

AMENDMENT

It is agreed by and between the State of Vermont, Department of Vermont Health Access (hereafter called the “State”) and Healthfirst Inc. (hereafter called the “Subrecipient”) that the agreement on the subject of development and implementation of a care management model for the Subrecipient’s Accountable Care Organizations, effective August 15, 2014, is hereby amended effective January 22, 2015, as follows:

1. By deleting Section 3 (Maximum Amount) on page 1 of 25 the base and substituting in lieu thereof the following Section 3:

3. Maximum Amount. In consideration of the services to be performed by Contract, the State agrees to pay Contractor, in accordance with the payment provisions specified in Attachment B, a sum not to exceed \$600,000.

2. By deleting Section 5 (Source of Funds) on page 1 of 25 the base and substituting in lieu thereof the following Section 5:

5. Source of Funds: Federal: \$600,000

3. Attachment A: By incorporating the following sections 14-17 into Attachment A:

Subrecipient Shall:

14. Hire a 1.0 FTE Quality and Care Coordination Manager, as an employee.
15. Establish a Local Physician Liaison Team comprising four local independent practitioners at .05 FTE each (approximately 8 hours each per month).
16. Develop and distribute templates and educational materials to Healthfirst members to guide delivery of high-quality care and related data tracking.
17. Adhere to the following work plan on pages 2-4 of this agreement.

Deliverables and Implementation Timeline for VCHIP Provider Grant Proposed Activities					
Key for Work Plan Performance Periods: Q1: January – March; Q2: April-June; Q3: July-September; Q4: October-December.					
Activities	Anticipated Outcomes	Milestone	Implementation Timeline	Person Responsible	Comment
Need: Vermont and the nation have identified the need to develop new systems and structures to reduce rising health expenditures while maintaining and improving the quality of care.					
Goal: Enhance the capacity of Healthfirst (HF) to participate in meaningful collaborations with OneCare Vermont and Community Health Accountable Care (CHAC) with the shared vision of goals of collecting, analyzing, and using data for targeted healthcare performance improvement throughout Vermont.					
Objective 1: Build capacity to support clinical performance improvement activities among independent medical practices to ensure the interests of independent physicians are represented in the statewide conversation about accountable care.					
Hire a Quality and Care Coordination Manager (QCCM)	QCCM’s work will increase HF’s capacity to attend meetings with OneCare, CHAC, and other partners.	Represent HF at clinical pods sponsored by OneCare and other partners and at SIM Learning Collaborative meetings	Hire position Q1-2105; report meeting outcomes to CMO, CD, and ED following meetings	Hiring: Executive Director (ED), Clinical Director (CD), Chief Medical Officer (CMO) Reporting: QCCM	
Architect disease management programs for independent practices	Based on research-based best practices, HF will create additional disease management protocols for HF member practices.	Implement in member practices	Begin Q2-2015, then ongoing	CD, QCCM	

Recruit local physician liaison team	Team members will attend local clinical advisory meetings along with representatives from OneCare and CHAC.	Liaisons will report back to staff and their own practices; HF will update members with relevant information.	Recruit team members beginning mid-Q2-2015; reporting to HF staff, ongoing; HF staff reporting to board of directors, ongoing	Recruiting: QCCM, CMO, CD, HF board of directors Reporting to HF ED, CMO, CD: liaisons Reporting to HF board and members: ED, CMO	
Develop materials, identify resources and provide training opportunities to support practices in implementing research-based quality care standards	CD and QCCM will work with practices to help them develop and implement effective and efficient mechanisms for data tracking, reporting, and analysis.	Member practices will implement research-based quality care standards based on HF recommendations.	Begin Q4-2014, then ongoing	CD, QCCM	
Objective 2: Reduce non-emergent ER use and hospitalizations for ambulatory care sensitive conditions, as tracked in ACO and other quality performance contracts in which HF members participate.					
Monitor hospital admission/discharge records	Develop strategies and protocols to support practices in engaging in effective patient communication and delivery of high-quality care			QCCM, CD	

Work with member nurses and practice managers to implement and/or hone best practices for aiding patients through care transitions	Meetings with practice managers and other key staff at member practices at least quarterly to review quality measure reporting capabilities	Quarterly status reports to ED, CMO, HF board of directors outlining implementation progress of member practices	Q4-2104, then ongoing	CD, QCCM	
Objective 3: Grow network-wide, team-based chronic disease management programs by continuing to support established committee- based information exchanges.					
Continue to support the shared learning clinical implementation committee	HF clinical and executive staff will continue to host and moderate quarterly meetings for RNs and practice managers of primary care practices.	Quarterly progress reports	Committee has been meeting quarterly since Q3-2013; meetings will be ongoing.	CD, CMO, ED	Currently this activity is supported with ACCGM funds, which will likely be cut in the 2015 FY budget.

4. **Attachment B: By striking out Attachment B of the base agreement in its entirety and substituting in lieu thereof the following attachment B:**

**ATTACHMENT B
PAYMENT PROVISIONS**

1. **Invoices.** The Subrecipient shall invoice the State monthly for actual expenses incurred or services performed, up to the maximum amount of \$600,000 per the budget table in section 6. All requests for reimbursement shall be submitted according to the invoicing templates provided by the State (invoice and worksheet will be provided electronically separate from this agreement upon execution).
2. The Subrecipient shall maintain copies of all receipts with each invoice as supporting documentation for all reimbursed payments. Mileage expense for use of personal vehicles and meal expense will be reimbursed at the current State rate. Travel expenses must be in compliance with State of Vermont Administrative Bulletin 3.4.
3. Services performed between July 1, 2014, and the start of this agreement that are in conformity with sections 1- 13 of Attachment A can be billed under this agreement. Services performed between December 1, 2014 and the start of this agreement that are in conformity with sections 14- 17 of Attachment A can be billed under this agreement.
4. Invoices should reference this grant number; contain a unique invoice number and current date of submission. Invoices should be submitted electronically to:

Jessica Mendizabal, Contract Administrator
Business Office, Contracting Unit
Department of Vermont Health Access
jessica.mendizabal@state.vt.us

5. Compliance and Reporting requirements

As a responsible steward of federal funding, the State monitors its Subrecipients utilizing the following monitoring tools:

- a. Ensure that Subrecipient is not disbarred/suspended or excluded for any reason
- b. Sub-award agreement
- c. Subrecipient meeting and regular contact with Subrecipients
- d. Required pre-approval for changes to budget or scope of grant
- e. Quarterly financial reports
- f. Bi-annual programmatic reports
- g. Audit
- h. Desk Reviews
- i. Site audits

In its use of these monitoring tools, the State emphasizes clear communication to ensure a feedback loop that supports Subrecipients in maintaining compliance with federal requirements. The State may at any time elect to conduct additional Subrecipient monitoring. Subrecipients therefore should maintain grant records accurately in the event that the State exercises this right. The State may also

waive its right to perform certain Subrecipient monitoring activities. If, at any time, the State waives its right to certain Subrecipient monitoring activities, it will note which activities were not completed and the reasons why that activity was not necessary. Each of the monitoring tools and policies regarding their use are described in detail beginning on page 5 of the Vermont Health Care Innovation Project Grant Program Application. The parties agree that the Application will be incorporated by reference into this contract at the point this contract is signed.

6. Program Budget:

Variances of the subtotal budget items shall not exceed 10% without prior approval from the State. Written requests for such approvals must first be submitted by the Grantee prior to the expenditure of funds in excess of the above budgeted line items.

	July 2014- June 2015	July 2015- June 2016	TOTAL
Personnel: Contract staff Wages			
Executive Director (contract)	\$70,000	\$70,000	\$140,000
Administrative Assistant (contract)	\$25,000	\$25,000	\$50,000
Operations Director (contract)	\$30,000	\$30,000	\$60,000
Clinical Lead (contract)	\$30,000	\$30,000	\$60,000
Quality and Care Coordination Manager (staff)	\$60,000	\$60,000	\$120,000
Total Personnel	\$215,000	\$185,000	\$370,000
Fringe (staff only)			
Quality and Care Coordination Manager	\$13,800	\$13,800	\$27,600
Total Fringe	\$13,800	\$13,800	\$27,600
Consultants			
Local Physician Liaison Team	\$40,000	\$12,000	\$52,000
Legal services, HR, IT, other contracts	\$20,000	\$15,000	\$35,000
Total Consultants	\$60,000	\$27,000	\$117,000
Office			
Rent	\$13,850	\$14,550	\$28,400
Utilities	\$2,100	\$1,000	\$3,100
Supplies (incl. computers, communication)	\$5,000	\$2,000	\$7,000
Outreach (printing/binding, distribution)	\$400	\$0	\$400
Meetings and travel	\$4,500	\$3,750	\$8,250
Bi-annual meeting	\$4,500	\$3,750	\$8,250
Total Office	\$30,350	\$25,050	\$55,400
TOTALS	\$319,150	\$280,850	\$600,000

5. **Attachment C:** By replacing Attachment C in its entirety with the following version dated September 3, 2014:

**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.

Professional Liability: Before commencing work on this Agreement and throughout the term of this Agreement, the Party shall procure and maintain professional liability insurance for any and all services performed under this Agreement, with minimum coverage of **\$2,000,000** per occurrence, and **\$2,000,000** aggregate.

- 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 the performance of this agreement. Records produced or acquired in a machine readable 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.

This amendment consists of 11 pages. Except as modified by this amendment all provisions of this agreement, (#03410-1305-15) dated August 15, 2014 shall remain unchanged and in full force and effect.

BY THE STATE OF VERMONT:

BY THE SUBRECIPIENT:

Mark Larson, Commissioner Date
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Williston, VT 05495-2087
Phone: 802-879-5901
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