

Note: All sections are required. Incomplete forms will be returned to department.

I. CONTRACT INFORMATION:

Agency/Department: Administration/ Secretary's Office Contract #: 25312 Amendment #: 2
 Vendor Name: Arrowhead Health Analytics VISION Vendor No:
 Vendor Address: 56 No. Main St., Suite 303, Falls River, MA 02720
 Starting Date: 8/26/2013 Ending Date: 8/25/2015 Amendment Date: 8/1/2014
 Summary of agreement or amendment: Second Amendment for services related to SIM Grant and for advising the Governor and Secretary of Administration on matters related to SIM projects.

II. FINANCIAL INFORMATION

Maximum Payable: \$275,000.00 Prior Maximum: \$ 110,000.00 Prior Contract # (If Renewal):
 Current Amendment: \$165,000.00 Cumulative amendments: \$ % Cumulative Change: 175.00 %
 Business Unit(s): 1100; ; - [notes:] VISION Account(s): ;

III. PERFORMANCE INFORMATION

Does this Agreement include Performance Measures tied to Outcomes and/or financial reward/penalties? Yes No
 Estimated Funding Split: G-Fund 0.31% S-Fund % F-Fund 40.00 % GC-Fund % Other 29.00 %

III. PUBLIC COMPETITION

The agency has taken reasonable steps to control the price of the contract or procurement grant and to allow qualified organizations to compete for the work authorized by this contract. The agency has done this through:
 Standard bid or RFP Simplified Bid Sole Sourced Qualification Based Selection Statutory

IV. TYPE OF AGREEMENT & PERFORMANCE INFORMATION

Check all that apply: Service Personal Service Architect/Engineer Construction Marketing
 Information Technology Other, describe:

V. SUITABILITY FOR CONTRACT FOR SERVICE

Yes No n/a If this is a Personal Service contract, does this agreement meet all 3 parts of the "ABC" definition of independent contractor? (See Bulletin 3.5) If NO, then contractor must be paid through Payroll

VI. CONTRACTING PLAN APPLICABLE:

Are one or more contract or terms & conditions provisions waived under a pre-approved Contracting Plan? Yes No

VII. CONFLICT OF INTEREST

By signing below, I certify that no person able to control or influence award of this contract had a pecuniary interest in its award or performance, either personally or through a member of his or her household, family, or business.
 Yes No Is there an "appearance" of a conflict of interest so that a reasonable person may conclude that this party was selected for improper reasons: (If yes, explain)

VIII. PRIOR APPROVALS REQUIRED OR REQUESTED

Yes No Agreement must be approved by the Attorney General under 3 VSA §311(a)(10) (personal service)
 Yes No I request the Attorney General review this agreement as to form
 No, already performed by in-house AAG or counsel: _____ (initial)
 Yes No Agreement must be approved by the Comm. of DII; for IT hardware, software or services and Telecommunications over \$100,000
 Yes No Agreement must be approved by the CMO; for Marketing services over \$15,000
 Yes No Agreement must be approved by Comm. Human Resources (privatization and retiree contracts)
 Yes No Agreement must be approved by the Secretary of Administration

IX. AGENCY/DEPARTMENT HEAD CERTIFICATION; APPROVAL

I have made reasonable inquiry as to the accuracy of the above information:

Date: 07/17/14 Agency / Department Head Date: Agency Secretary or Other Department Head (if required)
 Date: 7/23/14 Approval by Attorney General Date: Approved by Commissioner of Human Resources
 Date: CIO Date: 7/23/14 Secretary of Administration

2014-6255

JUL 17 2014

AMENDMENT

It is agreed between the State of Vermont, Agency of Administration (hereinafter called "State") and Arrowhead Health Analytics (hereinafter called "Contractor") with principal place of business at Fall River, MA that the contract dated 8/13/13 is to be amended as follows:

1. By striking out on page 1, item #2, the following:

Subject Matter

The subject matter of this contract is services for the SIM and Duals projects and advising the Governor on matters related to the SIM and Duals project. Detailed services to be provided by the contractor are described in Attachment A.

Subject Matter

The subject matter of this contract is services for the SIM project and advising the Governor on matters related to the SIM project and an all-payer waiver. Detailed services to be provided by the contractor are described in Attachment A.

2. By striking out on page 1, item #3, the following:

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 \$110,000. Annually.

And substituting in lieu thereof:

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 \$275,000.

3. By striking out on page #1 the following:

Contract Term

The period of Contractor's performance shall begin on August 26, 2013 and end on August 25, 2014 with the option for two one-year renewals.

And substituting in lieu thereof:

Contract Term

The period of Contractor's performance shall begin on August 26, 2013 and end on August 25, 2015 with the option for one one-year renewals.

4. Attachment A. Striking out Attachment A in its entirety and replacing in lieu thereof:

The purpose of this contract is for Contractor's President, Anya Rader Wallack, to serve as chair of the Vermont Health Care Innovation Project's (VHCIP) Core Team, for Contractor to provide leadership for the VHCIP project, and for Contractor to assist the State with developing an all-payer waiver application to advance the Governor's payment reform initiatives.

The VHCIP is an initiative that builds on existing statewide health reform efforts aimed at developing or enhancing integrated provider organizations, integrated health information technology and value-based payment in Vermont's health care system. The project is funded by a SIM Testing Grant awarded by the Center for Medicare & Medicaid Innovation (CMMI). It will be administered jointly by the Vermont Agency of Human Services (AHS) and the Green Mountain Care Board (GMCB). Through the project, Vermont will implement an array of value-based payment models on an all-payer basis and will greatly enhance the state's health information network to serve effective care management and integration. The project will build on innovative Medicare payment models already in place in the state, including the Medicare Shared Savings Accountable Care Organization and the CMS Bundled Payment Initiative.

The state will manage the initiative through a VHCIP "Core Team" and a project management structure that includes a stakeholder steering committee and numerous subject-specific work groups. The Core Team will provide overall leadership for the two projects, establish priorities and resolve conflicts.

Scope of work

Contractor will function as the chair of the VHCIP Core Team that has been established to ensure coordination across all project teams and agencies, including the Governor's Office, the Agency of Human Services, the Department of Vermont Health Access, the Department of Aging and Independent Living, the Department of Mental Health, the Green Mountain Care Board, and external stakeholders including consumers, providers and payers.

Contractor will work with the Project Director and other members of the Core Team to guide project activities toward the desired project outcomes. The Contractor will be responsible for working with the Project Director to organize and prioritize the work of the Core Team and to ensure that high-level decisions are elevated to the Core Team through the project structure.

The Contractor will work with the Governor's Chief of Health Care Reform, Director of Health Care Reform, and other state staff as needed, to assist in the development of an all payer waiver application to the Centers

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on Medicaid and Medicare Innovation (CMMI). The all payer waiver will support the State's move toward innovative payment reform across all current payers and support the implementation of innovative, consistent payment methodologies as part of Green Mountain Care, the universal, uniform coverage program established in Act 48 of 2011. The Contractor will assist in engaging health care providers to ensure input into the design and planning for the CMMI waiver.

The Contractor will provide regular updates to the Director of Health Care Reform and the Governor's Chief of Health Care Reform on the overall progress of the Vermont Health Care Innovation project. In addition, the Contractor will advise the Governor on policy matters related to the VHCIP and on the planning and implementation of Green Mountain Care, including the CMMI waiver, to assist the Governor in deliberations and decision-making related to the project and its the implementation. The Contractor's advice on these matters will include recommendations to contribute to the Governor's deliberations as part of the decision-making process.

5. Attachment B: By striking out in its entirety and replacing with the following:

The maximum amount of this Contract shall not exceed \$275,000. This maximum amount is not intended under this Contract as any form of a guaranteed payment. Contractor will be paid \$12,500 per month for a minimum of 60 hours worked. Actual hours above 60 during a month will not be reimbursed. Contractor shall also be reimbursed for eligible expenses as outlined below.

1. A certificate of insurance must be submitted prior to commencement of work and release of payments (Attachment C, Section 7).
2. Invoices must be rendered on Contractor's standard billhead or official letterhead. Contractor shall submit invoicing every 30 days. Invoices shall be submitted to:

Robin Lunge
Secretary of Administration's Office
109 State Street
Montpelier, VT 05609

Or via e-mail in an electronic format to Robin Lunge at: Robin.Lunge@state.vt.us
Remit vendor payments to:

Anya Rader Wallack
Arrowhead Health Analytics, LLC
56 North Main Street, Suite 303

Fall River, MA 02720

3. Contractor shall be paid based on documentation and itemization of work performed and included in invoicing as required by 32 VSA 463. Invoicing must contain a detail of services including dates and hours of work performed. Invoicing must also contain a detail of items and cost for any allowable reimbursable expenses stated below. Contractor must provide receipts for allowable reimbursable expenses, with the exception of mileage. The State shall not be responsible for any expenses of the Contractor unless specifically stated below:

Transportation-related costs will be paid to Contractor by the State in accordance with the provisions of the State of Vermont Agency of Administration's Bulletin 3.4. Mileage reimbursement to Contractor will be paid by the State in accordance to current rates and formulas established by the State. Travel involving airfare and hotel shall be pre-approved by the State.

6. Attachment C: By replacing in its entirety with the following approved version dated 6/9/2014:

**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.

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 will maintain all books, documents, payroll papers, accounting records and other evidence pertaining to costs incurred under this agreement and make them available at reasonable times during the period of the Agreement and for three years thereafter 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. The State, by any authorized representative, shall have the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this Agreement.
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 any thing 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.

(End of Standard Provisions)

7. By inserting in Attachment D:

**Attachment D
Conflict of Interest Provisions**

The State and Contractor recognize that Contractor is engaged with other clients with interests in health care and health care reform. Both parties acknowledge and understand that Contractor may have conflicts of interest that could arise in the future. The Parties agree to the following processes in order to ensure there is an appropriate method for disclosure of any conflicts of interest by Contractor and that appropriate follow up, recusal, or waiver is made in response by the State.

1. For any work related to the State Innovation Model grant and the Vermont Health Care Innovation Project (VHCIP), Contractor shall follow the Conflict of Interest policy adopted as part of that project. Contractor acknowledges receipt of said policy. Additional copies of the policy may be obtained from Georgia Maheras, Georgia.maheras@state.vt.us.

2. For any other work described in Attachment A, the conflict of interest process shall be as follows:

Duty to Disclose: Contractor shall disclose to the Chief of Health Care Reform any conflicts of interest, potential conflicts of interest, and/or the appearance of a conflict of interest, where:

A. "Appearance of a conflict of interest" means the impression that a reasonable person might have, after full disclosure of the facts, that Contractor's judgment might be significantly influenced by outside interests, even though there is no actual conflict of interest.

B. "Conflict of interest" means a significant interest, of Contractor or such an interest, known to Contractor, of a member of his or her immediate family or household or of a business associate, in the outcome of any matter related to the scope of work defined in Attachment A, other than work under VHCIP. "Conflict of interest" does not include any interest that is no greater than that of other persons generally affected by the outcome of the matter.

Determining Whether a Conflict of Interest Exists: After disclosure, and after any necessary discussion with Contractor, the Chief of Health Care Reform shall determine whether Contractor has a conflict of interest that requires Contractor to remove herself from the matter under consideration. The Chief of Health Care Reform may waive a conflict of interest on a case-by-case basis if the conflict is de minimus in nature and it is in the best interest of the State. Any such waiver must be in writing and must describe in detail the basis for the request for which the waiver is sought and the rationale for granting of the waiver. Copies of all waivers granted by the Chief, and the request submitted, shall be retained in the contract file.

This amendment consists of 9 pages. Except as modified by this amendment and any previous amendments, all provisions of this contract, (#25312) dated shall remain unchanged and in full force and effect.

By the STATE OF VERMONT

By the CONTRACTOR

Date: 7/23/14

Date: 8/13/14

Signature: Jeb Spaulding

Signature: Anya Rader Wallack

JEB SPAULDING, SECRETARY DATE

ANYA RADER WALLACK, PRESIDENT DATE

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