

CONTRACT DECLARATIONS AND EXECUTION

RFP or Informal Solicitation #	Contract #
N/A	MED-19-003

Title of Contract
Program Integrity Services for Iowa Medicaid

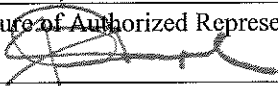

This Contract must be signed by all parties before the Contractor provides any Deliverables. The Agency is not obligated to make payment for any Deliverables provided by or on behalf of the Contractor before the Contract is signed by all parties. This Contract is entered into by the following parties:

Agency of the State (hereafter "Agency")	
Name/Principal Address of Agency: Iowa Department of Human Services 1305 E. Walnut Des Moines, IA 50319-0114	Agency Billing Contact Name / Address: Stephanie Clark Iowa Medicaid Enterprise 100 Army Post Road Des Moines, IA 50315 Phone: (515) 256-4646
Agency Contract Manager (hereafter "Contract Manager") /Address ("Notice Address"): Stephanie Clark Iowa Medicaid Enterprise 100 Army Post Road Des Moines, IA 50315	Agency Contract Owner (hereafter "Contract Owner") / Address: Michael Randol Iowa Medicaid Enterprise 100 Army Post Road Des Moines, IA 50315
E-Mail: sclark2@dhs.state.ia.us	E-Mail: mrandol@dhs.state.ia.us
Phone: (515) 256-4646	
Contractor: (hereafter "Contractor")	
Legal Name: Truven Health Analytics LLC	Contractor's Principal Address: 100 Phoenix Drive Ann Arbor, Michigan 48108
Tax ID #: 061467923	Organized under the laws of: State of Delaware
Contractor's Contract Manager Name/Address ("Notice Address"): Helen Orme Truven Health Analytics LLC, an IBM Company 100 Phoenix Drive Ann Arbor, Michigan 48108	Contractor's Billing Contact Name/Address: Accounts Receivable Department Truven Health Analytics PO Box 71716 Chicago, Illinois 60694 Phone: (734) 913-3221
Phone: (734) 913-3000	
E-Mail: HOrme@us.ibm.com	

Contract Information	
Start Date: 07/01/18	End Date of Contract: 06/30/21
Possible Extension(s): N/A	
Contractor a Business Associate? Yes	Contractor subject to Iowa Code Chapter 8F? No
Contract Include Sharing SSA Data? No	Contractor a Qualified Service Organization? Yes
Contract Warranty Period (hereafter "Warranty Period"): The term of this Contract, including any extensions.	Contract Contingent on Approval of Another Agency: Yes Which Agency? Centers for Medicare and Medicaid Services
Security & Privacy Office Data Confirmation Number: ***	
Contract Payments include Federal Funds? Yes The contractor for federal reporting purposes under this contract is a: Vendor DUNS #: 036838092 The Name of the Pass-Through Entity: Iowa Department of Human Services	
CFDA #: 93.778 Grant Name: Medical Assistance Program	Federal Awarding Agency Name: Department of Health and Human Services/Centers for Medicare and Medicaid Services

Contract Execution

This Contract consists of this Contract Declarations and Execution Section, the attached Certifications (if any), Special Terms, General Terms for Services Contracts, and all Special Contract Attachments. In consideration of the mutual covenants in this Contract and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into this Contract and have caused their duly authorized representatives to execute this Contract.

Contractor, Truven Health Analytics LLC		Agency, Iowa Department of Human Services	
Signature of Authorized Representative: 	Date: 6-14-18	Signature of Authorized Representative: 	Date: 6-18-18
Printed Name: Jon Newpol		Printed Name: Jerry R. Foxhoven	
Title: Vice President & GM, North America, GHHS		Title: Director	

Certification and Disclosure Regarding Lobbying

Instructions:

Title 45 of the Code of Federal Regulations, Part 93 requires the Contractor to include a certification form, and to file a disclosure form, if required, as part of the Contract. Award of the federally-funded contract is a Covered Federal action.

- 1) The Contractor shall file with the Agency this certification form, as set forth in Appendix A of 45 CFR Part 93, certifying the Contractor, including any subcontractor(s) at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) have not made, and will not make, any payment prohibited under 45 CFR § 93.100.
- 2) The Contractor shall file with the Agency a disclosure form, set forth in Appendix B of 45 CFR Part 93, in the event the Contractor or subcontractor(s) at any tier (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) has made or has agreed to make any payment using non-appropriated funds, including profits from any covered Federal action, which would be prohibited under 45 CFR § 93.100 if paid for with appropriated funds. All disclosure forms shall be forwarded from tier to tier until received by the Contractor and shall be treated as a material representation of fact upon which all receiving tiers shall rely.

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

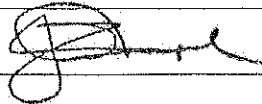
The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a pre-requisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 for each such failure.

I certify that the contents of this certification are true and accurate. I am checking the appropriate box below regarding disclosures required in Title 45 of the Code of Federal Regulations, Part 93.

- The Contractor is NOT including a disclosure form as referenced in this form's instructions because the Contractor is NOT required by law to do so.
- The Contractor IS filing a disclosure form with the Agency as referenced in this form's instructions because the Contractor IS required by law to do so.

Signature:	
Printed Name/Title:	Jon S. Newpol VP & GM, GHHS NA
Date:	6-14-18

SECTION 1: SPECIAL TERMS

1.1 Special Terms Definitions.

N/A.

1.2 Contract Purpose.

The parties have entered into this Contract for the purpose of retaining the Contractor to provide program integrity business processes for the Iowa Medicaid Program. Through this Contract, the Agency intends to meet the following objectives:

- To support the unique and highly complex nature of Iowa’s modular Medicaid program administration structure.
- To continue the use and enhancement of the Iowa MMIS to meet all federal and state requirements as stated in the Code of Federal Regulations.
- To support all components of the Iowa Medicaid Enterprise (IME).
- To enhance IME program and payment integrity oversight for Iowa’s MCOs and PAHPs, and MCO and PAHP contracted providers.

1.3 Scope of Work.

1.3.1 Deliverables.

The Contractor shall provide the following:

1.3.1.1 General Obligations

- A. Independence. The Contractor, its affiliated companies (“affiliates”), and its subcontractors shall meet the following independence requirements. To qualify as “independent,” the Contractor, its affiliates, or subcontractors may not
1. Exert control over (and vice versa) any MCO, PIHP, PAHP, or Medicaid provider contracted with Iowa DHS through
 - a. Stock ownership;
 - b. Stock options and convertible debentures;
 - c. Voting trusts;
 - d. Common management, including interlocking management; and
 - e. Contractual relationships.
 2. Have a present or known future, direct or indirect financial relationship that requires the Contractor, its affiliates, or its subcontractors to code, file, process and/or pay patient claims for any MCO, PIHP, PAHP, or Medicaid provider contracted with Iowa DHS.
- B. Staffing
1. The Contractor shall designate individuals as “key personnel” and provide the list of these named persons to the Agency’s contract manager for approval. Special requirements for key personnel are as follows:
 - a. Account Manager - experienced manager with Medicaid PI experience, responsible for the overall service delivery of the team, complying with contractual requirements, and meeting the Agency’s expectations. The Account Manager shall represent the Contractor in terms of day-to-day negotiations and resource allocations, and be the primary liaison with the Agency;
 - b. Medical Director - Iowa licensed physician in good standing, responsible for setting direction for medical necessity audits, and providing litigation support on matters requiring physician testimony/review.
 - c. Audit and Investigations Manager - experienced manager with prior experience leading medical review audit teams and providing litigation support on cases, responsible for investigative case management, coordinating with MCOs on PI related matters and

- documentation, and other project management functions and reporting. This manager will also help supervise oversight of Managed Care SIU operations.
- d. Data Analytics Manager - experienced analyst with Medicaid experience responsible for directing analytic development of the team.
 - e. Quality Assurance Manager- experienced manager responsible for supplemental project management and quality assurance support. This manager will also lead the Centers for Medicare & Medicaid Services (CMS) certification of the SURS subsystem in Iowa.
 - f. Encounter Data Management Project Lead - experienced analyst with prior experience responsible for managing and leading the Agency's Encounter Data Workgroup.
2. Named key personnel shall:
 - a. Be committed to the project full time and co-located with Agency staff at the Iowa Medicaid Enterprise (IME) permanent facility in Des Moines, Iowa;
 - b. Be available during normal business hours to respond to questions and concerns related to the Contract;
 - c. Provide policy advice and support to the Agency and participate in meetings with the Agency as subject matter expert;
 - d. Prepare and present status updates periodically to the Agency and other stakeholders, as requested by the Agency;
 - e. Comply with all timelines in the Agency-approved implementation plan; and
 - f. Develop and maintain a plan for job rotation and knowledge transfer to ensure that all functions can be adequately performed during the absence of key personnel for vacation and other reasons. Any planned absences of key personnel shall be immediately communicated to the Agency.
 3. The Agency reserves the right of prior approval for any replacement of the key personnel:
 - a. The Contractor must commit named key personnel to the project for at least six months and must not replace key personnel during this period except in cases of termination, death, or the key person's resignation.
 - b. Replacement personnel shall have knowledge transfer, experience, and ability comparable to the person originally in the position; and
 - c. Replacement personnel must be in place performing their new functions before the departure of the personnel they are replacing, unless the replacement is due to termination, death, or the key person's resignation.
 - d. The Agency may waive requirements a through c above upon presentation of good cause by the Contractor. In those instances when good cause is granted, the Contractor commits to replacing key personnel within thirty (30) days of the departure of a key person, unless otherwise approved by the Agency, and to providing temporary personnel in the interim that can maintain operational performance at acceptable levels.
 4. The Contractor shall provide the following non-managerial positions:
 - a. Data Analytics Team – consisting of senior analysts with extensive Medicaid PI experience and support from PI subject-matter experts. The team is responsible for the construction of analytics used on the project for identifying Medicaid waste, fraud and abuse.
 - b. Audit and Investigations Team – consisting of registered nurses (RNs), auditors, investigators, business analysts, and other support staff responsible for conducting medical reviews, investigations, audits, and building the necessary reports and processing output from analytics and audits such as sending overpayment letters and recording monies recovered.
 - c. Managed Care Program Integrity Coordination Team – consisting of an analyst and subject-matter expert support from policy/managed care experts.
 - d. Data Management Team – consisting of data management professionals responsible for maintaining the PI database.
 5. The Contractor shall primarily recruit Des Moines-based professionals and ensure that as many staff as possible directly associated with the provision of Contract services are located at the IME permanent facility to ensure collaboration with Agency staff.

C. System Requirements: Program Integrity (PI) and Case Management Systems

1. The Contractor shall maintain a system, as necessary, to support all Program Integrity functions, including the ability to interface with data sources as determined by the Agency.
 - a. The Contractor's system shall be compatible with any legacy and current patient-level Medicaid and hawk-i encounter and claims data, member eligibility, provider, and other applicable data required to perform all activities required in the Scope of Work.
 - b. The Contractor shall perform ongoing data collection, data analysis, and data transfer in accordance with Agency-approved implementation plan.
 - c. The Contractor shall perform system quality assurance and testing in accordance with Agency-approved implementation plan.
 - d. The Contractor shall meet Agency and the State of Iowa's Enterprise security standards for data collection, storage, and secured electronic transmissions. This includes, but is not limited to, a minimum 256-bit encryption for both authentication and data transmission. See Contract Section 2.9.6.
 - e. The Contractor shall ensure security safeguards are in place to assure the integrity of system hardware, software, records, and files, including but not limited to:
 - i. Orienting new employees to security policies and procedures;
 - ii. Conducting periodic review sessions on security procedures;
 - iii. Developing lists of personnel to be contacted in the event of a potential or suspected security breach;
 - iv. Maintaining entry logs for limited access areas;
 - v. Maintaining an inventory of Agency assets, not including any financial assets;
 - vi. Limiting physical access to systems hardware, software, and libraries; and
 - vii. Maintaining confidential and critical materials in limited access, secured areas.
 - f. The Contractor shall provide the following documentation prior to system implementation and annual thereafter:
 - i. Attestation of passed information security risk assessment;
 - ii. Attestation of passed network penetration scan; and
 - iii. If the Contractor utilizes a web application in performance of services under this Contract, attestation of passed web application security scan.
2. The Contractor shall develop and maintain an interface control document describing the data exchange and processing necessary to implement and operate the Program Integrity functions, interfaces necessary for electronic transmissions of data files, processing rules, and required sequence of data to manage the services. Contractor shall develop this document with consultation from Agency data management staff.
3. The Contractor shall develop and maintain a disaster recovery and business continuity plan to address recovery of business functions, business units, business processes, human resources, and the technology infrastructure. The Contractor shall protect against hardware and software failures, human error, natural disasters, and other emergencies that could interrupt services and operations.

D. Software and Ownership Rights

1. Software and Ownership. The State and the United States Department of Health and Human Services shall have all rights in software and modifications of that software and associated documentation designed, developed, or installed with Federal financial participation as required by 45 CFR 95.617 and subject to the terms below.
2. Operating Systems, Applications Software and Utilities. Any operating systems and utilities, i.e., compilers utilities, case tools, database managers and other applications enabling software, and any applications software and associated documentation, and utilities used by the Contractor to provide services to the Agency under the Contract, but not used exclusively to provide services to the Agency shall be:
 - a. Readily commercially available software used without modification by the Contractor.

- b. Readily commercially available software used with modification owned by the Contractor, which the Contractor agrees to deliver updated and current documentation, including but not limited to JCL, work flow, product process, applications, and interfaces upon final acceptance and any updates thereto upon termination and to grant to the Agency or its designee at no charge an irrevocable, for the term of the Contract, fully paid up license to use, reproduce, duplicate and modify the modifications and associated documentation for the sole benefit of the Agency.
 - c. Proprietary software that the Contractor has the right to license to the Agency and in which the Contractor agrees to deliver the updated and current documentation, including but not limited to JCL, work flow, product process, applications, and interfaces upon final acceptance and any updates thereto upon termination and to grant to the Agency at no charge an irrevocable, for the term of the Contract, fully paid-up license to use, reproduce, duplicate and modify such software and associated documentation for the sole benefit of the Agency. If the Contractor procures under the Contract a license for operating systems software or utilities to be used solely to perform services for the Agency, the Contractor agrees to obtain such license in the name of the Agency, if the Agency is permitted to grant the Contractor the right to use such software solely to provide services to the Agency during the term of the Contract. In such event, the Agency agrees to grant to the Contractor, at no charge during the term of the Contract, subject to customary confidentiality and other license terms and conditions, the right to use such software solely to provide services to the Agency.
 - d. The license shall include, but not be limited to:
 - i. All primary systems and support systems;
 - ii. All other system instructions for operating systems developed, designed or installed under the Contract;
 - iii. All data files;
 - iv. All user and operational manuals and other documentation;
 - v. Training programs for the Agency or the Agency's agents and employees;
 - vi. All performance-enhancing operational plans and products; and
 - vii. All specialized or specially modified software and specially developed programs, including utilities, software and documentation that are required for or used in the generation of systems whether obtained, developed or modified in the course of performance of the Contract or before it. This obligation is not subject to limitation in any respect, regardless of whether any part of the system or software is characterized as proprietary or as not paid for under the Contract.
3. Third party software. If the Contractor is using another party's software, upon final acceptance, the Contractor shall grant the Agency a non-exclusive license to use the third-party software and its updated documentation for the Agency's internal business purposes during the term of the Contract, and, for a period of up to one hundred and eighty (180) days thereafter.
- a. Subject to the payment of applicable fees, the licenses will continue until the Agency permanently discontinues the use of the third-party software or the termination of the Contract, whichever occurs earlier, and, for a period of up to one hundred and eighty (180) days thereafter. The terms in any license for third-party software shall be consistent with the requirements of this Subsection. In the event of a conflict between the terms of any such license and this Contract, this Contract shall take precedence and supersede such license terms.
 - b. Prior to utilizing any third-party software product that may be included as part of a software deliverable to the Agency, the Contractor shall provide to the Agency copies of the license agreement from the licensor of the third-party software to allow the Agency to pre-approve the license agreement which must, at a minimum, provide the Agency with necessary rights consistent with Agency needs.

4. Contractor and Agency agree that the software used by Contractor for the PI Database is readily commercially available software used without modification by the Contractor. Contractor will not deliver the software to the Agency for the Agency's direct access and use and will not license the software to the Agency. However, over the course of the Contract term, if the software used by the Contractor changes to one of categories of 2(b), 2(c), or 3, above, those subsections apply.
- E. Receipt of Checks
1. The Contractor may receive checks or money orders related to the work performed under this Contract. The Contractor shall comply with the following requirements for checks or money orders:
 - a. Log and prepare all payments for deposit on the day of receipt and deliver them to the Revenue Collections contractor's designated point of contact for daily deposits.
 - b. Assist in the maintenance and updating of the existing check classification code schematic, as necessary.
 - c. Provide assistance to the Agency, Division of Fiscal Management, in the reconciliation of the monthly Title XIX Recovery bank account if requested to do so.
- F. Agency Approval and Receipt
1. Throughout this Contract there are multiple references to Contractor seeking approval from the Agency prior to the finalization of work product, documentation, or the commencement of services. Unless otherwise specified, such approval shall be sought from the Agency's contract manager.
 2. Throughout this Contract there are multiple references to Contractor delivering final documents or reports to the Agency. Unless otherwise specified, the delivery of such items shall be to the Agency's contract manager.
- G. Regulatory Compliance
1. All services are expected to be fully compliant with all applicable state and federal requirements law and regulations, including but not limited to the program integrity requirements of 42 C.F.R. Part 455.
- H. Appeals and Hearings
1. The Contractor shall provide necessary assistance in any stage of the appeal process concerning Program Integrity cases opened based on Contractor's findings that result in an appeal by a provider, including but not limited to providing expert testimony where appropriate to defend Agency decisions.
 2. The Contractor shall develop a standard process for preparing for appeals and hearings.
 3. The Contractor shall assure that appeal requests and decisions are documented in the Contractor's Case Management System and/or the Agency's OnBase system, as directed by the Agency.
 4. If the Contractor's support is needed on cases initiated by another group such as the Medicaid Fraud Control Unit, the Agency will compensate the Contractor by applying Change Pool hours or paying the Contractor \$200 per hour. The Contractor shall obtain Agency approval before performing work for other entities or agencies.
- I. Audit Support
1. The Contractor shall support and provide assistance with any state and federal audits and certifications as the Agency requests. Examples include, but are not limited to, the annual audit by the state auditor's office, any CMS Center for Program Integrity (CPI) review, and the Office of the Inspector General (OIG) audits.
 2. The Contractor shall provide transparency to Agency of work performed under the contract via reporting obligations as set forth in Section 1.3.1.1.K, contract administration documents,

and other mechanisms as mutually agreed to by the parties for analytic and auditing oversight.

J. Meetings

1. The Contractor shall participate, as directed by the Agency in all meetings related to the scope of work performed by the Contractor under this Contract, including but not limited to:
 - a. Regular contract and status meetings or discussions with the Agency;
 - b. Meetings to develop and finalize any work plans and all timelines of Contract activities and deliverables;
 - c. Meetings to review and discuss contract milestones agreed upon in the work plans;
 - d. Meetings to discuss contract audits and audit findings;
 - e. Meetings to develop Agency, MCO, or stakeholder training and special forums;
 - f. Meetings to obtain State approval of investigations to be opened, and review their progress;
 - g. Meetings with the Health Care Fraud Task Force which meets periodically to coordinate activity and prioritize work and cases;
 - h. Meetings with the Medicaid Fraud Control Unit (MFCU); and
 - i. Ad hoc meetings, as necessary.

K. Project Management Reporting.

1. Performance and Quality Assurance
 - a. The Contractor shall submit monthly reports necessary to show compliance with Deliverables and performance standards identified within the Contract, quality assurance activities, findings, and corrective actions (if any) to the Agency.
 - b. Monthly reports shall include but not be limited to:
 - i. Work in progress on investigations and analytics;
 - ii. Caseload status;
 - iii. Summary of recoveries in process;
 - iv. Explanation of Medicaid Benefits (EOMBs) reviews;
 - v. Status and results of appeals and hearings;
 - vi. Provider review activity, including the following information at a minimum:
 - a) Names of providers reviewed and/or types of issues reviewed;
 - b) Dates of each review;
 - c) Review findings at a summary level;
 - d) Actions taken;
 - e) Outcome of referral authorization review; and
 - f) Education/other disposition letters sent.
 - vii. Activities related to coordination with the MFCU, as required by Section 1.3.1.3.P.d.
 - c. The Contractor is to propose and negotiate the content of these reports with the Agency. The intent of the reports is to provide the Agency and the Contractor with better information for management of the Contractor's activities and the Medicaid program.
 - d. For any performance falling below the agreed-upon performance standards, the Contractor shall explain the problem and identify the proposed corrective action to improve the rating within ten (10) business days of discovery. The Contractor must:
 - i. Implement an Agency-approved corrective action plan within the agreed-upon time frame;
 - ii. Provide documentation to the Agency demonstrating that the corrective action is complete and meets Agency requirements;
 - iii. Meet the corrective action commitments within an agreed upon timeframe; and
 - iv. Maintain Agency-approved documentation of the methodology used to measure and report on all completed contract requirements and all performance

standards, including sources of data used and enough detail for the Agency to replicate the stated results if need be.

2. Reporting on Program Integrity Findings and Recommendations
 - a. By September 1, 2018, the Agency and the Contractor shall agree to a PI Agenda for the remaining term of the Contract.
 - b. The PI Agenda shall ensure that the Contractor's staff generate a sufficient caseload of actionable targets to ensure continuous productivity in opening the required number per quarter of cases for provider reviews as set forth in Section 1.3.2.17.
 - c. With the Agency's approval, the Contractor will update the PI Agenda annually to reflect findings as the project progresses and to plan for upcoming activities.
 - d. Regardless of the activity planned in the PI Agenda, the Contractor agrees to bring any pattern of serious abuse to the Agency's attention as soon as the Contractor may discover it.

1.3.1.2 Planning

The Contractor shall maintain and comply at all times with the following, subject to Agency approval:

- A. Project work plans, subject to Agency approval. Such plan shall be delivered to the Agency for its approval within 15 business days after the execution of this Contract.
 1. An implementation plan shall set forth the detailed strategy to implement any new staff, systems and services contemplated by this Contract.
 2. An operations plan shall set forth the daily performance of all required activities by the Contractor, including required coordination and safeguards.
 3. A turnover plan shall set forth the activities necessary when the Agency contractually transfers responsibility for the operations function to a new entity near the end of the Contract term.
 4. Each plan shall generally adhere to the approximate timing and requirements set forth in Section 1.3.1.2 and 1.3.1.3, to include, at minimum:
 - a. Definition of each project activity;
 - b. Sequence of activities;
 - c. Identification of who is responsible for each project activity;
 - d. Defined deliverables and outcomes;
 - e. Timeframe in which each activity will be completed;
 - f. A plan update schedule (which shall include updates no less frequently than monthly); and
 - g. Identification of Agency responsibilities and expectations.
- B. Communications plan specifying expectations for all parties involved.
- C. Training plan detailing, at minimum:
 1. Training of Contractor staff in all systems functions that they will use. This may include the Medicaid Management Information System (MMIS), Pharmacy Point of Sale (POS) system, Data Warehouse/Decision Support system (DW/DS) and other state systems.
 2. Training of Contractor staff in system and operational procedures required to perform the Contractor's functions under the Contract.
 3. Continuous SOP training process for Contractor staff. The training will occur when:
 - a. New staff or replacement staff are hired;
 - b. New policies or procedures are implemented; and
 - c. Changes are made to any existing policies or procedures prior to the change's implementation if possible, and if not, concurrent with the change's implementation.
 4. The Contractor shall designate a trainer to train the Contractor's staff and, where applicable, Agency employees and other Agency contractors. To the extent that Agency employees require training, Contractor shall conduct the training in-person at a location of the Agency's choosing. Said Agency training will be conducted on an as-needed basis and at no additional expense to the Agency.

5. In addition, the Contractor shall include conference attendance and reasonable travel expenses at state-allowed reimbursement rates for two IME staff to attend Watson Health's annual client conference and training event, if approved by the Agency. The event offers training on Watson Health solutions and enables best practices to be shared with IME.
 6. The Agency agrees to support Contractor's training by timely making available staff and resources necessary for the completion of training.
- D. Standardized reports that may be necessary to manage the project.
- E. Standard operating procedures (SOPs).
1. SOPs shall be maintained in the Agency-prescribed format using standard naming conventions in the documentation.
 2. SOPs shall document the processes and procedures used by the Contractor in the performance of its obligations under this Contract, including but not limited to:
 - a. Notification and issue escalation procedures and timelines; and
 - b. Policy manuals required for all Program Integrity functions.
 3. The Contractor shall not reference the Contractor's corporate name in any of the operational procedures or any associated documentation.
 4. SOPs shall be kept current with any changes to the methods and procedures used by the Contractor in the performance of its duties under this Contract. The Contractor shall document all changes within 10 business days of the change in the format prescribed by the Agency. The Contractor shall provide to the Agency updated documentation within 10 business days of the date changes are made to the operational procedures. The Contractor must use version control to identify the most current documentation and any previous versions, including their effective dates.
 5. The Contractor shall provide all documentation in electronic form and store within the Agency's OnBase system.
- F. A reporting plan detailing requirements for submitting reports to the Agency. Reporting plan requirements include but are not limited to:
1. Use of standard naming conventions;
 2. Templates for standardized reports that may be necessary to implement the project. The Contractor shall revise report content as needed and upon Agency request;
 3. Use of the Agency-designated sharepoint site to upload reports, with links sent to relevant Agency staff via email;
 4. Detail of whom the reports should be delivered to for review and approval, as necessary;
 5. Any posting requirements for external stakeholders;
 6. Frequency and due dates for reports;
 7. An Agency report monitoring tool similar to the sample in Attachment C; and
 8. A monthly performance reporting tool similar to the sample in Attachment D.
- G. CMS Certification plan, detailing, at minimum:
1. Definition of each project activity;
 2. Sequence of activities;
 3. Identification of who is responsible for each project activity;
 4. Defined deliverables and outcomes;
 5. Timeframe in which each activity will be completed; and
 6. Identification of Agency responsibilities and expectations.

1.3.1.3 Operations

- A. Program Integrity (PI) System:
1. The Contractor shall provide its own PI system.
 2. The Contractor shall host the system with the Agency's PI database in a secure, SSAE-16 compliant data center.

3. The Contractor shall ensure the overall solution meets the CMS MEET Certification Checklist Requirements for Program Integrity System Functionality, including but not limited to preparing the test cases, addressing testing requirements, and responding to CMS information requests. Key milestones remaining for this certification project will be below:
 - a. MEET Implementation and Post-Go-Live Validation: Gather data artifacts for MEET requirements; and
 - b. Final Certification: CMS On-site visits and certification of the system.

B. PI Database:

1. Using the PI system, the Contractor shall maintain the PI database for the Agency by integrating and standardizing the Agency's fee-for-service (FFS) and managed care data history: claims (paid and denied), eligibility, provider files, and reference files.
2. The Contractor shall continue to add data to the PI database over the course of the contract. The database is expected to hold seven (7) years of data. During the operational months of the engagement, the Contractor shall load claim data and provider files weekly and eligibility data monthly.
3. The Contractor shall also load data into the PI database from external sources such as CMS and the Social Security Administration to help find high-risk providers.
4. As encounter data volume starts to replace the FFS claims, the Contractor shall load the encounter files monthly into the PI database. The Contractor shall work with the Agency and its MMIS contractor to understand the data, work with it, and maximize its use for Program Integrity.
5. The Contractor's data analysts and investigators shall use the PI system to produce targets for investigation or other action, subject to Agency review and approval.

C. Surveillance and Utilization Review (SUR):

1. The Contractor shall perform all of the required surveillance and utilization review tasks and pass the related certification requirements. Specifically, the Contractor shall, at a minimum:
 - a. Develop SUR parameters;
 - b. Analyze member service utilization and provider billing patterns;
 - c. Profile all providers at least annually;
 - d. Produce exception reports; and
 - e. Profile members.
2. Using the Agency's historical fee-for-service (FFS) and encounter data, the Contractor shall configure an array of traditional (SUR) profiles to run regularly on every provider type, including ranking reports and exception reports. The Contractor shall identify over- and under-utilization outliers.
3. The Contractor shall use reports run on the FFS and encounter data to benchmark and review the same providers, by provider type, again after managed care. The Contractor shall study the profiles carefully to discern patterns in behavior before and after the start of managed care.
4. The Contractor shall use the PI system to produce standard SUR reports: Profiles by peer group which identify providers and service recipients who are statistical outliers on multiple parameters of cost, utilization, quality of care, and/or other metrics.
5. The Contractor shall run SUR reports on a quarterly basis to produce performance benchmarks and continually-adjusted norms of behavior, analyzing data for every provider to detect overpayments or other inappropriate behavior.
6. The Contractor shall rank and score every provider on a quarterly basis. The providers exhibiting the most aberrant behavior shall be recommended for audit and investigation.
7. SUR reporting shall continue under managed care once sufficient encounter data arrive and have been validated, but the Contractor shall expand the parameters of interest to also identify outliers unique to capitated care.

D. Investigations

1. Using the results of the SUR profiles and the data mining algorithms, the Contractor shall target audits using historical FFS and encounter data. These audits shall include:
 - a. Field audits – Field audits shall be used only in cases where the data suggest that physical evidence or obtaining documentation quickly from a provider is necessary to ensure receipt of accurate information or to close a case.
 - b. Desk audits – Shall be performed for investigations of questionable medical necessity, where coding can be validated only by examining the medical records, or where quality of care is in question.
 - c. Data analysis audits – The Contractor shall find immediately recoverable funds from claims data analysis alone or with a check of non-medical records (i.e., service delivery logs).
2. The Contractor shall supply trained investigators to follow up on tips, leads, and targets developed by the data analytic staff. The Contractor shall coordinate with the MCOs' Special Investigation Units (SIUs) to maximize the effort and efficiency of all parties:
 - a. The Contractor shall develop and document the process to respond to regular and emergency requests for investigation, and review the MCO processes for any needed changes. This shall include, but not be limited to, the investigation of referrals made to the State's Medicaid fraud hotline or through the State's Office of Inspector General website.
 - b. The Contractor shall report on the performance standards for investigations and EOMBs.
 - c. The Contractor shall evaluate the Contractor and MCOs' performance and provide a corrective action plan and schedule to address any deficiencies identified.
 - d. The Contractor shall develop the return-on-investment (ROI) criteria for prioritization of cases and measure and track ROI for each MCO and across all parties.
 - e. The Contractor shall provide an annual performance report evaluating the Contractor and MCOs' performance.
3. The Contractor shall meet with Agency staff on a regular and as-needed basis to obtain approval of investigations to be opened, and review their progress.
4. The Contractor shall provide a status report with recommendations to the Agency in advance of any meetings to discuss individual cases and receive Agency direction for action to take on each case.

E. Investigatory Case Management

1. The Contractor shall build and maintain an investigatory case management system with the ability to track multiple case types (i.e., audit, call log, investigation, managed care organization, etc.).
2. The system shall provide for:
 - a. Multiple case intake channels including internal/external web form, email to case, and batch upload through CSV.
 - b. Case audit capability to track those making changes to the case and have the ability to track and manage the case throughout the case lifecycle.
 - c. Management reporting functionality (i.e., tracking caseloads of staff, etc.), and other types of business intelligence reporting on the cases contained within the system.
3. The Contractor shall also provide:
 - a. Historic data migration from one (1) system/source;
 - b. Access for up to twenty-five (25) active named users; and
 - c. Professional and technical services to implement the solution to meet organizational objectives, and technical services to analyze and document the requirements and build the application.
4. The Contractor shall ensure the overall solution meets the CMS MECT Certification Checklist Requirements for Program Integrity System Functionality, including but not limited to preparing the test cases, addressing testing requirements, and responding to CMS

information requests. Key milestones remaining for this certification project will be below:

- a. Initial Preparation: MECT Checklist and Gap Analysis Documentation;
- b. Pre-Go-Live Validation: Gather data artifacts for MECT requirements;
- c. MECT Implementation and Post-Go-Live Validation: Gather data artifacts for MECT requirements; and
- d. Final Certification: CMS On-site visits and certification of the system.

F. Program Vulnerability Assessment.

The Contractor shall perform an ongoing Program Vulnerability (PV) assessment on an annual basis that encompasses a wide range of reviews, including data processing policies, payment policies, benefit program designs, provider enrollment and screening processes, Program Integrity organization and operations. Duties include:

1. Conduct an assessment utilizing at least one year of fee-for-service (FFS) data and encounter claims. This analysis will identify FFS and managed care payments that did not follow required edits or are flagged for further review by the Vulnerability Assessment algorithms resulting in a gap analysis and recommendations for improvement.
2. Review vulnerabilities after mapping benefit plans of each of the three MCOs. This will identify whether the MCOs are making payments in accordance with their benefit plans.

G. Data Analysis

1. The Contractor shall use the results of the PV Assessment to prioritize algorithms for data mining.
2. The Contractor shall configure algorithms for Iowa's beneficiary and provider data and populations, with a focus on identifying overpayments caused by waste, fraud or abuse.
3. The Contractor shall use algorithms to score providers and beneficiaries on past behavior and gauge their likelihood of creating Program Integrity problems.
4. The Contractor shall use the PI system's analytics to run specialized algorithms to mine the PI database for the highest priority vulnerabilities to maximize the Agency's return on its investment through this contract.
5. The Contractor shall draw algorithms from its Program Integrity Algorithm Library to identify the most high-value targets. The Contractor shall identify opportunities for future cost avoidance as well as overpayments for recovery.
6. The Contractor shall develop and run new algorithms at a rate that keeps investigators and medical review staff functioning at maximum capacity and working on the most productive cases.
7. When delivering targets developed from analytics, the Contractor shall provide written reports with the information needed to support the identified overpayments or other suspected fraud or abuses. The Contractor shall focus on the most credible leads and potential recoveries, thus minimizing the effort doing desk and field audits. The Contractor's fraud and abuse practice leadership shall review algorithm results and assist in recommending easily verifiable overpayment leads.
8. The Contractor shall produce a report each quarter identifying the medical services for which overutilization is most prevalent.

H. Encounter Data Quality

1. The Contractor shall continue to assess the encounter data quality, by MCO, to identify any data aberrations that must be addressed.
2. Contractor shall compare the encounter data to the historical fee-for-service data by multiple measures, controlled for enrollment by MCO, to measure validity, completeness and reasonableness.
3. Following encounter data validation, Contractor shall work with the Agency and the MCOs to have the MCOs correct data issues identified.
4. The Contractor shall participate as requested in the Agency's Encounter Data Workgroup. Duties may include but are not limited to:

- a. Track issues raised within the workgroup, facilitate resolution of issues through collaboration with stakeholders, and establish metrics and goals to monitor overall performance and success of workgroup efforts.
- b. Develop mechanisms to ensure clear communication among all encounter data collaborators, including vendors and contractors, and developing methods for cross-departmental and cross-organizational collaboration.
- c. Establish clear guidelines for format, frequency, and accuracy requirements for encounter data submissions for MCO IT teams.
- d. Assess the adequacy of MCO processes for assuring data quality and completeness.
- e. Anticipate the type of information to be exchanged between the Agency and MCOs.
- f. Review data for completeness and quality through automated checks and edits and validate against industry benchmarks.
- g. Recommend additional validation activities or new processes to improve data quality.

I. Predictive Analytics

1. The Contractor shall build predictive analytics for the Agency to provide high-value audit and investigative leads.
2. The Contractor shall use both parametric and non-parametric methods. The Contractor shall combine appropriate statistical approaches for anomaly detection that include approaches such as clustering techniques to identify peer groups with “normal claims behaviors” whose homogeneity has been enhanced not only by specialty designation, but also practice setting, procedure mix, geography, and other relevant data-driven factors.
3. Twice during the first year of the contract and on an agreed-to schedule thereafter, the Contractor shall present results to the Agency as multi-variate composite scoring, supporting risk-stratified provider scorecards.

J. Provider Surveillance Service

1. The Contractor shall use advanced analytics and expertise to identify the riskiest of Iowa’s currently enrolled providers. The Contractor shall integrate external data from multiple sources and link it to Iowa’s data to rank providers for further investigation.
 - a. The Contractor shall run monthly exclusion checks as required by 42 CFR §455.436
 - b. License checks – The Contractor shall integrate Iowa-licensed providers’ state licensure information provided by the Agency into provider surveillance to enhance the risk calculation and ensure that Iowa-licensed providers have a valid license as per 42 CFR 455.
 - c. Death Registry checks – The Contractor shall integrate any Iowa-provided vital statistics information provided in a mutually-agreeable format from the Agency to verify that providers are not deceased. In addition, the Contractor shall utilize the Social Security Administration’s Death Master File and the Provider Enrollment and Chain/Ownership System (PECOS) to check for death information, thereby exceeding the requirements of 42 CFR 455 et seq.
 - d. The Contractor shall integrate provider sanctions and incarceration data sources into the Provider Risk Assessment Profile.

K. Medical Necessity Reviews and Audits

1. The Contractor shall develop and document the process for initiating and conducting desk and field audits, desk and field reviews, provider self-reviews and random sample reviews.
2. The Contractor shall assure that all audits and reviews are documented in the Agency’s OnBase system.
3. The Contractor shall review the activity of each MCO to validate that the MCO is adhering to contractual requirements and train MCO staff in adherence improvements, as required.
4. The Contractor shall report the results to the Agency as set forth in the PI Agenda required by Section 1.3.1.1.K.2.

5. The Contractor shall report its Medical Necessity Review findings to the Agency on a frequency to be determined in the PI Agenda described in Section 1.3.1.1.K.2. Such report shall include:
 - a. the total number of claims reviewed
 - b. percentage and count of claims validated
 - c. percentage and count of claims denied
 - d. count and dollar amount of recoveries with accompanying detail
- L. Medical Necessity Review – Advanced Analytics
1. The Contractor shall add several advanced analytic methodologies to the PI database to improve the value of the data for medical necessity review and other analyses of utilization and appropriateness of care, including but not limited to:
 - a. Medical Episode Grouper;
 - b. Disease Staging;
 - c. Admissions Grouper;
 - d. RedBook for drug data enhancement; and
 - e. MarketScan benchmark data.
 2. The Contractor will provide the Agency with the MarketScan benchmark data in exchange for the Agency contributing healthcare data for its members to the Contractor's MarketScan research database, if the data meet the MarketScan minimum quality standards. The terms of the data contribution and use are set forth in Section 2.9.1.1 of this Contract.
- M. Provider Action including Recovery and Referral
1. The Contractor shall apply Agency's policies and protocols for the initiation of an action against any Medicaid or MCO provider, or any MCO. Using the notice templates and procedures approved by the Agency, the Contractor shall issue audit notices and demand letters and work with the MMIS contractor on recoveries. Using notification and reporting templates and procedures approved by the Agency, when reviews indicate potentially fraudulent practices, the Contractor shall notify the Agency and then refer the case to the MFCU.
 2. The MCO has primary responsibility for the identification and initiation of cases involving potential fraud, waste, and abuse associated with services and billings generated as a result of provider services under the Agency's MCO Contract, including overpayments to be identified and recovered by the MCO. However, in cases involving wasteful or abusive MCO provider billing or service practices (including overpayments) identified by the Contractor, the Contractor, as directed by the Agency, may recover any identified overpayment directly from the MCO provider, applying all Agency policies and protocols for the initiation of the recovery action. Any alternate MCO recovery options will follow the Agency-approved process. With Agency permission, the Contractor shall work directly with the MCOs to:
 - a. Recover any identified overpayment or direct the MCO to recover same;
 - b. Develop a standard process and/or modify the existing process as needed for documenting all provider actions, recoveries, and MFCU referrals;
 - c. Work with the MMIS contractor or other appropriate Agency employees to ensure recovery action is initiated;
 - d. Compute the ROI of the Contractor's and MCO's fraud, waste, abuse and overpayment analytics and activities; and
 - e. On a regular basis, report to the Agency on MCO and aggregate provider actions, recoveries and MFCU referrals.
 3. The Contractor shall track recoveries using a form and method approved by the Agency.
- N. Program Analysis
1. The Contractor shall support the Agency's needs for comprehensive analysis of the impact of fraud, waste and abuse in the Medicaid program and opportunities for cost avoidance. The Contractor shall:

- a. Develop analytic reports to measure performance of each MCO in compliance with industry standard and federally mandated edits and audits, such as NCCI, Medically Unlikely Edits, Inpatient Only Procedures and CPT-4 guidelines.
- b. Evaluate the results of data analytics performed by each MCO and the Contractor and make recommendations for policy improvement.
- c. Report on MCO compliance with portions of the State Medicaid Plan and industry best practices pertaining to access to care.
- d. Assess the impact of federal Program Integrity initiatives on the Iowa Medicaid program.
- e. Draft new policies for the Agency's consideration, as warranted.
- f. Assist the Agency with planning and preparation for periodic reviews of the Iowa PI program by CMS.
- g. Assist the Agency with review of monthly PI reporting data from each MCO.
- h. Review data to indicate the appropriateness of capitation payments with a focus on benefit compliance and ineligible recipients.
- i. Provide five (5) IME staff access to a cognitive solution to identify and compare Medicaid policies applicable to Medicaid payment and service delivery requirements. Contractor and the Agency shall collaborate to agree on IME corpus of policy to train the cognitive solution on during implementation (scheduled to take approximately six to eight months). IME shall not retain usage or any proprietary rights for the solution following the termination of this contract, barring the execution of a separate license agreement. Accordingly, the cognitive solution is not subject to the provisions of 1.3.1.1.D. IBM shall retain resulting intellectual property rights to the cognitive solution.
- j. The frequency of Program Analysis activities shall be set forth in the PI Agenda as described in Section 1.3.1.1.K.2.

O. Collaboration with the MCOs

1. The Contractor shall collaborate with the MCOs to assure that, between the MCOs and the Contractor, all applicable requirements for data analytics presented in 42 C.F.R. Part 455 are met or exceeded. These activities shall include but are not limited to:
 - a. Participate in regular meetings between the Agency, the Contractor, and the Special Investigation Unit (SIU) leads at each MCO, to coordinate activity and prioritize work and cases.
 - b. Development of a process to divide program integrity work activity equitably and efficiently across MCOs and the Contractor to the extent that a provider being investigated has contracts with multiple MCOs.
 - c. Establishment of standard operating processes, goals, interfaces, and reporting.
 - d. Establishment of expectations about other types of data sharing among the teams.
 - e. Measurement and tracking of recoveries, cost avoidance, provider actions, provider education and other outreach activities, by each MCO and the Contractor, and in the aggregate.
 - f. Coordination and management of case activity and provider outreach activities to reduce provider abrasion, consolidate provider review findings and maximize recoveries.
 - g. Meeting timeframe requirements for cost avoidance activities.
 - h. Documentation and reporting on the results of data analytics and other activities.
 - i. Comparison of previous fee-for-service payment integrity results with new managed care results.
 - j. Implementation of prepay edits to stop the outflow of inappropriate payments and reporting on avoided costs, by all parties.
 - k. Building analytics to ensure that the coverage provided by MCOs to Medicaid members adheres to the language of the policies issued by the MCOs.
 - l. Measurement and reporting on utilization trends year-over-year.

P. Coordination with the MFCU

1. Examine and Audit All Payments – The Contractor shall conduct medical record audits on a subset of claims and encounters when the data analysis techniques indicate that an audit is necessary or when the audit could be helpful in creating a sentinel effect to deter future inappropriate behavior.
2. MFCU/PI/MCO Meetings – The Contractor shall organize, attend, and propose agenda items for regularly scheduled meetings with MFCU.
3. Refer Allegations of Fraud – The Contractor shall coordinate with State PI staff to refer all credible allegations of fraud to the Iowa MFCU. The Contractor shall work with the Agency and the MFCU to establish procedures that will fulfill the Agency’s responsibilities in accordance with the laws and regulations of Iowa, federal laws and regulations, and the protocols of the MFCU.
4. Monthly Reporting – The Contractor shall report progress and performance related to its coordination with the MFCU once a month to the Agency as part of the Contractor’s monthly project management report set forth in Section 1.3.1.1.K. Such reporting shall use standard templates for report content as the Agency prescribes.
5. Requests for Information and Documentation – The Contractor shall respond within five (5) business days of receipt of a request from the Agency and/or MFCU for information or documentation submitted via agreed upon protocols and to prioritize work as directed by the Agency.

Q. MCO Performance Measurement

1. Review and update (as necessary) the measurement process for calculating the actual return-on-investment (ROI) of each MCO’s Program Integrity activities. The Contractor shall use the data that comes from the MCOs to baseline and refine the ROI measurement process, based on the quality of the encounter data. The Contractor shall lay the groundwork for the accurate calculation of measures in subsequent years. The Contractor shall use available results to make a recommendation to the Agency of what the each years’ goals for ROI should be for each MCO and for the Contractor. Once goals are agreed to by the Agency, the Contractor shall be held to the performance standard established.
2. The Contractor shall work with the Agency to establish reasonable performance goals related to the efficient processing of cases, volume of activity, and quality of reporting.

R. CHIPRA and Adult Medicaid Quality Grant Measures

1. The Contractor shall support standard Medicaid quality measures, CHIPRA and Adult Medicaid Quality, calculated using the administrative data that will be available in the PI database and supplemented with measures from the Iowa Department of Public Health (IDPH) vital records. The Contractor shall work with IDPH and any other Agency contractor, in the fulfillment of these obligations, as required.
2. The Contractor shall conduct calculations and provide reports for a package of child measures and adult measures for each reporting year in accordance with the Agency-approved quality measure reporting plan.
3. Based on data for the reporting year, the Contractor shall calculate measure results and make available for reporting no later than January 31 of each year. The measure results shall include summary files for all calculated measures that provide numerators, denominators and rates for all age subsets required for reporting of these measures. Related documentation will completely describe the specification used in calculating the measure and any deviations from the official specification that may be needed to accommodate the data available from the state.

S. Payment Error Rate Measurement (PERM) Project

1. Pursuant to the Improper Payments Information Act (IPIA) of 2002 and federal regulations at 42 CFR Parts 431 and 457, all states are required to participate in the measurement of

improper payments in the Medicaid and CHIP programs. Iowa's participation began in federal fiscal year 2008 (October 1, 2007, through September 30, 2008) and is scheduled to continue every three years. The Contractor shall, where required, support the Agency in its PERM activities. The PERM Project measures the following aspects of the Medicaid and CHIP programs:

- a. Eligibility – the eligibility of the Member for the program and, if applicable, enrollment in a managed care plan.
 - b. Medical Review – the medical necessity and appropriate medical classification of the service that was provided.
 - c. Data Processing Review – the appropriate processing of the paid claim in the claims processing system, taking into account all necessary edits. This includes verifying the appropriate rate cell and payment for managed care (capitation) payments.
2. The Centers for Medicare and Medicaid Services (CMS) manage the PERM Project for all states that contract certain aspects of the work. Required state involvement includes work that is performed by the Agency and its contractors. During the course of the PERM Project, the Contractor is responsible for the following:
 - a. All follow-up provider recovery or repayment actions associated with findings of overpayments or underpayments.
- T. Medicare Exclusion Database
1. On a monthly basis, the Contractor will receive the Medicare Exclusion Database (MED) file from the Agency.
 2. The Contractor shall follow existing processes to match the MED file to databases and provide an electronic report each month with “hits” which will be shared with the Agency.
- U. Inclusion of Dental, Pharmacy and Mental Health
1. The staffing, services and systems contemplated by this Contract shall also include, in its scope, the review of the State's Medicaid coverage for dental services, pharmacy and mental health. This coverage may be provided by specialized MCOs or via fee-for-service. Specifically, the Contractor shall:
 - a. Ensure that the development of the PI database includes FFS, encounter, provider and other data for dental, pharmacy and mental health.
 - b. Ensure that the SUR, Data Analysis, Predictive Analytics, Provider Surveillance, Medical Necessity Review, Provider Investigation, Referral and Appeal support activities contemplated by this contract shall include, in scope, these activities and services as applied to dental, mental health and pharmacy providers.
 - c. Ensure that the Vulnerability Assessment contemplated by this contract include, in its scope, an assessment of dental, mental health and pharmacy.
 - d. Ensure that the activities contemplated as collaborative efforts with MCOs, including but not limited to payment integrity activities, include collaboration with specialized MCOs such as dental and mental health MCOs.
 - e. Ensure that services related to the integrity of payments to MCOs include the review of any capitation payments to dental or mental health MCOs. This includes, but is not limited to, verification of the MCOs' provision of services in accordance with their policies and the State plan.
 - f. Ensure that the reports and provider profiles proportionately analyze dental, mental health and pharmacy providers.
 - g. Ensure that, where applicable, leads related to dental, mental health and pharmacy providers are appropriately relayed to the MFCU.
 - h. Ensure that any other activities, services, reports, meetings or other responsibilities under this contract apply to the State's payment for, MCO's coverage of, and providers' provision of dental, mental health and pharmaceutical goods and services.

V. Ad Hoc Reports

1. The Agency may request additional ad hoc reports. The Contractor shall analyze data and produce the report as requested by the Agency. The Agency shall work with the Contractor to establish the analysis and reporting requirements. Such reports shall be prepared at no additional cost to the Agency.
 - a. The Agency acknowledges that the time Contractor's staff spends on ad hoc reporting may require an adjustment in the time Contractor's staff can spend on scheduled duties and, if ad hoc requests are numerous or involved, potentially impacts other deliverable requirements.
 - b. The Contractor and the Agency agree that Contractor will use its best efforts to accommodate the Agency's requests for ad hoc reports as expeditiously as possible.

W. Change Pool

1. The Contractor shall provide an allowance of two hundred (200) person-hours of time during each state fiscal year (July 1 through June 30) of the Contract to perform services not otherwise specified in this Contract. The services will be counted inside the base fixed price; the Agency will not have to pay the Contractor an additional fee for these services. The conditions of the change pool are as follows:
 - a. No back-loading – the Agency must use the 200 hours throughout the period of this contract, and not 'backload' all the hours to the last one or two months of the contract to avoid service delivery/resource allocation issues. Specifically, the Agency is limited to utilizing 100 hours of Change Pool time per month for the last two months of the contract, regardless of the balance of the Change Pool allowance during those two months.
 - b. Use it or lose it – The Contractor will not provide a credit to the Agency's account if any of the 200 hours go unused at the end of Contract period.
 - c. Change Management process – The Contractor and the Agency shall agree to allocate this "change pool" toward activities the Agency needs the Contractor to perform, using usage guidelines and a Change Management Request (CMR) authorization process to be mutually agreed to by the Contractor and the Agency.

X. EHR Post-pay Review

1. The Contractor shall provide support for the Agency's Health Information Technology efforts by performing EHR post-payment reviews in state fiscal years (SFY) 2019-2021. Services shall be performed in accordance with American Institute of Certified Public Accountants (AICPA) attestation standards, guidance from the Medicaid HITECH TA site, and specific Agency agreed-upon procedures. The number of audits shall be less than or equal to the number of audits performed in SFY 2018.
2. Contractor duties include, but are not limited to the following:
 - a. Eligible Professionals (EP) Reviews:
 - i. Complete all outstanding EP Hospital Based audits, AIU and MU audits, and any expansions due to failing Security Risk Assessment (SRA) or patient volume.
 - ii. Audit 10% of eligible professionals in a payment complete status per incentive program years 2016 forward.
 - iii. Check all EPs who have received an incentive payment for Hospital Based status and perform an audit where there are findings.
 - iv. Where there are Security Risk Assessment (SRA) findings, expand the audit to others within the same clinic or group, but limit to only the SRA.
 - v. Where there are findings for group patient volume, expand the audit for any others in the group, but limit the scope to only patient volume.
 - vi. Expand the audits as needed per the findings which occur.
 - vii. Use standard Program Integrity templates altered as needed to fit the EHR incentive program.
 - viii. Comply with Program Integrity processes and time frames.

- ix. Prepare meeting agenda and relevant documents, schedule and hold bi-monthly status meetings to report on post payment audit progress.
 - x. Maintain a list of action items from the bi-monthly meetings and provide meeting minutes.
 - xi. Provide Audit Reports and Findings Letters on each provider; submit for review and approval to the HIT Coordinator and HIT Advisor.
 - xii. Communicate with the HIT Coordinator and HIT Advisor as needed.
 - xiii. Communicate with the PIPP team and Data Warehouse as needed.
 - xiv. Use PIPP to select the providers for audit, perform, and track the audits to completion.
 - xv. Review the PIPP Automated Risk Assessment documentation and work with the HIT Advisor/HIT Coordinator to coordinate any adjustments needed.
 - xvi. Review and update Section D – Audit Strategy of the State Medicaid Health IT Plan.
 - xvii. Create and maintain agreed upon procedures document.
 - xviii. Attend Auditing Community of Practice (CoP) calls, and other CMS led calls and meetings pertaining to auditing.
 - xix. Access the Medicaid HITECH TA website and other relevant websites for program information and specific auditing information.
 - xx. Provide appeals support as requested.
- b. Eligible Hospital (EH) Reviews:
- i. Audit hospitals in a payment complete status for aggregate payment calculations for identified years (post 2015). For smaller EHs where the discharges do not impact the overall aggregate payment calculation, the analysis will be limited to only the Medicaid Days, Total Days, Hospital Charges and Charity Care Charges components of the overall aggregate payment calculation.
 - ii. Audit Hospitals in a payment complete status for meaningful use. The audit would be limited to only the meaningful components, not patient volume or the aggregate payment calculation.
 - iii. Provide appeals support as requested.

1.3.1.4 Turnover Phase

The final phase of the Contract in which the Contractor turns over operations to a new contractor. This phase is activated when the Agency contractually transfers responsibility for the operations function to a new entity (such as a newly awarded contractor). The Contractor must provide for full cooperation during the turnover responsibility that comes at the end of the Contract term, including preparation of a turnover plan when the Agency requests it.

1.3.2 Performance Measures.

1. The Contractor shall submit the project work plan and any revised or Agency requested standardized reports templates to the Agency for approval no later than fifteen (15) days after the effective date of the Contract. The Contractor must work with the Agency to receive the Agency's final approval of these documents within fifteen (15) days of the first submission as time is of the essence.
2. The Contractor shall submit the final interface control document and disaster recovery and business continuity plan to the Agency no later than thirty (30) days after the effective date of the Contract.
3. The Contractor shall submit the SOPs to the Agency no later than thirty (30) calendar days before the start date of the applicable process or activity.
4. Unless otherwise identified, the Contractor shall provide all identified deliverables in an Agency-approved format and in accordance with timeframes established in the Agency-approved Implementation Plan.

5. The Contractor shall notify the Agency within two (2) business days of any problems associated with the transmission and receipt of any data files submitted by the Agency. The Contractor shall complete an initial data assessment within five (5) business days of receipt of data and promptly report problems identified to the Agency. The Contractor and the Agency acknowledge that additional data issues may be discovered later during the analytic development process.
6. The Contractor shall provide a written response to the Agency via email within two (2) business days of receipt of e-mail on routine issues or questions and include descriptions of resolution to the issues or answer to the questions.
7. The Contractor shall provide a written response to the Agency via e-mail within one (1) business day of receipt of e-mail on emergency requests as defined by the Agency.
8. The Contractor shall document all operational procedure changes within ten (10) business days of the change in the format prescribed by the Agency. The Contractor will provide the Agency with updated documentation within ten (10) business days of the date changes are installed. The Contractor must use version control to identify current documentation.
9. Surveillance and Utilization Review Services (SURS)
 - a. The Contractor shall update SURS operational procedure manuals for SURS within ten (10) business days of the implementation of a change.
 - b. In calculating recoveries resulting from SURS and provider review activities, the Contractor shall delineate the following:
 - i. Measurable and quantifiable recoveries, which are actual recoupments made and money received;
 - ii. Avoided costs, which are those expenses eliminated or reduced as reducing future costs of the Medicaid program (such as identifying a new MMIS edit that will reduce costs of Medicaid claims); and
 - iii. Enhanced revenues that are additional recoveries that the SURS staff identified, including those funds that are included in pending appeal hearings at any point in time.
 - c. The Contractor shall open a minimum of sixty (60) cases for provider reviews during each full quarter according to the following criteria.
 - i. All cases referred from the Agency must be opened within ten (10) business days.
 - ii. Review cases can include providers who exceed calculated norms, providers who are identified as targets using other forms of data analytics, and providers chosen by randomly sampling providers who do not exceed norms.
 - iii. The Contractor must describe in its quarterly referral the reason for opening each case and the percentage of all cases opened by each reason.
 - d. On average for all cases, the Contractor shall complete reviews within 90 days when all documentation required necessary to perform the review has been obtained.
 - e. Proposals for cost avoidance measures submitted by SURS staff members or other entities will be analyzed and addressed with a response for proposed action (including the option of closure) within 30 days of the date the proposal was submitted.
 - f. For any proposals for cost avoidance measures that have been approved for follow-up action to be implemented by the Contractor, the Contractor shall address with the identified follow-up action within 45 days of the date that the proposal was approved by the Agency contract manager.
 - i. Investigations - Contractor shall initiate investigations within one business day of receipt of referrals.
10. Maintain sufficient detail in investigation documentation to support filing of sanctions, jury deliberations or other resulting actions that support the PI unit's position in the event of appeal.
11. The Contractor shall submit reports within the timeframes established in the Agency-approved reporting plan and according to the following schedule, unless otherwise specified within the Agency-approved reporting plan:
 - a. Weekly reports: within two (2) business days of end of reporting period;
 - b. Monthly reports: within ten (10) business days of end of reporting period;
 - c. Quarterly and semi-annual reports: within fifteen (15) business days of end of reporting period;
 - d. Annual reports: within twenty (20) business days of end of reporting period; and
 - e. Ad hoc reports: within two (2) business days of request, unless otherwise specified.

- f. For those reports that will be released to external stakeholders, and other special reports as identified within the reporting plan, the Contractor shall:
- i. Submit a draft to the Agency for review thirty (30) calendar days prior to the release date.
 - ii. Receive final approval of the report no later than fourteen (14) days after first submittal.
12. The Contractor shall complete EP Reviews within 12 months from the date the incentive year pre-payment audits close.

1.3.3 Monitoring, Review, and Problem Reporting.

1.3.3.1 Agency Monitoring Clause. The Contract Manager or designee will:

- Verify Invoices and supporting documentation itemizing work performed prior to payment;
- Determine compliance with general contract terms, conditions, and requirements; and
- Assess compliance with Deliverables, performance measures, or other associated requirements based on the following:
 - The Agency's representative will perform at minimum monthly desk monitoring of deliverables, reports, and results to determine the success of the Contractor.
 - The Agency's representative will review completed Scope of Work items, provide feedback on progress and determine if other measures are required to ensure achievement of items approved and documented.

1.3.3.2 Agency Review Clause. The Contract Manager or designee will use the results of monitoring activities and other relevant data to assess the Contractor's overall performance and compliance with the Contract. At a minimum, the Agency will conduct a review annually; however, reviews may occur more frequently at the Agency's discretion. As part of the review(s), the Agency may require the Contractor to provide additional data, may perform on-site reviews, and may consider information from other sources.

The Agency may require one or more meetings to discuss the outcome of a review. Meetings may be held in person. During the review meetings, the parties will discuss the Deliverables that have been provided or are in process under this Contract, achievement of the performance measures, and any concerns identified through the Agency's contract monitoring activities.

1.3.3.3 Problem Reporting. As stipulated by the Agency, the Contractor and/or Agency shall provide a report listing any problem or concern encountered. Records of such reports and other related communications issued in writing during the course of Contract performance shall be maintained by the parties. At the next scheduled meeting after a problem has been identified in writing, the party responsible for resolving the problem shall provide a report setting forth activities taken or to be taken to resolve the problem together with the anticipated completion dates of such activities. Any party may recommend alternative courses of action or changes that will facilitate problem resolution. The Contract Owner has final authority to approve problem-resolution activities.

The Agency's acceptance of a problem report shall not relieve the Contractor of any obligation under this Contract or waive any other remedy. The Agency's inability to identify the extent of a problem or the extent of damages incurred because of a problem shall not act as a waiver of performance or damages under this Contract.

1.3.3.4 Addressing Deficiencies. To the extent that Deficiencies are identified in the Contractor's performance and notwithstanding other remedies available under this Contract, the Agency may require the Contractor to develop and comply with a plan acceptable to the Agency to resolve the Deficiencies.

1.3.4 Contract Payment Clause.

1.3.4.1 Pricing. In accordance with the payment terms outlined in this section and Contractor's completion of the Scope of Work as set forth in this Contract, the Contractor will be compensated an amount not to exceed \$17,608,400.00 during the entire term of this Contract, which includes any extensions or renewals thereof. Payment will occur as follows:

1.3.4.2 Payment Methodology.

Operations Payment:

The Contractor may invoice ninety percent (90%) of the Operations fixed cost as follows:

Timeframe	Monthly Amount
7/1/18-6/30/19	\$390,142.50
7/1/19-6/30/20	\$394,837.50
7/1/20-6/30/21	\$394,837.50

The remaining ten percent (10%) may be invoiced as follows, and will be paid if the Agency has confirmed that all Deliverables and performance measures were met satisfactorily:

Invoice Date	Withhold Amount
6/30/19	\$520,190.00
6/30/20	\$526,450.00
6/30/21	\$526,450.00

EHR Post-pay Review Payment:

Notwithstanding the above, the Contractor may invoice \$37,375.00 monthly for EHR Post-pay Review activities performed the previous month, pursuant to Contract Section 1.3.1.3(X).

Investigative Case Management Implementation Payment:

Notwithstanding the above, the contractor may invoice \$410,000 in the following amounts upon successful completion of the following milestones:

Milestone	Description	Percent Completed	Invoice Amount
Requirements Completion	Approval of requirements document specifying system requirements for IME	25%	\$102,500
Integration of Data	Successful completion of loading historic data from one previous system	25%	\$102,500
User Acceptance Testing	Completion of IME user acceptance testing	25%	\$102,500
Final Acceptance	Successful completion of delivering system with agreed-to functionality, fixing all system-critical bugs, and initiating the system for use by IME	25%	\$102,500
Total			\$410,000

Certification Payment:

Notwithstanding the above, the Contractor may invoice for CMS MECT Certification activities performed pursuant to Contract Sections 1.3.1.3(A), subpart 3 and 1.3.1.3(E), subpart 4, according to the following schedule:

Milestone	Description	Percent Completed	Invoice Amount
Implementation and Post Go-Live Validation	Submission of implementation and post-go-live data artifacts for MECT requirements	25%	\$61,000.00
Final Certification	Certification of system by CMS upon conclusion of final CMS On-site visits	25%	\$61,000.00
Total			\$122,000.00

1.3.4.3 Timeframes for Regular Submission of Initial and Adjusted Invoices. The Contractor shall submit an Invoice for services rendered in accordance with this Contract. Invoice(s) shall be submitted monthly. Unless a longer timeframe is provided by federal law, and in the absence of the express written consent of the Agency, all Invoices shall be submitted within six months from the last day of the month in which the services were rendered. All adjustments made to Invoices shall be submitted to the Agency within ninety (90) days from the date of the Invoice being adjusted. Invoices shall comply with all applicable rules concerning payment of such claims.

1.3.4.4 Submission of Invoices at the End of State Fiscal Year. Notwithstanding the timeframes above, and absent (1) longer timeframes established in federal law or (2) the express written consent of the Agency, the Contractor shall submit all Invoices to the Agency for payment by August 1st for all services performed in the preceding state fiscal year (the State fiscal year ends June 30).

1.3.4.5 Payment of Invoices. The Agency shall verify the Contractor's performance of the Deliverables and timeliness of Invoices before making payment. The Agency will not pay Invoices that are not considered timely as defined in this Contract. If the Contractor wishes for untimely Invoice(s) to be considered for payment, the Contractor may submit the Invoice(s) in accordance with instructions for the Long Appeal Board Process to the State Appeal Board for consideration. Instructions for this process may be found at: http://www.dom.state.ia.us/appeals/general_claims.html.

The Agency shall pay all approved Invoices in arrears. The Agency may pay in less than sixty (60) days, but an election to pay in less than sixty (60) days shall not act as an implied waiver of Iowa law.

1.3.4.6 Reimbursable Expenses. Unless otherwise agreed to by the parties in an amendment or change order to the Contract that is executed by the parties, the Contractor shall not be entitled to receive any other payment or compensation from the State for any Deliverables provided by or on behalf of the Contractor pursuant to this Contract. The Contractor shall be solely responsible for paying all costs, expenses, and charges it incurs in connection with its performance under this Contract.

1.4 Insurance Coverage.

The Contractor and any subcontractor shall obtain the following types of insurance for at least the minimum amounts listed below:

Type of Insurance	Limit	Amount
Commercial General Liability (including contractual liability) written on occurrence basis	General Aggregate	\$2 Million
	Product/Completed Operations Aggregate	\$1 Million
	Personal Injury	\$1 Million
	Each Occurrence	\$1 Million
Automobile Liability (including any auto, hired autos, and non-owned autos)	Combined Single Limit	\$1 Million
Umbrella Liability Form	Each Occurrence	\$1 Million
	Aggregate	\$1 Million
Workers' Compensation and Employer Liability	As required by Iowa law	As Required by Iowa law
Property Damage	Each Occurrence	\$1 Million
	Aggregate	\$1 Million
Professional Liability	Each Occurrence	\$2 Million

	Aggregate	\$2 Million
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1.5 Business Associate Agreement. The Contractor, acting as the Agency's Business Associate, performs certain services on behalf of or for the Agency pursuant to this Contract that require the exchange of information that is protected by the Health Insurance Portability and Accountability Act of 1996, as amended, and the federal regulations published at 45 CFR part 160 and 164. The Business Associate agrees to comply with the Business Associate Agreement Addendum (BAA), and any amendments thereof, as posted to the Agency's website: <http://dhs.iowa.gov/HIPAA/baa>. This BAA, and any amendments thereof, is incorporated into the Contract by reference.

By signing this Contract, the Business Associate consents to receive notice of future amendments to the BAA through electronic mail. The Business Associate shall file and maintain a current electronic mail address with the Agency for this purpose. The Agency may amend the BAA by posting an updated version of the BAA on the Agency's website at: <http://dhs.iowa.gov/HIPAA/baa>, and providing the Business Associate electronic notice of the amended BAA. The Business Associate shall be deemed to have accepted the amendment unless the Business Associate notifies the Agency of its non-acceptance in accordance with the Notice provisions of the Contract within 30 days of the Agency's notice referenced herein. Any agreed alteration of the then current Agency BAA shall have no force or effect until the agreed alteration is reduced to a Contract amendment that must be signed by the Business Associate, Agency Director, and the Agency Security and Privacy Officer.

1.6 Qualified Service Organization. The Contractor acknowledges that it will be receiving, storing, processing, or otherwise dealing with confidential patient records from programs covered by 42 CFR part 2, and the Contractor acknowledges that it is fully bound by those regulations. The Contractor will resist in judicial proceedings any efforts to obtain access to patient records except as permitted by 42 CFR part 2. "Qualified Service Organization" as used in this Contract has the same meaning as the definition set forth in 42 CFR § 2.11.

SECTION 2. GENERAL TERMS FOR SERVICES CONTRACTS

2.1 Definitions. Definitions in this section correspond with capitalized terms in the Contract.

“Acceptance” means that the Agency has determined that one or more Deliverables satisfy the Agency’s Acceptance Tests. Final Acceptance means that the Agency has determined that all Deliverables satisfy the Agency’s Acceptance Tests. Non-acceptance means that the Agency has determined that one or more Deliverables have not satisfied the Agency’s Acceptance Tests.

“Acceptance Criteria” means the Specifications, goals, performance measures, testing results and/or other criteria designated by the Agency and against which the Deliverables may be evaluated for purposes of Acceptance or Non-acceptance thereof.

“Acceptance Tests” or “Acceptance Testing” mean the tests, reviews, and other activities that are performed by or on behalf of the Agency to determine whether the Deliverables meet the Acceptance Criteria or otherwise satisfy the Agency, as determined by the Agency in its sole discretion.

“Applicable Law” means all applicable federal, state, and local laws, rules, ordinances, regulations, orders, guidance, and policies in place at Contract execution as well as any and all future amendments, changes, and additions to such laws as of the effective date of such change. Applicable Law includes, without limitation, all laws that pertain to the prevention of discrimination in employment and in the provision of services (e.g., Iowa Code ch. 216 and Iowa Code § 19B.7). For employment, this would include equal employment opportunity and affirmative action, and the use of targeted small businesses as subcontractors of suppliers. The term Applicable Law also encompasses the applicable provisions of Section 508 of the Rehabilitation Act of 1973, as amended, and all standards and requirements established by the Architectural and Transportation Barriers Access Board and the Iowa Office of the Chief Information Officer.

“Bid Proposal” or “Proposal” means the Contractor’s proposal submitted in response to the Solicitation, if this Contract arises out of a competitive process.

“Business Days” means any day other than a Saturday, Sunday, or State holiday as specified by Iowa Code §1C.2.

“Confidential Information” means, subject to any applicable State and federal laws and regulations, including but not limited to Iowa Code Chapter 22, any confidential or proprietary information or trade secrets disclosed by either party (a “Disclosing Party”) to the other party (a “Receiving Party”) that, at the time of disclosure, is designated as confidential (or like designation), is disclosed in circumstances of confidence, or would be understood by the parties, exercising reasonable business judgment, to be confidential. Regardless of whether or not the following information is designated as confidential, the term Confidential Information includes information that could be used to identify recipients or applicants of Agency services and recipients of Contract services including Protected Health Information (45 C.F.R. § 160.103) and Personal Information (Iowa Code § 715C.1(11)), Agency security protocols and procedures, Agency system architecture, information that could compromise the security of the Agency network or systems, and information about the Agency’s current or future competitive procurements, including the evaluation process prior to the formal announcement of results.

Confidential Information does not include any information that: (1) was rightfully in the possession of the Receiving Party from a source other than the Disclosing Party prior to the time of disclosure of the information by the Disclosing Party to the Receiving Party; (2) was known to the Receiving Party prior to the disclosure of the information by the Disclosing Party; (3) was disclosed to the Receiving Party without restriction by an independent third party having a legal right to disclose the information; (4) is in the public domain or shall have become publicly available other than as a result of disclosure by the Receiving Party in violation of this Agreement or in breach of any other agreement with the Disclosing Party; (5) is independently developed by the Receiving Party without any reliance on Confidential Information disclosed by the Disclosing Party; or (6) is disclosed by the Receiving Party with the written consent of the Disclosing Party.

“Contract” means the collective documentation memorializing the terms of the agreement between the Agency and the Contractor identified in the Contract Declarations and Execution Section and includes the signed Contract Declarations and

Execution Section, the General Terms for Services Contracts, the Special Terms, and any Special Contract Attachments, as these documents may be amended from time to time.

“Deficiency” means a defect, flaw, anomaly, failure, omission, interruption of service, or other problem of any nature whatsoever with respect to a Deliverable, including, without limitation, any failure of a Deliverable to conform to or meet an applicable specification. Deficiency also includes the lack of something essential or necessary for completeness or proper functioning of a Deliverable.

“Deliverables” means all of the services, goods, products, work, work product, data, items, materials and property to be created, developed, produced, delivered, performed, or provided by or on behalf of, or made available through, the Contractor (or any agent, contractor or subcontractor of the Contractor) in connection with this Contract. This includes data that is collected on behalf of the Agency.

“Documentation” means any and all technical information, commentary, explanations, design documents, system architecture documents, database layouts, test materials, training materials, guides, manuals, worksheets, notes, work papers, and all other information, documentation and materials related to or used in conjunction with the Deliverables, in any medium, including hard copy, electronic, digital, and magnetically or optically encoded media.

“Force Majeure” means an event that no human foresight could anticipate or which if anticipated, is incapable of being avoided. Circumstances must be abnormal and unforeseeable, so that the consequences could not have been avoided through the exercise of all due care. The delay or impossibility of performance must be beyond the control and without the fault or negligence of the parties. Force Majeure does not include: financial difficulties of the Contractor or any parent, subsidiary, affiliated or associated company of the Contractor; claims or court orders that restrict the Contractor’s ability to deliver the Deliverables contemplated by this Contract; strikes; labor unrest; or supply chain disruptions.

“Invoice” means a Contractor’s claim for payment. At the Agency’s discretion, claims may be submitted on an original invoice from the Contractor or may be submitted on a claim form acceptable to the Agency, such as a General Accounting Expenditure (GAX) form.

“Solicitation” means the formal or informal procurement (and any Addenda thereto) identified in the Contracts Declarations and Execution Section

that was issued to solicit the Bid Proposal leading to this Contract.

“Special Contract Attachments” means any attachment to this Contract.

“Special Terms” means the Section of the Contract entitled “Special Terms” that contains terms specific to this Contract, including but not limited to the Scope of Work and contract payment terms. If there is a conflict between the General Terms for Services Contracts and the Special Terms, the Special Terms shall prevail.

“Specifications” means all specifications, requirements, technical standards, performance standards, representations, and other criteria related to the Deliverables stated or expressed in this Contract, the Documentation, the Solicitation, and the Bid Proposal. Specifications shall include the Acceptance Criteria and any specifications, standards, or criteria stated or set forth in any applicable state, federal, foreign, and local laws, rules and regulations. The Specifications are incorporated into this Contract by reference as if fully set forth in this Contract.

“State” means the State of Iowa, the Agency, and all State of Iowa agencies, boards, and commissions, and when this Contract is available to political subdivisions, any political subdivisions of the State of Iowa.

2.2 Duration of Contract. The term of the Contract shall begin and end on the dates specified in the Contract Declarations and Execution Section, unless extended or terminated earlier in accordance with the termination provisions of this Contract. The Agency may, in its sole discretion, amend the end date of this Contract by exercising any applicable extension by giving the Contractor a written extension at least sixty (60) days prior to the expiration of the initial term or renewal term.

2.3 Scope of Work. The Contractor shall provide Deliverables that comply with and conform to the Specifications. Deliverables shall be performed within the boundaries of the United States.

2.4 Compensation.

2.4.1 Withholding Payments. In addition to pursuing any other remedy provided herein or by law, the Agency may withhold compensation or payments to the Contractor, in whole or in part, without penalty to the Contractor, or work stoppage by the Contractor, in the event the Agency determines that: (1) the Contractor has failed to perform any of its duties or obligations as set forth in this Contract; (2) any

Deliverable has failed to meet or conform to any applicable Specifications or contains or is experiencing a Deficiency; or (3) the Contractor has failed to perform Close-Out Event(s). No interest shall accrue or be paid to the Contractor on any compensation or other amounts withheld or retained by the Agency under this Contract.

2.4.2 Erroneous Payments and Credits. The Contractor shall promptly repay or refund the full amount of any overpayment or erroneous payment within thirty (30) Business Days after either discovery by the Contractor or notification by the Agency of the overpayment or erroneous payment.

2.4.3 Offset Against Sums Owed by the Contractor. In the event that the Contractor owes the State any sum under the terms of this Contract, any other contract or agreement, pursuant to a judgment, or pursuant to any law, the State may, in its sole discretion, offset any such sum against: (1) any sum Invoiced by, or owed to, the Contractor under this Contract, or (2) any sum or amount owed by the State to the Contractor, unless otherwise required by law. The Contractor agrees that this provision constitutes proper and timely notice under any applicable laws governing offset.

2.5 Termination.

2.5.1 Termination for Cause by the Agency. The Agency may terminate this Contract upon written notice for the breach by the Contractor or any subcontractor of any material term, condition or provision of this Contract, if such breach is not cured within the time period specified in the Agency's notice of breach or any subsequent notice or correspondence delivered by the Agency to the Contractor, provided that cure is feasible. In addition, the Agency may terminate this Contract effective immediately without penalty and without advance notice or opportunity to cure for any of the following reasons:

2.5.1.1 The Contractor furnished any statement, representation, warranty, or certification in connection with this Contract, the Solicitation, or the Bid Proposal that is false, deceptive, or materially incorrect or incomplete;

2.5.1.2 The Contractor or any of the Contractor's officers, directors, employees, agents, subsidiaries, affiliates, contractors or subcontractors has committed or engaged in fraud, misappropriation, embezzlement, malfeasance, misfeasance, or bad faith;

2.5.1.3 The Contractor or any parent or affiliate of the Contractor owning a controlling interest in the Contractor dissolves;

2.5.1.4 The Contractor terminates or suspends its business;

2.5.1.5 The Contractor's corporate existence or good standing in Iowa is suspended, terminated, revoked or forfeited, or any license or certification held by the Contractor related to the Contractor's performance under this Contract is suspended, terminated, revoked, or forfeited;

2.5.1.6 The Contractor has failed to comply with any applicable international, federal, state (including, but not limited to Iowa Code Chapter 8F), or local laws, rules, ordinances, regulations, or orders when performing within the scope of this Contract;

2.5.1.7 The Agency determines or believes the Contractor has engaged in conduct that: (1) has or may expose the Agency or the State to material liability; or (2) has caused or may cause a person's life, health, or safety to be jeopardized;

2.5.1.8 The Contractor infringes or allegedly infringes or violates any patent, trademark, copyright, trade dress, or any other intellectual property right or proprietary right, or the Contractor misappropriates or allegedly misappropriates a trade secret;

2.5.1.9 The Contractor fails to comply with any applicable confidentiality laws, privacy laws, or any provisions of this Contract pertaining to confidentiality or privacy; or

2.5.1.10 Any of the following has been engaged in by or occurred with respect to the Contractor or any corporation, shareholder or entity having or owning a controlling interest in the Contractor:

- Commencing or permitting a filing against it which is not discharged within ninety (90) days, of a case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect; or filing an answer admitting the material allegations of a petition filed against it in any involuntary case or other proceeding commenced against it seeking liquidation, reorganization, or other relief under any bankruptcy, insolvency, or other similar law now or hereafter in effect with respect to it or its debts; or consenting to any such relief or to the appointment of or taking possession by any such official in any voluntary case or other proceeding commenced against it seeking liquidation, reorganization, or other relief under any bankruptcy, insolvency, or other similar law now or hereafter in effect with respect to it or its debts;
- Seeking or suffering the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its assets;
- Making an assignment for the benefit of creditors;

- Failing, being unable, or admitting in writing the inability generally to pay its debts or obligations as they become due or failing to maintain a positive net worth and such additional capital and liquidity as is reasonably adequate or necessary in connection with the Contractor's performance of its obligations under this Contract; or
- Taking any action to authorize any of the foregoing.

2.5.2 Termination Upon Notice. Following a thirty (30) day written notice, the Agency may terminate this Contract in whole or in part without penalty and without incurring any further obligation to the Contractor. Termination can be for any reason or no reason at all.

2.5.3 Termination Due to Lack of Funds or Change in Law. Notwithstanding anything in this Contract to the contrary, and subject to the limitations set forth below, the Agency shall have the right to terminate this Contract without penalty and without any advance notice as a result of any of the following:

2.5.3.1 The legislature or governor fail in the sole opinion of the Agency to appropriate funds sufficient to allow the Agency to either meet its obligations under this Contract or to operate as required and to fulfill its obligations under this Contract; or

2.5.3.2 If funds are de-appropriated, reduced, not allocated, or receipt of funds is delayed, or if any funds or revenues needed by the Agency to make any payment hereunder are insufficient or unavailable for any other reason as determined by the Agency in its sole discretion; or

2.5.3.3 If the Agency's authorization to conduct its business or engage in activities or operations related to the subject matter of this Contract is withdrawn or materially altered or modified; or

2.5.3.4 If the Agency's duties, programs or responsibilities are modified or materially altered; or

2.5.3.5 If there is a decision of any court, administrative law judge or an arbitration panel or any law, rule, regulation, or order is enacted, promulgated, or issued that materially or adversely affects the Agency's ability to fulfill any of its obligations under this Contract.

The Agency shall provide the Contractor with written notice of termination pursuant to this section.

2.5.4 Other remedies. The Agency's right to terminate this Contract shall be in addition to and not exclusive of other remedies available to the Agency, and the Agency shall be entitled to exercise any other rights and pursue any remedies, in law, at equity, or otherwise.

2.5.5 Limitation of the State's Payment

Obligations. In the event of termination of this Contract for any reason by either party (except for termination by the Agency pursuant to Section 2.5.1, *Termination for Cause by the Agency*) the Agency shall pay only those amounts, if any, due and owing to the Contractor hereunder for Deliverables actually and satisfactorily provided in accordance with the provisions of this Contract up to and including the date of termination of this Contract and for which the Agency is obligated to pay pursuant to this Contract; provided however, that in the event the Agency terminates this Contract pursuant to Section 2.5.3, *Termination Due to Lack of Funds or Change in Law*, the Agency's obligation to pay the Contractor such amounts and other compensation shall be limited by, and subject to, legally available funds. Payment will be made only upon submission of Invoices and proper proof of the Contractor's claim. Notwithstanding the foregoing, this section in no way limits the rights or remedies available to the Agency and shall not be construed to require the Agency to pay any compensation or other amounts hereunder in the event of the Contractor's breach of this Contract or any amounts withheld by the Agency in accordance with the terms of this Contract. The Agency shall not be liable, under any circumstances, for any of the following:

2.5.5.1 The payment of unemployment compensation to the Contractor's employees;

2.5.5.2 The payment of workers' compensation claims, which occur during the Contract or extend beyond the date on which the Contract terminates;

2.5.5.3 Any costs incurred by the Contractor in its performance of the Contract, including, but not limited to, startup costs, overhead, or other costs associated with the performance of the Contract;

2.5.5.4 Any damages or other amounts associated with the loss of prospective profits, anticipated sales, goodwill, or for expenditures, investments, or commitments made in connection with this Contract; or

2.5.5.5 Any taxes the Contractor may owe in connection with the performance of this Contract, including, but not limited to, sales taxes, excise taxes, use taxes, income taxes, or property taxes.

2.5.6 Contractor's Contract Close-Out Duties.

Upon receipt of notice of termination, at expiration of the Contract, or upon request of the Agency (hereafter, "Close-Out Event"), the Contractor shall:

2.5.6.1 Cease work under this Contract and take all necessary or appropriate steps to limit disbursements and minimize costs, and furnish a report within thirty (30) days of the Close-Out Event, describing the

status of all work performed under the Contract and such other matters as the Agency may require.

2.5.6.2 Immediately cease using and return to the Agency any property or materials, whether tangible or intangible, provided by the Agency to the Contractor.

2.5.6.3 Cooperate in good faith with the Agency and its employees, agents, and independent contractors during the transition period between the Close-Out Event and the substitution of any replacement service provider.

2.5.6.4 Immediately return to the Agency any payments made by the Agency for Deliverables that were not rendered or provided by the Contractor.

2.5.6.5 Immediately deliver to the Agency any and all Deliverables for which the Agency has made payment (in whole or in part) that are in the possession or under the control of the Contractor or its agents or subcontractors in whatever stage of development and form of recordation such property is expressed or embodied at that time.

2.5.7 Termination for Cause by the Contractor.

The Contractor may only terminate this Contract for the breach by the Agency of any material term of this Contract, if such breach is not cured within sixty (60) days of the Agency's receipt of the Contractor's written notice of breach.

2.6 Change Order Procedure. The Agency may at any time request a modification to the Scope of Work using a change order. The following procedures for a change order shall be followed:

2.6.1 Written Request. The Agency shall specify in writing the desired modifications to the same degree of specificity as in the original Scope of Work.

2.6.2 The Contractor's Response. The Contractor shall submit to the Agency a firm cost proposal for the requested change order within five (5) Business Days of receiving the change order request.

2.6.3 Acceptance of the Contractor Estimate. If the Agency accepts the cost proposal presented by the Contractor, the Contractor shall provide the modified Deliverable subject to the cost proposal included in the Contractor response. The Contractor's provision of the modified Deliverables shall be governed by the terms and conditions of this Contract.

2.6.4 Adjustment to Compensation. The parties acknowledge that a change order for this Contract may or may not entitle the Contractor to an equitable adjustment in the Contractor's compensation or the performance deadlines under this Contract.

2.7 Indemnification.

2.7.1 By the Contractor. The Contractor agrees to indemnify and hold harmless the State and its officers, appointed and elected officials, board and commission members, employees, volunteers, and agents (collectively the "Indemnified Parties"), from any and all costs, expenses, losses, claims, damages, liabilities, settlements, and judgments (including, without limitation, the reasonable value of the time spent by the Attorney General's Office,) and the costs, expenses, and attorneys' fees of other counsel retained by the Indemnified Parties directly or indirectly related to, resulting from, or arising out of this Contract, including but not limited to any third party claims related to, resulting from, or arising out of:

2.7.1.1 Any breach of this Contract;

2.7.1.2 Any negligent, intentional, or wrongful act or omission of the Contractor or any agent or subcontractor utilized or employed by the Contractor;

2.7.1.3 The Contractor's performance or attempted performance of this Contract, including any agent or subcontractor utilized or employed by the Contractor;

2.7.1.4 Any failure by the Contractor to make all reports, payments, and withholdings required by federal and state law with respect to social security, employee income and other taxes, fees, or costs required by the Contractor to conduct business in the State of Iowa;

2.7.1.5 Any claim of misappropriation of a trade secret or infringement or violation of any intellectual property rights, proprietary rights, or personal rights of any third party, including any claim that any Deliverable or any use thereof (or the exercise of any rights with respect thereto) infringes, violates, or misappropriates any patent, copyright, trade secret, trademark, trade dress, mask work, utility design, or other intellectual property right or proprietary right of any third party.

2.7.2 Anything herein to the contrary notwithstanding, Contractor's aggregate liability to the State from any and all causes relating to the subject matter of this Contract shall be limited to general money damages in an amount not to exceed 2 times 12 months' fees paid by the State.

2.8 Insurance.

2.8.1 Insurance Requirements. The Contractor shall maintain in full force and effect insurance with insurers with an AM best rating of A – VII on all of Contractor's insurance programs. Contractor's subcontractors used in performance of this contract shall maintain insurance coverages of the types and in the amounts customary for businesses of similar

size and in accordance with industry practice. The Contractor's insurance shall, among other things:

2.8.1.1 Commercial General Liability includes product liability, completed operations, premises liability, personal & advertising injury liability, third party property damage, third party bodily injury and contractual liability, in each case arising out of Contractor's negligence. Contractor will continue its insurance coverages for the term of this contract and for two (2) years after expiration as long as such coverage remains commercially available in the market place.

2.8.1.2. Contractor shall name the State of Iowa and the Agency as additional insureds on the following policies: Commercial General Liability and Automobile Liability; and

2.8.1.3 Provide a waiver of any subrogation rights that any of its insurance carriers might have against the State on the following policies: Commercial General Liability and Automobile Liability.

2.8.2 Types and Amounts of Insurance Required. Unless otherwise requested by the Agency in writing, the Contractor shall cause to be issued insurance coverages insuring the Contractor against all general liabilities, product liability, personal injury, property damage, and (where applicable) professional liability in the amount specified in Section 1 Special Terms, Section 1.4 Insurance Coverage . In addition, the Contractor shall ensure it has any necessary workers' compensation and employer liability insurance as required by Iowa law.

2.8.3 Certificates of Coverage. The Contractor shall submit certificates of the insurance as required by this Contract, to the Agency upon execution of this Contract. The Contractor shall maintain all insurance policies required by this Contract in full force and effect during the entire term of this Contract, which includes any extensions or renewals thereof. Contractor shall provide 30 days prior written notice of cancellation or non-renewal to Agency.

2.9 Ownership and Security of Agency Information.

2.9.1 Ownership and Disposition of Agency Information. Any information either supplied by the Agency to the Contractor, or collected by the Contractor on the Agency's behalf in the course of the performance of this Contract, shall be considered the property of the Agency ("Agency Information"). The Contractor will not use the Agency Information for any purpose other than providing services under the Contract, nor will any part of the information and records be disclosed, sold, assigned, leased, or otherwise provided to third parties or commercially

exploited by or on behalf of the Contractor. The Agency shall own all Agency Information that may reside within the Contractor's hosting environment and/or equipment/media.

2.9.2 Foreign Hosting and Storage Prohibited. Agency Information shall be hosted and/or stored within the continental United States only.

2.9.3 Access to Agency Information that is Confidential Information. The Contractor's employees, agents, and subcontractors may have access to Agency Information that is Confidential Information to the extent necessary to carry out responsibilities under the Contract. Access to such Confidential Information shall comply with both the State's and the Agency's policies and procedures. In all instances, access to Agency Information from outside of the United States and its protectorates, either by the Contractor, including a foreign office or division of the Contractor or its affiliates or associates, or any subcontractor, is prohibited.

2.9.4 No Use or Disclosure of Confidential Information. Confidential Information collected, maintained, or used in the course of performance of the Contract shall only be used or disclosed by the Contractor as expressly authorized by law and only with the prior written consent of the Agency, either during the period of the Contract or thereafter. The Contractor shall immediately report to the Agency any unauthorized use or disclosure of Confidential Information. The Contractor may be held civilly or criminally liable for improper use or disclosure of Confidential Information.

2.9.5 Contractor Breach Notification Obligations. The Contractor agrees to comply with all applicable laws that require the notification of individuals in the event of unauthorized use or disclosure of Confidential Information or other event(s) requiring notification in accordance with applicable law. In the event of a breach of the Contractor's security obligations or other event requiring notification under applicable law, the Contractor agrees to follow Agency directives, which may include assuming responsibility for informing all such individuals in accordance with applicable laws, and to indemnify, hold harmless, and defend the State of Iowa against any claims, damages, or other harm related to such breach.

2.9.6 Compliance of Contractor Personnel. The Contractor and the Contractor's personnel shall comply with the Agency's and the State's security and personnel policies, procedures, and rules, including any procedure which the Agency's personnel, contractors, and consultants are normally asked to follow. The Contractor agrees to cooperate

fully and to provide any assistance necessary to the Agency in the investigation of any security breaches that may involve the Contractor or the Contractor's personnel. All services shall be performed in accordance with State Information Technology security standards and policies as well as Agency security protocols and procedures. By way of example only, see Iowa Code 8B.23, <http://secureonline.iowa.gov/links/index.html>, and <https://ocio.iowa.gov/home/standards>.

2.9.7 Subpoena. In the event that a subpoena or other legal process is served upon the Contractor for records containing Confidential Information, the Contractor shall promptly notify the Agency and cooperate with the Agency in any lawful effort to protect the Confidential Information.

2.9.8 Return and/or Destruction of Information. Upon expiration or termination of the Contract for any reason, the Contractor agrees to comply with all Agency directives regarding the return or destruction of all Agency Information and any derivative work. Delivery of returned Agency Information must be through a secured electronic transmission or by parcel service that utilizes tracking numbers. Such information must be provided in a format useable by the Agency. Following the Agency's verified receipt of the Agency Information and any derivative work, the Contractor agrees to physically and/or electronically destroy or erase all residual Agency Information regardless of format from the entire Contractor's technology resources and any other storage media. This includes, but is not limited to, all production copies, test copies, backup copies and /or printed copies of information created on any other servers or media and at all other Contractor sites. Any permitted destruction of Agency Information must occur in such a manner as to render the information incapable of being reconstructed or recovered. The Contractor will provide a record of information destruction to the Agency for inspection and records retention no later than thirty (30) days after destruction.

2.9.9 Contractor's Inability to Return and/or Destroy Information. If for any reason the Agency Information cannot be returned and/or destroyed upon expiration or termination of the Contract, the Contractor agrees to notify the Agency with an explanation as to the conditions which make return and/or destruction not possible or feasible. Upon mutual agreement by both parties that the return and/or destruction of the information is not possible or feasible, the Contractor shall make the Agency Information inaccessible. The Contractor shall not use or disclose such retained Agency Information for

any purposes other than those expressly permitted by the Agency. The Contractor shall provide to the Agency a detailed description as to the procedures and methods used to make the Agency Information inaccessible no later than thirty (30) days after making the information inaccessible. If the Agency provides written permission for the Contractor to retain the Agency Information in the Contractor's information systems, the Contractor will extend the protections of this Contract to such information and limit any further uses or disclosures of such information.

2.9.10 Contractors that are Business Associates. If the Contractor is the Agency's Business Associate, and there is a conflict between the Business Associate Agreement and this Section 2.9, the provisions in the Business Associate Agreement shall control.

2.10 Intellectual Property.

2.10.1 Ownership and Assignment of Other Deliverables. The Contractor agrees that the State and the Agency shall become the sole and exclusive owners of all Deliverables. The Contractor hereby irrevocably assigns, transfers and conveys to the State and the Agency all right, title and interest in and to all Deliverables and all intellectual property rights and proprietary rights arising out of, embodied in, or related to such Deliverables, including copyrights, patents, trademarks, trade secrets, trade dress, mask work, utility design, derivative works, and all other rights and interests therein or related thereto. The Contractor represents and warrants that the State and the Agency shall acquire good and clear title to all Deliverables, free from any claims, liens, security interests, encumbrances, intellectual property rights, proprietary rights, or other rights or interests of the Contractor or of any third party, including any employee, agent, contractor, subcontractor, subsidiary, or affiliate of the Contractor. The Contractor (and Contractor's employees, agents, contractors, subcontractors, subsidiaries and affiliates) shall not retain any property interests or other rights in and to the Deliverables and shall not use any Deliverables, in whole or in part, for any purpose, without the prior written consent of the Agency and the payment of such royalties or other compensation as the Agency deems appropriate. Unless otherwise requested by the Agency, upon completion or termination of this Contract, the Contractor will immediately turn over to the Agency all Deliverables not previously delivered to the Agency, and no copies thereof shall be retained by the Contractor or its employees, agents,

subcontractors, or affiliates, without the prior written consent of the Agency.

2.10.2 Waiver. To the extent any of the Contractor's rights in any Deliverables are not subject to assignment or transfer hereunder, including any moral rights and any rights of attribution and of integrity, the Contractor hereby irrevocably and unconditionally waives all such rights and enforcement thereof and agrees not to challenge the State's rights in and to the Deliverables.

2.10.3 Further Assurances. At the Agency's request, the Contractor will execute and deliver such instruments and take such other action as may be requested by the Agency to establish, perfect, or protect the State's rights in and to the Deliverables and to carry out the assignments, transfers and conveyances set forth in Section 2.10, *Intellectual Property*.

2.10.4 Publications. Prior to completion of all services required by this Contract, the Contractor shall not publish in any format any final or interim report, document, form, or other material developed as a result of this Contract without the express written consent of the Agency. Upon completion of all services required by this Contract, the Contractor may publish or use materials developed as a result of this Contract, subject to confidentiality restrictions, and only after the Agency has had an opportunity to review and comment upon the publication. Any such publication shall contain a statement that the work was done pursuant to a contract with the Agency and that it does not necessarily reflect the opinions, findings, and conclusions of the Agency.

2.10.5 Federal License. As this Contract is at least partially federally funded, the federal government reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for federal government purposes, software and associated documentation designed, developed or installed in whole or in part with federal funds pursuant to this Contract.

2.11 Warranties.

2.11.1 Construction of Warranties Expressed in this Contract with Warranties Implied by Law. Warranties made by the Contractor in this Contract, whether: (1) this Contract specifically denominates the Contractor's promise as a warranty; or (2) the warranty is created by the Contractor's affirmation or promise, by a description of the Deliverables to be provided, or by provision of samples to the Agency, shall not be construed as limiting or negating any warranty provided by law, including without limitation, warranties that arise through the course of

dealing or usage of trade. The warranties expressed in this Contract are intended to modify the warranties implied by law only to the extent that they expand the warranties applicable to the Deliverables provided by the Contractor. With the exception of Subsection 2.11.3, the provisions of this section apply during the Warranty Period as defined in the Contract Declarations and Execution Section.

2.11.2 Contractor represents and warrants that:

2.11.2.1 All Deliverables shall be wholly original with and prepared solely by the Contractor; or it owns, possesses, holds, and has received or secured all rights, permits, permissions, licenses, and authority necessary to provide the Deliverables to the Agency hereunder and to assign, grant and convey the rights, benefits, licenses, and other rights assigned, granted, or conveyed to the Agency hereunder or under any license agreement related hereto without violating any rights of any third party;

2.11.2.2 The Contractor has not previously and will not grant any rights in any Deliverables to any third party that are inconsistent with the rights granted to the Agency herein; and

2.11.2.3 The Agency shall peacefully and quietly have, hold, possess, use, and enjoy the Deliverables without suit, disruption, or interruption.

2.11.3 The Contractor represents and warrants that:

2.11.3.1 The Deliverables (and all intellectual property rights and proprietary rights arising out of, embodied in, or related to such Deliverables); and

2.11.3.2 The Agency's use of, and exercise of any rights with respect to, the Deliverables (and all intellectual property rights and proprietary rights arising out of, embodied in, or related to such Deliverables), do not and will not, under any circumstances, misappropriate a trade secret or infringe upon or violate any copyright, patent, trademark, trade dress or other intellectual property right, proprietary right or personal right of any third party. The Contractor further represents and warrants there is no pending or threatened claim, litigation, or action that is based on a claim of infringement or violation of an intellectual property right, proprietary right or personal right or misappropriation of a trade secret related to the Deliverables. The Contractor shall inform the Agency in writing immediately upon becoming aware of any actual, potential, or threatened claim of or cause of action for infringement or violation or an intellectual property right, proprietary right, or personal right or misappropriation of a trade secret. If such a claim or cause of action arises or is likely to arise, then the

Contractor shall, at the Agency's request and at the Contractor's sole expense:

- Procure for the Agency the right or license to continue to use the Deliverable at issue;
- Replace such Deliverable with a functionally equivalent or superior Deliverable free of any such infringement, violation, or misappropriation;
- Modify or replace the affected portion of the Deliverable with a functionally equivalent or superior Deliverable free of any such infringement, violation, or misappropriation; or
- Accept the return of the Deliverable at issue and refund to the Agency all fees, charges, and any other amounts paid by the Agency with respect to such Deliverable. In addition, the Contractor agrees to indemnify, defend, protect, and hold harmless the State and its officers, directors, employees, officials, and agents as provided in the Indemnification Section of this Contract, including for any breach of the representations and warranties made by the Contractor in this section.

The warranty provided in this Section 2.11.3 shall be perpetual, shall not be subject to the contractual Warranty Period, and shall survive termination of this Contract. The foregoing remedies provided in this subsection shall be in addition to and not exclusive of other remedies available to the Agency and shall survive termination of this Contract.

2.11.4 The Contractor represents and warrants that the Deliverables shall:

- 2.11.4.1** Be free from material Deficiencies; and
- 2.11.4.2** Meet, conform to, and operate in accordance with all Specifications and in accordance with this Contract during the Warranty Period, as defined in the Contract Declarations and Execution Section. During the Warranty Period the Contractor shall, at its expense, repair, correct or replace any Deliverable that contains or experiences material Deficiencies or fails to meet, conform to or operate in accordance with Specifications within five (5) Business Days of receiving notice of such Deficiencies or failures from the Agency or within such other period as the Agency specifies in the notice. In the event the Contractor is unable to repair, correct, or replace such Deliverable to the Agency's satisfaction, the Contractor shall refund the fees or other amounts paid for the Deliverables and for any services related thereto. The foregoing shall not constitute an exclusive remedy under this Contract, and the Agency shall be entitled to pursue any other available contractual, legal, or equitable remedies. The Contractor shall be available at all reasonable times to assist the Agency with questions, problems, and concerns about the

Deliverables, to inform the Agency promptly of any known Deficiencies in any Deliverables, repair and correct any Deliverables not performing in accordance with the warranties contained in this Contract, notwithstanding that such Deliverables may have been accepted by the Agency, and provide the Agency with all necessary materials with respect to such repaired or corrected Deliverable.

2.11.5 The Contractor represents, warrants and covenants that all services to be performed under this Contract shall be performed in a professional, competent, diligent, and workmanlike manner by knowledgeable, trained, and qualified personnel, all in accordance with the terms and Specifications of this Contract and the standards of performance considered generally acceptable in the industry for similar tasks and projects. In the absence of a Specification for the performance of any portion of this Contract, the parties agree that the applicable Specification shall be the generally accepted industry standard. So long as the Agency notifies the Contractor of any services performed in violation of this standard, the Contractor shall re-perform the services at no cost to the Agency, such that the services are rendered in the above-specified manner, or if the Contractor is unable to perform the services as warranted, the Contractor shall reimburse the Agency any fees or compensation paid to the Contractor for the unsatisfactory services.

2.11.6 The Contractor represents and warrants that the Deliverables will comply with all Applicable Law.

2.11.7 Obligations Owed to Third Parties. The Contractor represents and warrants that all obligations owed to third parties with respect to the activities contemplated to be undertaken by the Contractor pursuant to this Contract are or will be fully satisfied by the Contractor so that the Agency will not have any obligations with respect thereto.

2.12 Acceptance of Deliverables.

2.12.1 Acceptance of Written Deliverables. For the purposes of this section, written Deliverables means documents including, but not limited to project plans, planning documents, reports, or instructional materials ("Written Deliverables"). Although the Agency determines what Written Deliverables are subject to formal Acceptance, this section generally does not apply to routine progress or financial reports. Absent more specific Acceptance Criteria in the Special Terms, following delivery of any Written Deliverable pursuant to the Contract, the Agency will notify the Contractor whether or not the Deliverable meets contractual specifications and requirements.

Written Deliverables shall not be considered accepted by the Agency, nor does the Agency have an obligation to pay for such Deliverables, unless and until the Agency has notified the Contractor of the Agency's Final Acceptance of the Written Deliverables. In all cases, any statements included in such Written Deliverables that alter or conflict with any contractual requirements shall in no way be considered as changing the contractual requirements unless and until the parties formally amend the Contract.

2.12.2 Acceptance of Software Deliverables.

Except as otherwise specified in the Scope of Work, all Deliverables pertaining to software and related hardware components ("Software Deliverables") shall be subject to the Agency's Acceptance Testing and Acceptance, unless otherwise specified in the Scope of Work. Upon completion of all work to be performed by the Contractor with respect to any Software Deliverable, the Contractor shall deliver a written notice to the Agency certifying that the Software Deliverable meets and conforms to applicable Specifications and is ready for the Agency to conduct Acceptance Testing; provided, however, that the Contractor shall pretest the Software Deliverable to determine that it meets and operates in accordance with applicable Specifications prior to delivering such notice to the Agency. At the Agency's request, the Contractor shall assist the Agency in performing Acceptance Tests at no additional cost to the Agency. Within a reasonable period of time after the Agency has completed its Acceptance Testing, the Agency shall provide the Contractor with written notice of Acceptance or Non-acceptance with respect to each Software Deliverable that was evaluated during such Acceptance Testing. In the event the Agency provides notice of Non-acceptance to the Contractor with respect to any Software Deliverable, the Contractor shall correct and repair such Software Deliverable and submit it to the Agency within ten (10) days of the Contractor's receipt of notice of Non-acceptance so that the Agency may re-conduct its Acceptance Tests. In the event the Agency determines, after re-conducting its Acceptance Tests with respect to any Software Deliverable that the Contractor has attempted to correct or repair pursuant to this section, that such Software Deliverable fails to satisfy its Acceptance Tests, then the Agency shall have the continuing right, at its sole option, to: (1) require the Contractor to correct and repair such Software Deliverable within such period of time as the Agency may specify in a written notice to the Contractor; (2) refuse to accept such Software Deliverable without

penalty and without any obligation to pay any fees or other amounts associated with such Software Deliverable (or receive a refund of any fees or amounts already paid with respect to such Software Deliverable); (3) accept such Software Deliverable on the condition that any fees or other amounts payable with respect thereto shall be reduced or discounted to reflect, to the Agency's satisfaction, the Deficiencies present therein and any reduced value or functionality of such Software Deliverable or the costs likely to be incurred by the Agency to correct such Deficiencies; or (4) terminate this Contract and/or seek any and all available remedies, including damages. Notwithstanding the provisions of Section 2.5.1, *Termination for Cause by the Agency*, of this Contract, the Agency may terminate this Contract pursuant to this section without providing the Contractor with any notice or opportunity to cure provided for in the termination provisions of this Contract. The Agency's right to exercise the foregoing rights and remedies, including termination of this Contract, shall remain in effect until Acceptance Tests are successfully completed to the Agency's satisfaction and the Agency has provided the Contractor with written notice of Final Acceptance.

2.12.3 Notice of Acceptance and Future

Deficiencies. The Contractor's receipt of any notice of Acceptance, including Final Acceptance, with respect to any Deliverable shall not be construed as a waiver of any of the Agency's rights to enforce the terms of this Contract or require performance in the event the Contractor breaches this Contract or any Deficiency is later discovered with respect to such Deliverable.

2.13 Contract Administration.

2.13.1 Independent Contractor. The status of the Contractor shall be that of an independent contractor. The Contractor, its employees, agents, and any subcontractors performing under this Contract are not employees or agents of the State or any agency, division, or department of the State simply by virtue of work performed pursuant to this Contract. Neither the Contractor nor its employees shall be considered employees of the Agency or the State for federal or state tax purposes simply by virtue of work performed pursuant to this Contract. The Agency will not withhold taxes on behalf of the Contractor (unless required by law).

2.13.2 Incorporation of Documents. To the extent this Contract arises out of a Solicitation, the parties acknowledge that the Contract consists of these contract terms and conditions as well as the

Solicitation and the Bid Proposal. The Solicitation and the Bid Proposal are incorporated into the Contract by reference. If the Contractor proposed exceptions or modifications to the Sample Contract attached to the Solicitation or to the Solicitation itself, these proposed exceptions or modifications shall not be incorporated into this Contract unless expressly set forth herein. If there is a conflict between the Contract, the Solicitation, and the Bid Proposal, the conflict shall be resolved according to the following priority, ranked in descending order: (1) the Contract; (2) the Solicitation; (3) the Bid Proposal.

2.13.3 Intent of References to Bid Documents. To the extent this Contract arises out of a Solicitation, the references to the parties' obligations, which are contained in this Contract, are intended to supplement or clarify the obligations as stated in the Solicitation and the Bid Proposal. The failure of the parties to make reference to the terms of the Solicitation or the Bid Proposal in this Contract shall not be construed as creating a conflict and will not relieve the Contractor of the contractual obligations imposed by the terms of the Solicitation and the Contractor's Bid Proposal. Terms offered in the Bid Proposal, which exceed the requirements of the Solicitation, shall not be construed as creating an inconsistency or conflict with the Solicitation or the Contract. The contractual obligations of the Agency are expressly stated in this document. The Bid Proposal does not create any express or implied obligations of the Agency.

2.13.4 Compliance with the Law. The Contractor, its employees, agents, and subcontractors shall comply at all times with all Applicable Law. All such Applicable Law is incorporated into this Contract as of the effective date of the Applicable Law. The Contractor and Agency expressly reject any proposition that future changes to Applicable Law are inapplicable to this Contract and the Contractor's provision of Deliverables and/or performance in accordance with this Contract. When providing Deliverables pursuant to this Contract the Contractor, its employees, agents, and subcontractors shall comply with all Applicable Law.

2.13.4.1 The Contractor, its employees, agents, and subcontractors shall not engage in discriminatory employment practices which are forbidden by Applicable Law. Upon the State's written request, the Contractor shall submit to the State a copy of its affirmative action plan, containing goals and time specifications, and non-discrimination and accessibility plans and policies regarding services to

clients as required under 11 Iowa Admin. Code chapter 121.

2.13.4.2 In the event the Contractor contracts with third parties for the performance of any of the Contractor obligations under this Contract as set forth in Section 2.13.9, the Contractor shall take such steps as necessary to ensure such third parties are bound by the terms and conditions contained in this Section 2.13.4.

2.13.4.3 Notwithstanding anything in this Contract to the contrary, the Contractor's failure to fulfill any requirement set forth in this Section 2.13.4 shall be regarded as a material breach of this Contract and the State may cancel, terminate, or suspend in whole or in part this Contract. The State may further declare the Contractor ineligible for future state contracts in accordance with authorized procedures or the Contractor may be subject to other sanctions as provided by law or rule.

2.13.4.4 The Contractor, its employees, agents, and subcontractors shall also comply with all Applicable Law regarding business permits and licenses that may be required to carry out the work performed under this Contract.

2.13.4.5 If all or a portion of the funding used to pay for the Deliverables is being provided through a grant from the Federal Government, the Contractor acknowledges and agrees that pursuant to applicable federal laws, regulations, circulars, and bulletins, the awarding agency of the Federal Government reserves certain rights including, without limitation, a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes, the Deliverables developed under this Contract and the copyright in and to such Deliverables.

2.13.5 Procurement. The Contractor shall use procurement procedures that comply with all applicable federal, state, and local laws and regulations.

2.13.6 Non-Exclusive Rights. This Contract is not exclusive. The Agency reserves the right to select other contractors to provide Deliverables similar or identical to those described in the Scope of Work during the entire term of this Contract, which includes any extensions or renewals thereof.

2.13.7 Amendments. This Contract may only be amended by mutual written consent of the parties, with the exception of (1) the Contract end date, which may be extended under the Agency's sole discretion, and (2) the Business Associate Agreement, which may be modified or replaced on notice pursuant to Section 1.5, *Business Associate Agreement*. Amendments shall be executed on a

form approved by the Agency that expressly states the intent of the parties to amend this Contract. This Contract shall not be amended in any way by use of terms and conditions in an Invoice or other ancillary transactional document. To the extent that language in a transactional document conflicts with the terms of this Contract, the terms of this Contract shall control.

2.13.8 No Third Party Beneficiaries. There are no third party beneficiaries to this Contract. This Contract is intended only to benefit the State and the Contractor.

2.13.9 Use of Third Parties. The Agency acknowledges that the Contractor may contract with third parties for the performance of any of the Contractor's obligations under this Contract. The Contractor shall notify the Agency in writing of all subcontracts relating to Deliverables to be provided under this Contract prior to the time the subcontract(s) become effective. The Agency reserves the right to review and approve all subcontracts. The Contractor may enter into these contracts to complete the project provided that the Contractor remains responsible for all Deliverables provided under this Contract. All restrictions, obligations, and responsibilities of the Contractor under this Contract shall also apply to the subcontractors and the Contractor shall include in all of its subcontracts a clause that so states. The Agency shall have the right to request the removal of a subcontractor from the Contract for good cause.

2.13.10 Choice of Law and Forum. The laws of the State of Iowa shall govern and determine all matters arising out of or in connection with this Contract without regard to the conflict of law provisions of Iowa law. Any and all litigation commenced in connection with this Contract shall be brought and maintained solely in Polk County District Court for the State of Iowa, Des Moines, Iowa, or in the United States District Court for the Southern District of Iowa, Central Division, Des Moines, Iowa, wherever jurisdiction is appropriate. This provision shall not be construed as waiving any immunity to suit or liability including without limitation sovereign immunity in State or Federal court, which may be available to the Agency or the State of Iowa.

2.13.11 Assignment and Delegation. The Contractor may not assign, transfer, or convey in whole or in part this Contract without the prior written consent of the Agency. For the purpose of construing this clause, a transfer of a controlling interest in the Contractor shall be considered an assignment. The Contractor may not delegate any of its obligations or duties under this Contract without

the prior written consent of the Agency.

Notwithstanding the foregoing, Contractor may, upon written notice to Agency assign or transfer this Agreement to IBM in connection with the transfer of all or substantially all of the business to which this Agreement relates (whether via merger, sale of stock or assets, or otherwise), without the prior consent of Customer. The Contractor may not assign, pledge as collateral, grant a security interest in, create a lien against, or otherwise encumber any payments that may or will be made to the Contractor under this Contract.

2.13.12 Integration. This Contract represents the entire Contract between the parties. The parties shall not rely on any representation that may have been made which is not included in this Contract.

2.13.13 No Drafter. No party to this Contract shall be considered the drafter of this Contract for the purpose of any statute, case law, or rule of construction that would or might cause any provision to be construed against the drafter.

2.13.14 Headings or Captions. The paragraph headings or captions used in this Contract are for identification purposes only and do not limit or construe the contents of the paragraphs.

2.13.15 Not a Joint Venture. Nothing in this Contract shall be construed as creating or constituting the relationship of a partnership, joint venture, (or other association of any kind or agent and principal relationship) between the parties hereto. No party, unless otherwise specifically provided for herein, has the authority to enter into any contract or create an obligation or liability on behalf of, in the name of, or binding upon another party to this Contract.

2.13.16 Joint and Several Liability. If the Contractor is a joint entity, consisting of more than one individual, partnership, corporation, or other business organization, all such entities shall be jointly and severally liable for carrying out the activities and obligations of this Contract, for any default of activities and obligations, and for any fiscal liabilities.

2.13.17 Supersedes Former Contracts or Agreements. This Contract supersedes all prior contracts or agreements between the Agency and the Contractor for the Deliverables to be provided in connection with this Contract.

2.13.18 Waiver. Except as specifically provided for in a waiver signed by duly authorized representatives of the Agency and the Contractor, failure by either party at any time to require performance by the other party or to claim a breach of any provision of the Contract shall not be construed as affecting any

subsequent right to require performance or to claim a breach.

2.13.19 Notice. With the exception of the Business Associate Agreement, as set forth in Section 1.5, *Business Associate Agreement*, any notices required by the Contract shall be given in writing by registered or certified mail, return receipt requested, by receipted hand delivery, by Federal Express, courier or other similar and reliable carrier which shall be addressed to each party's Contract Manager as set forth in the Contract Declarations and Execution Section. From time to time, the parties may change the name and address of a party designated to receive notice. Such change of the designated person shall be in writing to the other party.

Each such notice shall be deemed to have been provided:

- At the time it is actually received in the case of hand delivery;
- Within one (1) day in the case of overnight delivery, courier or services such as Federal Express with guaranteed next-day delivery; or
- Within five (5) days after it is deposited in the U.S. Mail.

2.13.20 Cumulative Rights. The various rights, powers, options, elections, and remedies of any party provided in this Contract, shall be construed as cumulative and not one of them is exclusive of the others or exclusive of any rights, remedies or priorities allowed either party by law, and shall in no way affect or impair the right of any party to pursue any other equitable or legal remedy to which any party may be entitled.

2.13.21 Severability. If any provision of this Contract is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of this Contract.

2.13.22 Time is of the Essence. Time is of the essence with respect to the Contractor's performance of the terms of this Contract. The Contractor shall ensure that all personnel providing Deliverables to the Agency are responsive to the Agency's requirements and requests in all respects.

2.13.23 Authorization. The Contractor represents and warrants that:

2.13.23.1 It has the right, power, and authority to enter into and perform its obligations under this Contract.

2.13.23.2 It has taken all requisite action (corporate, statutory, or otherwise) to approve execution, delivery, and performance of this Contract and this

Contract constitutes a legal, valid, and binding obligation upon itself in accordance with its terms.

2.13.24 Successors in Interest. All the terms, provisions, and conditions of the Contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, and legal representatives.

2.13.25 Records Retention and Access.

2.13.25.1 Financial Records. The Contractor shall maintain accurate, current, and complete records of the financial activity of this Contract which sufficiently and properly document and calculate all charges billed to the Agency during the entire term of this Contract, which includes any extensions or renewals thereof, and for a period of at least seven (7) years following the date of final payment or completion of any required audit (whichever is later). If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the seven (7) year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular seven (7) year period, whichever is later. The Contractor shall permit the Agency, the Auditor of the State of Iowa or any other authorized representative of the State and where federal funds are involved, the Comptroller General of the United States or any other authorized representative of the United States government, to access and examine, audit, excerpt and transcribe any directly pertinent books, documents, papers, electronic or optically stored and created records, or other records of the Contractor relating to orders, Invoices or payments, or any other Documentation or materials pertaining to this Contract, wherever such records may be located. The Contractor shall not impose a charge for audit or examination of the Contractor's books and records. Based on the audit findings, the Agency reserves the right to address the Contractor's board or other managing entity regarding performance and expenditures. When state or federal law or the terms of this Contract require compliance with the OMNI Circular, or other similar provision addressing proper use of government funds, the Contractor shall comply with these additional records retention and access requirements:

2.13.25.1.1 Records of financial activity shall include records that adequately identify the source and application of funds. When the terms of this Contract require matching funds, cash contributions made by the Contractor and third-party in-kind (property or service) contributions, these funds must be verifiable from the Contractor's records. These records must contain information pertaining to contract amount,

obligations, unobligated balances, assets, liabilities, expenditures, income, and third-party reimbursements.

2.13.25.1.2 The Contractor shall maintain accounting records supported by source documentation that may include but are not limited to cancelled checks, paid bills, payroll, time and attendance records, and contract award documents.

2.13.25.1.3 The Contractor, in maintaining project expenditure accounts, records and reports, shall make any necessary adjustments to reflect refunds, credits, underpayments or overpayments, as well as any adjustments resulting from administrative or compliance reviews and audits. Such adjustments shall be set forth in the financial reports filed with the Agency.

2.13.25.1.4 The Contractor shall maintain a sufficient record keeping system to provide the necessary data for the purposes of planning, monitoring, and evaluating its program.

2.13.25.2 The Contractor shall retain all non-medical and medical client records for a period of seven (7) years from the last date of service for each patient; or in the case of a minor patient or client, for a period consistent with that established by Iowa Code § 614.1(9), whichever is greater.

2.13.26 Audits. Local governments and non-profit subrecipient entities that expend \$750,000 or more in a year in federal awards (from all sources) shall have a single audit conducted for that year in accordance with the provisions of the OMNI Circular, OMB Uniform Guidance: Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 C.F.R. 200. A copy of the final audit report shall be submitted to the Agency if either the schedule of findings and questioned costs or the summary schedule of prior audit findings includes any audit findings related to federal awards provided by the Agency. If an audit report is not required to be submitted per the criteria above, the subrecipient must provide written notification to the Agency that the audit was conducted in accordance with Government Auditing Standards and that neither the schedule of findings and questioned costs nor the summary schedule of prior audit findings includes any audit findings related to federal awards provided by the Agency. See the OMNI Circular, Section 200.330, Subrecipient and Contractor Determinations for a discussion of subrecipient versus contractor (vendor) relationships. The Contractor shall provide the Agency with a copy of any written audit findings or reports, whether in draft or final form, within two (2) Business Days following receipt by the

Contractor. The requirements of this paragraph shall apply to the Contractor as well as any subcontractors.

2.13.27 Reimbursement of Audit Costs. If the Auditor of the State of Iowa notifies the Agency of an issue or finding involving the Contractor's noncompliance with laws, rules, regulations, and/or contractual agreements governing the funds distributed under this Contract, the Contractor shall bear the cost of the Auditor's review and any subsequent assistance provided by the Auditor to determine compliance. The Contractor shall reimburse the Agency for any costs the Agency pays to the Auditor for such review or audit.

2.13.28 Staff Qualifications and Background Checks. The Contractor shall be responsible for assuring that all persons, whether they are employees, agents, subcontractors, or anyone acting for or on behalf of the Contractor, are properly licensed, certified, or accredited as required under applicable state law and the Iowa Administrative Code. The Contractor shall provide standards for service providers who are not otherwise licensed, certified, or accredited under state law or the Iowa Administrative Code.

The Agency reserves the right to conduct and/or request the disclosure of criminal history and other background investigation of the Contractor, its officers, directors, shareholders, and the Contractor's staff, agents, or subcontractors retained by the Contractor for the performance of Contract services.

2.13.29 Solicitation. The Contractor represents and warrants that no person or selling agency has been employed or retained to solicit and secure this Contract upon an agreement or understanding for commission, percentage, brokerage, or contingency excepting bona fide employees or selling agents maintained for the purpose of securing business.

2.13.30 Obligations Beyond Contract Term. All obligations of the Agency and the Contractor incurred or existing under this Contract as of the date of expiration or termination will survive the expiration or termination of this Contract. Contract sections that survive include, but are not necessarily limited to, the following: (1) Section 2.4.2, *Erroneous Payments and Credits*; (2) Section 2.5.5, *Limitation of the State's Payment Obligations*; (3) Section 2.5.6, *Contractor's Contract Close-Out Duties*; (4) Section 2.7, *Indemnification*, and all subparts thereof; (5) Section 2.9, *Ownership and Security of Agency Information*, and all subparts thereof; (6) Section 2.10, *Intellectual Property*, and all subparts thereof; (7) Section 2.13.10, *Choice of Law and Forum*; (8) Section 2.13.16, *Joint and Several Liability*; (9) Section 2.13.20, *Cumulative*

Rights; (10) Section 2.13.24 *Successors In Interest*; (11) Section 2.13.25, *Records Retention and Access*, and all subparts thereof; (12) Section 2.13.26, *Audits*; (13) Section 2.13.27, *Reimbursement of Audit Costs*; (14) Section 2.13.35, *Repayment Obligation*; and (15) Section 2.13.39, *Use of Name or Intellectual Property*.

2.13.31 Counterparts. The parties agree that this Contract has been or may be executed in several counterparts, each of which shall be deemed an original and all such counterparts shall together constitute one and the same instrument.

2.13.32 Delays or Potential Delays of Performance.

Whenever the Contractor encounters any difficulty which is delaying or threatens to delay the timely performance of this Contract, including but not limited to potential labor disputes, the Contractor shall immediately give notice thereof in writing to the Agency with all relevant information with respect thereto. Such notice shall not in any way constitute a basis for an extension of the delivery schedule or be construed as a waiver by the Agency or the State of any rights or remedies to which either is entitled by law or pursuant to provisions of this Contract.

Failure to give such notice, however, may be grounds for denial of any request for an extension of the delivery schedule because of such delay.

Furthermore, the Contractor will not be excused from failure to perform that is due to a Force Majeure unless and until the Contractor provides notice pursuant to this provision.

2.13.33 Delays or Impossibility of Performance Based on a Force Majeure. Neither party shall be in default under the Contract if performance is prevented, delayed, or made impossible to the extent that such prevention, delay, or impossibility is caused by a Force Majeure. If a delay results from a subcontractor's conduct, negligence or failure to perform, the Contractor shall not be excused from compliance with the terms and obligations of the Contract unless the subcontractor or supplier is prevented from timely performance by a Force Majeure as defined in this Contract.

If a Force Majeure delays or prevents the Contractor's performance, the Contractor shall immediately use its best efforts to directly provide alternate, and to the extent possible, comparable performance. Comparability of performance and the possibility of comparable performance shall be determined solely by the Agency.

The party seeking to exercise this provision and not perform or delay performance pursuant to a Force Majeure shall immediately notify the other party of the occurrence and reason for the delay. The

parties shall make every effort to minimize the time of nonperformance and the scope of work not being performed due to the unforeseen events. Dates by which performance obligations are scheduled to be met will be extended only for a period of time equal to the time lost due to any delay so caused.

2.13.34 Right to Address the Board of Directors or Other Managing Entity. The Agency reserves the right to address the Contractor's board of directors or other managing entity of the Contractor regarding performance, expenditures, and any other issue the Agency deems appropriate.

2.13.35 Repayment Obligation. In the event that any State and/or federal funds are deferred and/or disallowed as a result of any audits or expended in violation of the laws applicable to the expenditure of such funds, the Contractor shall be liable to the Agency for the full amount of any claim disallowed and for all related penalties incurred. The requirements of this paragraph shall apply to the Contractor as well as any subcontractors.

2.13.36 Reporting Requirements. If this Contract permits other State agencies and political subdivisions to make purchases off of the Contract, the Contractor shall keep a record of the purchases made pursuant to the Contract and shall submit a report to the Agency on a quarterly basis. The report shall identify all of the State agencies and political subdivisions making purchases off of this Contract and the quantities purchased pursuant to the Contract during the reporting period.

2.13.37 Immunity from Liability. Every person who is a party to the Contract is hereby notified and agrees that the State, the Agency, and all of their employees, agents, successors, and assigns are immune from liability and suit for or from the Contractor's and/or subcontractors' activities involving third parties and arising from the Contract.

2.13.38 Public Records. The laws of the State require procurement and contract records to be made public unless otherwise provided by law.

2.13.39 Use of Name or Intellectual Property. The Contractor agrees it will not use the Agency and/or State's name or any of their intellectual property, including but not limited to, any State, state agency, board or commission trademarks or logos in any manner, including commercial advertising or as a business reference, without the expressed prior written consent of the Agency and/or the State.

2.13.40 Taxes. The State is exempt from Federal excise taxes, and no payment will be made for any taxes levied on the Contractor's employees' wages. The State is exempt from State and local sales and use taxes on the Deliverables.

2.13.41 No Minimums Guaranteed. The Contract does not guarantee any minimum level of purchases or any minimum amount of compensation.

2.14 Contract Certifications. The Contractor will fully comply with obligations herein. If any conditions within these certifications change, the Contractor will provide written notice to the Agency within twenty-four (24) hours from the date of discovery.

2.14.1 Certification of Compliance with Pro-Children Act of 1994. The Contractor must comply with Public Law 103-227, Part C Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act). This Act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the Deliverables are funded by federal programs either directly or through State or local governments. Federal programs include grants, cooperative agreements, loans or loan guarantees, and contracts. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities (other than clinics) where Women, Infants, and Children (WIC) coupons are redeemed.

The Contractor further agrees that the above language will be included in any subawards that contain provisions for children's services and that all subgrantees shall certify compliance accordingly. Failure to comply with the provisions of this law may result in the imposition of a civil monetary penalty of up to \$1,000.00 per day.

2.14.2 Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transactions

By signing this Contract, the Contractor is providing the certification set out below:

2.14.2.1 The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the Contractor knowingly rendered an erroneous certification, in addition to other remedies available to the federal government, the Agency or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

2.14.2.2 The Contractor shall provide immediate written notice to the Agency if at any time the Contractor learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

2.14.2.3 The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principle, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. Contact the Agency for assistance in obtaining a copy of those regulations.

2.14.2.4 The Contractor agrees by signing this Contract that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Agency or agency with which this transaction originated.

2.14.2.5 The Contractor further agrees by signing this Contract that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

2.14.2.6 A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. A participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

2.14.2.7 Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

2.14.2.8 Except for transactions authorized under Section 2.14.2.4 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is

proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, the Agency or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

2.14.2.9 The Contractor certifies, by signing this Contract, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

Where the Contractor is unable to certify to any of the statements in this certification, such Contractor shall attach an explanation to this Contract.

2.14.3 Restriction on Lobbying.

This section is applicable to all federally-funded contracts.

Title 45 of the Code of Federal Regulations, Part 93 sets conditions on the use of Federal funds supporting this Contract. The Contractor shall comply with all requirements of CFR Part 93 which is incorporated herein as if fully set forth. No appropriated funds supporting this Contract may be expended by the Contractor for payment of any person for influencing or attempting to influence an employee of the agency (as defined in 5 U.S.C.552(f)), a member of Congress in connection with the award of this Contract, the making of any federal funding grant award connected to this Contract, the making of any Federal loan connected to this Contract, the entering into any cooperative agreement connected to this Contract, and the extension, continuation, or modification of this Contract.

2.14.3.1 The Contractor shall file with the Agency a certification form, set forth in Appendix A of 45 CFR Part 93, certifying the Contractor, including any subcontractor(s) at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) have not made, and will not make, any payment prohibited under 45 CFR § 93.100.

2.14.3.2 The Contractor shall file with the Agency a disclosure form, set forth in Appendix B of 45 CFR Part 93, in the event the Contractor or subcontractor(s) at any tier (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) has made or has agreed to make any payment using non-appropriated funds, including profits from any covered Federal action, which would be prohibited under 45 CFR §93.100 if paid for with appropriated funds. All disclosure

forms shall be forwarded from tier to tier until received by the Contractor and shall be treated as a material representation of fact upon which all receiving tiers shall rely.

2.14.3.3 The Contractor shall file with the Agency subsequent disclosure forms at the end of each calendar quarter in which there occurs any event that requires disclosure or materially affects the accuracy of the information contained in any disclosure form previously filed. Such events include:

2.14.3.3.1 A cumulative increase of \$25,000 or more in the amount paid or expected to be paid to influence a covered Federal action;

2.14.3.3.2 A change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; and

2.14.3.3.3 A change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.

2.14.3.4 The Contractor may be subject to civil penalties if the Contractor fails to comply with the requirements of 45 CFR Part 93. An imposition of a civil penalty does not prevent the Agency from taking appropriate enforcement actions which may include, but not necessarily be limited to, termination of the Contract.

2.14.4 Certification Regarding Drug Free Workplace

2.14.4.1 Requirements for Contractors Who are Not Individuals. If the Contractor is not an individual, the Contractor agrees to provide a drug-free workplace by:

2.14.4.1.1 Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition;

2.14.4.1.2 Establishing a drug-free awareness program to inform employees about:

- The dangers of drug abuse in the workplace;
- The Contractor's policy of maintaining a drug-free workplace;
- Any available drug counseling, rehabilitation, and employee assistance programs; and
- The penalties that may be imposed upon employees for drug abuse violations;

2.14.4.1.3 Making it a requirement that each employee to be engaged in the performance of such contract be given a copy of the statement required by Subsection 2.14.4.1.1;

2.14.4.1.4 Notifying the employee in the statement required by Subsection 2.14.4.1.1 that as a condition of employment on such contract, the employee will:

- Abide by the terms of the statement; and
- Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;

2.14.4.1.5 Notifying the contracting agency within ten (10) days after receiving notice under the second unnumbered bullet of Subsection 2.14.4.1.4 from an employee or otherwise receiving actual notice of such conviction;

2.14.4.1.6 Imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by, any employee who is so convicted, as required by 41 U.S.C. § 703; and

2.14.4.1.7 Making a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

2.14.4.2 Requirement for Individuals. If the Contractor is an individual, by signing the Contract, the Contractor agrees not to engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in the performance of the Contract.

2.14.4.3 Notification Requirement. The Contractor shall, within thirty (30) days after receiving notice from an employee of a conviction pursuant to 41 U.S.C. § 701(a)(1)(D)(ii) or 41 U.S.C. § 702(a)(1)(D)(ii):

2.14.4.3.1 Take appropriate personnel action against such employee up to and including termination; or

2.14.4.3.2 Require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency.

2.14.5 Conflict of Interest. The Contractor represents, warrants, and covenants that no relationship exists or will exist during the Contract period between the Contractor and the Agency that is a conflict of interest. No employee, officer, or agent of the Contractor or subcontractor shall participate in the selection or in the award or administration of a subcontract if a conflict of interest, real or apparent, exists. The provisions of Iowa Code chapter 68B shall apply to this Contract. The Contractor shall establish safeguards to prevent employees, consultants, or members of governing bodies from using their positions for purposes that are, or give the appearance of being, motivated by the desire for private gain for themselves or others with whom they have family, business, or other ties.

In the event the Contractor becomes aware of any circumstances that may create a conflict of interest the Contractor shall immediately take such actions to mitigate or eliminate the risk of harm caused by the conflict or appearance of conflict. The Contractor shall promptly, fully disclose and notify the Agency of any circumstances that may arise that may create a conflict of interest or an appearance of conflict of interest. Such notification shall be submitted to the Agency in writing within seven (7) Business Days after the conflict or appearance of conflict is discovered.

In the event the Agency determines that a conflict or appearance of a conflict exists, the Agency may take any action that the Agency determines is necessary to mitigate or eliminate the conflict or appearance of a conflict. Such actions may include, but are not limited to:

2.14.5.1 Exercising any and all rights and remedies under the Contract, up to and including terminating the Contract with or without cause; or

2.14.5.2 Directing the Contractor to implement a corrective action plan within a specified time frame to mitigate, remedy and/or eliminate the circumstances which constitute the conflict of interest or appearance of conflict of interest; or

2.14.5.3 Taking any other action the Agency determines is necessary and appropriate to ensure the integrity of the contractual relationship and the public interest.

The Contractor shall be liable for any excess costs to the Agency as a result of the conflict of interest.

2.14.6 Certification Regarding Sales and Use Tax. By executing this Contract, the Contractor certifies it is either (1) registered with the Iowa Department of Revenue, collects, and remits Iowa sales and use taxes as required by Iowa Code chapter 423; or (2) not a “retailer” or a “retailer maintaining a place of business in this state” as those terms are defined in Iowa Code § 423.1(42) and (43). The Contractor also acknowledges that the Agency may declare the Contract void if the above certification is false. The Contractor also understands that fraudulent certification may result in the Agency or its representative filing for damages for breach of contract.

2.14.7 Certification Regarding Iowa Code Chapter 8F. If the Contractor is or becomes subject to Iowa Code chapter 8F during the entire term of this Contract, which includes any extensions or renewals thereof, the Contractor shall comply with the following:

2.14.7.1 As a condition of entering into this Contract, the Contractor shall certify that it has the information

required by Iowa Code § 8F.3 available for inspection by the Agency and the Legislative Services Agency.

2.14.7.2 The Contractor agrees that it will provide the information described in this section to the Agency or the Legislative Services Agency upon request. The Contractor shall not impose a charge for making information available for inspection or providing information to the Agency or the Legislative Services Agency.

2.14.7.3 Pursuant to Iowa Code § 8F.4, the Contractor shall file an annual report with the Agency and the Legislative Services Agency within ten (10) months following the end of the Contractor's fiscal year (unless the exceptions provided in Iowa Code § 8F.4(1)(b) apply). The annual report shall contain:

2.14.7.3.1 Financial information relative to the expenditure of state and federal moneys for the prior year pursuant to this Contract. The financial information shall include but is not limited to budget and actual revenue and expenditure information for the year covered.

2.14.7.3.2 Financial information relating to all service contracts with the Agency during the preceding year, including the costs by category to provide the contracted services.

2.14.7.3.3 Reportable conditions in internal control or material noncompliance with provisions of laws, rules, regulations, or contractual agreements included in external audit reports of the Contractor covering the preceding year.

2.14.7.3.4 Corrective action taken or planned by the Contractor in response to reportable conditions in internal control or material noncompliance with laws, rules, regulations, or contractual agreements included in external audit reports covering the preceding year.

2.14.7.3.5 Any changes in the information submitted in accordance with Iowa Code §8F.3

2.14.7.3.6 A certification signed by an officer and director, two directors, or the sole proprietor of the Contractor, whichever is applicable, stating the annual report is accurate and the recipient entity is in full compliance with all laws, rules, regulations, and contractual agreements applicable to the recipient entity and the requirements of Iowa Code chapter 8F.

2.14.7.3.7 In addition, the Contractor shall comply with Iowa Code chapter 8F with respect to any subcontracts it enters into pursuant to this Contract. Any compliance documentation, including but not limited to certifications, received from subcontractors by the Contractor shall be forwarded to the Agency.

2.14.8 Reserved. (*Food and Nutrition Services Funded Contract*).

SECTION 3: SPECIAL CONTRACT ATTACHMENTS

The Special Contract Attachments in this section are a part of the Contract.

Attachment A. Software Technical Support

Technical Support for the Applicable Software.

For purposes of this Contract, "Technical Support" for the Applicable Software (where Contractor shall have granted to the Agency a fully paid up, non-exclusive license to use the object code version of such Applicable Software solely for its internal business purposes for a period not to exceed the Post Contract Transition Period) shall consist of providing Help Desk Support Services, Updates and Error Resolution Assistance. The Agency shall have the right to fulfill any of its duties and obligations set forth in this Section related to Technical Support either itself or through a successor contractor to Contractor, provided that the Agency has entered into a written agreement with such successor contractor containing terms substantially similar to those set forth in this Section 15.4 and provides written notice to Contractor as to the identity and named contacts for such successor contractor.

a) Help Desk Support Services

The Contractor shall provide the following help desk Support Services:

- Assistance with Applicable Software questions involving general usage, operation, and functionality.
- Error and bug reporting, analysis, isolation and identification.
- Information on current releases, Applicable Software compatibility, restrictions, enhancements, workarounds, and fixes.

Contractor Help Desk	
Item	Description
Help Desk Support Services	Contractor shall provide technical and end user Support Services by phone and email for the Software. The help desk supports functional, operational, Applicable Software, and Applicable Software-related issues, questions, and outages. The Agency agrees not to use the help desk for training.
Help Desk Availability	7:30am to 5:00p.m. Central Time, Monday through Friday with the exception of Contractor holidays or office closings.

b) Updates

The Contractor shall promptly make available to the Agency modifications, updates, error corrections, minor releases, major releases and all related documentation for the Applicable Software that the Contractor makes available to its other licensees of the Applicable Software who have purchased support for the Applicable Software (the "Updates"). The Agency shall make a good faith effort to implement Updates upon receipt. The Contractor will support the Agency in maintenance of the then-current major release and the immediately prior major release of the Applicable Software for a period of six (6) months after delivery of the then-current major release to the Agency but in no event longer than the end of the Post Contract Transition Period. In addition, the Contractor shall support periodic content code updates for the two (2) most recent major releases of the Applicable Software.

The Contractor is not responsible for making corrections due to the following reasons:

- 1) Problems resulting from misuse, improper use, or damage of the Applicable Software, to the extent caused by the Agency, provided that the Agency's actions were not directed by the Contractor or set forth in the documentation.
- 2) Problems caused by any modification made to the Applicable Software.
- 3) Problems resulting from software other than the Applicable Software supplied by the Contractor, or from failure of equipment or networks, provided, however, that this exception shall not apply to problems arising from or in connection with third-party software, hardware or equipment provided or suggested by the Contractor for use with the Software.
- 4) Problems resulting from the combination of the Applicable Software with any other software or equipment to the extent such combination has not been certified by the Contractor, or otherwise approved by Contractor.

c) Error Resolution Assistance

Subject to the limitations set forth in Section 1(b) above, the Contractor shall provide the following resolution assistance with respect to Errors affecting the Applicable Software during the Post Contract Transition Term ("Error Resolution Assistance"):

The Agency agrees to promptly notify the Contractor following the discovery of any Error. An "Error" is a failure of the Applicable Software to perform in accordance with the user documentation for that particular release. Further, upon discovery of an Error, and at the request of the Contractor, the Agency agrees to submit a listing of output and any other data that the Contractor may require in order to reproduce the Error and/or the operating conditions under which the Error occurred or was discovered. The Agency will provide, as requested, copies of databases, Error logs, network performance metrics, system and Applicable Software parameters and remote access to the Agency's network and databases to assist the Contractor in understanding Errors. The Agency will provide access to database administrators, network administrators, desktop administrators and system and/or Applicable Software administrators, as requested to help facilitate rapid resolution of implementation and support issues. The parties agree that the Contractor shall have no obligation to correct an Error if the Agency does not provide such information and support to the Contractor.

1) Reporting Errors

When the Agency provides a written report of a potential Error to the Contractor, such potential Error shall be classified by the Contractor as a Severity One, Severity Two, Severity Three, Severity Four or as not an Error and will respond and begin taking actions to correct such Error, as set forth below.

- a. Severity One (Critical). A Severity One Error is an Error occurring (a) after it is first used in production by the Agency (the "First Commercial Use") that causes the Applicable Software to fail to install or run and renders the Applicable Software unusable, or (b) an Error internal to the Applicable Software that compromises overall system integrity or data integrity when the Applicable Software is installed or operational (i.e., causing a system crash or loss or corruption of Data). The Contractor shall make reasonable efforts to respond to calls for a Severity One Error within one (1) business hour.
- b. Severity Two (High). A Severity Two Error is an Error occurring (a) after Agency's First Commercial Use in which a required program or feature of the Applicable Software is unusable, or (b) an Error internal to the Applicable Software causes a major loss of functionality (i.e., major options or features of the Applicable Software fail to function) for which there is no known workaround. The Contractor shall make reasonable efforts to respond to calls for a Severity Two Error within two (2) business hours.
- c. Severity Three (Medium). A Severity Three Error is an Error occurring (a) after the First Commercial Use in which an optional program or feature of the Applicable Software is unusable, or (b) an Error internal to the Applicable Software causes a minor loss of Applicable Software functionality (i.e., minor options or features of the Software fail to function) for which there may or may not be a known workaround. The Contractor shall make reasonable efforts respond to calls for a Severity Three Error within eight (8) business hours.
- d. Severity Four (Low). A Severity Four Error is a problem occurring after the First Commercial Use that has only a minor effect on functionality. The Contractor shall make reasonable efforts to respond to calls for a Severity Four Error within sixteen (16) business hours.

2) Severity One and Severity Two Errors.

If an Error is classified as a Severity One or a Severity Two Error, the Contractor will initiate work on developing an Error Correction and will use its commercially reasonable efforts to complete the Error Correction promptly after such Error is reported. Any such Error Correction may be provided through a temporary fix or work-around consisting of sufficient programming and/or operating

instructions to implement the Error Correction. Written reports shall include reports transmitted to the Contractor by electronic mail delivery; provided, that, email will only be utilized by the Agency to convey an Error report as a follow-up to a phone conversation held between the Agency and the Contractor for the purpose of orally reporting such Error. Prior to a written or oral report being submitted to the Contractor, the Agency will verify and record via the written report that the Agency has verified the following:

- a. The Applicable Software has been installed in complete accordance with the Contractor installation instructions and configuration requirements.
- b. The Agency's representative responsible for executing the production is skilled, at a reasonable level, to follow and execute the Contractor user instructions.
- c. The Agency has performed reasonable commercial diligence to ensure that the Error being reported is not due to the presence of, or the defect of, any third party software or components, licensed or otherwise which may be causing the Applicable Software provided by the Contractor to fail.
- d. The Agency has performed reasonable commercial diligence to ensure the Error being reported is not the result of any defect of the underlying platform or any of its components, licensed or otherwise, which may be causing the Applicable Software provided by the Contractor to fail.

Attachment B.

As part of the Contract agreement the Agency will provide the following to Contractor staff housed at the Iowa Medicaid Enterprise (IME) permanent facility:

- Cubicles with shelving/storage/desk lighting/desk tops/chairs
- Telephones and telephone service
- Standard DHS Desktop PC or Laptop with docking station
- Keyboard and mouse
- Software List
 - Microsoft Windows 7 Enterprise Operating System, or more current version
 - Adobe Acrobat Reader
 - Google Chrome or Microsoft Outlook
 - Microsoft Office 2010, or more current version
 - Excel
 - Outlook
 - PowerPoint
 - Word
 - PrimoPDF Creator
 - RightFax Utility Software
 - Roxio CD/DVD Creator Basic
- DHS Stationery and DHS Envelopes for IME correspondence
- Access to copiers including copy supplies, network printers, and Fax
- Postage and printing directly related to the Iowa Medicaid Program
- LAN/Internet Access
- DHS Standard Forms
- Access to storage
- Shredder Access
- Access to ICD-10 CM Coding Software
- Access to IME laptops for occasional use
- Access to Iowa Medicaid APG/DRG Grouper Software
- Access to the Iowa installation of the Hyland software OnBase for investigatory case management
- Access to the IME data warehouse using the query and reporting tools currently used by IME staff
- Access to IME training equipment
- Access to break rooms and conference rooms

Attachment C: Sample Report Monitoring Tool

Note: this sample is for illustrative purposes only.

Report	Frequency	Due Date	Copy Provided to	Contract Section
1.3.1.1 General Obligations				
Vendor Security Questionnaire	One-time			
Attestation of passed information security risk assessment.	Annually			
Attestation of passed network penetration scan				
Attestation of passed web application security scan				
Disaster Recovery and Business Continuity Plan	Annually			
Performance and Quality Assurance Report	Monthly			
1.3.1.2 Transition				
Project Work Plans	TBD			
Operational Readiness Checklist	One-time			
1.3.1.3 Surveillance and Utilization Review				
SUR Reports	Quarterly and Ad-hoc			
Provider Scoring Report	Quarterly			
1.3.1.3 Investigations				
ROI Report	TBD			
Performance Report	Annual			
1.3.1.3 Program Vulnerability Assessment				
Program Vulnerability Assessment	Annual			
1.3.1.3 Medical Necessity Reviews and Audits				
Medical Necessity Review Findings	TBD			
1.3.1.3 Provider Action Recovery and Referral				
Provider Fraudulent Action Report	Ongoing			

Attachment D: Sample Monthly Performance Reporting Tool

Note: this sample is for illustrative purposes only.

AUDIT AND INVESTIGATIONS

Cases Opened	Cases Completed	Performance Standard	Total Completed within timeframes	Standard Met (Y/N)
		Open a minimum of sixty (60) cases for provider reviews during each full quarter		
		All cases referred from the Agency must be opened within ten (10) business days		
		Within 90 days when all documentation required necessary to perform the review has been obtained		

REPORTING

Report due during the month	Due Date	Accepted by the Agency (Y/N)	Standard Met (Y/N)