



**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 ( 1)

**Vendor:** Health Management Systems, Inc.

**Description:** Revisions to clarify performance standards and liquidated damages

**Approved By:** Sue Ellen Hopper

**Approval Date:** 12/20/2017

Your amendment that was submitted to OSP has been approved.

AMENDMENT TO  
 AGREEMENT BETWEEN STATE OF LOUISIANA  
 LOUISIANA DEPARTMENT OF HEALTH

Amendment #: 1  
 LAGOV#: 2000199641  
 LDH #: 061200

(Regional/ Program/ Facility)	Medical Vendor Administration	Original Contract Amount	\$ 7,650,000.00
	Bureau of Health Services Financing	Original Contract Begin Date	07-01-2016
	AND	Original Contract End Date	06-30-2019
	Health Management Systems, Inc.	RFP Number:	3000005038
	Contractor Name		

AMENDMENT PROVISIONS

Change Contract From: From Maximum Amount: \$7,650,000.00 Current Contract Term: 6-30-2019

Please see Attachment B - SOW.

Change Contract To: To Maximum Amount: \$7,650,000.00 Changed Contract Term: 6-30-2019

Please see Attachment B - SOW.

Justifications for amendment:

Revisions were needed to clarify performance standards and assessment of liquidated damages; please see Attachment A 1 for specificity regarding each revision.

This Amendment Becomes Effective: 10-23-2017

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

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

CONTRACTOR		STATE OF LOUISIANA LOUISIANA DEPARTMENT OF HEALTH	
Health Management Systems, Inc.		Secretary, Louisiana Department of Health or Designee	
CONTRACTOR SIGNATURE	DATE 12/4/17	SIGNATURE	DATE 12/12/17
PRINT NAME DOUGLAS WILLIAMS		NAME	Den Steele
CONTRACTOR TITLE PRESIDENT MARKETS		TITLE	Medicaid Director
		OFFICE	

PROGRAM SIGNATURE DATE  
 NAME Kerri Capello, Section Chief

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.

**Contract Amendment #1**  
**Attachment A-1**

Exhibit/ Attachment	Document	Change From:	Change To:	Justification
		Section B.1.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.	Section B.1.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. <u>For the purposes of B.1.d, resolution shall mean claims that have been closed on the accounts receivable. Ninety percent (90%) is defined as being calculated by the total number of claims resolved divided by the total number of claims billed.</u>	The revision is needed to define 'resolution' and to define methodology the contractor shall use to calculate percentage of claims resolved.

**Contract Amendment #1**  
**Attachment A-1**

Exhibit/ Attachment	Document	Change From:	Change To:	Justification
		Section B.1.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.	Section B.1.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. <u>For the purposes of B.1.d, resolution shall mean claims that have been closed on the accounts receivable. Ninety percent (90%) is defined as being calculated by the total number of claims resolved divided by the total number of claims billed.</u>	The revision is needed to define 'resolution' and to define methodology the contractor shall use to calculate percentage of claims resolved.

**Contract Amendment #1**  
**Attachment A-1**

Attachment B	LaGov # 2000199641	Section B.2.c.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.	Section B.2.c.vi. Requirement and demonstration that the Contractor's proposed personnel are working on the project. Completion of annual hospital credit balance reviews for <del>all</del> Medicaid participating hospital providers <u>as selected and approved by LDH</u> . 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.	The revision is needed to clarify the Contractor's responsibility regarding the completion of annual hospital credit balance reviews.
		Section B.6.g.iii. Submit a monthly report identifying pharmacy insurance policies that do not have a corresponding major medical segment.	<del>iii. Submit a monthly report identifying pharmacy insurance policies that do not have a corresponding major medical segment.</del>	The revision is needed as LDH doesn't use this report for data tracking.

**Contract Amendment #1**  
**Attachment A-1**

		Section C.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.	Section C.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. <u>Liquidated damages assessed per quarter shall not exceed eight (8) percent of the contractor's total quarterly contingency fee payment within the current SFY quarter.</u>	The revision is needed to clarify LDH guidelines when assessing liquidated damages.
		Section C.3. (Chart): 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	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. <u>For the purposes of this requirement, project is defined as all billings released in a given month. The liquidated damages will be assessed per project not meeting the performance requirement.</u>	The revision is needed to define 'project' and to define methodology used to assess liquidated damages.

**Contract Amendment #1**  
**Attachment A-1**

		Section C.3 (Chart) Verified insurance coverage shall be uploaded within thirty (30) calendar days of the data matches.	Section C.3. Verified insurance coverage shall be uploaded within thirty (30) calendar days of the data matches. <u>For the purpose of this requirement, data match is defined as policy match that has been identified between LDH Medicaid eligibility and carrier eligibility and as of the date that HMS has verified the policy.</u>	The revision is needed to define 'project' and to define 'data match'.
		Section C.3.(Chart) A one thousand dollar (\$1,000) per day charge to the Contractor may be imposed per day per file for each day the file that is not loaded within thirty (30) calendar days of the data match.	Section C.3. A. one thousand dollar (\$1,000) per day charge to the Contractor may be imposed <u>per record per day</u> for each day the <del>file</del> record <del>that</del> is not loaded within thirty (30) calendar days of the data match.	The revision is needed as the language should have read 'record' and not 'file'. The MCO will be charged liquidated damages per 'record' and not per 'file'.



**SCOPE OF WORK**

**A. Project Overview**

At a minimum, the Contractor will:

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

**B. Deliverables**

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

Reporting

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

Auditing

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

Validation

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

Monitoring

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

**1. General Requirements**

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

The Contractor shall:

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

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

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

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

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

## **2. Programmatic Requirements**

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

- notification to the Department of such proposed change. The Department may request any contractor personnel changes at any time that it deems necessary with regard to this contract.
- x. Assuring that state personnel are available for consultation in the specifications of the awarded contract.
- c. The performance of the Contractor will be measured during the period of the contract by consideration of the following:
  - i. Enhancement of recoveries and third party cost avoidance.
  - ii. Collection of identified potential accounts receivables or receipt of documentation refuting the corresponding claims.
  - iii. The Contractor shall act as the Department's agent in collecting data from carriers, at a minimum, on a monthly basis.
  - iv. The Contractor shall provide to the resource file, in a fixed-length record format to be delivered by LDH to the Contractor, adds and updates (changes and terminations to third party coverage) within thirty (30) calendar days from receipt of the information. Documentation of the adds and updates shall be maintained by the Contractor.
  - v. Progress of the Contractor along a pre-determined series of project management oriented milestones as defined in the work plan.
  - vi. Requirement and demonstration that the Contractor's proposed personnel are working on the project. Completion of annual hospital credit balance reviews for all Medicaid participating hospital providers as selected and approved by LDH. 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	- Beginning Date of Service
- Provider Billed Amount	- Date(s) of Service
- Recoupment Amount	- MMIS or MCO Internal Control Number (ICN)
- 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	- Carrier Name
- Enrollee Medicaid Identification Number	- MMIS or MCO ICN
- Claim type	- Date(s) of Service

- Provider Billed Amount
- TPL Payment Amount
- Check Number
- Attending Provider Number
- 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, 8am5pm 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
  - Carrier Overpayments
  - Refunds
  - Payment recouped by Carriers
  - Pay and Chase
  - Summary by Recovery Type
  - Summary of Recovery Subtotal by Carrier
  - 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 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.

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

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

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

**D. Fraud and Abuse**

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

**E. Technical Requirements**

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

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

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

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

#### **F. Subcontracting**

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



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

**G. Compliance with Civil Rights Laws**

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

**H. Insurance Requirements**

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

**1. Minimum Scope and Limits of Insurance**

- a. Workers’ Compensation  
Before any work is commenced, the contractor shall maintain during the life of this contract, Workers’ Compensation insurance shall be in compliance with the Workers’ Compensation laws of Louisiana and of the State of the Contractor’s headquarters. Employers’ Liability is included with a minimum limit of \$500,000 per accident/per disease/per employee.
- b. Commercial General Liability  
The contractor shall maintain during the life of the contract such Commercial General Liability insurance, including Personal and Advertising Injury Liability, shall have a minimum limit per occurrence of \$1,000,000 and a minimum general aggregate of \$2,000,000. The Insurance Services Office (ISO) Commercial General Liability occurrence coverage form CG 00 01 (current form approved for use in Louisiana), or equivalent, is to be used in the policy. Claims-made form is unacceptable.
- c. Automobile Liability  
The contractor shall maintain during the life of the contract such Automobile Liability Insurance shall have a minimum combined single limit per occurrence of \$1,000,000. ISO form number CA 00 01 (current form approved for use in Louisiana), or equivalent, is to be used in the policy. This insurance shall include third-party bodily injury and property damage liability for owned, hired and non-owned automobiles.
- d. Professional Liability (Errors and Omissions)  
The contractor shall maintain during the life of the contract such Professional Liability (Error & Omissions) insurance, which covers the professional errors, acts, or omissions of the Contractor, shall have a minimum limit of \$1,000,000. Claims-made coverage is acceptable. The date of the inception of the policy must be no later than the first date of the anticipated work under this contract. It shall provide coverage for the duration of this contract and shall have an expiration date no later than 30 calendar days after the anticipated completion of the contract. The policy shall provide an extended reporting period of not less than 24 months, with full reinstatement of limits, from the expiration date of the policy.

**2. Deductibles and Self-Insured Retentions**

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

**3. Other Insurance Provisions**

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

- i. The Department, its officers, agents, employees and volunteers shall be named as an additional insured as regards negligence by the Contractor. ISO Form CG 20 10 (current form approved for use in Louisiana), or equivalent, is to be used when applicable. The coverage shall contain no special limitations on the scope of protection afforded to the Department.
  - ii. The Contractor's insurance shall be primary as respects the Department, its officers, agents, employees and volunteers. Any insurance or self-insurance maintained by the Department shall be excess and non-contributory of the Contractor's insurance. iii. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the policy limits.
- b. Workers' Compensation and Employers' Liability Coverage
- The insurer shall agree to waive all rights of subrogation against the Department, its officers, agents, employees and volunteers for losses arising from work performed by the Contractor for the Department.
- c. All Coverage
- i. Coverage shall not be canceled, suspended, or voided by either party (the Contractor or the insurer) or reduced in coverage or in limits except after 30 calendar days written notice has been given to the Department. Ten-day written notice of cancellation is acceptable for non-payment of premium. Notifications shall comply with the standard cancellation provisions in the Contractor's policy.
  - ii. Neither the acceptance of the completed work nor the payment thereof shall release the Contractor from the obligations of the insurance requirements or indemnification agreement.
  - iii. The insurance companies issuing the policies shall have no recourse against the Department for payment of premiums or for assessments under any form of the policies.
  - iv. Any failure of the Contractor to comply with reporting provisions of the policy shall not affect coverage provided to the Department, its officers, agents, employees and volunteers.

#### 4. Acceptability of Insurers

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

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

#### 5. Verification of Coverage

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

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

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

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

**6. Subcontractors**

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

**7. Workers' Compensation Indemnity**

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

**8. Indemnification/Hold Harmless Agreement**

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

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

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

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

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

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

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

**I. Resources Available to Contractor**

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

**J. Ownership of Proprietary Data and Work Product**

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

**2. Contractor Intellectual Property.**

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

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

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

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

**K. Contract Monitor**

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

**Sheila Savoy**  
**Department of Health**  
**Bureau of Health Services Financing/MMIS**  
**Bienville Building**  
**628 North 4th Street, 6th Floor**  
**Baton Rouge, LA 70802**  
[sheila.savoy@la.gov](mailto:sheila.savoy@la.gov)

**L. Term of Contract**

1. The contract shall commence on or near the date approximated in the Schedule of Events. The term of this contract shall be three (3) years. With all proper approvals and concurrence with the successful Contractor, the Department may also exercise an option to extend for up to twenty-four (24) additional months at the same rates, terms and conditions of the initial contract term. Prior to the extension of the contract beyond the initial thirty-six (36) month term, approval by the Joint Legislative Committee on the Budget (JLCB) or other approval authorized by law shall be obtained. Such written evidence of JLCB approval shall be submitted, along with the contract amendment to the Office of State Procurement (OSP) to extend contract terms beyond the initial three (3) year term.
2. No contract/amendment shall be valid, nor shall the state be bound by the contract/amendment, until it has first been executed by the head of the using agency, or his designee, and the Contractor and has been approved in writing by the OSP director. Total contract term, with extensions, shall not exceed five (5) years. The continuation of this contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract.
3. No provider recovery projects (i.e., commercial insurance and Medicare) shall begin after January 1, 2019 without written Department approval.

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

#### **M. Payment Terms**

1. Payment of invoices is subject to State approval. Continuation of payment is dependent upon available funding. The Contractor shall submit deliverables in accordance with established timelines and shall submit itemized invoices monthly or as defined in the contract terms.
2. The State will make every reasonable effort to make payments within thirty (30) business days of the approval of invoices and under a valid contract. Contractor will not be paid more than the maximum amount of the contract. Contractor shall submit a final invoice to the Department within fifteen (15) business days following the end of the run-out period.
3. **Performance Bond**  
The successful proposer shall be required to provide a performance (surety) bond in the amount of its total proposal cost to insure the successful performance under the terms and conditions of the contract negotiated between the successful proposer and the Department. Any performance bond furnished shall be written by a surety or insurance company currently on the U.S. Department of the Treasury Financial Management Service list of approved bonding companies which is published annually in the *Federal Register*, or by a Louisiana domiciled insurance company with at least an A-rating in the latest printing of the A.M. Best's Key Rating Guide to write individual bonds up to 10 percent of policyholders' surplus as shown in the A.M. Best's Key Rating Guide or by an insurance company that is either domiciled in Louisiana or owned by Louisiana residents and is licensed to write surety bonds. No surety or insurance company shall write a performance bond which is in excess of the amount indicated as approved by the U.S. Department of the Treasury Financial Management Service list or by a Louisiana domiciled insurance company with an A-rating by A.M. Best up to a limit of 10 percent of policyholders' surplus as shown by A.M. Best; companies authorized by this Paragraph who are not on the treasury list shall not write a performance bond when the penalty exceeds 15 percent of its capital and surplus, such capital and surplus being the amount by which the company's assets exceed its liabilities as reflected by the most recent financial statements filed by the company with the Department of Insurance. In addition, any performance bond furnished shall be written by a surety or insurance company that is currently licensed to do business in the state of Louisiana.
4. Invoices may not be filed for less than one thousand dollars (\$1,000) with the exception of the last invoice which shall be for the final amount. Final invoice(s) shall be received within fifteen (15) business days following the end of the run-out period.
5. Invoices shall be in a hard copy format on Contractor letterhead as well as an electronic version to include specified data elements as determined by the Department.
6. **Recovery**
  - a. Contractor shall receive a contingency fee of 6.5% based on the amount of third party payments collected. Invoices shall be paid after Medicaid claims are successfully collected via adjustment, void, or negative balance transactions.
  - b. Contractor shall be responsible for adding or updating coverage, prior to invoicing the Department, for any recovery made on the behalf of the Department.
7. **Annual Hospital Credit Balance Reviews**
  - a. Contractor shall receive a contingency fee of 6.5% based on the amount of provider payments collected. Invoices shall be paid after Medicaid provider overpayments are successfully collected via adjustment, void, or negative balance transaction.

**8. File Maintenance and Cost Avoidance**

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

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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.
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**8. File Maintenance and Cost Avoidance**

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

**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 23<sup>rd</sup> day of February, 2016.

A handwritten signature in blue ink, reading "Kimberly Day", is written over a horizontal line.

Kimberly J. Day  
Assistant Secretary