

CONTRACT DECLARATIONS AND EXECUTION

RFP #	Contract #
N/A	MED-12-027

Title of Contract
Administrative Services for the Healthy and Well Kids in Iowa (<i>hawk-i</i>) Program

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:

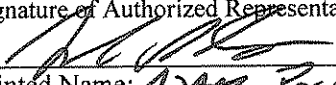

Agency of the State (hereafter "Agency")	
Name/Principal Address of Agency: Iowa Department of Human Services 1305 E. Walnut Des Moines, IA 50319	Agency Billing Contact Name / Address: Anna Ruggle 100 Army Post Road, Cube 547 Des Moines, IA 50315 Phone: (515) 974-3286
Agency Contract Manager (hereafter "Contract Manager") /Address ("Notice Address"): Anna Ruggle Iowa Medicaid Enterprise 100 Army Post Road, Cube 547 Des Moines, IA 50315	Agency Contract Owner (hereafter "Contract Owner") / Address: Jennifer Vermeer Iowa Medicaid Enterprise 100 Army Post Road Des Moines, IA 50315
E-Mail: aruggle@dhs.state.ia.us	E-Mail: jvermee@dhs.state.ia.us
Phone: (515) 974-3286	
Fax #: (515) 974-3298	

Contractor: (hereafter "Contractor")	
Legal Name: MAXIMUS Health Services, Inc.	Contractor's Principal Address: 11419 SUNSET HILLS RD RESTON, VA 20190
Tax ID #: 541000588	Organized under the laws of: State of IN
Contractor's Contract Manager Name/Address ("Notice Address"): Michael Lemberg MAXIMUS 625 Coolidge Drive, Suite 100 Folsom, CA 95630-7622	Contractor's Billing Contact Name/Address: Michael Lemberg MAXIMUS 625 Coolidge Drive, Suite 100 Folsom, CA 95630-7622
Phone: (916) 673-4014	Phone: (916) 673-4014
Fax #: N/A	
E-Mail: michaellemberg@maximus.com	

Contract Information	
Start Date: 01/01/12	End Date of Base Term of Contract: 06/30/15
Possible Extension(s): The Agency shall have the option to extend this Contract up to 2 additional 2-year extensions.	
Contractor a Business Associate? Yes	Contract Warranty Period (hereafter "Warranty Period"): The term of this Contract, including any extensions.
Contract Include Sharing SSA Data? No	Contract Payments include Federal Funds? Yes
Contractor subject to Iowa Code Chapter 8F? No	Contract Contingent on Approval of Another Agency: No
Contractor a Qualified Service Organization? Yes	

Contract Execution

This Contract consists of the above information, the attached General Terms for Services Contracts, Special Terms, 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, MAXIMUS Health Services, Inc.	Agency, Iowa Department of Human Services
Signature of Authorized Representative: 	Signature of Authorized Representative: 
Printed Name: <u>ADAM POUCHNICK</u>	Printed Name: Charles M. Palmer
Title: <u>VICE PRESIDENT</u>	Title: Director
Date: <u>12/09/11</u>	Date: <u>12-20-11</u>

SECTION 1: SPECIAL TERMS

1.1 Special Terms Definitions.

Application – means a paper or electronic form (from the *hawk-i* Web site), referrals from Medicaid and renewal Applications.

Centers for Medicare and Medicaid Services (CMS) – means the federal agency in the U.S. Department of Health and Human Services responsible for the administration of the Medicaid (Title XIX) and the Children's Health Insurance Program (CHIP).

Enrollee – means a child who has been certified as eligible for the *hawk-i* program in accordance with Code of Iowa Chapter 514I and the Iowa Administrative Code 441 Chapter 86.

Erroneous Payment(s) – means capitation payment(s) made to a Health and/or Dental Plan in error. This does not include Enrollee premium payments or any healthcare services paid by the Health and/or Dental Plan.

hawk-i - means the Healthy and Well Kids in Iowa program that provides health and dental care coverage for uninsured children of eligible families as authorized by Title XXI of the federal Social Security Act.

***hawk-i* Board** – means the seven-member board established by the Iowa General Assembly and appointed by the Governor to make policy for and provide direction to the Department for the administration of the *hawk-i* program.

Health and/or Dental Plan – means a licensed insurer authorized by the Iowa Division of Insurance to transact the business of health and/or dental services and who has contracted with the Department to provide services to children enrolled in the *hawk-i* program.

Medicaid – means the program that pays for medical assistance for certain individuals and families, as authorized by Title XIX of the Social Security Act.

PMPM – means the per member per month value that will be used to calculate increases in the Contractor's compensation in the event of contractually permitted increases.

Dental Only Program - means dental care coverage provided to a child who meets the eligibility requirements for the *hawk-i* program except that the child is covered by health insurance through an individual or group health plan

1.2 Contract Purpose.

The parties have entered into this Contract for the purpose of retaining the Contractor to determine eligibility and enrollment for the *hawk-i* health and dental program. This includes, but is not limited to, maintaining a customer service center, collecting premiums from *hawk-i* Enrollees, reporting of enrollment and other data.

1.3 Scope of Work.

1.3.1 Deliverables, Performance Measures, and Monitoring Activities.

The Contractor shall provide the following:

1.3.1.1 Customer Service

1.3.1.1.1 Customer Service Center

The customer service center will be the primary point of contact for most applicants, Enrollees, and other persons inquiring about the program. The customer service center must be located in the greater Des Moines, Iowa area. The Contractor shall place a high priority in ensuring that the customer service center is adequately staffed with professional, bi-lingual (minimum English and Spanish speaking), well-trained and courteous personnel who can respond quickly and accurately to callers, provide information, and gather demographic information about the caller when necessary. The Contractor shall ensure that all customer service representatives identify themselves by name when answering calls, treat callers with dignity and respect and ensure each caller's right to privacy and confidentiality.

1.3.1.1.2 Staffing Requirements

The Contractor shall employ and train a sufficient number of staff, including management, supervisory, quality assurance and support personnel, to maintain on-site customer service center operation, consistent with the requirements of this Contract. Customer service center staff shall have adequate work experience and expertise to perform all Contract requirements. Customer service center staff shall include at least one supervisor who is responsible for overseeing the functions of the customer service center. The Contractor shall provide an updated table of organization to the Agency by the 10th calendar day of each month following any staffing changes.

1.3.1.1.3 Hours of Operation

At a minimum, the customer service center shall be staffed five (5) days per week, Monday through Friday, excluding State holidays, from 8:00 a.m. to 7:00 p.m., CST. The State holidays are:

New Years Day
 Martin Luther King, Jr.'s Birthday
 Memorial Day
 July 4th
 Labor Day
 Veterans Day
 Thanksgiving
 Day after Thanksgiving
 Christmas Day

1.3.1.1.4 Toll-free Telephone Line

The Contractor shall be responsible for maintaining and operating a dedicated toll-free telephone line to provide general information about the *hawk-i* program and to assist applicants, Enrollees, and other callers as requested. The toll free number currently in use for the *hawk-i* program, 1-800-257-8563, shall continue to be used, is owned exclusively by the Agency and shall remain the property of the Agency. The Contractor shall be responsible for any fees or expenses associated with the transfer of the toll free number from the incumbent contractor to the Contractor and to the Agency upon termination of the Contract.

The Contractor shall immediately notify the Agency of any incident of telephone service downtime occurring during normal business hours as defined in Section 1.3.1.1.3 Hours of Operation. For downtime occurring outside normal business hours, the Contractor shall notify the Agency at the beginning of the next business day. Monthly status reports shall include the date, time, number of minutes of duration, cause and resolution of each downtime incident.

1.3.1.1.5 Telephone System Requirements

The telephone system shall be programmed to provide recorded directions on its use to callers in English and in Spanish. The telephone system shall also be capable of handling the anticipated volume of inbound and outbound calls.

1.3.1.1.6 TDD Capability

The telephone line shall have access for a telecommunication device for persons who are deaf or hearing impaired (TDD). The current TDD number of 1-888-422-2319 shall continue to be used, is owned exclusively by the Agency and shall remain the property of the Agency. The Contractor shall be responsible for any fees or expenses associated with the transfer of the toll-free number from the incumbent contractor to the Contractor and to the Agency upon termination of the Contract.

1.3.1.1.7 Translator Services

The telephone line shall have access to translator services when there is not a customer service representative available who speaks the caller's language. These requirements may be met through an arrangement with a contracted service such as AT&T Language Center. Translator services shall be

available during the customer service center's operating hours and shall be initiated via conference call capability so that callers will not have to hang up and redial in order to access these services.

1.3.1.1.8 Voice Mail

The telephone system shall have voice mailbox capability to ensure that callers have the ability to request Applications and leave messages with a specific customer service representative as necessary.

1.3.1.1.9 ACD System or Similar Telephone System

The Contractor shall use an automated call distributor ("ACD") system or similar telephone system on the toll-free customer services line. The Contractor shall ensure that the telephone system(s) has the ability to:

- Effectively manage all calls received by the ACD;
- Assign incoming calls to available customer service representatives; and
- Provide greeting and educational messages (in English and Spanish) approved by the Agency while callers are on hold. The Contractor shall develop the message for the Agency's approval. The Agency may request to have the messages changed one (1) time per month at no additional cost. Costs for more frequent message will be negotiated and mutually agreed to by the Agency and the Contractor.

At a minimum, the telephone system shall record and aggregate the:

- Number of incoming calls;
- Number of calls routed to the general voice mail box during operating hours;
- Number of calls routed to the voice mail box during hours when the customer service center is closed;
- Number of answered calls;
- Average number of calls answered;
- Average speed to answer after the call clears the ACD and is in queue;
- Average talk time;
- Number and percentage of calls answered in less than sixty (60) seconds;
- Number and percentage of calls placed on hold and the average length of wait times;
- Number and percentage of abandoned calls, length of time until each call is abandoned and the call abandonment rate; and
- Number of outbound calls made.

1.3.1.1.10 Telephone System Performance Measures and Monitoring

The Contractor shall submit a monthly call center activity report to the Agency by the 10th calendar day following the previous month for all items listed in Section 1.3.1.1.9. The Contractor shall:

- A. **Speed of answer:** For ninety-five (95) percent of the calls maintain an average speed of answer of less than sixty (60) seconds after the call clears the ACD and is in queue. The Agency may deduct from the monthly invoice payment an amount of one thousand dollars (\$1,000) per month for failing to maintain an average waiting time of less than sixty (60) seconds for ninety-five (95) percent of calls.
- B. **Call abandonment:** Maintain a call abandonment rate of five (5) percent or less. The Agency may deduct from the monthly invoice payment an amount of one thousand dollars (\$1,000) per month for failing to maintain a call abandonment rate of five (5) percent or less.
- C. **Voice mail messages:** Return ninety-eight (98) percent all voice mail messages left after normal business hours no later than 11:00 a.m. the next business day or at the time specified by the caller. For the workday following a state holiday, voice mail messages must be returned by 4:30 p.m. Central Time that day. The Agency may deduct from the monthly invoice payment an amount of one thousand dollars (\$1,000) per month for failing to return ninety-eight (98) percent of all voice mail messages no later than 11:00 a.m. the next business day or 4:30 p.m. the next day after a state holiday. This performance measure shall be considered met if one call is placed to the caller and a

message is left. The Contractor shall make a total of at least three (3) attempts to return all voice mail messages.

The amount of any deduction identified above is not recoverable.

1.3.1.1.11 Facsimile (FAX) Line

The Contractor shall maintain facsimile (FAX) lines that are available twenty-four (24) hours a day, seven (7) days per week. The numbers currently in use for the FAX lines, 515-457-7701 and 877-457-7701, shall continue to be used, are owned exclusively by the Agency and shall remain the property of the Agency. The Contractor shall be responsible for any fees or expenses associated with the transfer of the number from the incumbent contractor to the Contractor and to the Agency upon termination of the Contract.

The Contractor shall have sufficient FAX server capacity to receive all incoming documents, including but not limited to, Applications and supporting documents. The Contractor shall keep a log of all documentation received. The Contractor shall notify the Agency of any FAX related issues or concerns within one (1) business day of the reported issue or concern.

1.3.1.1.12 Maintain a Web Site

The Contractor shall maintain and update as necessary, or as directed by the Agency (e.g. design of the Web site), a Web site about the *hawk-i* program. The purpose of the Web site shall be to promote the availability of the program, educate the public regarding changes in policies, participating Health and Dental Plans, benefits and other events related to the program, and dissemination of statistical information.

The Web site shall, at a minimum, be accessible in English, Spanish, and other languages as determined by the Agency.

At a minimum, the Web site shall include the following:

- Web-based Application for completion online with an electronic signature;
- A Web-based renewal system with the ability for an electronic signature to be used;
- An Application and renewal form that can be downloaded and printed;
- A link through which schools may refer families whose children participate in the Free and Reduced Meals Program;
- General program information;
- Agendas and minutes of *hawk-i* Board meetings;
- Participating Health and Dental Plan information. This includes, but is not limited to, the services provided and the counties in which the various Health and Dental Plans are participating and links to participating Health and Dental Plan's Web sites;
- Demographic and statistical data as directed by the Agency;
- Other information and links as determined by the Agency, and
- A link for making electronic premium payments.

The current Web site address of www.hawk-i.org shall be maintained for the *hawk-i* program. The site content and Application programs and the Universal Resource Locator used by the Contractor for the programs are owned exclusively by the State and shall remain the property of the State. The Web site shall be registered on the most popular Web search engines. The Contractor shall use a contractor server hosting, with the Contractor functioning as Webmaster and Web host.

The Contractor shall review the Web site on at least an annual basis for the accuracy of the content and make necessary updates.

1.3.1.2 Application Processing and Eligibility Determination

1.3.1.2.1 Application Processing

The Contractor shall process all Applications, in accordance with Chapter 514I of the Code of Iowa, Iowa Administrative Code Section 441, Chapter 86, employees manual, and written policy clarifications provided by the Agency.

1.3.1.2.2 Receiving Applications

The Contractor shall have the capability to process initial Applications and renewals that are filed either in a paper or in an electronic format. This includes:

- Paper Applications filed directly with the Contractor;
- Electronic Applications filed directly with the Contractor via the Internet;
- Paper referrals from the local DHS office; and
- Electronic referrals from the local DHS office through the Agency's IABC eligibility system.

1.3.1.2.3 Date of Receipt

The Contractor shall date-stamp all paper Applications and renewals and record the date of receipt on Applications received electronically to document the date the Application was filed. The date of receipt is the date by which Application-processing standards are applied.

1.3.1.2.4 Tracking Applications

The Contractor shall track the receipt, status, and disposition of all Applications received. This includes the process for data entering paper Applications and renewals and the transfer of data from the electronic Application, renewal or referral into the Contractor's system.

At a minimum, the system shall have the ability to identify and track Applications and renewals by the following elements:

- Date received;
- Name of applicant and each person in the family;
- A unique case or family number;
- A unique identifier for each individual;
- Date referred to Medicaid; and
- Date received back from Medicaid.

Additionally, the Contractor shall track and retain information received initially or subsequently, either in paper, FAX, or electronic format. The Contractor shall identify duplicate and potentially duplicate Applications and have a procedure, approved by the Agency, for processing duplicate Applications. This includes Applications that have been referred to Medicaid as well as those that are being processed for *hawk-i* program eligibility. Refer to Section 1.3.1.9 System Requirements for additional requirements.

1.3.1.2.5 Application Assistance

The Contractor shall have a process in place by which Application assistance can be provided over the telephone. When a family needs assistance in completing an Application, the Contractor shall enter provided information into the system on behalf of the caller. A printed copy of the completed Application form shall be sent to the applicant for verification of the information and signature no later than the next business day. The Application shall be accompanied by a letter in the applicant's preferred language (English or Spanish) requesting any necessary verification with a postage-paid, business reply envelope.

1.3.1.2.6 Determining Eligibility and Enrollment

The Contractor is responsible for correct and timely eligibility determinations. Eligibility shall be determined in accordance with Chapter 514I of the Code of Iowa, Iowa Administrative Code Section 441, Chapter 86, and written policy clarifications provided by the Agency.

1.3.1.2.7 Screening for Medicaid Eligibility

The Contractor shall screen all Applications (excluding referrals from Medicaid) and renewals for potential Medicaid eligibility within twenty-four (24) hours of receipt. The screening includes conducting a match of all applicants to the Medicaid eligibility file in order to identify any applicants who are currently covered under the state's Medicaid program and performing a cursory Medicaid

eligibility determination based on the information provided on the Application. The elements considered in the screening shall include, but may not be limited to:

- Household size
- Income
- Child care costs
- Child support paid

All Applications and renewals that appear to be Medicaid eligible based on the information provided on the Application shall be referred to the Agency. The Contractor shall develop a work queue or another process, as approved by the Agency to refer the original Application or renewal to the Agency. The Contractor shall keep a daily log of Applications and renewals sent to the Agency and track the disposition of referred Applications in accordance with the provisions of Section 1.3.1.2.4 Tracking Applications. Refer to Section 1.3.1.9.6 Medicaid Screening for additional system requirements.

1.3.1.2.8 Citizenship and Identity. The Contractor shall submit a file that includes the names of applicants, their social security number and date of birth to the Agency from the previous working day Monday through Friday. The Agency will send this file to the Social Security Administration (SSA) for a matching process to verify citizenship and identity. The Agency will return a file to the Contractor listing the matches and non-matches with SSA. If a non-match occurs, the Contractor shall research the reason and take appropriate actions as set forth by the Agency. When a non-match occurs, the Contractor shall check with the Agency before a granting a ninety (90)-day reasonable opportunity period. At the time, citizenship and identification are verified, the Contractor shall send a file to the Agency with citizenship and identification codes.

1.3.1.2.10 Time Frame for Establishing Eligibility

An eligibility determination shall be made as soon as possible and within ten (10) business days from the date of receipt of the complete Application or the date of receipt of all information necessary to establish eligibility.

When the *hawk-i* Application or renewal is referred to the Agency for a Medicaid eligibility determination and Medicaid eligibility is denied, the Contractor shall determine *hawk-i* eligibility as soon as possible and no later than ten (10) business days from the date of the notice of the Medicaid denial.

Performance Measure: The Agency may deduct from the monthly invoice an amount of two thousand dollars (\$2,000) per month for failing to process at least ninety-seven (97) percent of all Applications and renewals in established timeframes. This deduction is not recoverable.

1.3.1.2.11 Requesting Additional Information

The Contractor shall review the Application (including referrals from Medicaid) or renewal for completeness and the presence of required verification. Additional information necessary to establish eligibility shall be requested in writing as soon as possible and within three (3) business days of receiving the Application. The request shall be made in the applicant's preferred language (English or Spanish) as identified on the Application form or renewal. Every attempt shall be made to identify all additional information needed so that all additional information known at the time of the request can be requested in the same letter. For example, if an Application is missing both a signature and proof of income, the letter requesting the additional information needed, shall include both items. The letter should clearly state what information is needed (e.g. the applicant needs to send other pay stub listing the date of the pay stub needed, proof of unearned income, citizen status, etc.).

1.3.1.2.12 Full *hawk-i* Coverage or Dental Only Coverage

The Contractor shall review the Application to determine if the applicant is applying for *hawk-i* health and dental coverage or dental only coverage. If the applicant is eligible for *hawk-i* then the applicant shall be enrolled in the appropriate coverage. If an applicant is applying for *hawk-i* health and dental coverage, is found to be eligible for *hawk-i*, but has other health insurance coverage, the Contractor

shall send a notice stating cancellation of insurance is needed. If the Contractor has not received the cancellation of insurance by the due date, the applicant shall be enrolled for dental only coverage.

1.3.1.2.13 Documenting the Eligibility Decision

The Contractor shall fully document the basis of the eligibility decision. Documentation may be retained in either electronic or paper format and shall be readable and easily retrievable. If retained electronically, documents shall be easily reproducible in a paper format when requested.

Documentation must be sufficiently detailed to allow supervisors, quality control reviewers, auditors, state staff or others to easily follow and recreate the basis for the eligibility decision. Documentation shall include, but not be limited to, the Application, correspondence, notices of decision, specific income documents used in the eligibility decision, documentation of alien status, proof of insurance cancellation, if applicable, verification of citizenship and identity if required, etc. If necessary, documentation shall include the calculations and the rationale for accepting one type of verification in lieu of another. For example, if current business records more accurately reflect self-employment income than the previous year's tax records, the file shall be documented to include the justification for using the business records. Documents that are not germane to the eligibility decision (e.g. extra pay stubs, etc.) do not have to be retained.

Original documents submitted as verification shall be copied or scanned and the copies retained in the paper case record or electronic file. Original documents shall be returned to the applicant. Refer to Section 1.3.1.8 Mailroom and Postage for additional information.

All phone calls shall be documented in the case file. Documentation should identify the date of the call, who called, the purpose of the call and the response given. Abbreviations that have been approved by the Contractor and the Agency may be used in the documentation.

1.3.1.2.14 Notices of Decision and Correspondence

The Contractor shall provide timely and adequate approval, denial and cancellation notices explaining the action being taken in regard to an Application or an existing enrollment. Timely and adequate notice means mailing the notice within one business day of approving, denying or canceling the case. All notices shall include the effective date of the action taken. Cancellation letters must be sent at least ten (10) calendar days prior to the cancellation date. The Agency shall approve, in writing, all form letters, notices of decision, forms or other correspondence that is sent to applicants and Enrollees. All notices and correspondence shall be written at a sixth-to-eighth grade literacy level. At a minimum, all notices and correspondence shall be available in plain English and Spanish. Correspondence in the appropriate language shall be sent based on the language preference indicated by the family. The Contractor and the Agency shall review all notices and correspondence on an annual basis.

1.3.1.2.15 Enrollment

The Contractor shall provide information, approved by the Agency, about participating Health and Dental Plans to families of children that have been determined eligible and, if necessary, assist the family in the selection of a Health and/or Dental Plan. If an Enrollee lives in a county where there is more than one participating Health Plan or Dental Plan and the Enrollee does not choose a Health Plan or Dental Plan, the Contractor shall randomly assign the Enrollee to a Health and Dental Plan.

The Contractor shall establish the effective date of coverage and electronically notify the selected Health and Dental Plan of the enrollment in the 834 HIPAA compliant formats that has been mutually agreed upon by the Agency and the Health and Dental Plans. There will be two 834 files that are sent to the Health and Dental Plans.

1. Daily 834 file. The daily 834 enrollment file shall serve two purposes as listed below:

- a. Shall notify the Health or Dental Plan of new enrollments that shall include the language preference of the family, demographic information about the Enrollee, the effective date of coverage and a marker indicating that the Enrollee's poverty level is equal to or greater than one hundred fifty (150) percent of the FPL.

- b. Shall notify the Health or Dental plan of any changes with a *hawk-i* Enrollee. This shall include demographic changes such as address changes, name changes, corrected date of birth, etc. The file shall also include any disenrollments from the program.
2. Monthly 834 file. The monthly 834 file shall be sent on the last working day of the month and shall include *hawk-i* enrollees who are enrolled for the next month.

The Contractor shall have the capability to transmit and receive files electronically over a secured line in the system mode (example: VPN, FTP, bulletin board) that accommodates the Health and Dental Plans' software and system design. The Health and Dental Plan will send the Contractor a 997 functional acknowledgment.

The Contractor shall notify the Health and Dental Plans when the number of Enrollees who speak the same, non-English language, as identified by the "Language Preference" field on the *hawk-i* Application, is equal to or greater than ten (10) percent of the total number of Enrollees in the Health and/or Dental Plan.

1.3.1.2.16 Welcome Calls

The Contractor shall perform welcome calls to new Enrollees. The purpose of the welcome call is to ensure that the Enrollee has received their approval notice, answer any questions, and remind the family that they will have to renew at the end of the enrollment period, etc. The Contractor shall make two (2) telephone attempts on different days to reach the Enrollee (or family). The Agency shall review and approve the Contractor's process for conducting welcome calls.

The Contractor shall create a monthly report that shows the number of welcome calls made within the month, the number of calls attempted, and the age of the calls in a format agreed upon by both parties. The report is due to the Agency by the tenth (10th) calendar day of the month following the month of the data in the report.

1.3.1.2.17 Case Maintenance

Once eligibility is established, the Contractor is responsible for determining the ongoing eligibility of the Enrollee and for providing information and customer service to the Enrollee as appropriate.

1.3.1.2.18 Daily Medicaid Match

The Contractor shall perform a match between the *hawk-i* enrollment file and the Medicaid enrollment file on a daily basis to identify Enrollees who have attained Medicaid eligibility. If a match is found, the Enrollee shall be disenrolled from the program in accordance with the rules of the Agency. The Agency shall provide the Contractor with the Medicaid enrollment file.

1.3.1.2.19 Daily Insurance Data Match

The Contractor shall send a file of all *hawk-i* applicants (including Medicaid referrals) to the Agency or the Agency's designee on a daily basis. Both parties shall agree upon the data and format of the file. The Agency or the designee shall perform a data match with other insurance carriers to determine if the applicant is covered under another health insurance plan. The Agency or designee will return the file within two (2) working days with the results of the match. If a match is present, the Contractor shall send a notice to the *hawk-i* applicant asking for the status of the identified health insurance coverage (policy has lapsed, been cancelled, ending, still active, geographic access does not exist, etc.).

1.3.1.2.20 Quarterly Insurance Data Match

The Contractor shall send a quarterly enrollment file to the Agency or the Agency's designee to determine if the *hawk-i* Enrollee has other health insurance. Both parties shall agree upon the data and format of the file. The Agency or designee will return the file indicating the results of the match. If a match is found, the *hawk-i* Enrollee shall be disenrolled from the program, according to the rules of the Agency.

1.3.1.2.21 Acting on Changes

Once eligibility is established, the Contractor shall be responsible for acting on changes reported by the family or on other information that is known to the Contractor that may affect the Enrollee's eligibility

or benefits in accordance with the rules of the Agency. Reported address changes shall be acted upon within one (1) business day of the reported change. All other changes shall be acted on as soon as possible and within five (5) business days of the report of the change or the date verification of the change is received. Such changes may include, but are not limited to:

- A new child enters the home;
- A decrease in family income that affects the premium obligation; or
- The Enrollee becomes insured.

The Contractor shall obtain any additional information or verification, as appropriate, before acting on the change and shall notify the family of the impact of the change according to the rules of the Agency. All changes shall be thoroughly documented in the paper or electronic file. Additionally, the Contractor shall confirm the Enrollee's address and phone number any time the family calls the customer service center to keep the address on the eligibility file up-to-date.

1.3.1.2.22 Annual Renewals of Eligibility

The Contractor shall perform eligibility reviews on every case at least every twelve (12) months as follows. Month one (1) shall be the first month in which health care coverage is provided.

- One (1) week prior to the date on which the renewal form is scheduled to be mailed, the Contractor shall mail a postcard to the family reminding them to watch the mail for their renewal Application form.
- Sixty (60) days prior to the end of the twelve (12)-month enrollment period, an automated renewal notification and an Application form preprinted with information contained in the Contractor's data system about the household (i.e. name, address, members, etc.) shall be sent to the family.
- If the renewal Application form has not been received within fifteen (15) days from the date the renewal notification was sent (45 days prior to the end of the twelve (12)-month enrollment period), a reminder notice shall be sent to the family.
- If the renewal Application form has not been received within thirty (30) days from the end of the twelve (12)-month enrollment periods, at least two (2) attempts shall be made by telephone to remind the family of the renewal.
- If the renewal Application form has not been received within ten (10) calendar days from the end of the twelve (12)-month enrollment period, a cancellation notice shall be sent to the family.
- If the renewal Application form has not been received by the last day of the last month of the twelve (12)-month enrollment periods, the Enrollee shall be disenrolled and a disenrollment notice is sent.

The time frames for requesting additional information and making a determination are the same as processing an initial Application.

1.3.1.2.23 Medicaid Referrals from Presumptive Eligibility Applications. The Contractor shall submit a daily file to the Agency of the final determinations (approved or denied) of the Medicaid Referrals from presumptive eligibility applications that were processed on the previous working day.

1.3.1.3 Eligibility Review Accuracy

1.3.1.3.1 Payment Error Rate Measurement (PERM)

The Payment Error Rate Measurement (PERM) is an evaluation of eligibility determinations and capitation payments made as required by the federal regulations. The Contractor shall send files of Applications, denied Applications, and ongoing cases in a format as specified by the Agency or the Agency's designee. The Contractor shall also cooperate and provide necessary files to the Agency or the Agency's designee which may include access to the Contractor's system. The Agency shall notify the Contractor of the dates and time periods for the PERM evaluation.

1.3.1.3.2 Monthly Sample of Reviews

The Contractor shall send files of Applications, denied Applications, and ongoing cases to the Agency by the fifth (5th) working day of the month. The Agency shall select a random sample of approved and denied Applications (including renewals), disenrollments and ongoing cases for review. The total number of reviews completed shall be sixty (60) cases per month for a total of 360 cases per six (6)-month period. The Agency shall select fifteen (15) cases from the sample for which the Contractor shall conduct eligibility reviews. The Agency will conduct eligibility reviews on the remaining forty-five (45) from the sample. The six (6)-month periods are January through June and July through December.

1.3.1.3.3 Contractor Reviews

The Contractor shall use the *hawk-i* Case Review Form (Attachment 3.1) for each of the fifteen (15) cases reviewed to reflect the findings of the eligibility review. The Contractor shall complete the *hawk-i* Case Review Monthly Tally Sheet (Attachment 3.2). Copies of all *hawk-i* Case Review Forms and the *hawk-i* Case Review Monthly Tally Sheet shall be provided to the Agency either electronically or in paper by the tenth (10th) of each month for the previous month's reviews. The findings of the eligibility review shall be documented in the case record. All errors as defined below shall also include the corrective action taken.

1.3.1.3.4 Definition of Error

An error is not assessed against the Contractor in situations where the Contractor correctly relied on information provided by the applicant or the State.

1.3.1.3.4.1 Procedural Error

A procedural error is defined as a deficiency in any aspect of processing an Application or ongoing case maintenance that is not consistent with the rules and policies of the program. Procedural errors include, but are not limited to, not meeting timely notice requirements, incorrect income calculations that do not affect eligibility of the enrollee, inadequate documentation, etc.

1.3.1.3.4.2 Financial Error

A financial error is defined as an action, or lack of action, by the Contractor that results in an ineligible person receiving *hawk-i* benefits in error or not being assessed a premium when one is owed.

1.3.1.3.4.3 Error Rate Determination

Each review element listed on the *hawk-i* Case Review Form (Attachment 3.1) is assigned points. Each case reviewed will have a maximum of one hundred (100) points. An error cited in the review will result in the loss of the points assigned to the review element. At the end of each case review, the total points scored for the case shall be recorded. The *hawk-i* Case Review Monthly Tally Sheet (Attachment 3.2) shall include the summary for the cases reviewed during that month. The error rate will be determined by dividing the total number of points scored for all case reviews during the six (6)-month period by the total points possible for the same cases.

1.3.1.3.5 Agency Reviews of Eligibility Determination

The Agency shall re-review twenty-five (25) percent of the fifteen (15) cases reviewed monthly by the Contractor. If the Agency identifies a case in error that was previously determined correct in a review by the Contractor, the Contractor shall owe the Agency twice the amount of any financial error. If the error is a procedural error, the total number of points in error shall be doubled.

1.3.1.3.6 Discussion of Review Results

The Contractor and the Agency shall meet on a monthly basis to discuss the review results. The Contractor shall be given the opportunity to rebut the findings on any cases where an error was found and provide any additional information demonstrating the Contractor's actions were correct. For reviews with a founded financial error, the Contractor shall deduct the amount of the financial error from the monthly operation invoice the month following the month in which the meeting to discuss the review results was held.

1.3.1.3.7 Eligibility Review Performance Measures

The Contractor shall maintain an error rate of three (3) percent or less based on the results of the three hundred sixty (360) eligibility reviews and re-reviews conducted during the six (6)-month period.

For financial errors from any of the reviews, (i.e. PERM, the Contractor or the Agency), the Contractor shall repay the Agency the amount of any benefits paid in error and the amount of any uncollected premiums as stated in Sections 1.3.1.3.6 and 1.3.1.14.1.1.

Additionally, the Agency may deduct five thousand dollars (\$5,000) for failing to maintain an error rate of three (3) percent or less from the monthly operations fee. The deduction shall be made to the monthly operations fee payment for the month following the receipt of the six (6)-month review report.

The amount of any deduction is not recoverable.

1.3.1.3.8 Other Eligibility Reviews

The Contractor may elect to conduct additional reviews as a part of their quality management process.

1.3.1.4 Enrollment Files

The Contractor shall transmit enrollment files to the Agency or the Agency's designees on a schedule agreed upon by all parties.

1.3.1.5 Premium Collection, Capitation Payment and Accounting

1.3.1.5.1 Collection and Accounting of Premium Payments

The Contractor shall be responsible for collecting monthly premiums from the family in accordance with the rules of the Agency. The Contractor shall notify the family, in writing, of their premium obligation when eligibility is established. No premium is assessed to families until the second (2nd) month after the month in which *hawk-i* eligibility has been determined. (For example, a family is determined eligible for *hawk-i* in March, no premium would be required until May for June coverage).

The Contractor shall mail invoices with postage-paid business reply envelopes on a monthly basis beginning with the third month of the eligibility period for new Enrollees and continuously for renewed Enrollees. The payments can be sent through the mail into a bank lockbox or be paid electronically through a link on the *hawk-i* website.

The Contractor shall:

- Establish an accounting system using general accepted accounting principles by which payments will be tracked, recorded and reconciled. The accounting system shall be designed to accept and post payments made for future months, make refund and non-sufficient fund adjustments. If the family pays premiums in advance and subsequently loses eligibility, the Contractor shall develop a process by which refunds and refund reversals will be made to the family and tracked in the accounting system. The Agency shall approve the refund and refund reversal process. Refer to Section 1.3.1.9 for additional system requirements pertaining to premiums.
- Establish a triplicate receipt system to handle cash premium payments.
- Balance and reconcile the State-owned bank account.
- Prepare financial statements on a monthly basis in a format specified by the Agency and submit these statements to the Agency on a monthly basis by the 10th day of the following month.

1.3.1.5.2 Capitation Payments to Health and Dental Plans

The Contractor shall certify the number of Enrollees to establish and confirm the total capitation payment to be paid to participating Health and Dental Plans each month. The Contractor shall electronically transmit this data to the Health and Dental Plans in an 820 HIPAA compliant format. The Contractor shall have the capability to transmit and receive files electronically over a secured line in the system mode (example: VPN, FTP, bulletin board) that accommodates the Health and Dental Plans' software and system design. The Health and Dental Plan will send the Contractor a 997 functional acknowledgment.

The Contractor shall also create a paper and electronic report on the last business day of each month listing all Enrollees, the capitation amount to be paid for each month or months of coverage, and the name of the Health and Dental Plan. The report shall identify each Enrollee for whom payment is to be made alphabetically by last name and participant identification number for each Health and Dental Plan. The Contractor shall submit the report to the Agency no later than the first business day of the next month. The Agency shall use the report to issue the payment to the Health and Dental Plans.

1.3.1.6 Appeals and Overpayments

1.3.1.6.1 Appeals

The Contractor shall provide notice of appeal rights in all appropriate correspondence as determined by the Agency to applicants and Enrollees. The Contractor shall assure compliance with all timeframes, including the Enrollee's right to request continuing eligibility in the program while the appeal determination is pending when applicable.

The Contractor shall maintain all business records of written and oral contacts with applicants, Enrollees, and their representatives in a manner that will enable such records to be introduced as evidence. The Contractor shall respond directly to an Enrollee's authorized representative or other third party for whom there is a signed authorization on file with the Contractor.

The Contractor shall prepare and present evidence on behalf of the Agency in contested case appeal hearings for the *hawk-i* program as established by administrative rules or any other training materials provided by the Agency. The Contractor shall supply necessary case files and documentation in the appeal process. The Agency shall provide or make available to the Contractor training courses conducted by the Agency on the appeal process.

In the event, an appeal is over-turned on a decision (i.e. the decision is against the Agency) because the Contractor failed to appear for the appeal hearing, the Agency may withhold the value of the appeal from the monthly operations fee following the month the final decision was rendered. This amount is not recoverable.

1.3.1.6.2 Overpayment Referrals to the Agency of Inspections and Appeals (DIA)

If it is determined that an Enrollee received benefits to which the Enrollee was not entitled due to error, omission or suspected fraud on the part of the Enrollee, the Contractor shall be responsible for identifying the month(s) of ineligibility and the total amount of the capitation payment made in error on behalf of the Enrollee. The Contractor shall complete the appropriate forms and send them electronically to the Department of Inspections and Appeals (DIA) within thirty (30) days of the determination so DIA may review the case. Copies of the referral documents shall be retained in the case record, along with documentation of how the overpayment was calculated.

1.3.1.7 Surveys

1.3.1.7.1 Enrollee Satisfaction Survey

1.3.1.7.1.1 Development. The Contractor shall develop a *hawk-i* enrollee satisfaction survey. The survey shall be approved by the Agency before distribution and be available in paper and on the *hawk-i* website.

1.3.1.7.1.2 Distribution. Paper surveys shall be included in the welcome packet sent to Enrollees.

1.3.1.7.1.3 Recording of Survey Responses. The Contractor shall record survey responses, including any written comments, within three (3) working days from the receipt of the survey in a format that can be used for analysis. The Contractor shall call the Enrollee or the Enrollee's family within three (3) working days from the receipt of the survey for any comments that request a call or identifies an issue that needs resolution.

1.3.1.7.1.4 Reporting and Analysis of Results. The Contractor shall report the results of the surveys to the Agency monthly. The results shall include, but not be limited to, the number

of surveys received, the number of each response and any written comments for the previous month.

The Agency shall also do an analysis of survey responses quarterly. The analysis shall include but not be limited to, a summary of the previous quarter results, identify any issues or trends found and recommended actions in a format agreed upon by both parties. This shall be presented at the second meeting with the Agency after the end of the state fiscal quarter (March 31st, June 30th, September 30th and December 31st).

1.3.1.7.2 Disenrollment Survey

1.3.1.7.2.1 Development. The Contractor shall develop a disenrollment survey for *hawk-i* Enrollees who have been disenrolled from the program. The survey shall be approved by the Agency before distribution. The survey shall be available in paper and online at the *hawk-i* website.

1.3.1.7.2.2 Distribution. Paper surveys shall be sent to all *hawk-i* Enrollees who have been disenrolled from the program for any reason. The Contractor shall enclose a postage-paid envelope for the return of the paper survey. The paper survey shall also include language that the survey can be complete online at the *hawk-i* website.

1.3.1.7.2.3 Recording of Survey Responses. The Contractor shall record the survey responses, including any written comments within three (3) working days from the receipt of the survey, in a format that can be used for analysis. The Contractor shall call the Enrollee or the Enrollee's family within three (3) working days from the receipt of the survey, for any comments that request a call or identifies an issue that needs resolution.

1.3.1.7.2.4 Reporting and Analysis of Results. The Contractor shall report the results of the surveys to the Agency monthly. The results shall include, but not be limited to, the number of surveys received, the number of each response and any written comments for the previous month.

The Agency shall also do an analysis of survey responses quarterly. The analysis shall include but not be limited to, a summary of the previous quarter results, identify any issues or trends found and recommended actions in a format agreed upon by both parties. This shall be presented at the second meeting with the Agency after the end of the state fiscal quarter (March 31st, June 30th, September 30th and December 31st).

1.3.1.8 Mail and Postage

The mailroom plays a critical role in the receipt, issuance and tracking of correspondence. The Contractor shall ensure that a process is in place by which mail is accurately tracked and distributed timely, original documents are copied or scanned, and returned to the sender timely, and requests for Applications or other information are responded to timely.

1.3.1.8.1 Dissemination of Information

The Contractor shall distribute outreach materials, Application forms, or other materials developed and produced by the Agency to any organization or individual making a request of the Contractor for such materials. Generally, requests for quantities of Applications and other printed material are made directly to Iowa Prison Industries for dissemination. However, the Contractor shall be responsible for filling any requests made directly to the Contractor for orders of less than ten (10) items and for forwarding requests for larger quantities to Iowa Prison Industries.

1.3.1.8.2 Free and Reduced Meals

The Contractor shall be responsible for maintaining a Website link for receiving free and reduced meal participant lists submitted by Iowa schools. The Website link shall include instructional information and a spreadsheet for the schools to submit the lists. On a monthly basis beginning in October through February of each Contract year, the Contractor shall send a list of all participants from all schools received during the prior month to the Agency in a format agreed upon by the Contractor and the

Agency. The Agency will then send program information the families of children identified through this method. The Contractor shall send a report to the Agency listing the number of children who applied for *hawk-i* and those who became enrolled in the program due to this activity.

1.3.1.8.2 Incoming Mail

The Contractor shall ensure:

- That all incoming mail, including faxes, are opened and date stamped daily with an identifiable stamp;
- That all incoming mail, including faxes, is distributed at least once daily to appropriate staff;
- Original documents received are copied or scanned and the originals returned to the sender within two (2) business days from date of receipt, prior to distribution. The Contractor shall ensure that copied and scanned documents are complete and legible (e.g. both sides of a two-sided document, all pages, etc.)

1.3.1.8.3 Outgoing Mail

The Contractor shall ensure that all requests for Applications or other program information are mailed within one (1) business day of the request. This includes requests made verbally via the telephone system, in writing via U.S. mail or online via the *hawk-i* Web site.

1.3.1.8.4 Postage

The Contractor shall track, document and invoice for submission to the Agency, on a monthly basis, all postage costs incurred for all materials for which the Contractor is responsible for dissemination, as defined in this Contract, including the cost for the mailing of monthly premium invoices.

1.3.1.8.5 Courier Service

The Contractor shall utilize the courier service furnished by the Agency for processing the mail.

1.3.1.8.6 Returned Mail

The Contractor shall:

- Receive and process all undelivered mail daily.
- Update the mailing address and resend the mail within one (one) business day when the U.S. Postal Service provides a forwarding address.
- Make two (2) attempts to contact the addressee at the telephone number on file in order to obtain an updated address if the U.S. Postal Service does not provide a forwarding address.
- Document the eligibility file within two (2) business days indicating that mail had been returned as undeliverable, the type of document that was returned, the efforts taken to obtain an updated mailing address, and the date the material was resent if applicable.
- Continue to mail outgoing correspondence to the address on file while researching the new address.

1.3.1.8.7 Tracking of Mail

The Contractor shall:

- Maintain and utilize an incoming mail log that tracks the type of mail, date received, and the disposition of such mail (e.g. what happened to returned mail).
- Develop and utilize an outgoing mail log that tracks the type of mail to include, but not limited to, Applications and other materials, and date mailed.
- Develop and maintain a returned Application log that contains complete information specifying the reason(s) an Application was returned to the applicant.

1.3.1.9 System Requirements

1.3.1.9.1 Database

The Contractor shall collect data and maintain a reporting system that meets both state and federal requirements. Data processing requirements shall include, but may not be limited to:

- a. Case number. A unique case number shall be assigned to each eligible group. The case number shall be used for tracking and identification purposes. While members of a family or eligible group may change, the case number shall remain the same. If some members of a family leave the

original eligible group and become eligible as a separate family unit, a new case number shall be assigned to the new group.

It is possible to have more than one case number within a household. This would occur in situations where eligible children from one family live with another eligible family. For example, an eligible child resides with a parent and uncle and their eligible children. In this case, each eligible unit shall be assigned a unique case number even though the head of the household is the same on both cases.

Example:

Mr. and Mrs. Jones have 4 children:

Tom, age 10

Alison, age 13

Michael, age 17

Rachel, age 18

The Jones' apply for *hawk-i* and are assigned a case number of 123456-00. Rachel loses eligibility for *hawk-i* on her nineteenth birthday and is cancelled from the program. Two years later, Rachel (now 20 years old), applies for *hawk-i* for her one-year-old child. A new case number shall be assigned to the new family unit. The historical data for Rachel shall reflect her eligibility on the original case as a child and her current status as a parent on her child's case.

- b. Head of household. Each case shall be filed by the name of the person identified as the head of the household on the Application. This shall include the person's first and last name, middle initial, and title (Jr., Sr., etc.), if any. The head of the household may be either parent or another person who is responsible for the child. If the child is an independent living situation (i.e. an 18-year-old living on their own), the child may be the head of the household. All correspondence shall be directed to the head of the household.
- c. Demographics:
 - First, middle initial and last names of people living in the household and their relationship to the head of household
 - Social security number (required except in cases of religious reasons)
 - Date of birth
 - Citizenship verification indicator
 - Identification verification indicator
 - Mailing address
 - Residence address
 - Telephone number
 - County code
 - Gender
 - Race and Ethnicity
 - Poverty level
 - Spoken language indicator
 - Pregnancy indicator
- d. Status and eligibility information. The system shall capture and store unique program status and eligibility information for each case including, at a minimum, the following program status requirements:
- e. Current and all historical begin and end dates of eligibility;
- f. Current and all historical eligibility determinations (including but not limited to, the sources used to determine eligibility);
- g. Current and all historical data of all Enrollee and Case related financial accounts on cost sharing;

- h. Current and all historical data on Health and Dental Plan enrollment and capitation financial accounts
- i. Individual information. The system shall support the collection, maintenance, and storage of individual Enrollee data. Each Enrollee shall be assigned a unique identification number. This identification number shall remain with the Enrollee regardless of the case number.

The Contractor shall ensure that the system, at a minimum, supports the following individual data collection requirements:

For example:

Matthew and Jane Brown apply for *hawk-i* coverage for their son, Jacob Brown. The case is assigned number 98321. Jacob is assigned a unique identification number of H18745. The Browns get a divorce and Jacob now lives with his mother who has remarried. Mother and stepfather, the Andersons, apply for Jacob. The case number for the Anderson family is 85479. Jacob's identification number remains the same, H18745. The system will reflect that Jacob is inactive on case 98321 and active on case number 85479.

- Collects, maintains, and stores individual demographic and income data required to determine eligibility for *hawk-i*;
 - Accepts Enrollee information input in online and in batch form; captures, stores and maintains required data elements in formats that adhere to the requirements developed for a Agency-wide or state government-wide database (e.g., names, address(es), and telephone number(s), income, etc.
 - Stores and maintains complete records for both active and inactive Enrollees, with inactive records systematically archived on an electronic file according to defined schedules and criteria defined by the Agency. Data shall be stored online for thirty-six (36) months. Files may be archived and shall be kept for a minimum of seven (7) years. If the term of the Contract expires before seven (7) years, the data shall be turned over to the Agency. Stored data files will be presented to the Agency electronically, or on paper.
- j. Maintain data files that are compatible to the Agency's and the Health and Dental Plans' data files. The data system shall be accessible to the Agency. The Contractor shall pay the cost of any hardware, software, and license required to allow the Agency's access. The Contractor shall provide adequate training to the Agency to use the system.
 - k. A record of all customer complaints, including specific concerns and questions, and any answers, information, or actions taken by the Contractor staff in response.
 - l. A record of all customer inquiries, including specific questions and any answers, information, or actions taken by Contractor staff in response.
 - m. Record online notice history in descending chronological order with the capability to recreate notices exactly as they were originally printed and in English, even if originally printed in another language.
 - n. A record of all entries and adjustments made to Enrollee or Case financial records.

1.3.1.9.2 Integrated System

The program data systems shall support fully integrated eligibility, enrollment and financial/accounting systems. Refer to Section 1.1.3.2.4 Tracking Applications for requirements regarding Application tracking. The Contractor shall establish and maintain an eligibility determination record for each Application for the initial determination and for each subsequent determination for additional eligibility periods. The eligibility determination record shall show the exact calculations used to determine eligibility and shall be a permanent record for auditing purposes. The system shall allow case records to be readily printed in an easy to read format for use as requested by the Agency.

1.3.1.9.3 Premium Payment Collection

The Contractor shall establish and maintain an Enrollee payment accounting subsystem with documented internal controls to track all *hawk-i* Enrollee's premiums. This system shall track all initial and ongoing premiums and method of payment such as check, money order, cash, electronic payments, etc. The Contractor shall also provide online capability to the Agency for accessing current and updated case payment historical activity. The Contractor shall ensure that the system, at a minimum, supports the following functions:

- Calculation of premiums based on guidelines developed by the Agency;
- Tracking premium due dates;
- Issuance of premium notices;
- Issuance of reminder and overdue notices;
- Maintain, at a minimum, accounts receivable and accounts payable system, including the acceptance and posting of premiums for future months;
- Tracking the 30-day premium grace period as required under the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA);
- Tracking the unpaid premium balances and tracking the number of premiums that are written off as bad debt 24 months after the original due date.
- Maintains statistical data on the number of Enrollees who lose eligibility for non-payment of premiums.

The system shall also be able to grant eligibility to an otherwise ineligible child pending an appeal decision or continue enrollment pending an appeal decision.

1.3.1.9.4 Premium Payment Reconciliation

The Contractor shall, on a monthly basis, complete program premium account reconciliation and financial statements in a format approved by the Agency. The Contractor shall track all premiums collected and reconcile all payment sources to the monthly bank statement to ensure a complete accounting and disposition of all premiums collected by the Contractor.

1.3.1.9.5 Refund Subsystem

The Contractor shall establish and maintain a refund subsystem based on generally accepted accounting principles, with documented internal controls, that shall ensure timely, complete and accurate processing and payment of both automated and manual refunds of family premium payments.

The Contractor shall comply with the time frames for processing and paying refunds specific to each overpayment criterion, or adjustment as established by the Agency. On a monthly basis, the Contractor shall provide the Agency with a full refunds report. The Contractor shall maintain these records in accordance with established audit standards.

The Contractor shall establish an Accounts Payable subsystem to track and age all unpaid refunds and all prepaid premiums. The Contractor shall ensure that all refund checks returned by the post office are properly tracked as unpaid and the financial system is adjusted accordingly using generally accepted accounting principles. Enrollee payment history activity shall be updated accordingly.

1.3.1.9.6 Medicaid Screening

The Contractor shall establish, implement, monitor and maintain automated algorithms and systematic logics for Medicaid screening based on Medicaid's program rules. The automated algorithms and systematic logics shall conform to the Agency's requirements and business rules.

1.3.1.9.7 System Documentation and Training

The Contractor shall provide the Agency or the Agency's designee with full system documentation for the program and a user manual. Upon request of the Agency, the Contractor shall also provide the Agency approved system training and provide technical support to the Agency and participating Health and Dental Plans.

1.3.1.9.8 System Maintenance

The Contractor shall have a systems operations and maintenance unit whose purpose shall be to assure that the Contractor's system is Fully Operational and complies with all administrative requirements within this Contract. Routine system maintenance shall be performed in a manner that does not disrupt the operations of the program.

1.3.1.9.9 System Enhancements

The Contractor shall have a systems enhancement unit whose purpose shall be to develop system enhancements or modifications as required by the Agency. This shall include the ability to collect and report new data elements in an Agency-approved format.

1.3.1.9.10 Agency Approvals of System Modifications

The Agency has final approval of all systems enhancements or modifications. All system modifications require Agency approved functional system design, contractor system testing, Agency acceptance testing and Agency final approval to be deemed complete and approved prior to implementation. The Contractor shall have a process in place to keep the Agency updated on the status of any system modification. The Contractor agrees that post-implementation review is required and subject to Agency approval. A post-implementation report shall be produced in a format specified by the Agency.

If a system modification results in unintended consequences, (e.g. incorrect data reporting, incorrect eligibility determination, etc.), the Agency shall not be charged for any additional costs related to fixing the problem.

1.3.1.9.11 Agency Access to the System

The Contractor shall provide any Agency-designated staff person or a Agency's designee staff person remote (for Payment Error Rate Measurement reviews) access to the system through a password-protected interface.

The Contractor shall provide the Agency with the ability to continuously review the file of any applicant or Enrollee except for daily maintenance periods including access to financials (premium and capitation payments). This will not include the ability to change existing information in the file. The Contractor shall allow the Agency to make additional notations to existing files. The Contractor shall provide the Agency access via telephone lines, computer terminals or other available technology to the entire Contractor's online Application information, image view of scanned Applications, eligibility and enrollment records. Access will be available during regular business hours.

1.3.1.9.12 Data Quality Monitoring System

The Contractor shall establish and maintain a data quality monitoring system to assure the integrity of all program data. The Contractor, at a minimum, shall provide the Agency a data quality plan that integrates the various internal processes within the organization and the process approach for project execution including testing, edit implementation and quality monitoring. The Contractor shall, at a minimum, identify, measure, control and improve the various core business processes that will lead to improved business performance. A copy of the data quality monitoring system plan shall be provided to the Agency. The Contractor quality monitoring system plan shall be updated to reflect the most current quality plan functions.

1.3.1.9.13 Decision Support System

The Contractor shall train the Agency on the Decision Support System (DSS) that will provide designated Agency staff timely access to information in order for the Agency to query the system, make informed program decisions and review impact of previous program or system modifications. This includes, but is not limited to, access to current enrollment and disenrollment figures.

1.3.1.9.14 Safeguards of Data

The Contractor shall safeguard data and records from alteration, loss, theft, destruction and breach of confidentiality in accordance with both state and federal statutes and regulations and as set forth herein. All activity covered by this Contract shall be fully secured and protected. The Agency shall have the right to establish backup security for data and to keep backup data files in its possession if it so chooses.

Exercise of this option by the Agency will in no way relieve the Contractor of its responsibilities. Safeguards designed to assure the integrity of system hardware, software, records, and files include:

- Orienting employees to security policies and procedures;
- Developing lists of personnel to be contacted in the event of a security breach;
- Maintaining entry logs for limited access areas;
- Performing a periodic risk analysis for anticipating mishaps and determining the cost effectiveness of safeguards;
- Limiting physical access to systems software and libraries;
- Maintaining confidential and critical materials in limited access secured areas.

1.3.1.9.15 Internal Security Controls

The Contractor shall establish and maintain within the system documented internal security controls, which include controls that record the security ID of any individual that performs any transaction upon an applicant's and/or Enrollee's case file as well as a recorded date and time stamp for each such transaction. The Agency shall review and approve all internal security controls within the system.

1.3.1.9.16 Equipment Storage

The Contractor shall store all mission-critical equipment (including, but not limited to servers) needed to implement and conduct the Application process in a locked, secured, temperature-controlled room. All equipment, which is provided to the Contractor by the Agency, is the wholly and completely owned property of the Agency and shall be returned to the Agency upon request.

1.3.1.9.17 Performance Measure

The Agency may deduct ten (10) percent of the monthly Operation Costs per month for failing to keep the computer system operational ninety-eight (98) percent of the time. This performance measure includes both the Contractor's eligibility system and the *hawk-i* Web site for 24 hour per day, 7 days per week. This shall not include situations caused by force majeure or scheduled downtimes to update or maintain the system. The Contractor shall submit a monthly report detailing any downtime of the computer system.

1.3.1.10 Training

1.3.1.10.1 Training Content

Adequate, accurate and timely training of staff is critical to perform all service requirements of this Contract. Training shall include the policies and procedures of the *hawk-i* program and customer service skills as well as the computer system. The Contractor shall submit a training plan to the Agency for approval two (2) weeks prior to the initial training. The plan shall describe:

- The process for new employee training;
- Refresher training for existing staff;
- Training on new policy or procedural changes;
- Customer service and telephone skills training
- The staff that is responsible for the training;
- How the Contractor will work with the Agency to assure that the training is adequate, accurate and timely;
- The process for developing and maintaining the training manual.

1.3.1.10.2 Training Manual

The Contractor shall develop and maintain a training manual. This manual shall be available in paper and electronic formats. The Agency shall be provided access to the training manual. All training material containing policy information regarding the *hawk-i*, Medicaid, or other Agency programs shall be approved by the Agency prior to presentation of the material to Contractor staff.

1.3.1.11 Reports

The Contractor shall have the capability to create and produce a variety of statistical and analytical reports on a daily, weekly, monthly, quarterly, annual or ad hoc basis, as determined by the Agency. Reports may be required in state, county, or zip code level detail and may reflect monthly and year-to-date information.

The Agency shall approve the report design, format and layout. All reports shall be assigned a name and number and include a run date. Reports shall be produced on a schedule determined by the Agency. The Agency may require reports to be provided in paper and/or electronic format and to be posted to the *hawk-i* Web site. The monthly reports are due to the Agency by the tenth (10th) calendar day of the month following the month of the data in the report. Quarterly and annual reports shall be submitted to the Agency by the tenth (10th) calendar day of the month following the end of the quarter and/or year.

At a minimum, the Contractor shall have the capability to produce the following reports and the Agency reserves the right to make modifications to these reports or request additional reports, subject to the change order procedure set forth in Section 2.9 of the General Terms and Condition of this Contract. The Contractor represents, warrants and covenants that each report that it provides under this Contract, as this Contract may be modified from time to time in accordance with such change order procedure, shall comply with the terms of this Contract as so modified, and the Contractor shall correct and deliver to the Agency without charge any report not in compliance with this representation, warranty, and covenant.

1.3.1.11.1 Count of Valid Applications – Month and Year-to-Date

This report identifies the total count of all valid (signed) Applications received during the month and year-to-date (YTD). Counts are separated by dental only, *hawk-i* (health and dental) and all coverage (*hawk-i* and dental only) and county. This report is then further divided into three (3) different categories (or additional reports):

- Count of Valid New *hawk-i* Applications – Month and YTD. This report is the total count of all valid (signed) Applications received during the month and YTD. Counts are separated by county and by paper and online Applications.
- Count of Referral Applications – Month and YTD. This report is the total count of all referral Applications received from Medicaid during the month and YTD. Counts are separated by county and by paper and online referrals.
- Count of Renewal Applications – Month and YTD. This report is the total count of all valid (signed) renewal Applications received during the month and YTD. Counts are separated by county and by paper and online renewals.

1.3.1.11.2 Month-End Application Status Report

This report is a count of all Applications processed either during the reporting month or pending as of the last day of the reporting month. This report is separated by Application disposition (approved, denied, or pending).

1.3.1.11.3 Time to Process Application Disposition Reports

- Time to Process – All Applications. This report is a count of all Applications either currently outstanding or that were processed within the last 60 days. This report is separated by Application disposition (approved, denied, or pending) and length of processing time. Length of processing time is calculated from the Application receipt date until either a final disposition is made (approved or denied), or the last day of the previous month (if the Application is still pending).
- Time to Process – *hawk-i* Applications. This report is count of all *hawk-i* Applications (paper or online) either currently outstanding or that were processed with the last 60 days. This report is separated by Application disposition and length of processing time.
- Time to Process – Referral Applications. This report is count of all referral Applications (paper or online) either currently outstanding or that were processed with the last 60 days. This report is separated by Application disposition and length of processing time.

- Time to Process – Renewal Applications. This report is count of all renewal Applications (paper or online Applications) either currently outstanding or that were processed with the last 60 days. This report is separated by Application disposition and length of processing time.
- Time to Process by Denial Reason. This report is count of Applications denied for each reason separated by length of processing time.

1.3.1.11.4 Pending Application Reports by County

- All Applications Pending Report by County. This report counts the number of all Applications pending with *hawk-i* and Medicaid as of the last day of the month and the length of time since the Application was received. This report is separated by county.
- *hawk-i* Applications Pending Report by County. This report counts the number of *hawk-i* Applications pending with *hawk-i* and Medicaid as of the last day of the month and the length of time since the *hawk-i* Applications were received. This report is separated by county.
- Renewal Application Pending Report by County. This report is a count that reflects how many renewal Applications are pending, identifies if the renewal Application is pending with *hawk-i* or Medicaid and the length of time since the renewal Applications were received. This report is separated by county.
- Referral Applications from Medicaid by County. This report is a count that reflects how many referral Applications are pending, identifies if the referral Application is pending with *hawk-i* or Medicaid and the length of time since the referral Applications were received. This report is separated by county.

1.3.1.11.5 *hawk-i* Applications Referred to Medicaid

This report is a count and percentage of all Applications referred to Medicaid, separated by county during the month and YTD.

1.3.1.11.6 *hawk-i* Renewal Activity Report

This report is a count of the number of renewal Applications returned and the timeframe in which they are returned. Counts are separated by dental only, *hawk-i* (health and dental) and all coverage (*hawk-i* and dental only).

1.3.1.11.7 *hawk-i* Applications Approved by County

This report counts the number of all Applications that were approved in *hawk-i* or Medicaid within the report month and the length of time since the Application was received. This report is separated by county.

1.3.1.11.8 Applications Denied by Reason by County

This report is account of all Applications that are denied by denial reason. This report is separated by county.

1.3.1.11.9 Referral Applications to Medicaid Activity Report

This report is a count of all Applications referred to Medicaid that were processed by Medicaid.

1.3.1.11.10 Count of Applicants – Month and YTD

This report identifies the total count of all applicants (children) applied for during the month and YTD. Counts are separated by dental only, *hawk-i* (health and dental) and all coverage (*hawk-i* and dental only) dental only and county. This report is then further divided into three (3) different categories (or additional reports):

- Count of *hawk-i* Applicants on New Applications – Month and YTD. This report is the total count of all *hawk-i* applicants that applied for *hawk-i* on new Applications during the month and YTD. Counts are separated by county and by paper and online Applications.
- Count of Referral Applicants – Month and YTD. This report is the total count of all referral applicants received from Medicaid during the month and YTD. Counts are separated by county and by paper and online referrals.

- Count of Renewal Applicants – Month and YTD. This report is the total count of all renewal applicants received during the month and YTD. Counts are separated by county and by paper and online renewals.

1.3.1.11.11 Month-End Applicant Status Report

This report is a count of all applicants processed either during the reporting month or pending as of the last day of the reporting month. This report is separated by Application disposition (approved, number of approved who are enrolled, denied, or pending).

1.3.1.11.12 Applicant Demographics Summary

This report counts applicants by specified demographic categories. This report is broken down by dental only, *hawk-i* (health and dental) and all coverage (*hawk-i* and dental only) and county and includes both month and YTD counts.

1.3.1.11.13 How Applicants Heard about *hawk-i*

This report counts by category how applicants heard about the *hawk-i* program, separated by dental only, *hawk-i* (health and dental) and all coverage (*hawk-i* and dental only) dental only and county.

1.3.1.11.14 *hawk-i* Applicants Referred to Medicaid

This report is a count and percentage of all applications received in the month, the number that were referred to Medicaid and the percentage referred to Medicaid.

1.3.1.11.15 Pending Applicants by County

- Pending All Applicants. This report counts the number of all applicants pending with *hawk-i* and Medicaid as of the last day of the month and the length of time since the Application was received. This report is separated by dental only, *hawk-i* (health and dental) and all coverage (*hawk-i* and dental only) and county.
- Pending *hawk-i* Applicants. This report is a count that reflects how many *hawk-i* applicants are pending, identifies if the *hawk-i* applicant on is pending with *hawk-i* or Medicaid and the length of time since the *hawk-i* Application was received. This report is separated by county.
- Pending Referral Applicants from Medicaid. This report is a count that reflects how many referral applicants are pending, identifies if the *hawk-i* applicant on is pending with *hawk-i* or Medicaid and the length of time since the referral Application was received. This report is separated by county.
- Pending Renewal Applicants. This report is a count that reflects how many renewal applicants are pending, identifies if the renewal applicant is pending with *hawk-i* or Medicaid and the length of time since the renewal Application was received. This report is separated by county.

1.3.1.11.16 *hawk-i* Applicants Enrolled by County

This report is a count of the number of applicants (children) that were enrolled in *hawk-i* and Medicaid in the report month and the length of time since the Applications were received. Counts are separated by dental only, *hawk-i* (health and dental) and all coverage (*hawk-i* and dental only).

1.3.1.11.17 Applicants Denied by Reason and County

- *hawk-i* Applicants Denied by Reason and County. This report is a count of the number of applicants (children) denied by each denial reason, separated by dental only, *hawk-i* (health and dental) and all coverage (*hawk-i* and dental only) and county.
- Denied Applicants Applied for on *hawk-i* Applications for the Month, by Reason and County. This report is a count of the number of children who applied on a *hawk-i* Application that were denied in the report month. This report is separated by county and paper vs. online Applications.
- Denied Applicants Applied for on *hawk-i* Applications YTD, by Reason and County. This report is a YTD count of the number of applicants (children) who applied on a *hawk-i* Application that

were denied in the report month. This report is separated by county and paper vs. online Applications.

1.3.1.11.18 Denied Applicants Applied for on Referral Applications

- Denied Applicants Applied on Referral Applications for the Month, by Reason and County. This report is a count of the number of applicants (children) who applied on a referral Application that were denied by denial reason in the previous month. This report is separated by county and paper vs. online Applications.
- Denied Applicants Applied on Referral Applications YTD by Reason and County. This report is an YTD count of the number of applicants (children) who applied on a referral Application that were denied for each denial reason in the previous month. This report is separated by county and paper vs. online Applications.

1.3.1.11.19 Denied Applicants Applied for on Renewal Applications

- Denied Applicants Applied on Renewal Applications for the Month, by Reason and County. This report is a count of the number of applicants (children) who applied on a renewal Application that were denied for each denial reason in the previous month. This report is separated by county and paper vs. online Applications.
- Denied Applicants Applied on Renewal Applications YTD by Reason and County. This report is an YTD count of the number of applicants (children) who applied on a renewal Application that were denied for each denial reason in the previous month. This report is separated by county and paper vs. online Applications.

1.3.1.11.20 *hawk-i* Applicants Renewed by County

This report is a count of the number of applicants (children) that were renewed in *hawk-i* or Medicaid during the month. This report is separated by the length of time between the date the Application was received and when the applicants were renewed.

1.3.1.11.21 Enrollment Count by County and Month

This report counts the number of *hawk-i* Enrollees in each month by disenrollments, new enrollees, retroactive add enrollees, and the total enrollment. Counts are separated by dental only, *hawk-i* (health and dental) and all coverage (*hawk-i* and dental only). This report looks at the previous twelve (12)-month period. This report is separated by month and county.

1.3.1.11.22 Enrolled Demographic Summary

This report is a count of the number of *hawk-i* enrollees in each demographic category (gender, race/ethnicity, language, age, FPL) for the report. Counts are separated by dental only, *hawk-i* (health and dental) and all coverage (*hawk-i* and dental only) and county.

1.3.1.11.23 *hawk-i* Disenrollment Report by County

This report is a count of *hawk-i* Enrollees disenrolled by disenrollment reason for the month and YTD. Counts are separated by dental only, *hawk-i* (health and dental) and all coverage (*hawk-i* and dental only).

1.3.1.11.24 Monthly Enrolled Legally Residing Children Status Report

This report is count of the legally residing children who are enrolled in *hawk-i* for the month of the report. This report also is a count of the number of legally residing children who not be enrolled in *hawk-i* if the five-year bar applied.

1.3.1.11.25 Applicant Applied for vs. Enrolled Report

This report is the count of children who applied for dental only coverage that are enrolled in the full *hawk-i* program (health and dental coverage).

1.3.1.11.26 Disenrollment Survey

This report is the number of disenrollment surveys mailed, number of survey returned, the number of mailed surveys completed, and the number of surveys completed by telephone. This is a monthly report.

1.3.1.11.27 *hawk-i* Family Size by Poverty Level

This report is the count of families that reflects the family size and the FPL associated with the families. Counts are separated by dental only, *hawk-i* (health and dental) and all coverage (*hawk-i* and dental only).

1.3.1.11.28 *hawk-i* Household Demographics by Poverty Level

This report is the count of families that reflects the family composition associated with FPL. Counts are separated by dental only, *hawk-i* (health and dental) and all coverage (*hawk-i* and dental only).

1.3.1.11.29 Language Percentage by Health and Dental Plan

This report shows the percentage of non-English speaking enrollee in each Health and Dental Plan. Counts are separated by dental only, *hawk-i* (health and dental) and all coverage (*hawk-i* and dental only).

1.3.1.11.30 Months of Participation Report

This report is the count of children that:

- Were enrolled in *hawk-i* for the entire twelve (12)-month enrollment period, and
- Were enrolled in *hawk-i* for less than the twelve (12)-month enrollment period and the reason of disenrollment.

1.3.1.11.31 Center for Medicaid and Medicare (CMS) Quarterly Reports

The CMS HCFA-21E reports provide data to CMS on the number of children enrolled in *hawk-i* by age category, income levels, type of service by delivery system (FFS or managed care) and financial information. The data is presented unduplicated within program counts of enrollees, disenrollees, and enrollment months. Unduplicated number of children ever enrolled in the year is reported for the fourth quarter of the federal fiscal year. Additionally, the Contractor will be required to report race and ethnicity data. Counts are separated by dental only, *hawk-i* (health and dental) and all coverage (*hawk-i* and dental only). Both reports are required to be submitted to CMS in a prescribed format.

1.3.1.11.32 Ad Hoc Reports

The Contractor shall produce ad hoc reports as needed by the Agency to provide data to the *hawk-i* Board, the Governor, the Iowa General Assembly, and CMS, subject to the change order procedure set forth in Section 2.9 of the General Terms and Conditions of this Contract. The Contractor represents, warrants and covenants that each report that it provides under this Contract, as this Contract may be modified from time to time in accordance with such change order procedure, shall comply with the terms of this Contract as so modified, and the Contractor shall correct and deliver to the Agency without charge any report not in compliance with this representation, warranty, and covenant.

1.3.1.12 Quality Management

The Contractor shall have a quality management (QM) process and plan in place. The QM review process shall include all aspects of the eligibility determination, financial accuracy and system validation. The QM plan shall describe the process in which the Contractor will perform QM activities and the staffing that will be assigned to perform QM activities. The QM process shall include continuous and routine measurement of Contract work to determine the Contractor's compliance with all Contract requirements. Components to be measured include, but are not limited to, determining how accurate and timely the Contractor's performance is in each area of responsibility. The results of the QM process will assist the Contractor and the Agency in measuring the quality of work being performed and facilitate recommendations for operational changes.

1.3.1.12.1 Eligibility Process

At a minimum, The Contractor shall conduct reviews as described in Section 1.3.1.3 Eligibility Review Accuracy. The Contractor may elect to perform additional eligibility reviews as a part of their quality management plan.

1.3.1.12.2 Financials

The Contractor shall maintain a financial data quality monitoring system manual and quality plan. The Contractor shall implement quality controls for all aspects of the financial systems, following generally

acceptable accounting and auditing procedures. This includes review of the premium payment process and lockbox process; refund process, capitation process including any adjustment made to accounts in the financial system. The financial data quality-monitoring plan shall include a reconciliation of all financial systems to the enrollment/eligibility system.

1.3.1.12.3 System

The Contractor shall maintain a quality management plan for all aspects of the technical system. The Contractor shall implement quality controls to assure the Application process, renewal process, Web site, and financial system are in compliance with established quality criteria. Maintenance includes ensuring all interfaces, hardware, software, and mission-critical equipment continues to function properly and efficiently with the Agency's technical specifications and for the Agency's intended purpose. Maintenance also includes, but is not limited to, the following:

- a. Ensuring the Application process and Web site is capable of accepting and processing electronic Applications and renewal Applications;
- b. Ensuring that the Application process and Web site is able to support a high volume of users who are simultaneously logged on; and
- c. Ensuring that the Application process and renewal process and Web site function in accordance to all terms and conditions identified by the Agency.
- d. Ensure that duplicate cases are not established (for example the first and last name aren't transposed).
- e. Ensure that duplicate capitation payments to the same or different health plans for the same enrollee are not made.
- f. Ensure that capitation payments are correctly paid for both health and dental plans.

The Contractor shall provide additional review and research of the process it uses in its system(s) and subsystem(s), in order to determine the cause of errors and to develop the systematic means to reduce the defective source of these errors, and shall not attribute inaccuracies related to human errors.

1.3.1.12.4 Quality Management Reports

- Quality Management and Control Plan. The Contractor shall deliver a quality management and control plan within ninety (90) days from the execution of the Contract. The Contractor shall provide the Agency a revised copy of the quality management and control plan when there are modifications made to new or existing processes.
- Quality Management and Control Results Report. This monthly report shall be divided into three (3) sections, eligibility, financials, and system. The documentation shall include the elements reviewed, the accuracy of the determination, corrective action taken on any errors found, the date of review, and the name of the person conducting the review.

1.3.1.12.5 System Audit

The Contractor shall ensure the integrity of the *hawk-i* program through internal and external audit processes. The procedural and compliance audit requirement discussed below is in addition to the requirements in Section 2.13.26.

The Contractor shall subcontract with an independent auditing firm to perform a procedural and compliance audit of the system. The Agency shall approve the independent auditing firm and subcontract. The first audit shall be completed no later than September 15, 2012, and annually thereafter.

The procedural and compliance audit shall be conducted in accordance with generally accepted auditing standards. At a minimum, the audit shall cover the following functions:

- Eligibility determinations;
- Data collections;
- Report data validation;
- Health and Dental Plan enrollment processes;
- Premium collection and accounting;

- Capitation payments to health and dental plans and accounting;
- Financial accounting and bank reconciliation reports;
- HIPAA protocol compliance; and
- Timeframes and correspondence generation.

The independent auditing firms shall consult with the Agency and the Contractor in completing an annual risk assessment and developing each audit project's scope and objectives. A copy of the audit reports shall be provided to the Agency in writing thirty (30) days after the audit is completed. The report shall include recommended corrective actions, if applicable.

1.3.1.13 Other Requirements

1.3.1.13.1 Key Personnel

The Agency reserves the right of prior approval for all named key personnel in the Contract. The Agency also reserves the right of prior approval for any replacement of key personnel. For this Contract, key personnel include the program manager, systems manager and supervisory staff. The Contractor shall have thirty (30) days to find a satisfactory replacement for the position except in cases of flagrant violation of state or federal law or contractual terms. The time frame may be extended with the approval by the Agency. The Agency reserves the right to interview any and all candidates for named key positions prior to approving the personnel.

1.3.1.13.2 Media Contacts

The Contractor shall not provide data to the media or give media interviews without the express consent of the Agency. Any contacts by the media or other entity or individual not directly related to the program shall be referred to the Agency. Upon request of the Agency, the Contractor shall provide names, phone numbers and addresses of Enrollees to the Agency for possible media contacts.

1.3.1.13.3 Meetings

In addition to the requirements listed in Section 1.3.2.2 Agency Review Clause meetings with the Agency, the Contractor shall be accessible for meetings with the Agency and others including, but not limited to:

- A. Bi-weekly Agency Meetings. The Contractor shall meet with the Agency on at a least a bi-weekly basis to discuss current activities and projects and other issues as necessary. These meetings may include quality control reviewers, outreach coordinators, or other persons as determined by the Agency. The Agency shall be responsible for setting the agenda and taking minutes of the meetings. The Contractor's project manager or designee shall be present at all meetings. The Contractor shall be responsible for having the appropriate staff attend as required by the agenda.
- B. Health and Dental Plan Meetings. The Agency and the Contractor shall meet with the participating Health and Dental Plans on a schedule as determined by all parties to discuss any issues that relate to the Contractor and/or the Health and Dental Plans.
- C. *hawk-i* Board Meetings. The Contractor's designated staff shall attend meetings of the *hawk-i* Board and be available to respond to questions when necessary.
- D. Other Meetings. The Contractor shall attend other meetings as determined by the Agency. The Agency reserves the right to require senior management of the Contractor to attend any or all of the above meetings when necessary. Attendance by senior management may be either by telephone conference call or in person as determined by the Agency. All costs associated with senior management attendance shall be the responsibility of the Contractor.

1.3.1.13.4 Office Space and Equipment

The Contractor shall operate the *hawk-i* customer service center from an office in the greater Des Moines, Iowa area. The office shall be accessible for walk-ins and individuals with disabilities.

The Contractor shall provide all office space and equipment necessary for the operation of the program to the Contractor's staff. The Contractor shall also provide office space to accommodate up to ten (10) Agency staff who will be co-located with the Contractor. (The Agency staff will determine Medicaid eligibility for referred Applications). The Contractor shall provide the office equipment, including desks, file cabinets, chairs and shelves for the on-site Agency staff. The Contractor shall provide the phones and FAX lines used by the on-site Agency staff with the charges for the phones and FAX billed to the Agency.

The Contractor shall ensure that electrical communications, telephone services, and equipment, provided to the Agency's on-site staff are comparable to those provided to and used by the Contractor staff. The Agency shall be responsible for providing the computers and computer upgrades for the Agency's on-site staff. The Agency may in its sole discretion agree to pay the Contractor for the reasonable rent of the office space for the Agency's on-site staff. The Agency shall have final approval for the terms of the Contractor's lease for office space.

1.3.1.13.5 Health Insurance Portability and Accountability Act

The Contractor is a business associate of the Agency, as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA)(45 CFR Part 164) and upon award of the contract shall sign the Business Associate Agreement as set forth in this Contract.

The Contractor shall ensure the security of protected health information about Enrollees it receives or maintains in a designated record set, or any other manner, in the performance of the Contract, as set forth in 45 CFR Part 164. The Contractor shall report to the Agency any breach of privacy.

1.3.1.13.6 Security Disaster Recovery and Contingency Plan

The Contractor shall develop and maintain a written Security, Disaster Recovery and Contingency Plan, which shall be updated as necessary. The Security, Disaster Recovery and Contingency Plan shall detail alternative options for providing the administrative services contained within this Contract in the event of a natural or manmade disaster. The plans shall detail alternative headquarter sites in case of a regional disaster which disables the administrative vendor facility. The plan shall also detail how the program data systems will be transferred to the new location and the process for staffing the new facility. The plan shall include making backup tapes of software and databases. The plan shall also detail a program telephone system failure contingency plan when the program systems are inoperable or overwhelmed by call volume. Updates to the Security, Disaster Recovery and Contingency Plan shall be approved by the Agency.

The Contractor shall also provide physical site and data security sufficient to safeguard the confidential nature of all data, which may include, but is not limited to, encryption of data transmitted electronically. The Contractor and the system shall comply with the Federal Information Processing Standards (FIPS) outlined in the following publications:

- Automatic Data Processing Physical Security and Risk Management (FIPS PUB.31).
- Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191).

1.3.1.14 Actual and Liquidated Damages

1.3.1.14.1 Actual Damages

1.3.1.14.1.1 Erroneous Payments

The Contractor shall ensure that Erroneous Payments of State or Federal funds are quickly identified, reported to the Agency and corrected. If an overpayment, underpayment, or duplicate payment is made, and the payment is the result of either the failure of the Contractor to use available information and correct guidelines or failure of the Contractor to process payments correctly, the Contractor will be liable for the difference between the amount paid and the amount that should have been paid using available information and the correct guidelines or by processing correctly. Erroneous Payments for which the Contractor is liable shall be withheld from the next Contractor monthly payment from the date the error was found.

For erroneous payments found through the quality review process, the Contractor shall deduct the amount of the erroneous payments the month following the month of the finding.

1.3.1.14.1.2 Liquidated Damages

Liquidated damages may be assessed by the Agency in instances where the Contractor fails to meet critical performance standards for system performance. The Agency shall have authority to assess damages for the amount specified below. The Agency shall notify the Contractor in writing of its intent to assess liquidated damages in each instance. The Contractor may appeal the assessment of damages pursuant to the dispute resolution process for damage assessments. Specific performance standards and associated damages are identified throughout this section of this Contract. Once assessed, liquidated damages are not refundable to the Contractor.

1.3.2 Monitoring, Review, and Problem Reporting.

1.3.2.1 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 in accordance with the monitoring activities set forth in the Deliverables, Performance Measures, and Monitoring Activities Section. See Attachment 3.1

1.3.2.2 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 minimum, the Agency will conduct an annual review; 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.

1.3.2.3 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.

1.3.2.4 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.

1.3.3 Contract Payment Clause.

1.3.3.1 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 per Attachment 3.2.

1.3.3.2 Submission and Payment of Invoices. The Contractor shall submit an Invoice for services rendered in accordance with this Contract. Invoice(s) shall be submitted monthly. Invoices shall comply with all

applicable rules concerning payment of such claims. The Agency shall verify the Contractor's performance of the Deliverables before making payment. 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.

1.3.3.3 Reimbursable Expenses. Unless otherwise agreed to by the parties in an amendment 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
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
Excess Liability, Umbrella 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

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 by Subtitle D of the Health Information Technology for Economic and Clinical Health Act, Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5) and the federal regulations published at 45 CFR parts 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://www.dhs.state.ia.us/Consumers/Health/HIPAA/Home.html>.

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://www.dhs.state.ia.us/Consumers/Health/HIPAA/Home.html>, 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.

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.

“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.

“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.

“Declarations and Execution Section” means the document that contains basic information about the Contract and incorporates by reference the General Terms for Services Contracts, the Special Terms, and any Special Contract Attachments.

“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 Contractor) in connection with this Contract. This includes data that is collected on behalf of the Agency. “Deliverables” do not include any services, goods, products, data, items, materials, property, source code, object code, plans, processes, and/or methodologies proprietary to Contractor as of the commencement of services under the Contract or developed by MAXIMUS incidental to its performance under the Contract and without the use of State or federal funds whether or not such items are embedded incorporated into Deliverables .

“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, 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 accepted by 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 indicated in the Contract Declarations and Execution Section.

“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, exercise 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.

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 Agency 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; or (2) any Deliverable has failed to meet or conform to any applicable Specifications or contains or is experiencing a Deficiency. 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. If the breach is the result of a default of the Contractor’s performance obligations, the cure period specified in the notice of breach will take into account the nature and extent of the breach and will reflect a period of time reasonably required to affect a cure under the circumstances. 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 (other than compensation for services properly delivered and accepted by the Agency) 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 Termination Duties. Upon receipt of notice of termination or upon request of the Agency, 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 date of notice of termination, 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 notification of termination 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 Confidential Information.

2.6.1 Confidential Information and Data. Any and all of the following information or data is confidential ("Confidential Information"):

- 2.6.1.1 Personally identifiable information about recipients or applicants of Agency services and recipients of Contract services;
- 2.6.1.2 Agency security protocols or procedures;
- 2.6.1.3 Agency system architecture;
- 2.6.1.4 Information that could compromise the security of the Agency network or systems;
- 2.6.1.5 Information about the Agency's current or future competitive procurements, including the evaluation process, until formal announcement of results; and
- 2.6.1.6 Information deemed confidential pursuant to Iowa Code § 22.7.

2.6.2 Access to Confidential Information. The Contractor's employees, agents, and subcontractors may have access to Confidential Information to the extent necessary to carry out responsibilities under the Contract. Access shall be in accordance with the Agency's policies and procedures.

2.6.3 No Dissemination or Disclosure of Confidential Information. No Confidential Information collected, maintained, or used in the course of performance of the Contract shall be disseminated by the Contractor except 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 disclosure of Confidential Information. The Contractor may be held civilly or criminally liable for improper disclosure of Confidential Information.

2.6.4 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.

2.6.5 Survives Termination. The Contractor's obligations under this section shall survive termination or expiration of 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 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 Limitation of Liability. The State agrees that Contractor total liability to the State for any and all damages whatsoever arising out of or in any way related to this Contract from any cause, including but not limited to negligence, errors, omissions, strict liability, breach of contract or breach of warranty shall not, in the aggregate, exceed the value of the contract.

The forgoing limitation is not applicable to liability arising out of (i) any violation of HIPAA, the HITECH Act, or any other privacy obligation mandated by state or federal law, (ii) the gross negligence or willful misconduct of Contractor, or (iii) or any breach of intellectual property rights or interests of third parties.

2.7.3 Survives Termination. The Contractor's duties and obligations under this section shall survive the expiration or termination of this Contract and

shall apply to all acts or omissions taken or made in connection with the performance of this Contract regardless of the date any potential claim is made or discovered by the Agency or any other Indemnified Party.

2.8 Insurance.

2.8.1 Insurance Requirements. The Contractor, and any subcontractor, shall maintain in full force and effect, with insurance companies licensed by the State of Iowa, at the Contractor's expense, insurance covering its work during the entire term of this Contract and any extensions or renewals thereof. The Contractor's insurance shall, among other things:

2.8.1.1 Be occurrence based and shall insure against any loss or damage resulting from or related to the Contractor's performance of this Contract regardless of the date the claim is filed or expiration of the policy.

2.8.1.2. Name the State of Iowa and the Agency as additional insureds or loss payees on the policies for all coverages required by this Contract, with the exception of Workers' Compensation, or the Contractor shall obtain an endorsement to the same effect; 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 policies for all coverages required by this Contract, with the exception of Workers' Compensation.

The requirements set forth in this section shall be indicated on the certificates of insurance coverage supplied to the Agency.

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 and/or subcontractors against all general liabilities, product liability, personal injury, property damage, and (where applicable) professional liability in the amount specified in the Special Terms for each occurrence. 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, which indicate coverage and notice provisions 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 and any

extensions or renewals thereof, and shall not permit such policies to be canceled or amended except with the advance written approval of the Agency. The insurer shall state in the certificate that no cancellation of the insurance will be made without at least a thirty (30) day prior written notice to the Agency. The certificates shall be subject to approval by the Agency. Approval of the insurance certificates by the Agency shall not relieve the Contractor of any obligation under this Contract.

2.9 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:

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

2.9.2 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.

2.9.3 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.

2.9.4 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.

2.10 Intellectual Property.

2.10.1 Ownership and Assignment of Other Deliverables. The Contractor agrees that the State and 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 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 Rights in Data. Any data supplied by the Agency to the Contractor in the course of the performance of this Contract shall be considered the property of the Agency. The Contractor will not use the Agency's data and records for any purpose other than providing services under the Contract, nor will any part of the data and records be disclosed, sold, assigned, leased, or otherwise provided to third-parties or commercially exploited by or on behalf of the Contractor. The Contractor must return any and all data collected, maintained, created, or used in the course of the performance of the Contract in whatever form it is maintained promptly at the request of the Agency.

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 subsection 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 any applicable federal, state, foreign and local laws, rules, regulations, codes, and ordinances in effect during the term of this Contract, including 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 Department of Administrative Services, Information Technology Enterprise.

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. Reserved.

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. Without limiting the Contractor's obligation to provide Deliverables in accordance with the Contract specifications or the Agency's right to enforce its right to full performance under the Contract, nothing in this Section shall be interpreted to entitle Agency to a refund of fees paid for Accepted services.

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 with all applicable federal, state, and local laws, rules, ordinances, regulations, and orders when providing Deliverables pursuant to this Contract, including without limitation, all laws that pertain to the prevention of discrimination in employment and in the provision of services. For employment, this would include equal employment opportunity and affirmative action, and the use of targeted small businesses as subcontractors or suppliers. The Contractor may be required to provide a copy of its affirmative action plan, containing goals and time specifications, and non-discrimination and accessibility plans and policies regarding services to clients. Failure to comply with this provision may cause this contract to be cancelled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for future state contracts or be subject to other sanctions as provided by law or rule. The Contractor, its employees, agents, and subcontractors shall also comply with all federal, state, and local laws regarding business permits and licenses that may be required to carry out the work performed under this Contract. The Contractor may be required to submit its affirmative action plan to the Iowa Department of Management to comply with the requirements of 541 Iowa Administrative Code

chapter 4. 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 term of this Contract.

2.13.7 Amendments. This Contract may be amended by mutual written consent of the parties. Amendments shall be executed on a form approved by the Agency that expressly states the intent of the parties to amend this Contract.

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. 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. 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 throughout the term of this Contract 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). Financial records do not include data used to develop the Contractor's price. 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 OMB Circular A-87, A-110, 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).

2.13.25.3 Destruction of Confidential Information. At the conclusion of this Contract, the Agency may require the Contractor to return Confidential Information. If not required to return such information, and in accordance with any retention

requirements in this Records Retention and Access Section or any applicable provision of law or regulation, the Contractor will destroy all Confidential Information in such a manner as to render the information incapable of being reconstructed or recovered. If return or destruction is not feasible, the Contractor will provide the Agency with the reason(s) in writing that make the return or destruction of such Confidential Information infeasible.

If the Agency provides written permission for the Contractor to retain the Confidential Information, the Contractor will extend the protections of this Contract to the Confidential Information and limit any further uses or disclosures.

2.13.26 Audits. Local governments and non-profit subrecipient entities that expend \$500,000 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 OMB Circular A-133 "Audit of States, Local Governments, and Non-Profit Organizations." 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 A-133 Section 21 for a discussion of subrecipient versus 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. This Contract shall remain in full force and effect to the end of the specified term or until terminated pursuant to this Contract. 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 termination or expiration of this Contract.

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 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. The party seeking to exercise this provision 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 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 \$1000 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 Certification Regarding Lobbying. The Contractor certifies, to the best of his or her knowledge and belief, that:

2.14.3.1 No federal appropriated funds have been paid or will be paid on behalf of the sub-grantee to

any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of the Congress, an officer or employee of the 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, or the extension, continuation, renewal, amendment, or modification of any federal contract, grant loan, or cooperative agreement.

2.14.3.2 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 federal agency, a Member of the Congress, or an employee of a Member of Congress in connection with this Contract, grant, loan, or cooperative agreement, the applicant shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

2.14.3.3 The Contractor 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.C.A. 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.

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. If a conflict of interest is proven to the Agency, the Agency may terminate this Contract, and the Contractor shall be liable for any excess costs to the Agency as a result of the conflict of interest. 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. The Contractor shall report any potential, real, or apparent conflict of interest to the Agency.

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 current term of this Contract, 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 Qualified Service Organization. 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 Contractor acknowledges that it is fully bound by those regulations. Contractor will resist in judicial proceedings any efforts to obtain access to patient records except as permitted by 42 CFR part 2.

SECTION 3: SPECIAL CONTRACT ATTACHMENTS

The Special Contract Attachments in this section are identified on the Contract Declarations and Execution Section and are a part of the Contract.

3.1 Performance Measures

Contract Section	Performance Measure	Monitor	Review
1.3.1.1.10 A	Maintain an average waiting time of less than sixty (60) seconds after the call clears the ACD and is in queue for ninety-five (95) percent of the calls. The Department may deduct from the monthly invoice payment an amount of one thousand dollars (\$1,000) per month for failing to maintain an average waiting time of less than sixty (60) seconds for ninety-five (95) percent of calls.	Monthly call center activity report received by the 10 th calendar day following the previous month.	Review the average waiting time.
1.3.1.1.10 B	Maintain a call abandonment rate of five (5) percent or less. The Department may deduct from the monthly invoice payment an amount of one thousand dollars (\$1,000) per month for failing to maintain a call abandonment rate of five (5) percent or less.	Monthly call center activity report received by the 10 th calendar day following the previous month.	Review the call abandonment rate.
1.3.1.1.10 C	Return ninety-eight (98) percent all voice mail messages no later than 11:00 a.m. the next business day or at the time specified by the caller. For the workday following a state holiday, voice mail messages must be returned by 4:30 p.m. Central Time that day. The Contractor shall make at least three (3) attempts to return all voice mail messages. The Department may deduct from the monthly invoice payment an amount of one thousand dollars (\$1,000) per month for failing to return ninety-eight (98) percent of all voice mail messages no later than 11:00 a.m. the next business day or 4:30 p.m. the next day after a state holiday.	Monthly call center activity report received by the 10 th calendar day following the previous month.	Review report for times when voice mail was received and what time the first return call was made.
1.3.1.2.10	The Department may deduct from the monthly invoice an amount of two thousand dollars (\$2,000) per month for failing to process at least ninety-seven (97) percent of all Applications and renewals in established timeframes. This is not recoverable.	Monthly Time to Process Application Disposition Report	Review the total number of total Applications with the number of Applications processed within 10 days.
1.3.1.3.7	The Contractor shall maintain an error rate of three (3) percent or less based on the results of the three hundred sixty (360) eligibility reviews and re-reviews conducted during the six (6) -month	Six-month Quality review report compiled by the	Review number of errors with total number of possible points. Review

Contract Section	Performance Measure	Monitor	Review
	<p>period. For financial errors, the Contractor shall repay the Department the amount of any benefits paid in error and the amount of any uncollected premiums. Additionally, the Department may deduct five thousand dollars (\$5,000) for failing to maintain an error rate of three (3) percent or less from the monthly operations fee. The deduction shall be made to the monthly operations fee payment for the month following the receipt of the six (6)-month review report.</p>	<p>Department.</p>	<p>errors for financial errors.</p>
<p>1.3.1.9.17</p>	<p>The Department may deduct ten (10) percent of the monthly Operation Costs per month for failing to keep the computer system operational ninety-eight (98) percent of the time. This performance measure includes both the Contractor's eligibility system and the <i>hawk-i</i> Web site for 24 hour per day, 7 days per week. This shall not include situations caused by force majeure or scheduled downtimes to update or maintain the system. The Contractor shall submit a monthly report detailing any downtime of the computer system.</p>	<p>Monthly computer downtime report.</p>	<p>Review downtime percentage.</p>

3.2 Pricing

Operations Costs (Yearly values only)		Jan 12	Jan 13	July 13	July 14	July 14	June 15
Salary and Benefits		\$ 988,732.55	\$ 2,109,115.17	\$ 2,165,804.04	\$ 2,116,398.05	\$ 2,170,412.39	\$ 2,226,047.16
Audit		\$ 6,841.37	\$ 14,447.52	\$ 14,423.30	\$ 14,679.32	\$ 15,053.97	\$ 15,439.82
Lease, Utilities, Connectivity		\$ 120,213.11	\$ 257,037.91	\$ 263,022.27	\$ 270,995.75	\$ 277,912.03	\$ 285,035.85
Other		\$ 369,719.32	\$ 665,202.02	\$ 679,587.72	\$ 800,109.39	\$ 820,529.64	\$ 841,562.50
Change Service Rate							
Average hourly rate for all Change Requests		\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00
Per Member Per Month Rate (PMPM) [To be used in the event that Contractor is entitled to an increase pursuant to Contract terms because of increase obligations]		\$ 2.78	\$ 2.86	\$ 2.95	\$ 3.03	\$ 3.12	\$ 3.22
Operations Grand Total	\$ 19,235,716.78	\$ 1,485,506.35	\$ 3,045,802.62	\$ 3,122,837.33	\$ 3,202,182.51	\$ 3,283,908.03	\$ 3,368,085.33
Monthly Operations Average	\$ 267,162.73	\$ 247,584.39	\$ 253,816.89	\$ 260,236.44	\$ 266,848.54	\$ 273,659.00	\$ 280,673.78
CSR Average	\$ 125.00						