ATTACHMENT A – CONFIDENTIALITY AND CERTIFICATION OF INDEMNIFICATION

Submitted proposals, which are marked "confidential" in their entirety, or those in which a significant portion of the submitted proposal is marked "confidential" **will not** be accepted by the State of Nevada. Pursuant to NRS 333.333, only specific parts of the proposal may be labeled a "trade secret" as defined in NRS 600A.030(5). All proposals are confidential until the contract is awarded; at which time, both successful and unsuccessful vendors' technical and cost proposals become public information.

In accordance with the Submittal Instructions of this RFP, vendors are requested to submit confidential information in separate binders marked "**Part I B Confidential Technical**" and "**Part III Confidential Financial**".

The State will not be responsible for any information contained within the proposal. Should vendors not comply with the labeling and packing requirements, proposals will be released as submitted. In the event a governing board acts as the final authority, there may be public discussion regarding the submitted proposals that will be in an open meeting format, the proposals will remain confidential.

By signing below, I understand it is my responsibility as the vendor to act in protection of the labeled information and agree to defend and indemnify the State of Nevada for honoring such designation. I duly realize failure to so act will constitute a complete waiver and all submitted information will become public information; additionally, failure to label any information that is released by the State shall constitute a complete waiver of any and all claims for damages caused by the release of the information.

This proposal contains Confidential Information, Trade Secrets and/or Proprietary information as defined in ***Section 2 "ACRONYMS/DEFINITIONS."***

Please initial the appropriate response in the boxes below and provide the justification for confidential status.

Part I B – Confidential Technical Information			
YES		NO	X
Justification for Confidential Status			

A Public Records CD has been included for the Technical and Cost Proposal			
YES	X	NO	

Part III – Confidential Financial Information			
YES		NO	X
Justification for Confidential Status			

Hometown Health Providers
Company Name

Signature

Ty Windfeldt
Print Name

11-30-2013
Date

This document must be submitted in Tab IV of vendor's technical proposal

ATTACHMENT C – VENDOR CERTIFICATIONS

Vendor agrees and will comply with the following:

(1) Any and all prices that may be charged under the terms of the contract do not and will not violate any existing federal, State or municipal laws or regulations concerning discrimination and/or price fixing. The vendor agrees to indemnify, exonerate and hold the State harmless from liability for any such violation now and throughout the term of the contract.

(2) All proposed capabilities can be demonstrated by the vendor.

(3) The price(s) and amount of this proposal have been arrived at independently and without consultation, communication, agreement or disclosure with or to any other contractor, vendor or potential vendor.

(4) All proposal terms, including prices, will remain in effect for a minimum of 180 days after the proposal due date. In the case of the awarded vendor, all proposal terms, including prices, will remain in effect throughout the contract negotiation process.

(5) No attempt has been made at any time to induce any firm or person to refrain from proposing or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal. All proposals must be made in good faith and without collusion.

(6) All conditions and provisions of this RFP are deemed to be accepted by the vendor and incorporated by reference in the proposal, except such conditions and provisions that the vendor expressly excludes in the proposal. Any exclusion must be in writing and included in the proposal at the time of submission.

(7) Each vendor must disclose any existing or potential conflict of interest relative to the performance of the contractual services resulting from this RFP. Any such relationship that might be perceived or represented as a conflict should be disclosed. By submitting a proposal in response to this RFP, vendors affirm that they have not given, nor intend to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant or any employee or representative of same, in connection with this procurement. Any attempt to intentionally or unintentionally conceal or obfuscate a conflict of interest will automatically result in the disqualification of a vendor's proposal. An award will not be made where a conflict of interest exists. The State will determine whether a conflict of interest exists and whether it may reflect negatively on the State's selection of a vendor. The State reserves the right to disqualify any vendor on the grounds of actual or apparent conflict of interest.

(8) All employees assigned to the project are authorized to work in this country.

(9) The company has a written equal opportunity policy that does not discriminate in employment practices with regard to race, color, national origin, physical condition, creed, religion, age, sex, marital status, sexual orientation, developmental disability or handicap.

(10) The company has a written policy regarding compliance for maintaining a drug-free workplace.

(11) Vendor understands and acknowledges that the representations within their proposal are material and important, and will be relied on by the State in evaluation of the proposal. Any vendor misrepresentations shall be treated as fraudulent concealment from the State of the true facts relating to the proposal.

(12) Vendor must certify that any and all subcontractors comply with Sections 7, 8, 9, and 10, above.

(13) The proposal must be signed by the individual(s) legally authorized to bind the vendor per NRS 333.337.

Hometown Health Provider, Inc.

Vendor Company Name

Vendor Signature

Ty Windfeldt — 11-30-2013

Print Name — Date

This document must be submitted in Tab IV of vendor's technical proposal

State of Nevada
Department of Administration
Purchasing Division
515 E. Musser Street, Suite 300
Carson City, NV 89701

Brian Sandoval
Governor

Greg Smith
Administrator

SUBJECT:	Amendment 1 to Request for Proposal 3084
RFP TITLE:	Utilization Management and Large Case Management Services
DATE OF AMENDMENT:	September 30, 2013
DATE OF RFP RELEASE:	September 25, 2013
OPENING DATE:	December 3, 2013
OPENING TIME:	2:00 PM
CONTACT:	Marcy Troescher, Procurement Staff Member

The following shall be a part of RFP ***3084.*** If a vendor has already returned a proposal and any of the information provided below changes that proposal, please submit the changes along with this amendment. You need not re-submit an entire proposal prior to the opening date and time.

The following change has been made to the timeline for RFP 3084 *Utilization Management and Large Case Management Services*.

3084 RFP TIMELINE

Task	Date/Time
Deadline for submitting questions	10/15/2013 @ 2:00 PM
Answers posted to website	On or about ~~October 19, 2013~~ 10/22/2013
Deadline for submittal of Reference Questionnaires	No later than 4:30 PM on 12/02/2013
Deadline for submission and opening of proposals	No later than 2:00 PM on 12/03/2013
Evaluation period (approximate time frame)	12/04/2013-01/06/2014
Selection of vendor	On or about 1/09/2014
Anticipated BOE approval	4/08/2013
Contract start date (contingent upon BOE approval)	7/01/2014

ALL ELSE REMAINS THE SAME FOR RFP 3084.

Vendor must sign and return this amendment with proposal submitted.

Vendor Name: Hometown Health Providers, Inc.

Authorized Signature:

Title: Ty Windfeldt Date: 11-30-2013

This document must be submitted in the "State Documents" section/tab of vendors' technical proposal.

State of Nevada
Department of Administration
Purchasing Division
515 E. Musser Street, Suite 300
Carson City, NV 89701

Brian Sandoval
Governor

Greg Smith
Administrator

SUBJECT:	Amendment 2 to Request for Proposal 3084
RFP TITLE:	Utilization Management and Large Case Management Services
DATE OF AMENDMENT:	October 23, 2013
DATE OF RFP RELEASE:	September 25, 2013
OPENING DATE:	December 3, 2013
OPENING TIME:	2:00 PM
CONTACT:	Marcy Troescher, Purchasing Officer

The following shall be a part of RFP ***3084.*** If a vendor has already returned a proposal and any of the information provided below changes that proposal, please submit the changes along with this amendment. You need not re-submit an entire proposal prior to the opening date and time.

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1. Can you please tell us how many Registered Nurses and how many Technicians will be required for this?

   PEBP relies on the vendor to provide the appropriate staff to meet the requirements of the contract.

2. If our company provides utilization management services listed, but not all, would the bid still be considered?

   PEBP is seeking a vendor that can provide all of the services listed in the Overview of Project and Scope of Work.

3. If our company does not provide Large Case Management Services, would the bid still be considered?

   See the response to question #2.

4. If our company provides utilization management/pre-certification services for specialty high dollar medical services not listed, will these services be considered within this bid?

   See the response to question #2.

5. Section 3.17.3 requires that we review Attachment M – Privacy Security Policies and Procedures, and indicate our agreement and/or exceptions. Page ii of Attachment M references

additional attachments, specifically attachments A through J. Can you please tell me where I can find attachment A through J?

Those attachments were intentionally omitted from the RFP. These attachments refer to administrative functions that are related to PEBP and its business operations and would not affect any vendor who would bid on this RFP.

6. What are the names of the organizations that submitted questions?

This information is not available.

7. Section 3.7, page 11: Are bidders required to be fully accredited by URAC in utilization management and/or case management?

PEBP prefers that URAC accreditation be in place at the start date of the contract, July 1, 2014. If a vendor is in the process of accreditation and if the date of accreditation is within a reasonable timeframe of the start date of the contract, PEBP may be willing to make accreditation a negotiated item of the contract.

8. Section 3.9.4, page 13: In this section, there is a statement that, "your organization's ability to provide these services with these requirements." Please describe what these services are. In particular, please explain what is meant by a "Letter of Agreement" which is mentioned in this section.

A Letter of Agreement (LOA) is a document facilitated by the UM/CM vendor that is typically exchanged between the facility, PEBP as the payer, and HealthSCOPE, the third party administrator, stating that a certain plan exception is being made in the case of a specific plan participant. The exception may be a negotiated case rate, allowing a facility that is not in the network to be considered in-network for the purposes of treating that participant in exchange for a discounted rate, or extending a stay in a facility beyond what PEBP's Master Plan Document states when, based on certain clinical criteria, a participant's condition warrants the exception.

9. Section 3.9.5, page 13: Does PEBP pay for the health plan auditor, or is this contractor expected to pay for the health plan auditor? Please explain.

PEBP is responsible for paying its health plan auditor.

10. Section 3.11.1.2, page 13: Does PEBP have a mandatory or preferred location for the nurse case managers assigned to this contract? If so, please explain.

PEBP requires that the case manager nurses servicing this contract be licensed appropriately for the states in which they provide services.

11. Section 3.11.4 and Section 3.11.1.5, pages 13 and 14: Both of these sections request descriptions for criteria for case management services. Please explain the difference in these two questions. Please explain the difference between general case management and large case management.

Section 3.11.1.5 lists some of the additional conditions/complications that separate general case management from large case management.

12. Section 3.11.2.13, page 17: Is PEBP willing to accept recommendations from this contractor regarding which services should require pre-certification?

PEBP works in partnership with all its vendors and accepts recommendations from its vendors; however, PEBP has the final say in what changes to the plan are made.

13. Section 3.19, page 22: Does the current contractor have performance standards and/or performance guarantees? If so, has PEBP collected any performance guarantee financial penalties? Please describe.

All PEBP contracts have performance standards and guarantees. The current vendor has not had any financial penalties assessed.

14. Section 5.2, page 29: Are plan participants the primary participant only, or does plan participant include the primary participant and the covered dependents? Please explain.

The PPPM listed is Per Participant Per Month, meaning <u>primary participant</u> only. Vendors are encouraged to price their services accordingly.

15. Contract for Services of Independent Contractor, Section 14, p. 4: Will the State agree that the contractor will not be liable to indemnify the State for claims to the extent that those claims arose from the negligence or willful acts or omissions of the State or its employees or agents?

The Contractor's obligation to indemnify the State under this section shall not require indemnification for the State's own fault or negligence. However, if a loss is caused by the Contractor's negligence or fault, the existence of some concurrent, contributory, or joint negligence on the part of the State would not relieve the Contractor of its obligation to indemnify to the full extent of the loss caused by the Contractor.

16. Contract for Services of Independent Contractor: Is the State willing to include a section in the contract regarding the confidentiality of peer review deliberations clause such as: a. To preserve the integrity of independent review, Contractor will keep, and is entitled to keep, confidential and will not disclose to the State, a Covered Person, or any other interested party the full identity of any clinical reviewer and/or Qualis Health physician reviewer who provides services under this Agreement except where such identities must be disclosed pursuant to U.S. Department of Labor regulations, 29 C.F.R. section 2560.503-1 (the "DOL Regulations"), the American Accreditation of Health Care Commission ("URAC") standards, or as may otherwise be required by law or by a court of competent jurisdiction. Qualis Health will also keep confidential and will not disclose to the State , a Covered Person, or any other interested party the discussions, communications, review notes, minutes of meetings and any other records of discussion and judgments involving the Utilization Management Services, except where such disclosure is required by the DOL Regulations, URAC standards, or as otherwise required by law or by a court of competent jurisdiction. The parties mutually agree that 42 C.F.R. section 480.139(b) (Reasons for Quality Improvement Organization Decisions) is hereby incorporated by reference into this Agreement and will apply with respect to the UM Services rendered by Qualis Health. For purposes of applying such regulations to this Agreement, the reference therein to "those who have access to Quality Improvement Organization information" will be

interpreted to refer to the State and its applicable employees and agents; and the State will comply with the provisions

This is something that PEBP will submit to the agency Deputy Attorney General for review if needed for negotiation if this vendor is chosen.

17. Contract for Services of Independent Contract: Please clarify if the Contractor's UM and CM decisions are advisory only to the State, so that the State is not bound by the UM and CM decisions by this contractor.

PEBP accepts the clinical decisions made by the UN/CM vendor as advisory only.

18. Business Associate Agreement: Is the state be willing to negotiate some of the terms of the Business Associate Agreement so that both parties may be in compliance with current HIPAA requirements?

PEBP's Business Associates Agreement is revised on a regular basis based on the results of its biennial legal compliance review. PEBP may be open to suggestions from the vendor as long as the suggestions are minimal and do not change the intent of the agreement.

19. Section 3.9.1 – How many individuals from PEBP's TPA will need to access the contractor's Utilization Management/Case Management IT system.

This would be determined through negotiations with the winning vendor, PEBP's TPA, and PEBP's Chief Information Officer.

20. Section 3.9.3 – How many PEBP staff members/other vendors will participate in the bimonthly calls?

In addition to PEBP staff, PEBP's third party administrator, pharmacy benefit manager, representative from the statewide PPO network, and other vendors when requested will join the bimonthly calls.

21. Section 3.10 – Please provide the following Utilization Management and Case Management Data for the latest 12 month period: o Case Management Cases Opened o Case Management Cases Closed o Case Management Cases Open at End of the Period o Inpatient Authorizations by Specialty (Medical, Surgical, MH Acute, CD Acute/Residential and MH Residential o Inpatient Denials by Specialty (Medical, Surgical, MH Acute, CD Acute/Residential and MH Residential o Outpatient Authorizations o Outpatient Denials

The data available is provided in this embedded document.

PEBP SFY 2013
Annual Report.pdf

22. Please confirm that the implementation fee provided on the cost schedule should be in the format of a fixed fee and not a PPPM rate. *(Attachment I)*

The implementation fee may be in the form of a fixed fee in the cost scheduled provided in Attachment I.

23. Are there any reimbursable (pass through) costs like postage that should not be included in the cost proposal? *(Attachment I)*

All costs that the vendor anticipates in the execution of this contract should be reflected Attachment I. This would include postage, marketing, travel, etc. PEBP will not reimburse for any costs other than what is proposed in Attachment I.

24. Please detail how payments for implementation services prior to July 1, 2014 will be paid and on what schedule. *(Attachment I)*

There will be no payments made to any vendor for work done prior to the start date of July 1, 2014. If there are implementation costs they should be listed in the cost table provided in Attachment I.

25. When is the contract expected to be signed given that the vendor must be working to have implementation completed by July 1, 2014? *(Section I, page 4)*

There will be no payments made to any vendor for work done prior to the start date of July 1, 2014. If there are implementation costs they should be listed in the cost table provided in Attachment I. The contract is expected to be presented at the April 2014 Board of Examiners meeting.

26. Please confirm the contractor has six months for implementation after BOE approval. *(Section I, page 4)*

The contract is anticipated to be presented to the Board of Examiners in April 2014. The contract has the anticipated start date of July 1, 2014.

27. Will the State please confirm that answers to questions will be incorporated into the RFP by an amendment or addendum? *(Section 7.1, page 29)*

The State will release an amendment that includes all questions with all answers. This amendment will be appended to the contract as an attachment.

28. Is the current pricing listed in 5.2 applied to all participants in the graphic "Current Plan Census?" *(Section 3.1 [page 8] and Section 5.2 [page29])*

The pricing that is provided in Section 5.2 is what the current vendor is paid per month on a per-participant basis. The headcount can vary month to month based on plan census reports.

29. The requirements states that Healthscope have access to the UM/CM IT system. How many viewers will they require? *(Section 3.9.1, page 12)*

This would be determined through negotiations with the winning vendor, PEBP's TPA, and PEBP's Chief Information Officer.

30. Is all travel relating to the administration of the proposed requirements billable to PEBP or are there specific functions designated for travel reimbursement. *(Section 11.3.2, page 46)*

All costs associated with this contract should be reflected in the table provided in Attachment I. PEBP will not reimburse vendors for travel that is not listed in the cost table provided in

Attachment I. All costs that a vendor anticipates in the execution of this contract should be included. The line item for "Other" can be used for travel expenses if needed.

31. Section 3.10 refers the bidder to Attachment L for current vendor volumes for the 7/1/12 to 6/3013 time period. The document in Attachment L does not contain time frames and the tables are blank. The Executive Summary contains several service counts. Are these counts to be used for volume estimation? If so, what is the time frame? If not, can you please provide volumes for the last 12 months broken out by the pricing categories outlined in Attachment I, Cost Schedule? *(Section 3.10 [page 13]) and Attachment L)*

See the response top Question #21.

32. What is the anticipated earliest date PEBP may request services to be initiated? *(Section 1, page 4)*

PEBP does not anticipate the start date of this contract being prior to July 1, 2014.

33. Does the State anticipate any significant increase or decrease in the total number of eligibles prior to contract start date? And if so, by what anticipated amount/percentage? *(Section 3.2, page 9)*

While the total number of participants enrolled in the PEBP plan can vary from month to month, there are typically no great variations in the number from month to month. PEBP does not foresee a great increase or decrease in the total number of eligible plan participants.

34. The CDHP is one benefit option to employees. Please confirm that participants have access to local HMOs and a retiree health insurance exchange. Please confirm that services under this RFP are for those that choose the CDHP only? Are there any strategic initiatives that would decrease enrollment in the CDHP? *(Section 3.2, page 9)*

Confirmed. Eligible PEBP retirees must enroll in a Medicare Exchange. Other participants, including active employees and retirees not yet Medicare-eligible, must choose between the CDHP and the HMO plans. There are no planned initiatives that would decrease enrollment in the CDHP. The CDHP is PEBP's default plan.

35. What is the approximate number of PEBP staff that will need access to the reporting tools? *(Section 3.4.2, page 11)*

There are approximately four (4) staff members needing access.

36. What is the anticipated annual volume and types of ad hoc reports that may be requested by PEBP? *(Section 3.4.3, page 11)*

This information is unknown at this time.

37. Does the State require that only Registered Nurses provide the Utilization Management services or would the State be open to a combination of Registered Nurses and Licensed Practical Nurses? *(Section 3.5.2, page 11)*

PEBP requires that registered nurses provide case management and large case management services. For utilization management, registered nurses and/ or licensed practical nurses would be acceptable.

38. What is the approximate number of individuals, with HealthSCOPE benefits? *(Section 3.9.1, page 12)*

This would be determined through negotiations with the winning vendor, PEBP's TPA, and PEBP's Chief Information Officer.

39. Who will require access to the UM/CM vendor's system? *(Section 3.9.1, page 12)*

See the answer to question #38.

40. Please provide a list of the states in which PEBP participants reside. *(Section 3.11.1.19, page 16)*

Currently, PEBP has participants residing in all 50 states.

41. Please provide the number of participants per state. *(Section 3.11.1.19, page 16)*

Requested information is provided in this embedded document.

Participants by State.xlsx

42. The Service Performance Standard references both Quarterly and Annual management reports. However, the method of measurement only references Quarterly reports. Please confirm that both Quarterly and Annual reports will be provided by the vendor and the associated timing of delivery for each. *(Section 3.19, page 22)*

The last quarterly report due from the vendor typically has the quarterly data, as well as an annual performance summary included. It serves as the annual report as well as the quarterly report. The schedule for the reports due from vendors is based on the PEBP Board meeting schedule and is subject to change. The schedule for the Plan Year 15 reporting schedule has not been determined.

43. Section 3.5 Vendor Staffing (p. 11) makes reference to an Account Manager, Registered Nurses and Technicians, but doesn't include the phrase – key personnel. Does the State have any requirements specific to key personnel or is this at the discretion of the vendor? If the former, please elaborate. *(Section 4.4, page 28)*

PEBP trusts that the vendor will staff the contract with the best staff available to meet the needs of PEBP and its participants.

44. Please provide the scoring associated with each of the evaluation criteria. *(Section 10.1, page 41)*

The criteria weights are confidential at this time.

45. Is a web portal available currently for internet submission of pre-certification requests? If so, please elaborate on the number of users, number of requests, how users are

authenticated/validated? And what type of functionality is available, i.e., submission only, reporting, auto-auth determinations. *(Section 3.11.2.6, page 16)*

Currently a web portal is not available. PEBP exchanges all information with the current vendor via a secure email hosted by the vendor.

46. The RFP does not specifically talk about transition activities from the existing vendor. Please provide a high level description of what data, processes, and activities will be transitioned from the existing vendor as part of the implementation effort? *(General Question)*

All data associated with case management, utilization management, pre-authorizations, and all other related duties associated with the contract will be transferred to the new vendor. The data exchange requirements will be exchanged with the new vendor and PEBP's current vendors. Historical data will be transferred. Data is able to be exchanged once the contract is signed by the Board of Examiners, anticipated to be to April 2014.

47. Will historical data, authorization, and case management information be made available or will vendor start with a "clean slate"? If the date is made available, will the State expect us to import the data? *(General Question)*

See the response to question #46.

48. Does the State expect: (1) a complete, formal disaster recovery plan, (2) a detailed description of the proposed disaster recovery plan addressing each of the four scenarios listed, or (3) a sample/template of a disaster recovery plan? *(Section 3.16, page 20)*

Proposal response should include the prospective vendor's current production systems' disaster recovery plan for the systems that will support PEBP in the execution of this contract.

49. Section 3.3, page 10. Please provide review volumes for all CDHP services pre-authorized for the last full contract year per PEBP's Master Plan Document. What are the anticipated preauthorization review volumes during the coming year?

See the response to question #21.

50. 3.4.4, page 1. Please provide the type and volume of ad hoc reports requested during the last contract year.

During the last year there were no reports requested from the vendor outside of the vendor reports in the required vendor report format provided.

51. Section 3.11.2.13, page 17. Please state the frequency of updates to the PEBP Master Plan Document. What has been the historic review volume percentage increase associated with expanding the list of services requiring preauthorization on the PEBP's Master Plan Document; including the resultant increased volume for concurrent and retrospective reviews, if any?

PEBP's Master Plan Document is updated every plan year or as conditions warrant. Typically, updating the MPD does not cause a measurable increase in concurrent or retrospective reviews.

52. Section 3.11.3, page 17. What has been the volume of concurrent review during the last contract year?

See the response to question #21.

53. Section 3.11.4, page 17. What has been the volume of retrospective review during the last contract year?

See the response to question #21.

54. Can we please receive 2 years' worth of claims, pharmacy, and eligibility data to better customize our programs and refine our pricing?

The data provided for Question 21 is the data that will be provided for this RFP.

55. Will the PEBP provide regularly updated membership files including benefit plan enrollment and effective date spans?

Each PEBP vendor receives a monthly eligibility file. The vendor may contact PEBP with questions regarding the participants' eligibility or the participants' dependents eligibility should a potential discrepancy be identified.

56. Section 3.5.1 Does the account management need to be a full time employee dedicated to this contract?

PEBP expects the vendor to staff this contract appropriately; as such, PEBP expects its account manager to be available any time there is an issue with the contract, or when there is an issue with a participant which requires escalation or immediate resolution.

57. Section 3.5.2 Do the registered nurses need to be full time employees dedicated to this contract? OR Can a pool of nurses be used?

PEBP expects the vendor to staff this contract appropriately; however, PEBP would prefer that the nurses the vendor proposes using for this contract are staffed for the purposes of serving the PEBP population.

58. Section 3.9.2 What technologies are utilized for the electronic interface with HealthSCOPE Benefits? Secure File Transfer Protocol (sFTP)?

FTP is the method in which PEBP allows data to be exchanged between vendors.

59. Section 3.9.3 Is bimonthly meant as twice a month or every other month?

"Bimonthly" means twice per month.

60. Section 3.9.3.2 Does PEBP support the use Transport Layer Security (TLS) for email encryption between entities?

PEBP can support the use of TLS for email. Use of this technology would require specific configuration and testing with the approved entity.

61. Section 3.9.4 Will the Letter of Agreement (LOA) be required before the Utilization Management and Large Case Management Vendor can authorize services?

In cases where an LOA is required it must be approved by PEBP before services can be authorized.

62. Section 3.9.4 Will the Letter of Agreement require approval by PEBP before it can be finalized?

Yes.

63. Section 3.9.5 Will these audits be on-site at the vendor's location and include an "electronic" audit or will the vendor be required to submit reports, records, etc. via hard copy to the auditor?

The audits will be conducted on site at the vendor's location(s). The vendor will be required to submit certain reports and data to the auditor prior to the auditor's arrival, and at the request of the auditor when validated by PEBP.

64. Section 3.9.5 What is the frequency of the routine security audits?

The audits are scheduled to be conducted every other year.

65. Section 3.9.5 What is the notice period given prior to the Vendor prior to the audit occurring?

Typically, the UM/CM vendor is given 3-6 months' notice prior to PEBP's auditor arriving on site.

66. Section 3.9.5 What is the timeframe allocated for the audit?

PEBP's health plan auditor is typically on site for 2-4 days, depending on findings and the level of follow-up required to finalize the report. The audits are able to be finished timely when the vendor has all staff necessary for the audit on-site and ready to participate.

67. Section 3.10 The RFP references volumes in Attachment L. However, there are no volumes in Attachment L. Can those historical volumes please be provided?

See the response to question #21.

68. Section 3.11.1.9 Is it a correct assumption that requests for transplant will come through the Utilization Management and Large Case Management vendor, and if authorized as medically necessary, the vendor will then contact the third party administrator to coordinator with the Center of Excellence?

Typically, yes.

69. Section 3.11.1.9 Is the third party administrator responsible for coordinating/communicating with the Centers of Excellence contracts signed and the member to get the COE contract and agreement signed?

Yes.

70. Section 3.11.2.8 This denial rate should only include PPO plans, no other organizations or would PEBP care to see over denial rate for all pre-certification cases?

For this question, the denial rate should only apply to PPO Plans (CDHP).

71. Section 3.11.2.13 Does the PEBP plan to increase the pre-certification services in the future? If so, when?

PEBP cannot anticipate what plan design changes will be made in the future.

72. Section 3.11.2.13 Would the anticipated volume increase exceed 10% of the total volume?

See the response to question #71.

73. Section 3.11.4.2 Please define onsite. Onsite at the providers office or onsite in the UMCM vendors local office?

Onsite would be at providers' offices, facilities or other inpatient/outpatient locations.

74. Section 3.11.4.2 Will other methods be considered?

PEBP is open to whatever methods vendors propose to best meet the needs of the State and the participants of the plan.

75. Section 3.14.2 "PEBP requires vendors to assign a dedicated account manager.." Does this mean a full time employee?

PEBP requires the vendor to staff this contract appropriately.

76. Section 3.18.1 Will PEBP require the use of the HIPAA EDI X12 transactions to effect data interchanges with the Vendor for this scope of work? If yes, please identify the transaction (sets) that will be used.

All data exchanges (EDI processes) transmitting information to/from PEBP or between PEBP vendors will be reviewed and approved in advance by PEBP's CIO. EDI process requirements will be evaluated on an individual basis and configured as best suited for the purpose and systems in use.

77. Section 3.19 Does a "single claim or treatment plan" include continuation of services? (As an example, the member's initial reason for admission is not expected to exceed $100,000. However, complications occur which will then result in a claim of >$100,000.)

Yes.

78. Section 3.19 Is it a correct assumption that the "odd year audits" will include two years' worth of cases? Which means that penalties, if they exist, will be paid only every other year but incorporate penalties that may have occurred in the year before?

Yes.

79. Section 11.3.2 Is the travel indicated in this provision travel related to the execution and operationalization of this contract? OR Does it only apply to potential travel not directly related to this contract?

PEBP does not reimburse for travel. Any travel must be included in the cost proposal in Attachment I. Travel costs may be included as line item "Other." PEBP will not consider any expenses that are not a part of the cost proposal.

80. Attachment D (Contract Form) Can the State clarify the term for cross-liability coverage?

The State is looking for assurance that the insurance policy does not exclude coverage if one insured is liable to another insured.

81. Attachment E (Insurance Schedule) Can the State clarify the need for automobile insurance and to be named as an additional insured?

The State requires all contracted vendors to maintain this coverage naming the State as an additional insured on the policy when the vendor has the possibility of coming on to State property for any reason while performing the duties of the contract.

82. Attachment M (Privacy Security Policies and Procedures) Please provide these two documents: Attachment I - HIPAA/HITECH Notice Requirements and Attachment J - New Breach Determinations effective September 23, 2013.

See the response to question #5.

83. Attachment N (Business Associate Agreement) Can the State clarify the means by which business associate is expected to communicate notifications/approvals and to whom they should be made?

All notifications will be made to PEBP. All approvals will come from PEBP. Notifications must be made in accordance with the terms of the contract.

84. With regard to requirement 3.5 VENDOR STAFFING (3.5.3), what are the desired qualifications of "Technical Staff." Could LPNs serve in this role?

See the response to question #37.

85. With regard to requirement 3.13 Facility Channeling -What is the requirement related to communicating in network and out of network reviews to members, facilities and providers. -How many networks are available? -Is there capability to provide the provider file for the providers within network?

The lists of participating providers (in Nevada and outside of Nevada) are located on the PEBP website at www.pebp.state.nv.us.

86. With regard to requirement 3.11.1.8, -What Transplant Networks does the State of Nevada currently contract with? -Who is HealthSCOPES transplant network for Center of Excellence?

HealthSCOPE Benefits contracts with several Center of Excellence networks for transplants. Cigna and Lifesource are two examples.

87. With regard to requirement 3.11.1.3, the State mentions on-site case management. -Can you please provide a list of possible locations and caseloads where on-site would be needed? -Can you please provide a number of how many cases have required on-site case management? -Is on-site CM part of the State's current program? If so, are there specific case scenarios that trigger on-site engagement?

PEBP relies on the vendor to propose the best possible options to meet the needs of the state and the participants of the program. Onsite case management has not been a requirement previously.

88. With regard to requirement 11.3.2, Are travel expenses reimbursable?

See the response to question #30.

89. With regard to section 5. Cost: Would the State consider a Per Employee Per Month or Per Member Per Month fee structure?

With the exception of implementation costs and travel costs, which can be listed as flat dollar amounts, all other costs associated with this contract need to be listed in a PPPM (per participant per month) format.

90. How does the State define a "participant" for Per Participant Per Month pricing? For example, if one employee has an event that requires multiple pre-authorizations for that single event, is that employee considered one Participant?

See the "Definitions" section of the RFP. A participant refers to the primary insured (active employee or retired employee).

91. Can the State provide volume counts for 2012 "participants? -Can the State provide hospital census data? -Can the State provide hospital census data by primary diagnosis?

See the response to question #21.

92. Can the State provide the number by type of out-patient pre-authorizations, or just the aggregate number of out-patient pre-authorizations?

See the response to question #21.

93. How many large case management cases does the State refer directly to the vendor on a monthly average?

See the response to question #21.

94. How many large cases were managed by the State's current vendor in 2011 and 2012?

See the response to question #21.

95. Does the State have a fixed budget based on last year's volume and current vendor pricing?

The State does not have a fixed budget.

96. Regarding requirement 4.4, Vendor Staff Resumes, a. Please provide examples on who the State considers "key personnel" b. Is it your intention that the "relevant professional experience" represents current clients under service with the vendor? c. Are the references at the bottom of the form the same three from the relevant professional experience section above on the form?

PEBP expects that the vendor will propose qualified staff that can best meet the needs of the State and participants of the plan.

97. With regard to requirement 3.5 VENDOR STAFFING (3.5.3), what are the desired qualifications of staff in the UM decision making process - to meet the needs of PEBP participants, and PEBP providers?

See the response to question #37.

ALL ELSE REMAINS THE SAME FOR RFP 3084.

Vendor must sign and return this amendment with proposal submitted.

Vendor Name: Hometown Health Providers, Inc.

Authorized Signature:

Title: Ty Windfeldt Date: 11-30-2013

This document must be submitted in the "State Documents" section/tab of vendors' technical proposal.

STATE OF NEVADA
VENDOR REGISTRATION

Mail or fax to:
STATE PURCHASING
515 E MUSSER ST STE 300
CARSON CITY NV 89701
PHONE: 775/684-0187
FAX: 775/684-0188

All sections are mandatory and require completion. IRS Form W-9 will not be accepted in lieu of this form.

1. NAME For proprietorship, provide proprietor's name in first box and DBA in second box.

Legal Business Name, Proprietor's Name or Individual's Name	Doing Business As (DBA)
Hometown Health Providers Ins Co	

2. ADDRESS/CONTACT INFORMATION

Address A – Physical address of ☒ Company Headquarters ☐ Individual's Residence Is this a US Post Office deliverable address? ☒ Yes ☐ No			Address B ☐ Additional Remittance – PO Box, Lockbox or another physical location.		
Address 830 Harvard Way			Address		
Address			Address		
City Reno	State NV	Zip Code 89502	City	State	Zip Code
E-mail Address premiumaccounting@hometownhealth.com			E-mail Address		
Phone Number 775-982-3181	Fax Number 775-982-4749		Phone Number	Fax Number	
Primary Contact Patricia Edwall/Tammi Foote			Primary Contact		

3. ORGANIZATION TYPE AND TAX IDENTIFICATION NUMBER (TIN) Check only **one** organization type and supply the applicable Social Security Number (SSN) or Employee Identification Number (EIN). **For proprietorship, provide SSN or EIN, not both.**

☐ Individual **(SSN)** ☐ Sole Proprietorship **(SSN or EIN)** ☐ Partnership **(EIN)** ☒ Corporation **(EIN)** ☐ Government **(EIN)** ☐ Tax Exempt/Nonprofit **(EIN)** ☐ Trust/estate **(SSN or EIN)**	☐ **LLC** tax classification: ☐ Disregarded Entity ☐ Partnership ☐ Corporation	**SSN** Name associated with SSN: **EIN** 88-0177026 New TIN? ☒ No ☐ Yes – Provide previous TIN & effective date. Previous TIN: Date:

OTHER INFORMATION Check **all** that apply.

☐ Doctor or Medical Facility ☐ Attorney or Legal Facility	☒ In-State (Nevada) ☐ DBE Certificate #:	☐ Nevada Business License Number:

4. ELECTRONIC FUNDS TRANSFER ***Per NRS 227, payment to all payees of the State of Nevada will be electronic.***
Complete the following information **AND** provide a copy of a voided imprinted check for the account. If there are no checks for the account, restate the bank information on company letterhead. Individuals may provide a signed letter. **A deposit slip will not be accepted.** For a savings account, provide a signed letter with the bank information. Information on this form and the support documentation **must match**. Allow 10 working days for activation.

The information is for address ☒ A ☐ B ☐ Both		
Bank Name Wells Fargo	Bank Account Type ☒ Checking ☐ Savings	Provide an e-mail address for receiving Direct Deposit Remittance Advices. see section 2
Transit Routing Number 121000248	Bank Account Number 4121973879	

☐ Do not have a bank account.

5. IRS FORM W-9 CERTIFICATION AND SIGNATURE

Under penalties of perjury, I certify that:
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**
2. I am not subject to backup withholding because: **(a)** I am exempt from backup withholding, or **(b)** I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or **(c)** the IRS has notified me that I am no longer subject to backup withholding, **and**
3. I am a U.S. citizen or other U.S. person (as defined by IRS Form W-9 rev January 2011).

Cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Signature	Print Name & Title of Person Signing Form	Date
Patricia Edwall	Patricia Edwall, Premium Revenue Lead	10/17/13

FOR STATE CONTROLLER'S OFFICE USE ONLY Primary 1099 Vendor ☐ 1099 Indicator ☐ Yes ☐ No	**Name of State agency contact & phone number:**
Entered By Date	Comments

AMENDED

Certificate

OF

AUTHORITY

STATE OF NEVADA

INSURANCE DIVISION

Carson City, Nevada

Nevada I.D. #: ~~1/2047~~ 995

THE HOMETOWN HEALTH PROVIDERS INSURANCE COMPANY, INC.

Incorporated in the State of Nevada

Home office at Reno, Nevada

having duly qualified, is hereby licensed to transact

** NON-PROFIT MEDICAL SERVICE ORGANIZATION **

(Authorization for a full license under NRS 695B)

insurance business within the State of Nevada until terminated at the request of the insurer or suspended or revoked by the Commissioner of Insurance.

INSURANCE COMMISSIONER STATE OF NEVADA

Dated at Carson City, Nevada this 1st

day of July, 19 95

Commissioner of Insurance

(O)-1270

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 3/4/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

Optima Healthcare Insurance Services
9229 Sierra College Blvd
Roseville CA 95661

CONTACT NAME: BRENDA SIZEMORE, SR. ACCOUNT MANAGER
PHONE (A/C, No, Ext): (916)772-5118 FAX (A/C, No): (916)773-8208
E-MAIL ADDRESS: BSIZEMORE@OPTIMAHEALTHCARE.COM
PRODUCER CUSTOMER ID #: 00000271

INSURED

Hometown Health Providers Insurance Company
1155 Mill Street
Reno, NV 89502

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : CHI INC., RRG	44504
INSURER B : Columbia Casualty Co (CNA)	31127
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

COVERAGES CERTIFICATE NUMBER: HP 00821 (13) REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY X CLAIMS-MADE OCCUR PROFESSIONAL & GENERAL LIABILITY GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC			HP 00821 Managed Care E&O Incl. SELF INSURED RETENTION: $2MM PER OCC./$8MM AGG.	03/01/13	03/01/14	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 5,000,000 $ $ $ INCL. $ 15,000,000 $ $
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $ $ $
B	UMBRELLA LIAB OCCUR X EXCESS LIAB X CLAIMS-MADE DEDUCTIBLE N/A RETENTION $ N/A			HMU 4031959894-1	03/01/13	03/01/14	EACH OCCURRENCE AGGREGATE	$ 35,000,000 $ 35,000,000 $ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ $ $

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

This certificate is provided as evidence of insurance coverage only.

CERTIFICATE HOLDER

To Whom it May Concern
C/O Hometown Health Providers Insurance C
1155 Mill Street
Reno, NV 89502-1474

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

B Sizemore/BSIZEM

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COMMENTS/REMARKS

NOTICE

"This policy is issued by your Risk Retention Group. Your Risk Retention Group may not be subject to all of the insurance laws and regulations of your state. State insurance insolvency guaranty funds are not available for your Risk Retention Group."

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BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("Agreement") is made and entered into by and between Hometown Health Plan, Inc., Hometown Health Providers Insurance Company, Inc., and Hometown Health Management Company collectively referred to as Hometown Health a Nevada nonprofit corporation ("Hometown Health"), and MedHOK HealthCare Solutions, LLC, a Delaware limited liability company ("Business Associate"), and is effective as of this _____ day of _____, 2012. ***[Note to HH: Need to understand the signing parties? Is Hometown Health a corporation or are the three other listed entities corporations? Also, whoever is a party must also be in the signature block.]***

RECITALS

A. Hometown Health and Business Associate, pursuant to the Health Insurance Portability and Accountability Act of 1996, Public Law No. 104-191 (the **"Act"**), the regulations promulgated thereunder by the U.S. Department of Health and Human Services (**"HHS"**), 45 C.F.R. parts 160 and 164, subparts A and E (the "**Privacy Rule**"), the security standards adopted by HHS, 45 C.F.R. parts 160, 162, and 164, subpart C (the "**Security Rule**"), and the Privacy provisions (subtitle D) of the Health Information Technology for Economic Clinical Health Act, Division A, Title XIII of Pub. L. 111-5, and its implementation regulations (the "**HITECH Act**"), are a "Covered Entity" and a "Business Associate", respectively under Privacy Rule, to the extent Business Associate uses and discloses Protected Health Information ("PHI"), including Electronic Protected Health Information ("ePHI"), on behalf of Covered Entity. The Act, the Privacy Rule, the Security Rule and the HITECH Act are collectively referred to as "**HIPAA**" for the purposes of this Agreement.

B. Hometown Health now and in the future has, or may have, contractual relationships with Business Associate under which Business Associate creates or receives Protected Health Information ("PHI") (defined below) for use in providing services ("**Services**") to Hometown Health pursuant to underlying agreements which reference this Agreement ("**Underlying Agreements**") and Hometown Health and Business Associate intend to supplement and amend such Underlying Agreements by execution of this Agreement.

C. By executing this Agreement, Hometown Health and Business Associate intend to protect the privacy and provide for the security of PHI disclosed to Business Associate pursuant to their relationship in compliance with HIPAA.

D. The parties hereto desire to enter into this Agreement to memorialize their obligations with respect to PHI pursuant to the requirements of HIPAA.

In consideration of the mutual promises below and the exchange of information pursuant to this Agreement, the parties agree as follows:

1. Effect. This Agreement supplements, modifies, amends and replaces any and all prior business associate agreements, whether oral or written, between the parties involving the use and disclosure of PHI.

2. Definitions.Capitalized terms used herein without definition shall have the respective meanings assigned to such terms under HIPAA.

OBLIGATIONS OF BUSINESS ASSOCIATE

1. Permitted Uses and Disclosures of PHI. Except as otherwise limited in this Agreement, Business Associate may receive and/or request the PHI of Hometown Health and may: (i) use and/or disclose the minimum necessary PHI to perform the Services for Hometown Health provided that such use or disclosure would not violate HIPAA; and (ii) use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate. Except as otherwise limited in this Agreement, Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and will be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and that the person agrees to notify Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

2. Limitations on Use and Disclosure of PHI. Business Associate agrees it shall not use or disclose PHI for any purpose other than as set forth in this Agreement to provide the Services hereunder and/or expressly permitted by any Underlying Agreement between the parties governing these services, or as required by law, and that Business Associate shall not shall not use or disclose PHI in any manner that would constitute a violation of HIPAA if done by Hometown Health.

3. Safeguards Against Unauthorized Use or Disclosure.

a. Appropriate Safeguards. Business Associate shall use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Agreement and any applicable Underlying Agreements. Business Associate shall implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of ePHI that it creates, receives, maintains or transmits on behalf of Hometown Health as required by the Security Rule and the HITECH Act.

b. Secured PHI. To ensure the security of any ePHI whether in transit or at rest, Business Associate shall secure ePHI by using appropriate administrative, technical and physical security measures to safeguard all electronically maintained or transmitted ePHI to ensure that the relevant services rendered by Business Associate shall be in full compliance with the Act and the regulations promulgated thereunder. Business Associate further agrees that it will preserve the integrity and confidentiality of all electronically maintained or transmitted ePHI which it receives from or on behalf of Hometown Health Health. Business Associate shall document and keep these security measures current.

c. Data Breach Incident Notification Procedures for Unsecured PHI. Business Associate shall notify Hometown Health of any Breach as defined by 45 C.F.R. §164.402 ("Breach") of Unsecured PHI as defined by C.F.R. §164.402. Business Associate shall make this notification within five (5) business days following the date when the Breach is known, and report such Breach (es) to the Hometown Health Information Security Director both orally and in writing at InformationProtection@renown.org and (775) 982-6373, and an Executive officer (Vice President or above) of Hometown Health.

d. Data Breach Incident Notification Content. In conformance with 45 CFR §164.410(c) (2), Business Associate shall provide either in conjunction with the above notification, or promptly thereafter as information becomes available and to the extent possible, the following content:

1. The identity of each Individual whose Unsecured PHI has been, or is reasonably believed to have been Breached;

2. A brief description of what happened, including the date of the Breach and the date of the discovery of the Breach;

3. A description of the types of unsecured PHI that were involved in the breach;

4. Assist in defining any steps individuals should take to protect themselves from potential harm resulting from the breach;

5. A brief description of what Business Associate is doing to investigate the breach, to mitigate harm to the individuals, and to protect against any further breaches; and

6. Contact procedures for individuals to ask questions or learn additional information, which must include a toll-free telephone number, an email address, Web site or postal address.

e. Reporting of Improper Use or Disclosure and Security Incidents. Business Associate shall report to Hometown Health any use or disclosure of PHI not provided for by this Agreement and/or any Security Incident within five (5) business days of becoming aware of the improper use or disclosure or Security Incident.

f. Business Associate's Agents or Subcontractors. Business Associate shall contractually require that any agent, including a subcontractor, to whom it provides PHI, agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such PHI. Business Associate shall contractually require that any agent, including a subcontractor, to whom it provides Electronic PHI, agrees to implement reasonable and appropriate safeguards to protect such information.

g. Access to PHI. To the extent that Business Associate receives Designated Record Set information from Hometown Health, Business Associate shall provide access, at the reasonable request of Hometown Health, in the time and manner reasonably designated by Hometown Health, to PHI in a Designated Record Set, to Hometown Health or, as directed by Hometown Health, to an Individual if and to the extent required by and in order to meet the requirements of 45 CFR § 164.524.

g. Amendment of PHI. To the extent that Business Associate receives Designated Record Set information from Hometown Health, Business Associate shall, at Hometown Health's expense unless included in the Services, make any amendment(s) to PHI in a Designated Record Set that Hometown Health directs or agrees to pursuant to 45 CFR § 164.526, at the request of Hometown Health or an individual, and in the time and manner reasonably designated by Hometown Health. If an individual requests an amendment of PHI directly from Business Associate or its agents or subcontractors, Business Associate must notify Hometown Health in writing within five (5) days of receiving such request and Hometown Health shall be responsible for complying with such request. Any denial of amendment of PHI maintained by Business Associate or its agents or subcontractors shall be at the direction of Hometown Health and Hometown Health shall indemnify Business Associate from any losses resulting from any denial of amendment of PHI maintained by Business Associate or its agents or subcontractors at Hometown Health's direction.

h. Documentation of Disclosures. Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Hometown Health to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528. Such information shall include: (i) the date of disclosure; (ii) the name of the entity or person who received PHI and, if known, the address of the entity or person; (iii) a brief description of the PHI disclosed; and (iv) a brief statement of the purpose of the disclosure that reasonably informs the Individual of the basis for the disclosure, or a copy of the Individual's authorization, or a copy of the written request for disclosure.

h. Accounting of Disclosures. Business Associate agrees to provide to Hometown Health or an individual, in the time and manner reasonably designated by Hometown Health, information collected in accordance with Section 3(g) of this Agreement, to permit Hometown Health to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528. In the event that the request for an accounting is delivered directly to Business Associate or its agents or subcontractors, Business Associate shall forward such request to Hometown Health in writing within five (5) days of receipt of Business Associate's receipt of such request. It shall be the responsibility of Hometown Health to prepare and deliver any such accounting requested.

i. Governmental Access to Records. Business Associate shall make its internal practices, books and records, including policies and procedures, relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of Hometown Health, available to the Secretary and, at the request of Hometown Health, to Hometown Health for purposes of the Secretary determining whether Hometown Health is in compliance with the Privacy Rule.

j. Mitigation. Business Associate agrees to mitigate, to the extent practicable, any harm to the individuals that is known to Business Associate resulting from a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement caused by a breach of this Agreement by Business Associate.

k. Minimum Necessary. When, and as required by HITECH, Business Associate (or its agents or subcontractors, if applicable) shall only use and disclose PHI in a Limited Data Set to accomplish the purposes of the request, use or disclosure. If using the Limited Data Set is not practicable then Business Associate (or its agents or subcontractors, if applicable) shall only request, use and disclose the minimum amount of PHI necessary to accomplish the purpose of the request, use or disclosure.

GENERAL PROVISIONS

1. Term and Termination.

a. Term. The term of this Agreement shall commence as of the Agreement Effective Date, and shall terminate when all of the PHI provided by Hometown Health to Business Associate, or created or received by Business Associate on behalf of Hometown Health is destroyed or returned to Hometown Health as specified below in Section (c) of this section.

b. Termination for Cause. Upon Hometown Health obtains knowledge of a material breach by Business Associate of this Agreement, Hometown Health shall either (i) provide an opportunity for Business Associate to cure the breach or end the violation within the time specified by Hometown Health or (ii) if cure is not possible, immediately terminate this Agreement and the applicable Underlying Agreement pursuant to which the PHI is provided to Business Associate.

c. Effect of Termination. The following will apply to PHI provided pursuant to an Underlying Agreement which has been terminated.

(i) Except as provided in paragraph (ii) of this Section 1(c), upon termination of an Underlying Agreement, Business Associate shall destroy all PHI received from Hometown Health or created or received by Business Associate on behalf of Hometown Health pursuant to such Underlying Agreement or return all such PHI in the same format in which Hometown Health or the data source submitted such data to Business Associate within thirty (30) days of end of such Underlying Agreement, and shall retain no copies of the PHI. This provision shall apply to PHI that is in the possession of agents or

subcontractors of Business Associate. Any destruction of PHI shall be accompanied by a written certification of such destruction.

(ii) In the event that returning or destroying the PHI is infeasible, Business Associate shall provide to Hometown Health notification of the conditions that make return or destruction infeasible, and in such case, Business Associate shall not be obligated to return or destroy such information provided that Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. This Section 1(c)(ii) shall survive termination or expiration of this Agreement.

2. Indemnity. Except as otherwise provided for in an Underlying Agreement, Business Associate will defend, indemnify and hold harmless Covered Entity and any Covered Entity affiliate, trustee, officer, director, employee, volunteer or agent from and against any claim or cause of action brought by a third party to the extent based on, and any resulting liability, damage, cost or expense, including attorneys' fees and court or proceeding costs, to the extent caused by any unauthorized use or disclosure of Protected Health Information caused by a material breach of the terms of this Agreement by Business Associate or any person or entity under Business Associate's control, and solely to the extent payable to a third party. Business Associate's obligation to indemnify Covered Entity will survive the expiration or termination of this Agreement. Business Associate shall have the right to conduct the defense of any such claim or cause of action.

3. Regulatory References. A reference in this Agreement to a section in HIPAA means the section currently in effect or as amended, and for which compliance is required.

4. Amendment. The parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Hometown Health and Business Associate to comply with the requirements of the Privacy and Security Rules and HIPAA.

5. Survival. The respective rights and obligations of Business Associate under the General Provisions Section of this Agreement shall survive the termination of the Underlying Agreement and this Agreement.

6. No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than Hometown Health, Business Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

7. Effect on Underlying Agreement. Except as specifically required to implement the purposes of this Agreement, or to the extent inconsistent with this Agreement, all other terms of the Underlying Agreement shall remain in force and effect. To the extent that the Underlying Agreement has any provisions inconsistent with this Agreement, the provisions in this Agreement shall prevail.

8. Governing Law. To the extent this Agreement is not governed exclusively by the Privacy and Security Rules, or other provisions of federal statutory or regulatory law, this Agreement will be governed by, and construed in accordance with the laws of the state of New York. Any lawsuit brought under the agreement to enforce any of its covenants, terms, conditions or obligations shall be brought in Reno, Washoe County Nevada.

9. Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Hometown Health to comply with the applicable state law and the HIPAA regulations.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Agreement Effective Date.

HOMETOWN HEALTH

By: _____

Print Name: Gary A. Michealree

Title: Director of Supply Chain Management

Date: _____

Business Associate

By: _____

Print Name: _____

Title: _____

Date: _____