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

ELIZABETH AIELLO
Acting Administrator

AMENDMENT # 3 TO CONTRACT 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) 684-3708
Point of Contact: Sheila Lambert
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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
MDalton@HSAG.com

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, Amendment Number 1 dated 9/15/2011, attached hereto as Exhibit B, and Amendment Number 2 dated 08/02/2012, attached hereto as Exhibit C, remain in full force and effect with the exception of the following:

A. This Amendment provides a contract extension to the current External Quality Review Organization (EQRO) contract for two-years and increases the contract authority by $1,610,499.85 to a total contract authority not to exceed amount of $3,828,119.85 for the contract term. The EQRO monitors the quality and performance of Medicaid's contracted Managed Care Organizations (MCO) and other contracts. The DHCFP's current MCO contract expires on June 30, 2013. The current EQRO is needed during that time-frame to assess the ability of any new MCO vendor(s) to perform the duties outlined in their contract(s), and to provide consistency in the implementation of the Patient Protection and Affordable Care Act (ACA) requirements.

Item 1 – ***Contract 1763 "Contract Term" shall be amended as follows:***

Current Contract Language:

3. CONTRACT TERM. This Contract shall be effective upon Board of Examiners' approval (anticipated to be June 9, 2009) through June 30, 2013.

Amended Contract Language:

3. CONTRACT TERM. This Contract shall be effective upon executed date of original contract, with Board of Examiner approval, through June 30, 2015.

Item 2 – ***Contract 1763 - Section 6 "Consideration" shall be amended as follows:***

Current Contract Language:

6. CONSIDERATION. The parties agree that Contractor will provide the services specified in paragraph (5) at a cost of see Attachments AA & DD per Attachments AA & DD with the total Contract or installments payable: as invoiced not to exceed $2,217,620.00. The contractual authority, as identified by the not to exceed amount, does not obligate the State of Nevada to expend funds or purchase goods or services up to that amount; the purchase amount will be controlled by the individual using agency's purchase orders or other authorized means of requisition for services and/or goods as submitted to and accepted by the contractor. The State does not agree to reimburse Contractor for expenses unless otherwise specified in the incorporated attachments. Any intervening end to a biennial appropriation period shall be deemed an automatic renewal (not changing the overall Contract term) or a termination as the results of legislative appropriation may require.

Amended Contract Language:

6. CONSIDERATION. The parties agree that Contractor will provide the services specified in paragraph five (5) at a cost per hour, by level of service, and task outlined in the Contractor's Cost Proposal (Attachment D) for State Fiscal Year 2014 and State Fiscal Year 2015with the total Contract or installments payable monthly, not to exceed $ 3,828,119.85 for the contract term. The amount of contract increase is $1,610,499.85. In order to be paid for travel expenses, travel expenses must be submitted on a State Travel Claim Form in accordance with State travel rules and rates per Section 6 of SAM 0320. The contractual authority, as identified by the not to exceed amount, does not obligate the State of Nevada to expend funds or purchase goods or services up to that amount; the purchase amount will be controlled by the individual using agency's purchase orders or other authorized means of requisition for services and/or goods as submitted to and accepted by the contractor. The State does not agree to reimburse Contractor for expenses unless otherwise specified in the incorporated attachments. Any intervening end to a biennial appropriation period shall be deemed an automatic renewal (not changing the overall Contract term) or a termination as the results of legislative appropriation may require.

Item 3 – ***Contract 1763 – State Solicitation; Scope of Work; Section 2.3 shall be amended as follows:***

Current Contract Language:

No current contract Language.

Amended Contract Language

2.3.11 Contractor must maintain current International Classification of Diseases (ICD) and Electronic Data Interchange (EDI) compliance as defined by CMS regulation and policy and no funding will be provided for contractor's compliance.

B. This amendment updates the contract pricing for various services listed in Section II of Attachment AA to RFP 1763 for State Fiscal Year 2014 and 2015.

Item 4 - ***Attachment AA: Contract Negotiated Items; Section II shall be amended as follows:***

Current Contract Language:

II. EXTERNAL QUALITY REVIEW ORGANIZATION

A. Evaluation of the MCO's Internal Quality Assurance Programs (Title XIX) Costs for:

1. Validation of Performance Improvement Project (2 MCOs) – Health Services Advisory Group has negotiated a rate of $39,448.00 for State Fiscal Year 2012 and $40,403.00 for State Fiscal Year 2013 for these services.

2. HEDIS Audit (Validation of Performance Measures) - Health Services Advisory Group has negotiated a rate of $34,631.00 for State Fiscal Year 2012 and $35,469.00 for State Fiscal Year 2013 for these services.

3. Validation of State's Quality Assessment and Performance Improvement Strategy (QAPI) - Health Services Advisory Group has negotiated a rate of $53,315.00 for State Fiscal Year 2012 and $54,605.00 for State Fiscal Year 2013 for these services.

4. EQR Technical Report - Health Services Advisory Group has negotiated a rate of $56,676.00 for State Fiscal Year 2012 and $58,157.00 for State Fiscal Year 2013 for these services.

5. **Reporting and Education** - Health Services Advisory Group has negotiated a rate of $24,291.00 for State Fiscal Year 2012 and $24,879.00 for State Fiscal Year 2013 for these services.

6. Consulting - Health Services Advisory Group has negotiated a rate of $9,356.00 for State Fiscal Year 2012 and $9,583.00 for State Fiscal Year 2013 for these services.

7. **Meetings** - Health Services Advisory Group has negotiated a rate of $22,610.00 for State Fiscal Year 2012 and $23,158.00 for State Fiscal Year 2013 for these services.

8. **IQAP Compliance Reviews for Two Managed Care Organizations (SFY 2012 only)** - Health Services Advisory Group pre-negotiated a rate of $53,529.00 for State Fiscal Year 2012 for these services.

B. Evaluation of the MCO's Internal Quality Assurance Programs (Title XXI) Costs for:

1. **Validation of Performance Improvement Project (2 MCOs)** – Health Services Advisory Group has negotiated a rate of $12,458.00 for State Fiscal Year 2012 and $12,759.00 for State Fiscal Year 2013 for these services.

2. **HEDIS Audit (Validation of Performance Measures) (2 MCOs)** - Health Services Advisory Group has negotiated a rate of $10,936.00 for State Fiscal Year 2012 and $11,200.00 for State Fiscal Year 2013 for these services.

3. **EQR Technical Report** - Health Services Advisory Group has negotiated a rate of $17,898.00 for State Fiscal Year 2012 and $18,366.00 for State Fiscal Year 2013 for these services.

4. **Reporting and Education** - Health Services Advisory Group has negotiated a rate of $7,670.00 for State Fiscal Year 2012 and $7,856.00 for State Fiscal Year 2013 for these services.

5. **Consulting** - Health Services Advisory Group has negotiated a rate of $2,954.00 for State Fiscal Year 2012 and $3,025.00 for State Fiscal Year 2013 for these services.

6. **Meetings** - Health Services Advisory Group negotiated a rate of $7,140 for State Fiscal Year 2012 and $7313.00 for State Fiscal Year 2013 for these services.

<u>Amended Contract Language:</u>

II. EXTERNAL QUALITY REVIEW ORGANIZATION

A. Evaluation of the MCO's Internal Quality Assurance Programs (Title XIX) Costs for:

1. **Validation of Performance Improvement Project (2 MCOs)** – Health Services Advisory Group has negotiated a rate of $39,448.00 for State Fiscal Year 2012, $40,403.00 for State Fiscal Year 2013, $41,211.06 for State Fiscal Year 2014, and $41,211.06 for State Fiscal Year 2015 for these services.

2. **HEDIS Audit (Validation of Performance Measures)** - Health Services Advisory Group has a rate of $34,631.00 for State Fiscal Year 2012, $35,469.00 for State Fiscal

Year 2013, $36,171.38 for State Fiscal Year 2014, and $36,178.38 for State Fiscal year 2015, for these services.

3. Validation of State's Quality Assessment and Performance Improvement Strategy (QAPI) - Health Services Advisory Group has negotiated a rate of $53,315.00 for State Fiscal Year 2012, $54,605.00 for State Fiscal Year 2013, $55,697.10 for State Fiscal Year 2014, and $55,697.10 for State Fiscal Year 2015 for these services.

4. EQR Technical Report - Health Services Advisory Group has negotiated a rate of $56,676.00 for State Fiscal Year 2012, $58,157.00 for State Fiscal Year 2013, $58,738.57 for State Fiscal Year 2014, and $58,738.57 for State Fiscal Year 2015 for these services.

5. Reporting and Education - Health Services Advisory Group has negotiated a rate of $24,291.00 for State Fiscal Year 2012, $24,879.00 for State Fiscal Year 2013 $25,376.58 for State Fiscal Year 2014, and $25,376.58 for State Fiscal Year 2015 for these services.

6. Consulting - Health Services Advisory Group has negotiated a rate of $9,356.00 for State Fiscal Year 2012, $9,583.00 for State Fiscal Year 2013, $9,543.12 for State Fiscal Year 2014, and $9,543.12 for State Fiscal Year 2015 for these services.

7. Meetings - Health Services Advisory Group has negotiated a rate of $22,610.00 for State Fiscal Year 2012, $23,158.00 for State Fiscal Year 2013, $23,852.74 for State Fiscal Year 2014, and $23,852.74 for State Fiscal Year 2015 for these services.

8. IQAP Compliance Reviews for Two Managed Care Organizations - Health Services Advisory Group pre-negotiated a rate of $53,529.00 for State Fiscal Year 2012, and $54,599.58 for State Fiscal Year 2015 for these services.

9. IQAP Corrective Action Plan Review – Health Services Advisory Group has negotiated a rate of $6,586.65 for State Fiscal Year 2015.

B. Evaluation of the MCO's Internal Quality Assurance Programs (Title XXI) Costs for:

1. Validation of Performance Improvement Project (2 MCOs) – Health Services Advisory Group has negotiated a rate of $12,458.00 for State Fiscal Year 2012, $12,759.00 for State Fiscal Year 2013, $13,014.18 for State Fiscal Year 2014 and $13,014.18 for State Fiscal Year 2015 for these services.

2. HEDIS Audit (Validation of Performance Measures) (2 MCOs) - Health Services Advisory Group has negotiated a rate of $10,936.00 for State Fiscal Year 2012, $11,200.00 for State Fiscal Year 2013, $11,154.72 for State Fiscal Year 2014, and $11,154.72 for State Fiscal Year 2015 for these services.

3. EQR Technical Report - Health Services Advisory Group has negotiated a rate of $17,898.00 for State Fiscal Year 2012, $18,366.00 for State Fiscal Year 2013,

$18,549.66 for State Fiscal Year 2014, and $18,549.66 for State Fiscal Year 2015 for these services.

4. Reporting and Education - Health Services Advisory Group has negotiated a rate of $7,670.00 for State Fiscal Year 2012, $7,856.00 for State Fiscal Year 2013, $8,013.12 for State Fiscal Year 2014, and $8,013.12 for State Fiscal Year 2015 for these services.

5. Consulting - Health Services Advisory Group has negotiated a rate of $2,954.00 for State Fiscal Year 2012, $3,025.00 for State Fiscal Year 2013, $3,085.50 for State Fiscal Year 2014, and $3,085.50 for State Fiscal Year 2015 for these services.

6. Meetings - Health Services Advisory Group has negotiated a rate of $7,140 for State Fiscal Year 2012, $7,313.00 for State Fiscal Year 2013, $7,459.26 for State Fiscal Year 2014, and $7,459.26 for State Fiscal Year 2015 for these services.

Item 5 –*Amendment 1; Section C "Optional Fees for Service for Title XIX Costs" shall be amended as follows:*

Current Contract Language:

C. Optional Fee for Service for Title XIX Costs

1. Clinical Focus Studies - Health Services Advisory Group has negotiated a rate of $123,936.00 for State Fiscal Year 2012 and $126,934.00 for State Fiscal Year 2013 for these optional services.

2. HEDIS Audit (Validation of Performance Measures) - Health Services Advisory Group has negotiated a rate of $94,993.00 for State Fiscal Year 2012 and $97,291.00 for State Fiscal Year 2013 for these optional services.

3. Encounter Data Validation & Omission Studies - Health Services Advisory Group has negotiated a rate of $105,898.00 for State Fiscal Year 2012 and $108,460.00 for State Fiscal Year 2013 for these optional services.

4. CAHPS (Consumer Assessment of Health Plan Surveys) - Health Services Advisory Group has negotiated a rate of $100,191.00 for State Fiscal Year 2012 and $102,034.00 for State Fiscal Year 2013 for these optional services.

5. Network Access Analysis (FY 2012 not yet approved) - - Health Services Advisory Group has negotiated a rate of $31,672.00 for State Fiscal Year 2012 for these optional services.

Amended Contract Language:

C. Optional Fee for Service for Title XIX Costs:

1. **Clinical Focus Studies** - Health Services Advisory Group has negotiated a rate of $123,936.00 for State Fiscal Year 2012 and $126,934.00 for State Fiscal Year 2013 for these optional services.

2. **HEDIS Audit** (Validation of Performance Measures) - Health Services Advisory Group has negotiated a rate of $94,993.00 for State Fiscal Year 2012 and $97,291.00 for State Fiscal Year 2013 for these optional services.

3. **Encounter Data Validation & Omission Studies** - Health Services Advisory Group has negotiated a rate of $105,898.00 for State Fiscal Year 2012 and $108,460.00 for State Fiscal Year 2013 for these optional services.

4. **CAHPS** (Consumer Assessment of Healthcare Providers and Systems) survey - Health Services Advisory Group has negotiated a rate of $100,191.00 for State Fiscal Year 2012 and $102,034.00 for State Fiscal Year 2013 for these optional services.

5. **Network Access Analysis** - Health Services Advisory Group has negotiated a rate of $31,672.00 for State Fiscal Year 2012 for these optional services.

6. **HEDIS Administrative Measures (for Adult Medicaid Quality Incentives Grant)** - if approved by the Centers for Medicare and Medicaid Services (CMS) – Health Services Advisory Group has negotiated a rate of $132,589.00 for State Fiscal Year 2013 and $120,624.00 for work performed in both State Fiscal Year 2014 and State Fiscal Year 2015, according to the grant. This will be paid 100% by CMS.

7. **Technical Assistance and Consulting on Medicaid Contracts and Programs** - (*HSAG must receive DHCFP approval prior to beginning work on any Technical Assistance and/or Consulting Activities, According to Amendment 2, Item 1*) -for a negotiated rate of $223,295.82 for State Fiscal Year 2014 and $191,588.82 for State Fiscal Year 2015.

Item 6 – ***Amendment 2; Section E "Optional Care Management Organization (CMO) Support" shall be amended as follows:***

Current 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 for this optional service.

2. **Conduct CMO Readiness Review** - Health Services Advisory Group has negotiated a rate of $64,707 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.

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 for this optional service.

2. Conduct CMO Readiness Review - Health Services Advisory Group has negotiated a rate of $64,707 for this optional service.

3. Conduct CMO Compliance Review- Health Services Advisory Group has negotiated a rate of $ 29,627.00 for State Fiscal Year 2013, and $29,627.00 for State Fiscal Year 2014 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 State Fiscal Years 2012 and 2013, $74,000.00 for State Fiscal Year 2014, and $44,373.00 for State Fiscal Year 2015 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.

7. **Performance Measure Validation (PMV) to review and validate CMO Performance Measures** - Health Services Advisory Group has negotiated a rate of $54,734.00 for State Fiscal Year 2014, and $54,734.00 for State Fiscal Year 2015.

2. INCORPORATED DOCUMENTS. Exhibit A (Original Contract), Exhibit B (Amendment Number 1), Exhibit C (Amendment Number 2), and Exhibit D (cost proposals), are attached hereto, incorporated by reference herein and made a part of this amended contract and,

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 11-20-12 Chief Executive Officer

Dr. Mary Ellen Dalton — Date — Independent's Contractor's Title

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

Leah Lamborn — 12/4/12 — Chief Fiscal Officer DHCFP

Leah Lamborn — Date — Title

Elizabeth Aeillo — 12/5/12 — Acting Administrator DHCFP

Elizabeth Aeillo — Date — Title

Ellen M Greenlee for — 12/7/12 — Director DHHS

Michael J. Willden — Date — Title

Signature - Board of Examiners

APPROVED BY BOARD OF EXAMINERS

On 1/8/13
(Date)

Approved as to form by:

Deputy Attorney General for Attorney General

On 12/3/12
(Date)