STATE OF NEVADA
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH CARE FINANCING AND POLICY
1100 E. William Street, Suite 116
Carson City, Nevada 89701

BRIAN SANDOVAL
Governor

MICHAEL J. WILLDEN
Director

CHARLES DUARTE
Administrator

AMENDMENT # 2 TO CONTRACT CONV7132
For External Quality Review Organization Services (Request for Proposal 1763)

Between the State of Nevada
Acting By and Through Its

Department of Health and Human Services,
Division of Health Care Financing and Policy
1100 East William Street, Suite 103
Carson City, Nevada 89701
Phone: (775) 684-3636
Point of Contact: Greg Tanner

and

Health Services Advisory Group, Inc.
3133 East Camelback Road, Suite 300
Phoenix, Arizona 85016-4501
Phone: (602) 801-6701 Facsimile: (602) 745-6357
Point of Contact: Dr. Mary Ellen Dalton

1. AMENDMENTS. For and in consideration of mutual promises and/or their valuable consideration, all provisions of the original contract, resulting from Request for Proposal # 1763 , and dated 6/17/2009 attached hereto as Exhibit A and amendment Number 1 dated 9/15/2011, remain in full force and effect with the exception of the following:

A. **This amendment updates contract pricing for support of a Care Management Organization and allows for future consulting. Attachment A to this amendment clarifies EQRO activities. This amendment does not change the contracts "not to exceed" amount.**

Item 1: *Attachment B "State Solicitation" Section 2.2.7"Optional Activities" is amended to* ***add Section 2.2.7.5****:*

Current Contract Language:

N/A

Amended Contract Language:

2.2.7.5 At the discretion of the DHCFP, the EQRO may be asked to provide additional technical assistance or consultative services related to external quality review activities. All requests for technical assistance or consultative services shall be transmitted in writing from the DHCFP to the EQRO. Each request, at a minimum, will include the following:

- A description of the major functions, tasks, and activities required;
- The timeline/due date for any reports or identified deliverables;
- Specifications as to the medium and/or format of the desired deliverable;
- A listing of the EQRO's project requirements; and
- Any other instructions, definitions, specifications, requirements, outcomes, tangible items, or projects expected.

The EQRO will submit to the DHCFP, for approval, its cost proposal for completing the technical assistance or consultative project according to the scope of work detailed in the DHCFP's request.

Item 2: *Amendment 1 to contract resulting from RFP 1763, Section E, is amended as follows:*

Current Contract Language:

E. Optional Aged, Blind, and Disabled (ABD) Managed Care:

1. Technical Assistance to Develop Performance Measures - Health Services Advisory Group has negotiated a rate of $58,742.00 for State Fiscal Year 2012 and $60,163.00 for State Fiscal Year 2013 for these optional services.

2. Information Systems Readiness Review Desk Review - Health Services Advisory Group has negotiated a rate of $54,669.00 for State Fiscal Year 2012 and $55,992.00 for State Fiscal Year 2013 for these optional services.

3. Evaluate MCOs Implementation of Performance Measures - Health Services Advisory Group has negotiated a rate of $44,078.00 for State Fiscal Year 2012 and $45,145.00 for State Fiscal Year 2013 for these optional services.

4. EQR Technical Report - Health Services Advisory Group has negotiated a rate of $16,266.00 for State Fiscal Year 2012 and $16,659.00 for State Fiscal Year 2013 for these optional services.

5. Consulting - Health Services Advisory Group has negotiated a rate of $13,309.00 for State Fiscal Year 2012 and $13,631.00 for State Fiscal Year 2013 for these optional services.

6. Meetings - Health Services Advisory Group has negotiated a rate of $5,057.00 for State Fiscal Year 2012 and $5,180.00 for State Fiscal Year 2013 for these optional services.

Amended Contract Language:

E. Optional Care Management Organization (CMO) Support:

1. Technical Assistance to Develop Quality Measures -- Health Services Advisory Group has negotiated a rate of $27,877.00 for this optional service.

2. Conduct CMO Readiness Review – Health Services Advisory Group has negotiated a rate of $64,707.00 for this optional service.

3. Conduct CMO Compliance Review – Health Services Advisory Group has negotiated a rate of $ 29,627.00 for these optional services.

4. EQR Technical Report – Health Services Advisory Group has negotiated a rate of $16,266.00 for State Fiscal Year 2012 and $16,659.00 for State Fiscal Year 2013 for these optional services.

5. Consulting – Health Services Advisory Group has negotiated a rate of $223,518.00 for these optional services.

6. Meetings – Health Services Advisory Group has negotiated a rate of $5,057.00 for State Fiscal Year 2012 and $5,180.00 for State Fiscal Year 2013 for these optional services.

Item 3: *Amendment 1 to contract resulting from RFP 1763, Cost Summary, is amended as follows:*

Current Contract Language:

2. COST PROPOSAL FOR EXTERNAL QUALITY REVIEW SFY 2012 and 2013 - Optional ABD Managed Care		
SFY July - June	**SFY 2012**	**SFY 2013**
Task	**Proposed Budget**	**Proposed Budget**
Technical Assistance to Develop PM	$58,742.00	$60,163.00
Information Systems Readiness Review Desk Review	$54,669.00	$55,992.00
Evaluate MCOs Implementation of Performance Measures	$44,078.00	$45,145.00
EQR Technical Report	$16,266.00	$16,659.00
Consulting	$13,309.00	$13,631.00
Meetings	$5,057.00	$5,180.00
Total ABD Managed Care	**$192,121.00**	**$196,770.00**

Amended Contract Language:

2. COST PROPOSAL FOR EXTERNAL QUALITY REVIEW SFY 2012 and 2013 - Optional Care Management Organization Support		
SFY July - June	SFY 2012	SFY 2013
Task	Proposed Budget	Proposed Budget
Technical Assistance to Develop Quality Measures	$27,877.00	$0.00
Conduct Readiness Review	$64,707.00	$0.00
Conduct CMO Compliance Review	$0.00	$29,627.00
EQR Technical Report	$16,266.00	$16,659.00
Consulting	$78,214.00	$145,304.00
Meetings	$5,057.00	$5,180.00
Total Care Management Organization Support	**$192,121.00**	**$196,770.00**

2. INCORPORATED DOCUMENTS. Exhibit A (Original Contract and Amendment Number 1) is attached hereto, incorporated by reference herein and made a part of this amended contract, and
ATTACHMENT A

3. REQUIRED APPROVAL. This amendment to the original contract shall not become effective until and unless approved by the Nevada State Board of Examiners.

IN WITNESS WHEREOF, the parties hereto have caused this amendment to the original contract to be signed and intend to be legally bound thereby.

CONTRACTOR

Mary Ellen Dalton 6-15-12 Chief Executive Officer
Dr. Mary Ellen Dalton — Date — Independent Contractor's Title

DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISON OF HEALTH CARE FINANCING AND POLICY

Leah Lamborn — 6/28/12 — Acting Chief Fiscal Officer DHCFP
Leah Lamborn — Date — Title

Charles Duarte — 6/28/12 — Administrator DHCFP
Charles Duarte — Date — Title

for — 7/10/12 — Director DHHS
Michael J. Willden — Date — Title

for Jeff Mohlenkamp
Signature - Board of Examiners

APPROVED BY BOARD OF EXAMINERS

On 8/2/12
(Date)

Approved as to form by:

On 6/27/2012
Deputy Attorney General for Attorney General — (Date)

Attachment A to Amendment 2

HSAG HEALTH SERVICES ADVISORY GROUP

January 31, 2012

John Whaley
Chief of Business Lines
Division of Health Care Financing and Policy
1100 East William Street
Suite 101
Carson City, Nevada 89701

Re: Cost proposal for additional EQR activities provided by HSAG

Dear John:

Per your request, I have developed separate cost proposals for the following three activities to be included in the HSAG EQR contract. The additional activities are described below.

1. **Quality measure development for the care management organization (CMO) request for proposal (RFP):** Assist the State with identifying and creating a set of quality indicators to be included in the CMO RFP to track the bonus payment for the CMO and track quality and utilization of services provided to members who participate in the program. The total cost to develop quality indicators for the CMO RFP and assist DHCFP with applying the quality indicators to the CMO program is: $27,877.

2. **Conduct the CMO readiness review:** Once the CMO vendor has been selected by the DHCFP but prior to the CMO accepting enrollment information from DHCFP, HSAG will conduct a readiness review of the CMO to verify that the CMO has an appropriate operational structure to oversee the care coordination of Medicaid services to program participants and meet the structural, operational, and administrative requirements of the contract. The readiness review will also include an assessment of the CMO's information system and its capabilities to accept electronic eligibility and enrollment feeds from DHCFP and prioritize the target population into appropriate levels of need as determined by the complex conditions and risk of the population. HSAG's readiness review will include a report of findings that also includes recommendations to assist the DHCFP and the CMO determine what, if any, operational and structural areas need to be strengthened prior to enrolling members. The total cost for the operational, structural, and information system capabilities assessment readiness review is: $64,707.

3. **Conduct the CMO compliance review:** After the CMO enrolls members and operates within the program for a period of time, HSAG will conduct a review of the CMO's compliance with contract standards. The contractual requirements reviewed will include: client identification and prioritization procedures; care management assessment procedures and verification that all assessment criteria are included in enrollee

assessments; provider outreach; care plan development; disease management interventions; care management interventions; call center and enrollee information services; care transitioning; quality assurance standards; grievance and appeal procedures; and staffing. The total cost for conducting a review of the CMO's compliance with contractual standards is: $29,627

Should you have any questions regarding the contents of this proposal, please feel free to contact me at gthompson@hsag.com or 602-801-6850.

Sincerely,

Gretchen Thompson, MBA, CPHQ
Executive Director, State and Corporate Services