general system requirements for an automated cost avoidance subsystem

Donna Price, HIA

Résumé Continued

Recoupment Specialist, 1986–1987

- Researched, prepared, presented, and settled Medicaid recipient liability claims with attorneys and insurers

Education

- *Bachelor of Arts, Wheaton College*
- *Master of Public Administration, Harvard University, John F. Kennedy School of Government*

Certifications/Accreditations

- Health Insurance Certification, America's Health Insurance Plan



State of Louisiana
Department of Health
Bureau of Health Services Financing

LaGov # 2000199641
Exhibit 7

September 29, 2016

Pamela B. Rice
Director
Office of Contractual Review
Division of Administration
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

RE: Late Letter

Dear Ms. Rice:

Please consider this request for the Louisiana Department of Health enter into a contract with Health Management Systems, Inc. (HMS).

There was no contract in place for third party liability activities from January 1, 2015 through February 29, 2016. An emergency contract was executed with an effective date of March 1, 2016. An RFP for third party liability activities was released on April 11, 2016 and an intent to award was issued on May 20, 2016. Negotiations involved extensive discussion and legal review and was not completed until recently.

HMS is currently performing recovery of Medicaid funds from liable third parties by identifying and billing the liable third parties as required by Federal Regulation 42 CFR 433, subpart D – Third Party Liability. The Department requests this justification be approved thereby avoiding any interruption in services to the healthcare providers and citizens of Louisiana served by this emergency contract.

Should additional information be required, please feel free to contact me at (225) 342-0840.

Sincerely,

A handwritten signature in cursive script that reads "Chris Ourso".

Chris Ourso
Contract Monitor

INTERNATIONAL FIDELITY INSURANCE COMPANY

a New Jersey corporation with home office located at
One Newark Center, 20th Floor, Newark, NJ 07102-5207

Bond # 0683951

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: That Health Management Systems, Inc.
As Principal,

Hereinafter called Principal and International Fidelity Insurance Company
as Surety, hereinafter called Surety, are held and firmly bound unto State of Louisiana- Louisiana Department
of Health- Bureau of Health Services Financing as Obligee, hereinafter called Obligee.

in the amount of Seven Million Six Hundred Fifty Thousand & 00/100
Dollars (\$ 7,650,000.00) For the payment whereof, Principal and Surety bind themselves, their heirs,
executors, Administrators, successors and assigns jointly and severally, firmly by these presents.

WHEREAS, Principal has by written agreement dated July 1, 2016 entered into a Contract with Obligee
for Consulting Services: RFP # 3000005038.
which Contract is by reference made a part hereof, and is hereafter referred to as the Contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Principal shall promptly and
faithfully perform the work as specified in said contract, then this obligation shall be null and void;
otherwise it shall remain in full force and effect.

Whenever Principal shall be, and be declared by Obligee to be in default under the Contract, the Obligee having
performed Obligee's obligations thereunder:

- (1) Surety may promptly remedy the default subject to the provisions of Paragraph 3 herein, or;
- (2) Obligee, after reasonable notice to Surety may, or Surety upon demand of Obligee may arrange for the performance of Principal's obligation under the Contract subject to the provisions of Paragraph 3 herein;
- (3) The balance of the Contract price, as defined below, shall be credited against the reasonable cost of completing performance of the Contract. If completed by the Obligee, and the reasonable cost exceeds the Contract price, the Surety shall pay to the Obligee such excess, but in no event shall the aggregate liability of the Surety exceed the amount of this bond. If the Surety arranges completion or remedies the default, that portion of the balance of the Contract price as may be required to complete the Contract or remedy the default and to reimburse the Surety for its outlays shall be paid to the Surety at the times and in the manner as said sums would have been payable to Principal had there been no default under the Contract. The term "balance of the Contract price" as used in this paragraph, shall mean the total amount payable by Obligee to Principal under the Contract and any amendments thereto, less the amounts heretofore properly paid by Obligee under the Contract.
- (4) The obligation of the Surety shall not include liability for loss, cost, damage, fines, penalties or expense (including attorneys' fees) from personal injury (including death), or from property damage (including environmental impairment or cleanup), or from any criminal or tortious act arising out of the performance, default or completion of the incorporated contract, nor shall the Surety be obligated to provide or maintain any policy or undertaking of liability insurance.
- (5) This bond does not cover any liability or transfer of liability from the Contractor or Obligee under the Contract documents to the Surety under this bond as to any loss of damage of whatever kind or nature promulgated by RCRA (Resource Conservation and Recovery Act of 1976) 42 USE Sec.6901 et seq (1982 and 1987 Supp.) or CERCLA Comprehensive Environmental Response Compensation and Liability Act of 1980) 42 USC Sec. 6907 et seq (superfund) or any similar state statute or other federal statutes or amendments to the aforesaid quoted statutes.

Any suit under this bond must be instituted before the expiration of two years from date on which final payment under the Contract falls due. Notwithstanding any of the above, this Bond shall not specifically cover any warranty beyond the period of one year from date of substantial completion of the Contract.

No right of action shall accrue on this bond to or for the use of any person or corporation other than the Obligee named herein or the heirs, executors, administrators or successors of the Obligee.

Signed and sealed this 28th day of September A.D., 2016.

Health Management Systems, Inc.

(Seal)

INTERNATIONAL FIDELITY INSURANCE COMPANY

Principal

Surety

By:

By:

Spencer H. Zettler (Attorney-in-Fact)

POWER OF ATTORNEY

INTERNATIONAL FIDELITY INSURANCE COMPANY ALLEGHENY CASUALTY COMPANY

Bond # 0683951

ONE NEWARK CENTER, 20TH FLOOR NEWARK, NEW JERSEY 07102-5207

KNOW ALL MEN BY THESE PRESENTS: That INTERNATIONAL FIDELITY INSURANCE COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and ALLEGHENY CASUALTY COMPANY a corporation organized and existing under the laws of the State of Pennsylvania, having their principal office in the City of Newark, New Jersey, do hereby constitute and appoint

WILLIAM H. HUTTO, SPENCER H. ZETTLER, MARIA A. COSENTINO

Commack, NY.

their true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by their regularly elected officers at their principal offices.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of the By-Laws of INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY and is granted under and by authority of the following resolution adopted by the Board of Directors of INTERNATIONAL FIDELITY INSURANCE COMPANY at a meeting duly held on the 20th day of July, 2010 and by the Board of Directors of ALLEGHENY CASUALTY COMPANY at a meeting duly held on the 15th day of August, 2000:

"RESOLVED, that (1) the President, Vice President, Chief Executive Officer or Secretary of the Corporation shall have the power to appoint, and to revoke the appointments of, Attorneys-in-Fact or agents with power and authority as defined or limited in their respective powers of attorney, and to execute on behalf of the Corporation and affix the Corporation's seal thereto, bonds, undertakings, recognizances, contracts of indemnity and other written obligations in the nature thereof or related thereto; and (2) any such Officers of the Corporation may appoint and revoke the appointments of joint-control custodians, agents for acceptance of process, and Attorneys-in-fact with authority to execute waivers and consents on behalf of the Corporation; and (3) the signature of any such Officer of the Corporation and the Corporation's seal may be affixed by facsimile to any power of attorney or certification given for the execution of any bond, undertaking, recognizance, contract of indemnity or other written obligation in the nature thereof or related thereto, such signature and seals when so used whether heretofore or hereafter, being hereby adopted by the Corporation as the original signature of such officer and the original seal of the Corporation, to be valid and binding upon the Corporation with the same force and effect as though manually affixed."

IN WITNESS WHEREOF, INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY have each executed and attested these presents on this 22nd day of July, 2014.



STATE OF NEW JERSEY
County of Essex

ROBERT W. MINSTER
Chief Executive Officer (International Fidelity Insurance Company) and President (Allegheny Casualty Company)



On this 22nd day of July 2014, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said he is the therein described and authorized officer of INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY; that the seals affixed to said instrument are the Corporate Seals of said Companies; that the said Corporate Seals and his signature were duly affixed by order of the Boards of Directors of said Companies.

IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.



A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 16, 2019

CERTIFICATION

I, the undersigned officer of INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Sections of the By-Laws of said Companies as set forth in said Power of Attorney, with the originals on file in the home office of said companies, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 28th day of September, 2016.

MARIA BRANCO, Assistant Secretary

ACKNOWLEDGMENT OF PRINCIPAL (Individual)

STATE OF _____
COUNTY OF _____

On this _____ day of _____, in the year _____, before me personally come(s) _____ to me know and know to me to be the person(s) who (is) (are) described in and who executed the foregoing instrument and acknowledges to me that he executed the same.

NOTARY PUBLIC

ACKNOWLEDGMENT OF PRINCIPAL (Partnership)

STATE OF _____
COUNTY OF _____

On this _____ day of _____, in the year _____, before me personally come(s) _____ a member of the co-partnership of _____, to me know and know to me to be the person who is described in and who executed the foregoing instrument, and acknowledges to me that he executed the same as and for the act and deed of the said co-partnership.

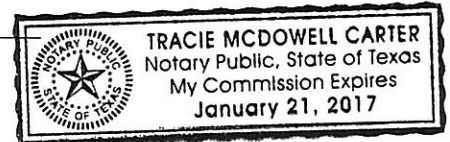
NOTARY PUBLIC

ACKNOWLEDGMENT OF PRINCIPAL (Corporation)

STATE OF Texas
COUNTY OF Dallas

On this 3rd day of October, in the year 2017, before me personally come(s) Jeffrey S. Sherman, to me known, who being by me duly sworn deposes and says that he resides in the City of Irving that he is the Chief Financial Officer of the Health Management Systems the corporation described in and which executed this foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by the order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

[Signature]
NOTARY PUBLIC



ACKNOWLEDGMENT OF SURETY

STATE OF New York
COUNTY OF Suffolk

On this 28 day of September in the year 2016, before me personally come(s) Spencer H. Zettler, Attorney(s)-in-Fact of International Fidelity Insurance Company with whom I am personally acquainted, and who, being by me duly sworn, says that he reside(s) in Commack, NY that he is the Attorney(s)-in-Fact of International Fidelity Insurance Company, the company described in and which executed the within instrument; that he knows(s) the corporate seal of such Company; and that the seal affixed to the within instrument is such corporate seal and that it was affixed by order of the Board of Directors of the said Company, and that he signed said instrument as Attorney(s)-in-Fact of said Company by like order.

[Signature]
NOTARY PUBLIC

Maria A Cosentino
Notary Public, State of New York
No. 01CO6110333
Qualified in Suffolk County
Commission Expires May 24, 2020

INTERNATIONAL FIDELITY INSURANCE COMPANY
 ONE NEWARK CENTER, 20TH FLOOR, NEWARK, NEW JERSEY 07102-5207

STATEMENT OF ASSETS, LIABILITIES, SURPLUS AND OTHER FUNDS

AT JUNE 30, 2016

<u>ASSETS</u>	
Bonds (Amortized Value)	\$99,593,771
Common Stocks (Market Value)	31,349,452
Mortgage Loans on Real Estate	369,245
Cash, Bank Deposits & Short Term Investments	33,495,828
Other Invested Assets	237,139
Unpaid Premiums & Assumed Balances	13,456,735
Reinsurance Recoverable from Reinsurers	960,062
Electronic Data Processing Equipment	495,141
Investment Income Due and Accrued	576,784
Net Deferred Tax Assets	4,071,273
Receivables from Parent, Subsidiaries & Affiliates	172,383
Health Care and Other amounts Receivable	6,329
Other Assets	<u>21,046,357</u>
TOTAL ASSETS	<u>\$205,830,499</u>
 <u>LIABILITIES, SURPLUS & OTHER FUNDS</u>	
Losses (Reported Losses Net as to Reinsurance Ceded and Incurred But Not Reported Losses)	\$661,522
Reinsurance Payable on Paid Losses and Loss Adjustment Expenses	(260,073)
Loss Adjustment Expenses	3,102,913
Commissions Payable, Contingent Commissions & Other Similar Charges	(740,080)
Other Expenses (Excluding Taxes, Licenses and Fees)	2,443,958
Taxes, Licenses & Fees (Excluding Federal Income Tax)	158,054
Current Federal and Foreign Income Taxes	344,765
Unearned Premiums	34,984,787
Dividends Declared & Unpaid: Policyholders	800,000
Ceded Reinsurance Premiums Payable	3,496,956
Funds Held by Company under Reinsurance Treaties	1,031
Amounts Withheld by Company for Account of Others	68,717,077
Provision for Reinsurance	41,874
Payable to Parent, Subsidiaries and Affiliates	97,398
Other Liabilities	<u>6,512,077</u>
TOTAL LIABILITIES	<u>\$120,362,259</u>
Common Capital Stock	\$1,500,000
Gross Paid-in & Contributed Surplus	374,600
Surplus Notes	16,000,000
Unassigned Funds (Surplus)	69,351,472
Less: Treasury Stock at cost (39,063 shares common) (value incl. \$45.)	<u>1,757,835</u>
Surplus as Regards Policyholders	<u>\$85,468,237</u>
TOTAL LIABILITIES, SURPLUS & OTHER FUNDS	<u>\$205,830,496</u>

I, Francis L. Mitterhoff, President of INTERNATIONAL FIDELITY INSURANCE COMPANY, certify that the foregoing is a fair statement of Assets, Liabilities, Surplus and Other Funds of this Company, at the close of business, June 30, 2016, as reflected by its books and records and as reported in its statement on file with the Insurance Department of the State of New Jersey.



IN TESTIMONY WHEREOF, I have set my hand and affixed the seal of the Company, this 11th day of August, 2016.
 INTERNATIONAL FIDELITY INSURANCE COMPANY

Additional Provisions

Order of Precedence Clause

In the event of any inconsistent or incompatible provisions, this signed agreement (excluding the RFP and Contractor's proposal) shall take precedence, followed by the provisions of the RFP, and then by the terms of the Contractor's proposal.