

1. **Parties.** This is a contract for services between the State of Vermont, Green Mountain Care Board (hereafter called "State"), and Health Management Associates, Inc., with its principal place of business in Lansing, Michigan, (hereafter called "Contractor"). Contractor's form of business organization is a for-profit company. It is the contractor's responsibility to contact the Vermont Department of Taxes to determine if, by law, the contractor is required to have a Vermont Department of Taxes Business Account Number.

2. **Subject Matter.** The subject matter of this contract is services generally on the subject of Health Care Reform Consulting specific to the application of an All Payer Waiver Request. Detailed services to be provided by the contractor are described in Attachment A.

3. **Maximum Amount.** In consideration of the services to be performed by Contractor, the State agrees to pay Contractor, in accordance with the payment provisions specified in Attachment B, a sum not to exceed \$698,465.

4. **Contract Term.** The period of contractor's performance shall begin on April 8, 2015 and end on April 7, 2016. This contract may be extended for one additional 12 month term as agreed by both parties and reduced to writing, numbered and signed by the duly authorized representative of the State and Contractor.

5. **Prior Approvals.** If approval by the Attorney General's Office or the Secretary of Administration is required, (under current law, bulletins, and interpretations), neither this contract nor any amendment to it is binding until it has been approved by either or both such persons.

- Approval by the Attorney General's Office is required.
- Approval by the Secretary of Administration is required.
- Approval by the CIO/Commissioner DII is not required.

6. **Amendment.** This agreement represents the entire agreement between the parties; No changes, modifications, or amendments in the terms and conditions of this contract shall be effective unless reduced to writing, numbered and signed by the duly authorized representative of the State and Contractor.

7. **Cancellation.** This contract may be canceled by either party by giving written notice at least 30 days in advance.

8. **Attachments.** This contract consists of 13 pages including the following attachments which are incorporated herein:

- Attachment A - Specifications of Work to be Performed
- Attachment B - Payment Provisions
- Attachment C - "Standard State Provisions for Contracts and Grants"
- Attachment D - Other Provisions

9. **Order of Precedence.** Any ambiguity, conflict or inconsistency in the Contract Documents shall be resolved according to the following order of precedence:

- (1) This document
- (2) Attachment C (Standard Contract Provisions for Contracts and Grants)
- (3) Attachment D
- (4) Attachment A
- (5) Attachment B

WE THE UNDERSIGNED PARTIES AGREE TO BE BOUND BY THIS CONTRACT.

By the State of Vermont:

By the Contractor:

Date: _____

Date: _____

Signature:

Signature:

Susan Barrett, Executive Director
Green Mountain Care Board

Kelly Johnson, Vice President
Health Management Associates, Inc.

ATTACHMENT A SCOPE OF WORK

Background

Building on its active participation in CMS initiatives, and CMS support of Vermont's innovation efforts through a \$45 million State Innovation Model (SIM) Testing Grant, Vermont will explore a statewide, all-payer system of provider payment that builds on the existing foundation of primary care created by the Blueprint for Health and the ACO Shared Savings Programs: Medicare, Commercial and Medicaid, launched in the state in January, 2014.

Requirements

The Contractor shall organize and assist the State of Vermont's All-Payer Model (APM) staff with developing an All-Payer Model, as well as assembling and submitting a Section 1115A waiver application to CMS/CMMI.

Deliverables

The Contractor shall perform seven major functions for the State:

1. Project management;
2. Work plan development;
3. Data collection and assessment;
4. Vetting and developing of financial and actuarial models as necessary;
5. Assisting the State with the development of a negotiating position prior to submission of application;
6. Preparation, version management, and assistance with submission of waiver agreement; and
7. Preparation and submission of final report.

Within each of these major areas, the Contractor will engage in multiple activities, as described in the Scope of Work below:

Scope of Work

1. Project Management

The project shall start with an in-person kick-off meeting between the Contractor and the State. The purpose of the meeting will be to establish a relationship between the Contractor team and the state's management structure for the project. The Contractor will work with the state project coordinators to develop an agenda for the meeting, including discussion of a draft work plan to include milestones and timelines. This work plan will be submitted within 30 days of the contract commencement and shall include milestones and deadlines specific to the work, reduced to writing and signed by both parties. The in-person meeting will also be a time for the Contractor to clarify objectives and priorities, refine the scope of work and technical approach, clarify contract requirements and expectations, and establish an overall communication plan (including regularly scheduled calls with the State to provide project updates). The in-person meeting will also include time for the Contractor to react to and advise on the most appropriate approach for the project. The kick-off meeting will allow the Contractor team to understand the broader context of the effort in Vermont and to define the major issues that will shape the model design and possible model agreement.

2. Work Plan Development

Based on feedback received during the kick-off meeting and from the project coordinators, the Contractor shall develop and provide a work plan that details milestones and time lines, as indicated above, this shall be submitted within 30 days of the start of the contract and will be reduced to writing and signed by both parties. The work plan will be developed to meet any deadlines established by the State. The Contractor shall be responsible for monitoring, modifying and gaining State approval of the project work plan as necessary. The work plan shall include additional meeting dates and times, and how the Contractor will interact with existing committees and other State contractors on particular topics relevant to the development of an All-Payer Model and model agreement.

3. Data Collection and Assessment

The Contractor shall collect and assemble expenditure and other financial data requested by CMMI/CMS in appropriate formats to support requests and inquiries by CMMI/CMS. The Contractor shall review and analyze the data to identify the information that is most germane to the project and most accurately conveys the goals of the State. The Contractor shall conduct an independent analysis of the data for inclusion in the application, including but not limited to, analysis and assessment of appropriate quality and performance measures for the model agreement.

4. Vetting and Developing Financial and Actuarial Models as necessary

The Contractor shall review payment and delivery models for a risk bearing ACO or ACOs, and participating providers inside and outside of an ACO or ACOs (Hospitals, FQHCs, Physician Owned Practices, Specialists, etc). The Contractor shall assist in calculating and/or confirming base year expenditures for Medicare, Medicaid, and Commercial payers. The Contractor shall be expected to work with other State contractors with expertise and experience with the Medicaid 1115 Global Commitment Waiver as well as Medicaid reimbursement. The Contractor shall also identify any boundaries in regard to trend, achievable Medicare savings, if any, and other considerations that would make an all-payer model and Medicare waiver agreement acceptable or unacceptable to Vermont. The Contractor shall test healthcare expenditure data to be certain it is accurate and appropriate for model inclusion.

Further, the Contractor shall recommend a growth trend for incorporation in the all-payer model agreement, based on historical trends examining various time series. The Contractor shall also conduct actuarial or other financial analyses including, but not limited to, those necessary to develop various additional financial models and confirm their reasonableness. This process shall involve documentation and review to make sure that modeling matches the proposed program's plan design. The Contractor shall analyze the potential effect of alternative waiver terms and conditions on Vermont. Throughout the process, the Contractor shall provide State project leaders and coordinators with ongoing feedback and updates regarding model testing and or development.

5. Assisting the State with a Negotiating Position prior to Submission of Application

The Contractor shall serve as an advisor for the application process and advise on the application template most advantageous to meet the State's needs. As necessary, during the course of the negotiations between CMS and the State, the Contractor shall analyze the potential effect of alternative terms and conditions on Vermont. The Contractor shall monitor agreements made during negotiations and verify those agreements in writing, as well as track issues decided and

maintain a list of issues still under discussion. This process will also include intensive preparation for scheduled CMS meetings, and post-meeting debriefings to identify appropriate next steps.

6. Preparation, Version Management, and Submission of Waiver Agreement

The Contractor shall assemble an application from existing materials and draft sections of the application as necessary in coordination with the State's APM staff. The Contractor shall serve as general editor of the final written document and ensure that all relevant attachments are included. The Contractor shall produce a professional version of the final document for submission to CMS/CMMI. Some aspects of the model agreement will need to be finalized post-negotiation, and the Contractor shall be responsible for ensuring that the final agreement reflects decisions made and negotiations with CMS.

7. Preparation and Submission of Final Report

The Contractor shall submit to the Green Mountain Care Board a final report documenting the activities described above, including descriptions of analytical methodologies.

Ad-Hoc Deliverables

- The State shall define deliverables as aligned in the scope of work by meeting with the Contractor on a bi-weekly basis in order to define and confirm inclusion of additional deliverable development as identified by the State. Ad hoc tasks shall be reduced to writing and approved by both parties on a task order form and added to the work plan on a bi-weekly basis. Ad Hoc tasks will be billed at the hourly rates identified in Attachment B of this contract.
- At the discretion of the State, develop alternative payment models for the risk bearing ACO, and participating providers within the ACO (Hospitals, FQHCs, Physician Owned Practices, Specialists, etc), as well as providers outside of the ACO.

ATTACHMENT B PAYMENT PROVISIONS

The maximum amount payable under this contract is not intended as any form of a guaranteed amount. The Contractor shall be paid for services actually performed, up to the maximum allowable amount specified in this contract. The payment schedule for services performed, and any additional reimbursements, are included in this Attachment. The following provisions specifying payment are:

1. The Contractor will be paid based on documentation and itemization of work performed and included in invoicing as required by 32 VSA §463. Contractor will submit an invoice on a monthly basis to the State for services provided. Each invoice must include a unique invoice number, dates of service, itemized billing which is documented to reflect itemized hours by assigned staff multiplied by hourly rates for agreed upon deliverables and Ad Hoc Assistance. The hourly rates of the assigned staff of the Contractor are:

Name	Title	Hourly rate
Tom Dehner	Managing Principal	\$323
Rob Buchanan	Senior Consultant	\$264
Theresa LaPera	Managing Principal	\$323
Jack Meyer	Managing Principal	\$357
Chad Perman	Consultant	\$179
Michealle Gady	Senior Consultant	\$264
TBD as necessary and approved	Principal	\$306
TBD as necessary and approved	Senior Consultant	\$264
Steve Schramm	Subcontractor, Optumas	\$431
Zach Alters	Subcontractor, Optumas	\$374
Tim Doyle	Subcontractor, Optumas	\$374
Joseph Costa	Subcontractor, Optumas	\$288

2. Payments for subcontractors, if any, will only be made upon approval (See Attachment C, #15).
3. Payments to the Contractor relating to this contract as outlined in the scope by work will be rendered only after review and acceptance from the State's Deputy Executive Director.
4. The Contractor agrees to a 5% retainage of the total contract fee subject to review, approval, and acceptance of Contractor's final report by the State. The State shall determine retainage, including any withholding or proration, of the total contract fee by deciding whether the Contractor's performance has met, to the State's satisfaction, the Contractor's requirements under Attachment A. Upon the state's acceptance of the final report, the Contractor shall submit a retainage statement to request any funds withheld.
5. Invoices shall be submitted to:

Janet Richard
Green Mountain Care Board
89 Main Street
Montpelier, VT 05620

ATTACHMENT C: STANDARD STATE PROVISIONS FOR CONTRACTS AND GRANTS

1. **Entire Agreement:** This Agreement, whether in the form of a Contract, State Funded Grant, or Federally Funded Grant, represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
2. **Applicable Law:** This Agreement will be governed by the laws of the State of Vermont.
3. **Definitions:** For purposes of this Attachment, "Party" shall mean the Contractor, Grantee or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement.
4. **Appropriations:** If this Agreement extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this Agreement, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority. In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, and in the event federal funds become unavailable or reduced, the State may suspend or cancel this Grant immediately, and the State shall have no obligation to pay Subrecipient from State revenues.
5. **No Employee Benefits For Party:** The Party understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers compensation or other benefits or services available to State employees, nor will the state withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The Party understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Party, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
6. **Independence, Liability:** The Party will act in an independent capacity and not as officers or employees of the State.

The Party shall defend the State and its officers and employees against all claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit.

After a final judgment or settlement the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party.

The Party shall indemnify the State and its officers and employees in the event that the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Party.

- 7. Insurance:** Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the state through the term of the Agreement. No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.

Workers Compensation: With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the contract, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations
Products and Completed Operations
Personal Injury Liability
Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Per Occurrence
\$1,000,000 General Aggregate
\$1,000,000 Products/Completed Operations Aggregate
\$ 50,000 Fire/ Legal/Liability

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

Automotive Liability: The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than: \$1,000,000 combined single limit.

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

- 8. Reliance by the State on Representations:** All payments by the State under this Agreement will be made in reliance upon the accuracy of all prior representations by the Party, including but not limited to bills, invoices, progress reports and other proofs of work.
- 9. Requirement to Have a Single Audit:** In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, the Subrecipient will complete the Subrecipient Annual Report annually within 45 days after its fiscal year end, informing the State of Vermont whether or not a Single Audit is required for the prior fiscal year. If a Single Audit is required, the Subrecipient will submit a copy of the audit report to the granting Party within 9 months. If a single audit is not required, only the Subrecipient Annual Report is required.

For fiscal years ending before December 25, 2015, a Single Audit is required if the subrecipient expends \$500,000 or more in federal assistance during its fiscal year and must be conducted in accordance with OMB Circular A-133. For fiscal years ending on or after December 25, 2015, a Single Audit is required if the subrecipient expends \$750,000 or

more in federal assistance during its fiscal year and must be conducted in accordance with 2 CFR Chapter I, Chapter II, Part 200, Subpart F. The Subrecipient Annual Report is required to be submitted within 45 days, whether or not a Single Audit is required.

- 10. Records Available for Audit:** The Party shall maintain all records pertaining to performance under this agreement. "Records" means any written or recorded information, regardless of physical form or characteristics, which is produced or acquired by the Party in electronic format shall be maintained in that format. The records described shall be made available at reasonable times during the period of the Agreement and for three years thereafter or for any period required by law for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved.
- 11. Fair Employment Practices and Americans with Disabilities Act:** Party agrees to comply with the requirement of Title 21V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement. Party further agrees to include this provision in all subcontracts.
- 12. Set Off:** The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.
- 13. Taxes Due to the State:**
- a. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
 - b. Party certifies under the pains and penalties of perjury that, as of the date the Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
 - c. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.
 - d. Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.
- 14. Child Support:** (Applicable if the Party is a natural person, not a corporation or partnership.) Party states that, as of the date the Agreement is signed, he/she:
- a. is not under any obligation to pay child support; or

- b. is under such an obligation and is in good standing with respect to that obligation; or
- c. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.

Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

15. Sub-Agreements: Party shall not assign, subcontract or subgrant the performance of this Agreement or any portion thereof to any other Party without the prior written approval of the State. Party also agrees to include in all subcontract or subgrant agreements a tax certification in accordance with paragraph 13 above.

16. No Gifts or Gratuities: Party shall not give title or possession of anything of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this Agreement.

17. Copies: All written reports prepared under this Agreement will be printed using both sides of the paper.

18. Certification Regarding Debarment: Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs, or programs supported in whole or in part by federal funds.

Party further certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, Party is not presently debarred, suspended, nor named on the State's debarment list at: <http://bgs.vermont.gov/purchasing/debarment>

19. Certification Regarding Use of State Funds: In the case that Party is an employer and this Agreement is a State Funded Grant in excess of \$1,001, Party certifies that none of these State funds will be used to interfere with or restrain the exercise of Party's employee's rights with respect to unionization.

20. Internal Controls: In the case that this Agreement is an award that is funded in whole or in part by Federal funds, in accordance with 2 CFR Part II, §200.303, the Party must establish and maintain effective internal control over the Federal award to provide reasonable assurance that the Party is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States and the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

21. Mandatory Disclosures: In the case that this Agreement is an award funded in whole or in part by Federal funds, in accordance with 2CFR Part II, §200.113, Party must disclose, in a timely manner, in writing to the State, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures may result in the imposition of sanctions which may include

disallowance of costs incurred, withholding of payments, termination of the Agreement, suspension/debarment, etc.

- 22. Conflict of Interest:** Party must disclose in writing any potential conflict of interest in accordance with Uniform Guidance §200.112, Bulletin 5 Section IX and Bulletin 3.5 Section IV.B.

(End of Standard Provisions)

ATTACHMENT D OTHER CONTRACT PROVISIONS

1. Confidentiality. Contractor agrees to keep information related to the State and all agencies and companies related to this contract confidential and agrees not to use any information obtained in relation to the services performed under this contract for any purpose other than as authorized by the State. Contractor agrees not to publish, reproduce, or otherwise divulge such information in whole or in part, in any manner or form or authorize or permit others to do so. Contractor will take reasonable measures as are necessary to restrict access to confidential information in the Contractor's possession to those employees who must have the information to perform their job. Contractor agrees to immediately notify, in writing, the State's authorized representative in the event Contractor determines or has reason to suspect a breach of this requirement.
2. Obligations Regarding Protected Information. Contractor shall assure compliance by the State and Contractor of any and all obligations the State or Contractor may have under HIPAA and any other applicable state or federal law regarding protected health, personal, or otherwise confidential information.
3. Security. Contractor shall maintain security and confidentiality policies and procedures consistent with industry standards with regard to the information obtained from regulated entities. Contractor shall have recovery procedures in place to handle replacement of data in the event of a disaster.
4. Conflicts of Interest. If the State determines that a conflict of interest, as defined by the State, exists between a regulated entity and a member or members of the Contractor's staff, the Contractor shall substitute similarly qualified individuals for the conflicted members. If the State determines that a conflict of interest, as determined by the State, exists between Contractor and a regulated entity, the State may immediately remove that assignment from the Contractor, or may invoke its right to terminate this contract pursuant to paragraph 7 on page 1 of this contract. The State reserves the right to make the ultimate determination as to whether a conflict of interest exists.
5. Protection of Personal Information. Contractor agrees to establish and maintain policies and procedures designed to ensure compliance with 9 V.S.A. Chapter 62 (Protection of Personal Information) with respect to data collected in connection with Contractor's activities pursuant to the Contract.
6. Prior Approval of Workers. The state shall have the right to approve any personnel the Contractor proposes to assign to work requested by the State prior to the commencement of such work. If the proposed personnel of the Contractor are not acceptable to the State, the State may choose to withdraw the assignment of such work from the Contractor, and Contractor will assign personnel acceptable to the State.

7. Intellectual Property/Work Product Ownership. All data, technical information, materials first gathered, originated, developed, prepared, or obtained as a condition of this agreement and used in the performance of this agreement—including, but not limited to all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and printouts, notes and memoranda, written procedures and documents, which are prepared for or obtained specifically for this agreement, or are a result of the services required under this grant—shall be considered “work for hire” and remain the property of the State of Vermont, regardless of the state of completion, unless otherwise specified in this agreement. Such items shall be delivered to the State of Vermont upon 30 days notice by the State. With respect to software computer programs and/or source codes first developed for the State, all the work shall be considered “work for hire,” i.e., the State, not the Contractor, shall have full and complete ownership of all software computer programs, documentation and/or source codes developed.

The Contractor shall not sell or copyright a work product or item produced under this agreement without explicit permission from the State. If the Contractor is operating a system or application on behalf of the State of Vermont, then the Contractor shall not make information entered into the system or application available for uses by any other party than the State of Vermont, without prior authorization by the State. Nothing herein shall entitle the State to pre-existing Contractor’s materials.

8. Professional Liability Insurance Obligation. With respect to all operations performed under the contract, the Party shall carry professional liability insurance.

The policy limits shall not be less than:

\$2,000,000 Per Occurrence
\$5,000,000 Aggregate

Party shall provide a certificate of insurance to show that the above coverage and minimum limits are in effect before commencing work on this contract and shall ensure that it maintains a current such certificate of insurance on file with the State throughout the term of this contract.

9. Requirement to have a single audit. Attachment C, Section 9 does not apply to the Contractor as a for-profit subrecipient hereunder. The Contractor shall comply with all applicable federal procurement laws and regulations, as well as the provisions of this agreement and shall adhere to the Audit and Records requirements defined in FAR 52.215-2 (incorporated herein by reference) throughout the performance period of this contract.

(End of Other Contract Provisions)