

Form No. DTMB-3522 (Rev. 10/2015)
 AUTHORITY: Act 431 of 1984
 COMPLETION: Required
 PENALTY: Contract change will not be executed unless form is filed

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
 PROCUREMENT

525 W. ALLEGAN STREET
 LANSING, MI 48933

P.O. BOX 30026
 LANSING, MI 48909

NOTICE OF CONTRACT NO. 071B6600114

between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Health Management Associates 120 North Washington Square Lansing, MI 48933	Jeff Devries	jdevries@healthmanagement.com
	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
	517.482.9236	9727

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	MDOC	Marti Kay Sherry	(517)373-9143	sherrym@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Michael Kennedy	(517) 284-6397	Kennedym6@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: Health Care Third Party Reviewer			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
Five Years (5)	August 15, 2016	August 31, 2021	Three – one year
PAYMENT TERMS	F.O.B.	SHIPPED TO	
NET 45	Destination	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			
MISCELLANEOUS INFORMATION			
THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of RFP # 007116B0007840. Orders for delivery will be issued directly by Departments through the issuance of a Purchase Order.			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			\$4,443,962

For the Contractor:

_____,

Contract Administrator

Date

For the State:

Tom Falik,
Services Director – DTMB Procurement
State of Michigan

Date



STATE OF MICHIGAN

STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Health Management Associated (“**Contractor**”), a Michigan corporation. This Contract is effective on August 15, 2016 (“**Effective Date**”), and unless terminated, expires on August 31, 2021.

This Contract may be renewed for up to three additional one year period(s). Renewal must be by written agreement of the parties and will automatically extend the Term of this Contract.

The parties agree as follows:

1. **Duties of Contractor.** Contractor must perform the services and provide the deliverables described in **Schedule A – Statement of Work** (the “**Contract Activities**”). An obligation to provide delivery of any commodity is considered a service and is a Contract Activity.

Contractor must furnish all labor, equipment, materials, and supplies necessary for the performance of the Contract Activities, and meet operational standards, unless otherwise specified in Schedule A.

Contractor must: (a) perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (b) meet or exceed the performance and operational standards, and specifications of the Contract; (c) provide all Contract Activities in good quality, with no material defects; (d) not interfere with the State’s operations; (e) obtain and maintain all necessary licenses, permits or other authorizations necessary for the performance of the Contract; (f) cooperate with the State, including the State’s quality assurance personnel, and any third party to achieve the objectives of the Contract; (g) return to the State any State-furnished equipment or other resources in the same condition as when provided when no longer required for the Contract; (h) not make any media releases without prior written authorization from the State; (i) assign to the State any claims resulting from state or federal antitrust violations to the extent that those violations concern materials or services supplied by third parties toward fulfillment of the Contract; (j) comply with all State physical and IT security policies and standards which will be made available upon request; and (k) provide the State priority in performance of the Contract except as mandated by federal disaster response requirements. Any breach under this paragraph is considered a material breach.

Contractor must also be clearly identifiable while on State property by wearing identification issued by the State, and clearly identify themselves whenever making contact with the State.

2. **Notices.** All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when verified by written receipt if sent by courier; (b) when actually received if sent by mail without verification of receipt; or (c) when verified by automated receipt or electronic logs if sent by facsimile or email.

If to State:	If to Contractor:
Michael Kennedy 525 W. Allegan St, 1 st FLR, NE Lansing, MI 48909 kennedym6@michigan.gov 517-284-6397	Jeffrey DeVries 120 N. Washington Square, Suite 705 Lansing, MI 48933 jdevries@healthmanagement.com 571-482-9236

3. **Contract Administrator.** The Contract Administrator for each party is the only person authorized to modify any terms of this Contract, and approve and execute any change under this Contract (each a **"Contract Administrator"**):

State:	Contractor:
Michael Kennedy 525 W. Allegan St, 1 st FLR, NE Lansing, MI 48909 kennedym6@michigan.gov 517-284-6397	Jeffrey DeVries 120 N. Washington Square, Suite 705 Lansing, MI 48933 dstrugargritsch@healthmanagement.com 571-482-9236

4. **Program Manager.** The Program Manager for each party will monitor and coordinate the day-to-day activities of the Contract (each a **"Program Manager"**):

State:	Contractor:
Marti Kay Sherry Department of Corrections 206 E. Michigan Avenue Lansing, MI 48909 Email: sherrym@michigan.gov Phone: (517) 373-9143	Donna Strugar-Fritsch 88 Kearny Street, Suite 1850 San Francisco, CA 94108 jdevries@healthmanagement.com 415-489-2021

5. **Performance Guarantee.** Contractor must at all times have financial resources sufficient, in the opinion of the State, to ensure performance of the Contract and must provide proof upon request. The State may require a performance bond (as specified in Schedule A) if, in the opinion of the State, it will ensure performance of the Contract.
6. **Insurance Requirements.** Contractor must maintain the insurances identified below and is responsible for all deductibles. All required insurance must: (a) protect the State from claims that may arise out of, are alleged to arise out of, or result from Contractor's or a subcontractor's performance; (b) be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and (c) be provided by a company with an A.M. Best rating of "A" or better, and a financial size of VII or better.

Required Limits	Additional Requirements
Commercial General Liability Insurance	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence Limit \$1,000,000 Personal & Advertising Injury Limit \$2,000,000 General Aggregate Limit \$2,000,000 Products/Completed Operations <u>Deductible Maximum:</u> \$50,000 Each Occurrence	Contractor must have their policy endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 0.
Umbrella or Excess Liability Insurance	
<u>Minimal Limits:</u> \$5,000,000 General Aggregate	Contractor must have their policy endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds.
Automobile Liability Insurance	
<u>Minimal Limits:</u> \$1,000,000 Per Occurrence	Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds; and (2) include Hired and Non-Owned Automobile coverage.
Workers' Compensation Insurance	

<p><u>Minimal Limits:</u></p> <p>Coverage according to applicable laws governing work activities.</p>	<p>Waiver of subrogation, except where waiver is prohibited by law.</p>
<p>Employers Liability Insurance</p>	
<p><u>Minimal Limits:</u></p> <p>\$500,000 Each Accident</p> <p>\$500,000 Each Employee by Disease</p> <p>\$500,000 Aggregate Disease.</p>	
<p>Privacy and Security Liability (Cyber Liability) Insurance</p>	
<p><u>Minimal Limits:</u></p> <p>\$1,000,000 Each Occurrence</p> <p>\$1,000,000 Annual Aggregate</p>	<p>Contractor must have their policy: (1) endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds; and (2) cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability.</p>
<p>Crime (Fidelity) Insurance</p>	
<p><u>Minimal Limits:</u></p> <p>\$1,000,000 Employee Theft Per Loss</p>	<p>Contractor must have their policy: (1) cover forgery and alteration, theft of money and securities, robbery and safe burglary, computer fraud, funds transfer fraud, money order and counterfeit currency, and (2) endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as Loss Payees.</p>

Professional Liability (Errors and Omissions) Insurance	
<p><u>Minimal Limits:</u></p> <p>\$3,000,000 Each Occurrence</p> <p>\$3,000,000 Annual Aggregate</p> <p><u>Deductible Maximum:</u></p> <p>\$50,000 Per Loss</p>	

If any of the required policies provide **claims-made** coverage, the Contractor must: (a) provide coverage with a retroactive date before the effective date of the contract or the beginning of Contract Activities; (b) maintain coverage and provide evidence of coverage for at least three (3) years after completion of the Contract Activities; and (c) if coverage is canceled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, Contractor must purchase extended reporting coverage for a minimum of three (3) years after completion of work.

Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or purchase order number, at Contract formation and within 20 calendar days of the expiration date of the applicable policies; (b) require that subcontractors maintain the required insurances contained in this Section; (c) notify the Contract Administrator within 5 business days if any insurance is cancelled; and (d) waive all rights against the State for damages covered by insurance. Failure to maintain the required insurance does not limit this waiver.

This Section is not intended to and is not be construed in any manner as waiving, restricting or limiting the liability of either party for any obligations under this Contract (including any provisions hereof requiring Contractor to indemnify, defend and hold harmless the State).

- Administrative Fee and Reporting.** Contractor must pay an administrative fee of **1%** on all payments made to Contractor under the Contract including transactions with the State (including its departments, divisions, agencies, offices, and commissions), MiDEAL members, and other states (including governmental subdivisions and authorized entities). Administrative fee payments must be made by check payable to the State of Michigan and mailed to:

Department of Technology, Management and Budget
 Cashiering
 P.O. Box 30681
 Lansing, MI 48909

Contractor must submit an itemized purchasing activity report, which includes at a minimum, the name of the purchasing entity and the total dollar volume in sales. Reports should be mailed to DTMB-Procurement.

The administrative fee and purchasing activity report are due within 30 calendar days from the last day of each calendar quarter.

- 8. Extended Purchasing Program.** This contract is extended to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at www.michigan.gov/mideal. Upon written agreement between the State and Contractor, this contract may also be extended to: (a) State of Michigan employees and (b) other states (including governmental subdivisions and authorized entities).

If extended, Contractor must supply all Contract Activities at the established Contract prices and terms. The State reserves the right to impose an administrative fee and negotiate additional discounts based on any increased volume generated by such extensions.

Contractor must submit invoices to, and receive payment from, extended purchasing program members on a direct and individual basis.

- 9. Independent Contractor.** Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in this Contract. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the State, is responsible for the payment of wages, benefits and taxes of Contractor's employees and any subcontractors. Prior performance does not modify Contractor's status as an independent contractor. Contractor hereby acknowledges that the State is and will be the sole and exclusive owner of all right, title, and interest in the Contract Activities and all associated intellectual property rights, if any. Such Contract Activities are works made for hire as defined in Section 101 of the Copyright Act of 1976. To the extent any Contract Activities and related intellectual property do not qualify as works made for hire under the Copyright Act, Contractor will, and hereby does, immediately on its creation, assign, transfer and otherwise convey to the State, irrevocably and in perpetuity, throughout the universe, all right, title and interest in and to the Contract Activities, including all intellectual property rights therein.
- 10. Subcontracting.** Contractor may not delegate any of its obligations under the Contract without the prior written approval of the State. Contractor must notify the State at least 90 calendar days before the proposed delegation, and provide the State any information it requests to determine whether the delegation is in its best interest. If approved, Contractor must: (a) be the sole point of contact regarding all contractual matters, including payment and charges for all Contract Activities; (b) make all payments to the subcontractor; and (c) incorporate the terms and conditions contained in this Contract in any subcontract with a subcontractor. Contractor remains responsible for the completion of the Contract Activities, compliance with the terms of this Contract, and the acts and omissions of the subcontractor. The State, in its sole discretion, may require the replacement of any subcontractor.
- 11. Staffing.** The State's Contract Administrator may require Contractor to remove or reassign personnel by providing a notice to Contractor.
- 12. Background Checks.** Upon request, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks.
- 13. Assignment.** Contractor may not assign this Contract to any other party without the prior approval of the State. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other party. If the State determines that a novation of the Contract to a third party is necessary, Contractor will agree to the novation and provide all necessary documentation and signatures.
- 14. Change of Control.** Contractor will notify, at least 90 calendar days before the effective date, the State of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) a change in a majority of Contractor's board members; (d) consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

In the event of a change of control, Contractor must require the successor to assume this Contract and all of its obligations under this Contract.

15. **Ordering.** Contractor is not authorized to begin performance until receipt of authorization as identified in Schedule A.
16. **Acceptance.** Contract Activities are subject to inspection and testing by the State within 30 calendar days of the State's receipt of them ("**State Review Period**"), unless otherwise provided in Schedule A. If the Contract Activities are not fully accepted by the State, the State will notify Contractor by the end of the State Review Period that either: (a) the Contract Activities are accepted, but noted deficiencies must be corrected; or (b) the Contract Activities are rejected. If the State finds material deficiencies, it may: (i) reject the Contract Activities without performing any further inspections; (ii) demand performance at no additional cost; or (iii) terminate this Contract in accordance with Section 23, Termination for Cause.

Within 10 business days from the date of Contractor's receipt of notification of acceptance with deficiencies or rejection of any Contract Activities, Contractor must cure, at no additional cost, the deficiency and deliver unequivocally acceptable Contract Activities to the State. If acceptance with deficiencies or rejection of the Contract Activities impacts the content or delivery of other non-completed Contract Activities, the parties' respective Program Managers must determine an agreed to number of days for re-submission that minimizes the overall impact to the Contract. However, nothing herein affects, alters, or relieves Contractor of its obligations to correct deficiencies in accordance with the time response standards set forth in this Contract.

If Contractor is unable or refuses to correct the deficiency within the time response standards set forth in this Contract, the State may cancel the order in whole or in part. The State, or a third party identified by the State, may perform the Contract Activities and recover the difference between the cost to cure and the Contract price plus an additional 10% administrative fee.
17. **Delivery.** Contractor must deliver all Contract Activities F.O.B. destination, within the State premises with transportation and handling charges paid by Contractor, unless otherwise specified in Schedule A. All containers and packaging becomes the State's exclusive property upon acceptance.
18. **Risk of Loss and Title.** Until final acceptance, title and risk of loss or damage to Contract Activities remains with Contractor. Contractor is responsible for filing, processing, and collecting all damage claims. The State will record and report to Contractor any evidence of visible damage. If the State rejects the Contract Activities, Contractor must remove them from the premises within 10 calendar days after notification of rejection. The risk of loss of rejected or non-conforming Contract Activities remains with Contractor. Rejected Contract Activities not removed by Contractor within 10 calendar days will be deemed abandoned by Contractor, and the State will have the right to dispose of it as its own property. Contractor must reimburse the State for costs and expenses incurred in storing or effecting removal or disposition of rejected Contract Activities.
19. **Warranty Period.** The warranty period, if applicable, for Contract Activities is a fixed period commencing on the date specified in Schedule A. If the Contract Activities do not function as warranted during the warranty period the State may return such non-conforming Contract Activities to the Contractor for a full refund.
20. **Terms of Payment.** Invoices must conform to the requirements communicated from time-to-time by the State. All undisputed amounts are payable within 45 days of the State's receipt. Contractor may only charge for Contract Activities performed as specified in Schedule A. Invoices must include an itemized statement of all charges. The State is exempt from State sales tax for direct purchases and may be exempt from federal excise tax, if Services purchased under this Agreement are for the State's exclusive use. Notwithstanding the foregoing, all prices are inclusive of taxes, and Contractor is responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by the State under this Contract.

The State has the right to withhold payment of any disputed amounts until the parties agree as to the validity of the disputed amount. The State will notify Contractor of any dispute within a reasonable time. Payment by the State will not constitute a waiver of any rights as to Contractor's continuing obligations, including claims for deficiencies or substandard Contract Activities. Contractor's acceptance of final payment by the State constitutes

a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still disputed.

The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at <http://www.michigan.gov/cpexpress> to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment.

Without prejudice to any other right or remedy it may have, the State reserves the right to set off at any time any amount then due and owing to it by Contractor against any amount payable by the State to Contractor under this Contract.

21. **Liquidated Damages.** Liquidated damages, if applicable, will be assessed as described in Schedule A.
22. **Stop Work Order.** The State may suspend any or all activities under the Contract at any time. The State will provide Contractor a written stop work order detailing the suspension. Contractor must comply with the stop work order upon receipt. Within 90 calendar days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate the Contract or purchase order. The State will not pay for Contract Activities, Contractor's lost profits, or any additional compensation during a stop work period.
23. **Termination for Cause.** The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State: (a) endangers the value, integrity, or security of any location, data, or personnel; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (c) engages in any conduct that may expose the State to liability; (d) breaches any of its material duties or obligations; or (e) fails to cure a breach within the time stated in a notice of breach. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

If the State terminates this Contract under this Section, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of the Contract, the termination will be deemed to have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in Section 24, Termination for Convenience.

The State will only pay for amounts due to Contractor for Contract Activities accepted by the State on or before the date of termination, subject to the State's right to set off any amounts owed by the Contractor for the State's reasonable costs in terminating this Contract. The Contractor must pay all reasonable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees, court costs, transition costs, and any costs the State incurs to procure the Contract Activities from other sources.

24. **Termination for Convenience.** The State may immediately terminate this Contract in whole or in part without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance of the Contract Activities immediately, or (b) continue to perform the Contract Activities in accordance with Section 25, Transition Responsibilities. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities.
25. **Transition Responsibilities.** Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding

accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.

26. **General Indemnification.** Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (d) any acts or omissions of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced. Contractor must, to the satisfaction of the State, demonstrate its financial ability to carry out these obligations.

The State is entitled to: (i) regular updates on proceeding status; (ii) participate in the defense of the proceeding; (iii) employ its own counsel; and to (iv) retain control of the defense if the State deems necessary. Contractor will not, without the State's written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. To the extent that any State employee, official, or law may be involved or challenged, the State may, at its own expense, control the defense of that portion of the claim.

Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

27. **Infringement Remedies.** If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.
28. **Limitation of Liability.** The State is not liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.
29. **Disclosure of Litigation, or Other Proceeding.** Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud; or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.
30. **Reserved.** All data and information provided to Contractor by or on behalf of the State, and all data and information derived therefrom, is the exclusive property of the State ("**State Data**"); this definition is to be construed as broadly as possible. Upon request, Contractor must provide to the State, or a third party designated by the State, all State Data within 10 calendar days of the request and in the format requested by the State. Contractor will assume all costs incurred in compiling and supplying State Data. No State Data may be used for any marketing purposes.

31. **State Data.**

- a. **Ownership.** The State's data ("**State Data**," which will be treated by Contractor as Confidential Information) includes: (a) the State's data collected, used, processed, stored, or generated as the result of the Contract Activities; (b) personally identifiable information ("**PII**") collected, used, processed, stored,

or generated as the result of the Contract Activities, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed; and, (c) personal health information ("PHI") collected, used, processed, stored, or generated as the result of the Contract Activities, which is defined under the Health Insurance Portability and Accountability Act (HIPAA) and its related rules and regulations. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This Section survives the termination of this Contract.

- b. Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Contract Activities, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Contract Activities. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Contract Activities, such use and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This Section survives the termination of this Contract.
- c. Extraction of State Data. Contractor must, within five (5) business days of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of the State Data in the format specified by the State.
- d. Backup and Recovery of State Data. Unless otherwise specified in Schedule A, Contractor is responsible for maintaining a backup of State Data and for an orderly and timely recovery of such data. Unless otherwise described in Schedule A, Contractor must maintain a contemporaneous backup of State Data that can be recovered within two (2) hours at any point in time.
- e. Loss of Data. In the event of any act, error or omission, negligence, misconduct, or breach that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor must, as applicable: (a) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) in the case of PII or PHI, at the State's sole election, (i) notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within 5 calendar days of the occurrence; or (ii) reimburse the State for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twenty-four (24) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (g) be responsible for recreating lost State Data in the manner and on the schedule set by the State without charge to the State; and, (h) provide to the State a detailed plan within 10 calendar days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, must comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of Contractor's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Contractor. This Section survives the termination of this Contract.

32. Non-Disclosure of Confidential Information. The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. The provisions of this Section survive the termination of this Contract.

- a. Meaning of Confidential Information. For the purposes of this Contract, the term “**Confidential Information**” means all information and documentation of a party that: (a) has been marked “confidential” or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked “confidential” or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked “confidential” or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term “Confidential Information” does not include any information or documentation that was: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party’s proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of this Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.
- b. Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a subcontractor is permissible where: (a) use of a subcontractor is authorized under this Contract; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor’s responsibilities; and (c) Contractor obligates the subcontractor in a written contract to maintain the State’s Confidential Information in confidence. At the State’s request, any employee of Contractor or any subcontractor may be required to execute a separate agreement to be bound by the provisions of this Section.
- c. Cooperation to Prevent Disclosure of Confidential Information. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.
- d. Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Statement of Work corresponding to the breach or threatened breach.
- e. Surrender of Confidential Information upon Termination. Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party’s possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party. However, the State’s legal ability to destroy Contractor data may be restricted by its retention and disposal schedule, in which case Contractor’s Confidential Information will be destroyed after the retention period expires.

33. Data Privacy and Information Security.

- a. Undertaking by Contractor. Without limiting Contractor's obligation of confidentiality as further described, Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the State Data; (b) protect against any anticipated threats or hazards to the security or integrity of the State Data; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) ensure the proper disposal of State Data; and (e) ensure that all employees, agents, and subcontractors of Contractor, if any, comply with all of the foregoing. In no case will the safeguards of Contractor's data privacy and information security program be less stringent than the safeguards used by the State, and Contractor must at all times comply with all applicable State IT policies and standards, which are available to Contractor upon request.
- b. Audit by Contractor. No less than annually, Contractor must conduct a comprehensive independent third-party audit of its data privacy and information security program and provide such audit findings to the State.
- c. Right of Audit by the State. Without limiting any other audit rights of the State, the State has the right to review Contractor's data privacy and information security program prior to the commencement of Contract Activities and from time to time during the term of this Contract. During the providing of the Contract Activities, on an ongoing basis from time to time and without notice, the State, at its own expense, is entitled to perform, or to have performed, an on-site audit of Contractor's data privacy and information security program. In lieu of an on-site audit, upon request by the State, Contractor agrees to complete, within 45 calendar days of receipt, an audit questionnaire provided by the State regarding Contractor's data privacy and information security program.
- d. Audit Findings. Contractor must implement any required safeguards as identified by the State or by any audit of Contractor's data privacy and information security program.
- e. State's Right to Termination for Deficiencies. The State reserves the right, at its sole election, to immediately terminate this Contract or a Statement of Work without limitation and without liability if the State determines that Contractor fails or has failed to meet its obligations under this Section.

34. Reserved.

35. Reserved.

36. Records Maintenance, Inspection, Examination, and Audit. The State or its designee may audit Contractor to verify compliance with this Contract. Contractor must retain, and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to the Contract through the term of the Contract and for 4 years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, Contractor must retain the records until all issues are resolved.

Within 10 calendar days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect Contractor's premises or any other places where Contract Activities are being performed, and examine, copy, and audit all records related to this Contract. Contractor must cooperate and provide reasonable assistance. If any financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of the Contract must be paid or refunded within 45 calendar days.

This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.

- 37. Warranties and Representations.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities; (e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; and (h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under Section 23, Termination for Cause.
- 38. Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.
- 39. Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.
- 40. Reserved.**
- 41. Reserved.**
- 42. Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.
- 43. Unfair Labor Practice.** Under MCL 423.324, the State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.
- 44. Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint agents in Michigan to receive service of process.
- 45. Non-Exclusivity.** Nothing contained in this Contract is intended nor will be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.
- 46. Force Majeure.** Neither party will be in breach of this Contract because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved of a breach or delay caused by its subcontractors. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.

47. **Dispute Resolution.** The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties' respective Contract Administrators or Program Managers. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executive and either concludes that resolution is unlikely, or fails to respond within 15 business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This Section does not limit the State's right to terminate the Contract.

48. **Media Releases.** News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions of the State.
49. **Website Incorporation.** The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.
50. **Entire Agreement and Order of Precedence.** This Contract, which includes Schedule A – Statement of Work, and expressly incorporated schedules and exhibits, is the entire agreement of the parties related to the Contract Activities. This Contract supersedes and replaces all previous understandings and agreements between the parties for the Contract Activities. If there is a conflict between documents, the order of precedence is: (a) first, this Contract, excluding its schedules, exhibits, and Schedule A – Statement of Work; (b) second, Schedule A – Statement of Work as of the Effective Date; and (c) third, schedules expressly incorporated into this Contract as of the Effective Date. NO TERMS ON CONTRACTOR'S INVOICES, ORDERING DOCUMENTS, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE CONTRACT ACTIVITIES WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE, EVEN IF ACCESS TO OR USE OF THE CONTRACT ACTIVITIES REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.
51. **Severability.** If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.
52. **Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
53. **Survival.** The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, indemnification, and confidentiality, will survive the expiration or termination of this Contract.
54. **Contract Modification.** This Contract may not be amended except by signed agreement between the parties (a "Contract Change Notice"). Notwithstanding the foregoing, no subsequent Statement of Work or Contract Change Notice executed after the Effective Date will be construed to amend this Contract unless it specifically states its intent to do so and cites the section or sections amended.

STATE OF MICHIGAN

Contract # 071B6600114
Health Care Third Party Reviewer

EXHIBIT A STATEMENT OF WORK CONTRACT ACTIVITIES

1.0 Project Request

This is a Contract for an external, independent review of the Michigan Department of Corrections (MDOC) Bureau of Health Care Services (BHCS) health care and substance abuse contracts. This included a, review of the services in the Integrated Prisoner Healthcare Services Request for Proposal/Contract, Reentry Project for Offenders with Special Needs, and the various Substance Abuse Services contracts. The substance abuse contracts include Prison Based Substance Abuse Treatment Services, Community-Based Outpatient Substance Abuse Treatment Services, Community-Based Residential Substance Abuse Treatment Services, and Community-Based Sex Offender Treatment Services. Currently, there are multiple vendors who provide services for each of the Substance Abuse Contracts listed above. Additionally, this request also includes assistance with other data driven activities within BHCS and technical assistance in implementing an integrated care model within the health care delivery system. Data activities will include, but are not limited to, trends and analysis of utilization management data, review and enforcement of the Services Level Agreements in the MDOC-BHCS contracts, assistance in the risk share reconciliations, audit services related to claims data, development of disease registries and data mining of the electronic health record. The Third Party Reviewer will also provide technical expertise in integrated care models and how it can be implemented in a correctional setting. The Contractor will interface with the existing BHCS staff and contracted vendors as appropriate.

This Contract will also be available to other State Departments, MiDEAL members (authorized local units of government) and Extended Purchasing Program.

1.1 BACKGROUND

The State of Michigan recognizes the critical role correctional health care plays in our State's economy. As such, the MDOC-BHCS is re-structuring its service delivery system. The State recently awarded a contract for integrated medical and psychiatric care to prisoners through one Contractor (Corizon) which begins June 1, 2016. The integrated services Contractor will use the Wagner Chronic Care Model as a framework to address chronic conditions, and the National Council for Behavioral Healthcare's Four Quadrant Model as a means for integrating primary and behavioral health care. As part of this contract, MDOC-BHCS will be integrating mental health and primary care services as a model for caring for patients with multiple health care needs.

The MDOC provides medical and behavioral health care to an average of 44,000 prisoners annually at correctional facilities, reentry centers, and county jails. The MDOC operates a 152-bed inpatient facility in Jackson, MI (Duane L. Waters Health Center (DWH)), which houses prisoners whose medical needs cannot be met at an infirmary or ambulatory clinic. DWH provides acute, medical, long term care, and surgical procedures that are non-invasive or use conscious sedation for liver biopsies. Attached to DWH is a 92 bed extended-care facility, C Unit, which houses prisoners that need assistance with daily living needs, but are not to the level of needing inpatient services nor can their needs be met in an ambulatory facility. Female prisoners receive their health care at Women's Huron Valley Correctional Facility (WHV). This facilities houses all female prisoners.

Approximately 18-20% of the prisoner population is currently being treated at some level for mental healthcare. A larger percentage of prisoners may receive mental health treatment during their incarceration, but many prisoners move on and off of the mental health caseload. The MDOC operates a 200 bed inpatient facility in

Whitmore Lake, MI (Woodland Correctional Facility (WCC)) that houses male prisoners with severe mental illness whose needs cannot be met in a general population facility. This facility also houses the Crisis Stabilization Program which stabilizes prisoners in need of emergency mental health care.

In addition to a mental health assessment, each newly committed prisoner is assessed for a presence of a substance abuse disorder(s) at a reception facility. This also includes any prisoner returning to incarceration. Diagnostic instruments, including the Substance Abuse Subtle Screening Inventory (SASSI), are administered to determine the level of chemical dependency. The results of this testing are used in conjunction with other information obtained from the interview, from the Pre-sentence Investigation Report (PSI), and from other sources to determine the level of dependency. Additionally, assessments are also conducted under the federal Prison Rape Elimination Act (PREA) to determine whether prisoners are aggressors, victims, or where they fall on the spectrum in order to comply with the law and for MDOC to determine housing placement for prisoners.

In recognition of the comorbidity of physical, mental health, and substance abuse disorders, and the importance of medication management in the prison population, MDOC is restructuring how it delivers health care, mental health care, substance abuse and pharmacy services. MDOC has done this through the Integrated Prisoner Healthcare Contract. The ReEntry Project for Offenders with Special Needs targets offenders with chronic health and/or mental health conditions that require intensive coordination that includes an individualized wraparound plan that assures their access to necessary medical and mental health services upon their release and transition into the community. The MDOC also provides a complete spectrum of rehabilitative services for substance abusing offenders under community supervision, on parole or probation. Substance abuse treatment assists offenders in attaining sobriety and beginning permanent changes in the offender's substance abusing behavior through cognitive skills and process groups addressing substance abuse and recovery.

The contract for Third Party Reviewer services began in 2009, and is designed to assist the MDOC in ensuring contract compliance with its various health care contracts along with providing data analysis and technical expertise related to the MDOC health care delivery systems. All data that was collected as part of the current contract will be available to the Contractor. The services in this request will utilize much of these existing data. The Contractor may be requested to validate subsequent audits that are taking place as a result of the findings.

A. Definitions

Audit Period means the seven year period following Contractor's provision of any work under the Contract.

BHCS means Michigan Department of Corrections, Bureau of Health Care Services.

Contractor means the entity selected to provide the services procured through this RFP.

Electronic Health Record (EHR) is a digital patient-centered record detailing the medical and treatment history of a patient.

Integrated Care is the systematic coordination of general and behavioral healthcare.

Offender Management Network Information (OMNI) is used to track and monitor probation, prisoner, and parolee information. The goal is for the OMNI system to be replaced by OMS eventually.

Offender Management System (OMS) was brought online in August 2014. Its initial purpose was to replace CMIS and all the current interfaces CMIS had with OMNI and other systems. The migration was from a Unisys Mainframe Platform/DMSII to a Microsoft CRM platform utilizing SQL server, C#, and .NET Framework. Therefore, OMS contains the same functionality as CMIS.

Request for Proposal (RFP) means a formal procurement document designed to solicit proposals for services.

Services means any function performed for the benefit of the State.

SLA means Service Level Agreement.

State means the State of Michigan, including its departments, divisions, agencies, sections, commissions, officers, employees, and agents.

Subcontractor means a company selected by the Contractor to perform a portion of the services, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.

Transition Plan is a written document describing the Contract startup plan. This plan should document high level milestones, deliverables, key activities for the transition phase, critical tasks, and the person responsible for those tasks.

Unauthorized Removal means the Contractor's removal of Key Personnel without the prior written consent of the State.

B. Integrated Services Contract:

MDOC will integrate its physical, mental health, and pharmacy services with one Contractor (Corizon). MDOC will utilize the National Council for Behavioral Healthcare's Four Quadrant Model as a means for integrating primary and behavioral health care within that system. The MDOC will also restructure chronic care services through the use of the Wagner Chronic Care Model as the framework for improving outcomes associated with chronic illness. Currently, MDOC contracts its health care services through Corizon. Additionally, its psychiatrists are provided through a contract with MHM Services. These services will move to the Integrated Services Contract on or about August 1, 2016. There will be some review and auditing that may take place related to these existing services that were provided prior to the new contract award date.

C. Pharmacy Contract:

MDOC currently contracts with Maxor Pharmacy for pharmaceuticals. Pharmaceuticals in a correctional setting require particular elements; delivery must be made to MDOC facilities and blister cards are used for all solid medications. MDOC employs a formulary with a mechanism for a non-formulary request, acquisition method, returned medication process and cost containment strategies. Third Party Review services would include an annual report on its contract compliance, which includes findings related to vendor practices, contract deviations, areas in which contractual compliance cannot be measured, and any other issues. Beginning on or about June 1, 2016 the Pharmacy contract will be part of the Integrated Prisoner Healthcare Services Contract. There will still be some audit activities that take place under the existing contract with Maxor.

D. Integrated Care Pilot Project:

Currently, the MDOC has a pilot project at two facilities that is integrating the elements of the Wagner Chronic Care Model and the Four Quadrant Model into a new model of care for MDOC patients who are experiencing increasing risk for poor health outcomes and are likely to benefit from a team-based approach to care and a specific care manager. The pilot project is taking place at Macomb Correctional Facility and the Oaks Correctional Facility. The Third Party Reviewer will provide technical support to the pilot teams and the MDOC implementation team who are charged with implementing this model Statewide.

E. Substance Abuse, Sex Offender and Reentry for Special Needs Offender Contracts:

MDOC has existing contracts that provide substance abuse, sex offender treatment, and reentry services for offenders with serious mental illness. These contracts are for parolees and probationers, and the Third Party Reviewer will review these services and validate MDOC program staff findings and assist in monitoring and auditing contracted staff performance as necessary.

F. Service Level Agreements:

MDOC has developed Service Level Agreements (SLAs) for the Integrated Services Contract, the existing health care services contract with Corizon, and the pharmacy contract with Maxor. In addition to the SLAs, the Integrated Services contractor will work with MDOC to develop a dashboard with key indicators that represent important performance activities. The SLAs for each contract reflect specific issues, indicators, updates, operational areas, and requirements that are unique to a particular contract. There are also SLAs for the Substance Abuse, Sex Offender and Reentry for Special Needs contracts.

G. Current Audit Findings:

The MDOC is currently undergoing an audit by the Office of the Auditor General (OAG) related to its Substance Abuse Services. In 2015, an OAG audit was completed for health care and dental services that included findings. MDOC also had an OAG Pharmaceutical Audit that took place in 2009 and Mental Health Services underwent an OAG Audit in 2012 but the findings associated with those audits have been resolved.

H. Electronic Health Record

The MDOC utilizes the NextGen Electronic Health Record (EHR) version 5.2. MDOC is currently in the process of updating its version to 5.5. The EHR houses all the mental health and health care data. After the upgrade, dental staff will also use NextGen for their documentation of patient care. There is also a scheduling component to NextGen that is utilized by Department staff and service providers to track provider visits.

I. Data

The MDOC has other various data sources including the Offender Management Network Information (OMNI), Offender Management System (OMS), and Access databases to store and manipulate data. At this time, Tableau is being used to create dashboards that can be queried and visually represent the claims data, dental data and existing disease registries that have been developed.

1.2 REQUIREMENTS

A. Electronic Claims and Encounter Data

1. The Contractor must review the electronic claims and encounter data that is submitted monthly by the Integrated Services contractor by the 30th of each month. The data will be received by the 15th of each month
2. This review includes, but is not limited to, check for duplicate billings, a review of single event procedures that were completed multiple times, and mismatches between payment and allowable claims.
3. The Contractor will utilize the claims data and analyze trends in provider utilization, review CPT code patterns by physician and identify providers who might require performance improvement. Billing anomalies should be brought to the Department's immediate attention including rebate issues so that the MDOC can submit timely appeals for reimbursement, rebates, account adjustments, and credits.

The Contractor will apply the following tests to the monthly claims file:

- Mechanical Duplicates
- Clinical Duplicates
- Claims Basis
- Procedural Duplicates
- Assistant Surgeon Overpayment
- Single Event
- Bi-lateral & Multiple Conditions
- Mutually Exclusive Codes
- Non-Specific Codes
- Eligibility
- Paid-in-Excess of Charges
- Prepaid Leakage
- DRG anomalies
- Provider network charges, discounts, and anomalies.

Claims anomalies will also be evaluated by off-site facility and professional providers to identify chronic outliers and problems. Contractor will also develop standard reports that generate facility/provider-specific data and identification of outliers and opportunities for performance improvement.

Contractor to run historic claims through the analysis in order to recoup overpayments.

B. Service Level Agreements

1. The Contractor must validate the audit team findings monthly, quarterly and annually related to the Service level Agreements (SLAs) established under the Integrated Services contract, the Reentry Project for Offenders with Special Needs, the Healthcare Services (Corizon) contract and the Pharmacy (Maxor) contract. The audit team consists of BHCS program staff and MDOC contract monitors.
2. The Contractor will be responsible for the validation of the SLAs for the Substance Abuse Contract. These SLAs will be part of the Substance Abuse RFP currently under development. This validation is upon the MDOC's request and will evaluate any related MDOC staffing vacancies or other factors beyond the Contractor's control to determine if they had significant impact upon the Contractor's ability to meet the performance metrics, and will take that information into consideration when determining the Contractor's compliance.

C. Integrated Services Review

The Contractor must perform the Integrated Services contract review which includes compliance with contract terms, assessing the vendor's ability to provide services, pricing and billing requirements, validation of performance measures and metrics, and a review of their quality assurance practices. This review will need to include the healthcare and behavioral health services. The pharmacy services will be a separate review.

D. Pharmaceutical Review

The Contractor must conduct an annual review of pharmacy contract that includes compliance with existing contract terms, assessing the contractor's ability to provide and manage drugs, and their pricing and payment requirements. This initial review would be of the Maxor contract and include activities that took place from October 1, 2015 to June 1, 2016.

E. Pharmaceutical Validation

The Contractor will conduct an annual pharmaceutical validation that includes reviewing pricing documents and information the Department pays against the Contractor's manufacturer discounts and rebates. This initial review would be of the Maxor contract and include activities that took place from October 1, 2015 to June 1, 2016 in addition to the Integrated Care pharmacy activities.

F. Research Evidence Based Practices

The Contractor must research emerging practices in correctional health care, explore models of treatment that are currently in place in the community that can be adapted for the corrections setting, and provide expertise in the development of an integrated health care model.

G. Data Tool Development and Analysis

The Contractor must develop audit tools related to performance improvement activities, support chronic care disease registry development through the use of MDOC data resources, manipulate data from the EHR, conduct evaluations on existing programs, and create views of existing data through the use of Tableau or other similar software.

H. Technical Support for the Integrated Care Implementation

1. The Contractor must provide technical assistance and support to the MDOC as it implements a new model of care at the MDOC. This new model of care is currently being piloted, and will be part of the Integrated Care contract that begins on June 1, 2016. The technical support for this activity will be ongoing through the contract period.
2. The Contractor will be responsible for facilitating training and assisting in concepts related to the integrated care model in a correctional setting. The MDOC is using a learning collaborative model based on testing out change through a rapid cycle improvement process using the plan-do-study-act principles.

Describe your approach to providing technical assistance and training staff in new concepts. Please provide your experience with principles of integrated care and examples of organizations where you have implemented this model along with your use of Plan Do Study Act (PDSA) in quality improvement activities.

1.3 Transition

The Contractor must provide a high level transition project plan with their proposal. This plan must include high level milestones, deliverables, key activities for the transition phase, critical tasks, and the person responsible for those tasks. The Contractor must continue to revise the transition plan and submit to the MDOC Contract Manager no less than on a monthly basis until all items have been successfully implemented, per the MDOC Program Manager's input on progression of, or acceptance of, each item.

1.4 Training

1.

Contractor will conduct training on integrated care to a wide variety of stakeholders throughout the project's first two years, at a minimum. Stakeholders include: Corizon clinical and administrative leaders with Integrated Care responsibilities, MDOC Integrated Care leaders (clinical/custody/administrative), clinicians, health care team, and custody staff at the prisons, MDOC Integrated Care Steering Committee. Contractor team members who conduct the training will be Subject Matter Experts and materials will be adapted from evidence-based programs outside of corrections, tailored to MDOC's unique needs and circumstances. Contractor will also draw from materials developed for other (non-correctional) integrated care projects and consultations. Contractor will work with MDOC to refine training objectives and messages and we will vet all training materials with MDOC prior to integrated care training sessions. Contractor may also conduct trainings to contractor or MDOC staff on emerging models of care, grant opportunities, or best practices related to SUD treatment or other topics. Training objectives and materials would be vetted with MDOC in advance.

2. The Contractor must provide documentation and training materials

2. Acceptance

2.1 Acceptance, Inspection, and Testing

Section 16 Acceptance of Standard Contract Terms will be used by the State to determine Acceptance of the Services or Deliverables provided under this Contract.

3. Staffing

3.1 Contractor Representative

The Contractor must appoint one Project Manager, specifically assigned to State of Michigan accounts, that will respond to State inquiries regarding the Contract Activities, answering questions related to ordering and delivery, etc. (the "Contractors Representative").

The Contractor must notify the Contract Administrator at least 30 calendar days before removing or assigning a new Contractor Representative

Jeffrey DeVries

120 N. Washington Square, Suite 705

Lansing, MI 48933

jdevries@healthmanagement.com

571-482-9236

3.2. Work Hours

The Contractor must provide Contract Activities during the State's normal working hours Monday – Friday, 8:00 a.m. to 5:00 p.m. EST, and possible night and weekend hours depending on the requirements of the project. Overtime for the project will not be authorized.

3.3 Key Personnel

- a. The Contractor must appoint a Project Manager who will be directly responsible for the day-to-day operations of the Contract ("Key Personnel").
- b. Staff members proposed must meet the following minimum requirements:
 - a. Staff with demonstrated experience and knowledge of:
 - i. Inmate health care, inmate behavioral health, data systems, and processes;
 - ii. Inmate care delivery systems, organizations, and financing;
 - iii. Quality assessment and improvement methods;

iv. Research design and methodology, including statistical analysis.

Jeff DeVries
Contract Manager
Lansing MI

Donna Strugar-Fritsch
Project Manager
San Francisco, CA

Donna Laverdiere
Assistant Project Manager
San Francisco, CA

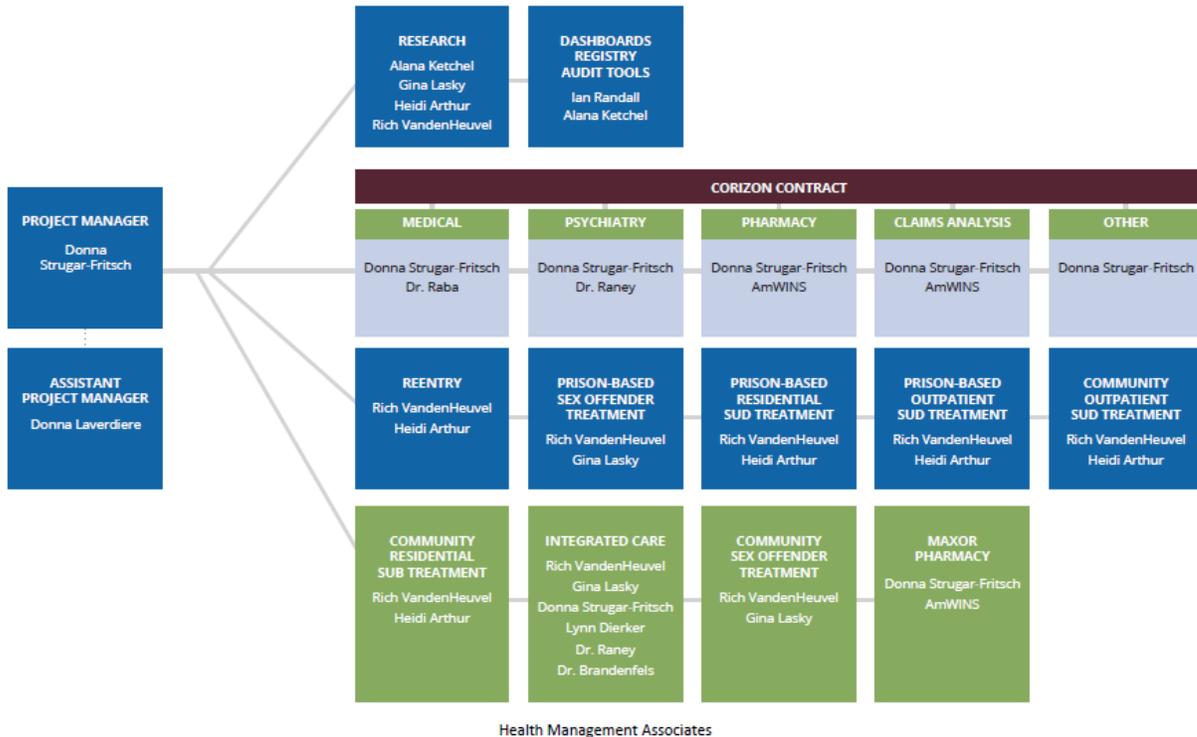
- c. Staff must have access to sufficient physical, technological, and financing resources to conduct third party review and third party review-related activities.
- d. Key personnel must be specifically assigned to the State account, be knowledgeable on the contractual requirements, and respond to the State inquires within 48 hours.
- e. Contractor's Key Personnel may need to be on –site in Michigan during the State's normal working hours Monday – Friday, 8:00 a.m. to 5:00 p.m. EST, and possible night and weekend hours depending on the requirements of the project.
- f. The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, introduce the individual to the State's Project Manager, and provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. The State may require a 30-calendar day training period for replacement personnel.
- g. Contractor will not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel's employment. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under Termination for Cause in the Standard Terms. It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under Termination for Cause, Contractor will issue to the State the corresponding credits set forth below (each, an "Unauthorized Removal Credit"):
 - (i) For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the credit amount will be \$25,000.00 per individual if Contractor identifies a replacement

approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30 calendar days before the Key Personnel's removal.

(ii) If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 calendar days, in addition to the \$25,000.00 credit specified above, Contractor will credit the State \$833.33 per calendar day for each day of the 30 calendar-day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$25,000.00 maximum per individual. The total Unauthorized Removal Credits that may be assessed per Unauthorized Removal and failure to provide 30 calendar days of shadowing will not exceed \$50,000.00 per individual.

Contractor acknowledges and agrees that each of the Unauthorized Removal Credits assessed above: (i) is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from the Unauthorized Removal, which would be impossible or very difficult to accurately estimate; and (ii) may, at the State's option, be credited or set off against any fees or other charges payable to Contractor under this Contract.

3.4. Organizational Chart



3.5 Support Staff

Support project personnel that may work on this contract:

Rich VandenHeuvel
Lansing, MI

Gina Lasky
Denver, CO

Heidi Arthur
New York, NY

Mark Lawlor
AmWINS Benefit Watch
Wallingford, CT

Lori Raney, MD
Denver, CO

Alana Ketchel
Denver, CO

Ian Randall
Seattle, WA

Jack Raba, MD
Chicago, IL

Lynn Dierker
Denver, CO

Emily Brandelfels, MD
Seattle, WA

3.6. Disclosure of Subcontractors

1. If the Contractor intends to utilize subcontractors, the Contractor must disclose the following:

- a) The legal business name; address; telephone number; a description of subcontractor's organization and the services it will provide; and information concerning subcontractor's ability to provide the Contract Activities.
- b) The relationship of the subcontractor to the Contractor.
- c) Whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship. If no, please provide criteria for selection.
- d) A complete description of the Contract Activities that will be performed or provided by the subcontractor.
- e) Of the total bid, the price of the subcontractor's work.

2. Subcontractors

a) AmWINS Benefit Watch for pharmacy and medical claims audit services.
866 N. Main Street Ext, Wallingford, CT, 06492
Telephone 203.793.2900

Two key AmWINS employees will be active on the HMA team:

Mark J. Lawlor, Senior Vice President, AmWINS Benefit Watch, Inc.

Anna Knopp, Medical Review Analyst and Coding Specialist

Of the total Contract price, AmWINS' cost represents less than five percent.

3.7. Security

The Contractor will be subject the following security procedures:

1. All Contractor staff working on the Contract must undergo a security and background check, to include at a minimum ICHAT <http://apps.michigan.gov/ichat/home.aspx>, to be performed by the Contractor.
2. The Contractor's and subcontractor's staff that are entering an MDOC facility must be Law Enforcement Information Network (LEIN) cleared by MDOC prior to facility entry. The Contractor must submit the LEIN information to the MDOC Program Manager at least two business days prior to the facility visit. If an employee of the Contractor's or subcontractor's has a felony or misdemeanor conviction (excluding minor driving offenses), that employee may not be permitted to enter any MDOC facility. The LEIN check is no cost to the Contractor.
3. Contractor's staff may be required to complete and submit an RI-8 Fingerprint Card for Finger Print Checks to the MDOC.
4. The Contractor must anticipate delays when visiting any facility due to issues within that facility.
5. All vehicles entering a MDOC correctional facility must be inspected before entry of the secure perimeter.
6. The MDOC reserves the right to deny access to any facility to any Contractor(s)/subcontractor(s) staff members who fails to comply with any applicable State, federal or local law, ordinance or regulation or whose presence may compromise the security of the facility, its members or staff.
7. All drug, alcohol, tobacco products, cellular devices smart watches, computers, weapons fireworks and explosives are prohibited at all correctional facilities.
8. Contractor(s) that come into the Administration Building of a correctional facility will need to secure their cellular devices and personal tobacco products in their locked vehicle prior to entrance. If the Contractor arrives with such products, the Contractor will be requested to return them to their locked/secured motor vehicle.
9. The Contractor must explain any additional security measures in place to ensure the security of State facilities.
10. The Contractor's staff will be required to enter MDOC facilities. The Contractor must: (a) ensure the security of State facilities, and (b) perform background checks. The State may require the Contractor's personnel to wear State issued identification badges.

3.8 Prison Rape Elimination Act (PREA) of 2003, Public Law 108-79, Sept. 4, 2003

The Contractor must comply with the Federal Register and the MDOC Prison Rape Elimination Act, 28 CFR Part 115, Prevention Plan. The Contractor must immediately report any allegations or forms of sexual abuse or sexual harassment (staff-on-prisoner and prisoner-on-prisoner) to the MDOC Program Manager in writing. The Contractor shall ensure compliance with the National Standards to Prevent, Detect and Respond to Prison Rape, effective August 20, 2012 at <http://www.gpo.gov/fdsys/pkg/FR-2012-06-20/pdf/2012-12427.pdf>. See attached PREA standards (Attachment 15). If the Contractor does not abide by these standards, it will be considered a breach of Contract.

3.9 Data

All information including data sets, analysis, results reports, memorandums, etc. belong exclusively to the MDOC and cannot be published by the Contractor without the MDOC's prior written approval (also see Standard

Contract Terms, Sections 31 through 33). This data is considered confidential and will not be shared with any contractor being audited unless the MDOC shares the information with the audited entity.

4.0 Project Management

4.1. Project Plan

1. The Contractor's project plan is included in Exhibit D
2. The plan must address how problems will be identified, how data will be analyzed to illustrate trends and areas for improvement, and how you will identify any barriers that are impacting services. MDOC requires a data analysis for activities on a monthly basis. The plan must contain a communication component that details how you will share information with MDOC, identify any escalation process, how opportunities for improvement will be identified and shared, and the Contractor personnel who will be responsible for each of these areas.
3. This plan must ensure that the Contractor works in partnership with the MDOC and all of its health care and substance abuse subcontractors. This plan will be ongoing and require updates as opportunities and barriers are identified and resolved.
4. Within five working days of the Contract Effective Date, the Contractor must submit a final work plan to MDOC Program Manager for final approval. The final work plan must be consistent with responses to Section 1.0, be accepted by the State, and must include the following:
 - a. The Contractor's project organizational structure.
 - b. The Contractor's Staffing Plan with names and titles of personnel assigned to the project. This must be in agreement with staffing described in Sections 3.3, 3.4, and 3.5. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
 - c. The project breakdown showing sub-projects, activities and tasks and resources required and allocation to each
 - d. The time-phased plan in the form of a graphic display, showing each event, task, and decision point in the Contractor's work plan.

4.2. Meetings

The Contractor must attend the following meetings:

1. One Transition Meeting
 - a. Initial kick off meeting
 - b. Weekly conference calls for the first 30 days
2. Monthly
 - a. Contract meeting
3. Quarterly
 - a. Statewide Performance Improvement Team Meeting
 - b. Strategic Planning Meeting

The State may request other meetings, as it deems appropriate.

4.3. Reporting

The Contractor must submit, to the MDOC Contract Manager the following reports by the 15th day of the following month or quarter:

1. Monthly budget report - Submit a monthly report of the activities that took place during the month, the hours that were allocated to the project, along with the dollars for that task. The report should also include the total budget for the year, what has been spent to date and the remaining amount.

2. Quarterly project report – An update on the status of all projects. This should include issues and identified solutions to those issues.
3. Quarterly claims report – An update on any issues that have been found with the claims files when scrubbing and downloading the file.
4. Other reports to be agreed upon by the Contractor and the MDOC.
5. Contractor will create calendar notification and reminders on each report's due date in advance of its submittal date, providing sufficient time to prepare and review each report in a timely manner.

5. Ordering

5.1. Authorizing Document

The appropriate authorizing document for the Contract will be a duly signed Contract and Purchase Order.

6. Invoice and Payment

6.1. Invoice Requirements

All invoices submitted to the State must include: (a) date; (b) contract number; (c) description and dates of the Contract Activities performed; (d) unit price; and (e) total cost. All invoices should reflect actual work done, and include backup documentation supporting any travel or expenses incurred. Overtime and holiday pay will not be paid.

6.2. Payment Methods

The State will make payment for Contract Activities via Electronic Funds Transfer (EFT).

7. Liquidated Damages Late or improper completion of the Contract Activities will cause loss and damage to the State and it would be impracticable and extremely difficult to fix the actual damage sustained by the State. Therefore, if there is late or improper completion of the Contract Activities the State is entitled to collect liquidated damages in the amount of \$5,000 and an additional \$100 per day for each day Contractor fails to remedy the late or improper completion of the Work in Exhibit A.

STATE OF MICHIGAN

Contract # 071B6600114
Health Care Third Party Reviewer

EXHIBIT B
Reserved

STATE OF MICHIGAN

Contract # 071B6600114
Health Care Third Party Reviewer

EXHIBIT C PRICING

1. Price proposals must include all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State (e.g., shipping and handling, per piece pricing, and palletizing).
2. Quick payment terms: 2 % discount off invoice if paid within 30 days after receipt of invoice.
3. Pricing Schedule

a. Pricing Schedule – Year 1

Task Title	Estimated Annual Hours	Price per Task	Frequency of Reporting Period	Year 1 Price
1. Review of claims data		\$57,069	Monthly	\$57,069
A. Staff: AmWINS	145 Hours	\$31,755		
B. Staff: HMA	83 Hours	\$25,314		
2. Review of SLAs		\$59,657	Monthly	\$59,657
A. Staff: HMA	206 Hours	\$59,657		
B. Staff:	Hours			
3. Review of SLAs		\$203,070	Quarterly	\$203,070
A. Staff: HMA	616 Hours	\$203,070		
B. Staff:	Hours			
4. Review of SLAs		\$267,433	Annual	\$267,433
A. Staff: HMA	823 Hours	\$267,433		
B. Staff:	Hours			
5. Review of Integrated Services contract compliance		\$8,381	Annual	\$8,381

A. Staff: HMA	26 Hours	\$8,381		
B. Staff:	Hours			
6. Review of Pharmaceutical contract compliance		\$17,755	Annual	\$17,755
A. Staff: HMA	53 Hours	\$17,755		
B. Staff:	Hours			
7. Validation of Pharmaceutical contract		\$48,207	Annual	\$48,207
A. Staff: AmWINS	188 Hours	\$41,172		
B. Staff: HMA	21 Hours	\$7,035		
Task Title	Estimated Annual Hours	Price per Task	Frequency of Reporting Period	Year 1 Price
8. Research Evidence Based Practices		\$9,345	Monthly	\$9,345
A. Staff: HMA	30 Hours	\$9,345		
B. Staff:	Hours			
9. Development of audit tools and data management tools		\$22,540	Monthly	\$22,540
A. Staff: HMA	75 Hours	\$22,540		
B. Staff:	Hours			
10. Technical assistance for the Integrated Care Implementation		\$260,898	Monthly	\$260,898
A. Staff: HMA	672 Hours	\$223,170		
B. Travel		\$37,728		
11. Administrative Costs (hourly rate)		\$76,363	Per Invoice	\$76,363
A. Staff: HMA	184.5 Hours	\$57,413		
B. Travel, Licensing(s) & Incidentals		\$18,950		
			Year 1 Price:	\$1,030,718

b. Pricing Schedule – Year 2

Task Title	Estimated Annual Hours	Price per Task	Frequency of Reporting Period	Year 2 Price
1. Review of claims data		\$47,635	Monthly	\$47,635
A. Staff: AmWINS	120 Hours	\$26,280		
B. Staff: HMA	69 Hours	\$21,355		
2. Review of SLAs		\$61,319	Monthly	\$61,319
A. Staff: HMA	206 Hours	\$61,319		
Task Title	Estimated Annual Hours	Price per Task	Frequency of Reporting Period	Year 2 Price
B. Staff:	Hours			
3. Review of SLAs		\$204,703	Quarterly	\$204,703
A. Staff: HMA	603 Hours	\$204,703		
B. Staff:	Hours			
4. Review of SLAs		\$265,008	Annual	\$265,008
A. Staff: HMA	792 Hours	\$265,008		
B. Staff:	Hours			
5. Review of Integrated Services contract compliance		\$27,810	Annual	\$27,810
A. Staff: HMA	87 Hours	\$27,810		
B. Staff:	Hours			
6. Review of Pharmaceutical contract compliance		\$12,745	Annual	\$12,745
A. Staff: HMA	38 Hours	\$12,745		
B. Staff				
7. Validation of Pharmaceutical contract		\$ -66,911	Annual	\$ 66,911

A. Staff: N/A	38 Hours	\$ 12,745		
B. Staff: AmWINS	244 Hours	\$ 54,166		
8. Research Evidence Based Practices		\$9,615	Monthly	\$9,615
A. Staff: HMA	30 Hours	\$9,615		
B. Staff:	Hours			
9. Development of audit tools and data management tools		\$23,180	Monthly	\$23,180
A. Staff: HMA	75 Hours	\$23,180		
B. Staff:				
10. Technical assistance for the Integrated Care Implementation		\$223,074	Monthly	\$223,074
A. Staff: HMA	571 Hours	\$190,709		
B. Travel		\$32,365		
11. Administrative Costs (hourly rate)		\$45,739	Per Invoice	\$45,739
A. Staff: HMA	92.5 Hours	\$29,139		
B. Travel, Licensing(s) & Incidentals		\$16,600		
			Year 2 Price:	\$987,739

c. Pricing Schedule – Year 3

Task Title	Estimated Annual Hours	Price per Task	Frequency of Reporting Period	Year 3 Price
1. Review of claims data		\$48,294	Monthly	\$48,294
A. Staff: AmWINS	120 Hours	\$26,280		
B. Staff: HMA	69 Hours	\$22,014		
2. Review of SLAs		\$63,187	Monthly	\$63,187
A. Staff: HMA	206 Hours	\$63,187		

Task Title	Estimated Annual Hours	Price per Task	Frequency of Reporting Period	Year 3 Price
B. Staff:	Hours			
3. Review of SLAs		\$204,080	Quarterly	\$204,080
A. Staff: HMA	583 Hours	\$204,080		
B. Staff:	Hours			
4. Review of SLAs		\$266,620	Annual	\$266,620
5. Review of Integrated Services contract compliance		\$28,667	Annual	\$28,667
A. Staff: HMA	87 Hours	\$28,667		
B. Staff:	Hours			
6. Review of Pharmaceutical contract compliance		\$12,816	Annual	\$12,866
A. Staff: HMA	36 Hours	\$ 12,816		
B. Staff:		\$		
7. Validation of Pharmaceutical contract		\$ 54,288	Annual	\$53,938
A. Staff: N/A	Hours	\$ 12,816		
B. Staff: AmWINS	188 Hours	\$ 41,172		
8. Research Evidence Based Practices		\$9,915	Monthly	\$9,915
A. Staff: HMA	30 Hours	\$9,915		
B. Staff:	Hours			
9. Development of audit tools and data management tools		\$23,895	Monthly	\$23,895
A. Staff: HMA	75 Hours	\$23,895		
B. Staff:	Hours			
10. Technical assistance for the Integrated Care Implementation		\$38,686	Monthly	\$38,686

Task Title	Estimated Annual Hours	Price per Task	Frequency of Reporting Period	Year 3 Price
A. Staff: HMA	87 Hours	\$28,881		
B. Travel		\$9,805		
11. Administrative Costs (hourly rate)		\$46,700	Per Invoice	\$46,700
A. Staff: HMA	92.5 Hours	\$30,100		
Task Title	Estimated Annual Hours	Price per Task	Frequency of Reporting Period	Year 3 Price
B. Travel, Licensing(s) & Incidentals		\$16,600		
			Year 3 Price:	\$796,848

d. Pricing Schedule – Year 4

Task Title	Estimated Annual Hours	Price per Task	Frequency of Reporting Period	Year 4 Price
1. Review of claims data		\$48,953	Monthly	\$48,953
A. Staff: AmWINS	120 Hours	\$26,280		
B. Staff: HMA	69 Hours	\$22,673		
2. Review of SLAs		\$65,055	Monthly	\$65,055
A. Staff: HMA	206 Hours	\$65,055		
B. Staff:	Hours			
3. Review of SLAs		\$199,347	Quarterly	\$199,347
A. Staff: HMA	553 Hours	\$199,347		
B. Staff:	Hours			
4. Review of SLAs		\$272,952	Annual	\$272,952
A. Staff: HMA	768 Hours	\$272,952		
5. Review of Integrated Services contract compliance		\$27,974	Annual	\$27,974
A. Staff: HMA	82 Hours	\$27,974		

Task Title	Estimated Annual Hours	Price per Task	Frequency of Reporting Period	Year 4 Price
B. Staff:	Hours			
6. Review of Pharmaceutical contract compliance		\$13,212	Annual	\$13,212
A. Staff: HMA	36 Hours	\$13,212		
B. Staff:	Hours			
7. Validation of Pharmaceutical contract		\$54,384	Annual	\$54,384
A. Staff: AmWINS	188 Hours	\$41,172		
B. Staff: HMA	36 Hours	\$13,212		
8. Research Evidence Based Practices		\$10,215	Monthly	\$10,215
A. Staff: HMA	30 Hours	\$10,215		
B. Staff:	Hours			
9. Development of audit tools and data management tools		\$24,610	Monthly	\$24,610
A. Staff: HMA	75 Hours	\$24,610		
B. Staff:	Hours			
10. Technical assistance for the Integrated Care Implementation		\$46,473	Monthly	\$46,473
A. Staff: HMA	108 Hours	\$36,668		
B. Travel		\$9,805		
11. Administrative Costs (hourly rate)		\$47,606	Per Invoice	\$47,606
A. Staff: HMA	92.5 Hours	\$31,006		
B. Travel, Licensing(s) & Incidentals		\$16,600		
			Year 4 Price:	\$810,781

e. Pricing Schedule – Year 5

Task Title	Estimated Annual Hours	Price per Task	Frequency of Reporting Period	Year 5 Price
1. Review of claims data		\$49,643	Monthly	\$49,643
A. Staff: AmWINS	120 Hours	\$26,280		
B. Staff: HMA	69 Hours	\$23,363		
Task Title	Estimated Annual Hours	Price per Task	Frequency of Reporting Period	Year 5 Price
2. Review of SLAs		\$67,115	Monthly	\$67,115
A. Staff: HMA	206 Hours	\$67,115		
B. Staff:	Hours			
3. Review of SLAs		\$202,992	Quarterly	\$202,992
A. Staff: HMA	548 Hours	\$202,992		
B. Staff:	Hours			
4. Review of SLAs		\$267,437	Annual	\$267,437
A. Staff: HMA	733 Hours	\$267,437		
B. Staff:	Hours			
5. Review of Integrated Services contract compliance		\$30,414	Annual	\$30,414
A. Staff: HMA	87 Hours	\$30,414		
B. Staff:	Hours			
6. Review of Pharmaceutical contract compliance		\$13,572	Annual	\$13,572
A. Staff: HMA	36 Hours	\$13,572		
B. Staff:	Hours			
7. Validation of Pharmaceutical contract		\$54,744	Annual	\$54,744
A. Staff: AmWINS	188 Hours	\$41,172		

Task Title	Estimated Annual Hours	Price per Task	Frequency of Reporting Period	Year 5 Price
B. Staff: HMA	36 Hours	\$13,572		
8. Research Evidence Based Practices		\$10,515	Monthly	\$10,515
A. Staff: HMA	30 Hours	\$10,515		
B. Staff:	Hours			
9. Development of audit tools and data management tools		\$25,360	Monthly	\$25,360
A. Staff: HMA	75 Hours	\$25,360		
10. Technical assistance for the Integrated Care Implementation		\$47,553	Monthly	\$47,553
A. Staff: HMA	108 Hours	\$37,748		
B. Travel		\$9,805		
11. Administrative Costs (hourly rate)		\$48,531	Per Invoice	\$48,531
A. Staff: HMA	92.5 Hours	\$31,931		
B. Travel, Licensing(s) & Incidentals		\$16,600		
			Total Year 5 Price:	\$817,876
			Grand Total Five Year Price:	\$4,443,962

Prices quoted are firm for the entire length of the Contract

STATE OF MICHIGAN

Contract # 071B6600114
Health Care Third Party Reviewer

EXHIBIT D MDOC Third Party Review Project Plan

PROJECT YEAR ONE

The overarching goals of this project plan are to support MDOC in optimally managing its contracted health care service vendors, to assure that MDOC is apprised of emerging practices and options for the organization and delivery of correctional health services, and to assist MDOC in incorporating promising strategies, approaches, tools, and services into its health care operations throughout the contract term.

The scope of work for this project is very broad and complex, and the work plan will need to be assessed continually and modified over time, particularly from one project year to another.

COMMUNICATIONS PLAN

The complexity of the scope of activities for this project calls for a communication plan and project management structures that identify deviations from the plan and emerging problems in real time and support rapid problem resolution and removal of barriers to project success.

Contractor will organize communication within the team so that each discrete project activity described in detail below has a point person that communicates with the Contractor project managers at least twice a month during periods of activity. Project goals, objectives, activities, tasks, expected level of effort, assignments, timelines, and deliverables will be reviewed, as will the findings of the activities. Problems and barriers will be discussed and remediated. Contractor project managers will synthesize and summarize information from each task team to update MDOC monthly. Each project task team will also be consulted for recommendations for modifications to the work plan and approach for each new project year.

Contractor Project Managers Donna Strugar-Fritsch and Assistant Project Manager Donna Laverdiere will communicate with MDOC in a regular, monthly call expressly to review the project plan and budget, identify and remediate barriers to progress and deliverables, and identify and resolve problems.

Problems and barriers that are Contractor's responsibility and not readily resolved will be escalated within Contractor through our corporate management structure. It includes:

- Two vice presidents who have responsibility for the operation of the 18 offices
- A vice president in Lansing that oversees corporate operations including human resources, contracting, business development, legal issues, and data and IT systems
- A chief financial officer

At a higher level, problems can be escalated to the Chief Executive Officer and ultimately to the President. Contractor's President and VP for Operations – both in Lansing - are deeply familiar with Contractor's work for MDOC and view MDOC as one of Contractor's most valued clients.

PROJECT ADMINISTRATION

The goals of project administration activities are to:

- Keep the many project components moving forward in accordance with the project plan
- Assure that problems and barriers are quickly identified and mitigated
- Assure that MDOC is satisfied with Contractor's professional and financial performance
- Address ad hoc needs that arise within MDOC
- Assure that project resources are sufficient for all scheduled and ad hoc activities

The primary team members for project administration are Donna Strugar-Fritsch and Donna Laverdiere.

Project administration activities will begin with implementation of the Transition Plan over the first month.

Contractor will provide a monthly budget update that shows the budgeted and actual hours and cost by major category of tasks. We will review this with MDOC in a monthly project management call in which each major task category will be discussed to clarify next steps, resources, problems, preliminary findings, details, etc.

Within 21 days of the finish of each quarter, Contractor will provide a written quarterly report, in which major accomplishments, problems and barriers, budget, and next steps are reported.

Contractor will keep the project plan up to date and provide amended versions to MDOC as necessary.

Near the end of the last quarter of each project year, Contractor will confer with MDOC to identify changes to the overall approaches, objectives, tasks, and activities for the following year. Contractor will craft a project plan and budget for each new project year, in close collaboration with MDOC.

MAXOR PHARMACY CONTRACT AND PRICING REVIEW

The goals of this activity are to:

- Measure Maxor's compliance with contractual obligations for managing pharmaceutical services, pricing, and rebates
- Identify, quantify and recover any overpayments made by MDOC to Maxor

The primary team members for this activity are Donna Strugar-Fritsch and Mark Lawlor and Anna Knopp from AmWINS Benefit Watch.

Contractor, Sub-Contractor, and MDOC will establish the data and contract terms that MDOC wishes to have evaluated for the Maxor contract period 1/1/15 – 6/30/16. Contractor and Sub-Contractor will

conduct the analysis and present the preliminary findings to MDOC. Findings of concern and the associated data will be presented to Maxor for comment. Contractor and Sub Contractor will consider Maxor comment and clarifications and will finalize and submit the report to MDOC.

REVIEW OF CORIZON INTEGRATED SERVICES CONTRACT MANAGEMENT

Claims Analysis

The goals of this work are to:

- Assure that Corizon pays claims for off-site services in accordance with its contractual requirements, i.e., on time, correctly, and for services that are appropriate
- Array paid claims data in dashboards and reports that allow MDOC to assess clinical, financial, and operational trends that fall under Corizon's obligations

The primary team members on this scope of work will be Donna Strugar-Fritsch for guidance and interpretation of findings, Sub Contractor for claims scrubbing and analytics, and Ian Randall for uploading claims data into Tableau.

Activities:

- Kick-off meeting with Corizon, MDOC, Contractor, and Sub-Contractor to establish the fields to be included in the file provided to Contractor, method and frequency of data exchange, means of identifying reversals and adjustments, method of identifying (for facility and professional claims) the location of service (inpatient, hospital outpatient, ER, clinic), claims paid under DRGs, inpatient claims issues with respect to Medicaid payment, and other operational details.
- Contractor establishes claims exchange portal as necessary
- Contractor and Sub-Contractor present retrospective analysis findings to MDOC
- Sub-Contractor and Contractor develop reports that identify claims outliers by facility and provider
- Sub-Contractor conducts monthly claims scrubbing, analysis, and reports; posts scrubbed file to portal;
- Contractor imports new data into the existing Tableau dashboards each month
- Contractor brings any urgent findings to MDOC's attention each month
- Contractor provides MDOC with a quarterly written summary report of claims findings

Engaging Sub-Contractor as a partner in the claims analysis brings a degree of additional claims auditing functionality and experience that was not available to MDOC in its first Third Party Reviewer contract. Given Sub-Contractor experience with claims recovery around the world and its explicit experience with Blue Cross and Blue Shield of Michigan, the Contractor team strongly recommends that MDOC authorize Sub-Contractor to conduct a retrospective claims analysis of off-site claims paid by Blue Cross and by Corizon for the historic period identified by MDOC. Including this activity in the project plan could result

in financial recoveries for MDOC for errors, irregularities in processing DRG payments, network access fees, discounts, and other factors.

Corizon Service Level Agreements

The goals of this activity are to:

- Validate MDOC measurement of Corizon's compliance with explicit SLAs
- Consider factors that impact Corizon's ability to comply with the SLAs
- Consider factors that impact the integrity of the SLA data collected
- Recommend modifications to the SLAs or their measurement to improve their integrity and the ability of MDOC to collect liquid damages for deficient performance.

Donna Strugar-Fritsch will direct the project activities and they will be carried out by Alana Ketchel, who is familiar with MDOC SLAs and the data collection and reporting tools used by MDOC.

During the transition period, Contractor will review and discuss the SLA data collected by MDOC, the data collection and reporting schedule, and historic and present MDOC concerns with Corizon performance.

Contractor will conduct **monthly** reviews to validate the medical provider Service Level Agreement audit data provided by MDOC for the following:

- Routine nursing referrals
- Urgent nursing referrals
- Emergent nursing referrals
- Chronic care visits
- Diagnostic tests
- Urgent referrals
- Emergency referrals
- Telemedicine

For each, Contractor will create a template for reporting discrepancies we identify and for tracking the data in a dashboard that allows filtering by audit, facility, time period, region, and other factors.

On a quarterly basis, Contractor will consolidate validation findings into a single draft report. Contractor will share it with MDOC and present it to Corizon clinical/administrative leadership for their response. Contractor will discuss Corizon's response with them, and then craft a final report of findings that identify variables that impact Corizon performance and recommendations and considerations for each SLAs and its interpretation.

Contractor will conduct **quarterly** reviews to validate the psychiatric Service Level Agreement audit data provided by MDOC for the following:

- Outpatient services
- Residential services
- ASRP services
- Medication renewals
- Acute CPE services
- CSP services
- RTS services
- AIMS testing and management

- Medication Reviews

For each, Contractor will create a template for reporting discrepancies identified and for tracking the data in a dashboard that allows filtering by audit, facility, time period, region, and other factors.

On a semi-annual basis, Contractor will consolidate validation findings into a single draft report. Contractor will share it with MDOC and present it to Corizon clinical/administrative leadership for their response. Contractor will discuss Corizon's response with them and then craft a final report of findings that identify variables that impact Corizon performance and recommendations and considerations for each SLAs and its interpretation.

PharmaCorr Service Level Agreements

The goals of this activity are to:

- Validate MDOC measurement of PharmaCorr's compliance with explicit SLAs
- Consider factors that impact PharmaCorr's ability to comply with the SLAs
- Consider factors that impact the integrity of the SLA data collected
- Recommend modifications to the SLAs or their measurement to improve their integrity and the ability of MDOC to collect liquid damages for deficient performance.

Due to extensive experience with on-the ground administration of pharmacy services across MDOC, Donna Strugar-Fritsch will be the primary staff person for this activity.

During the transition period, Contractor will review and discuss the SLA data collected by MDOC, the data collection and reporting schedule, and historic and present MDOC concerns with PharmaCorr performance.

Contractor will conduct monthly reviews to validate the medical provider Service Level Agreement audit data provided by MDOC for the following:

- Timely delivery of mail order drugs
- Returns for credit
- Error rate

For each, Contractor will create a template for reporting discrepancies identified and for tracking the data in a dashboard that allows filtering by facility and time period.

Other Requirements

In the third quarter of Contractor's first contract year, Contractor will provide MDOC with a draft contract review plan for Corizon's many additional contractual obligations including maintaining off-site provider networks, conducting utilization management, submitting staffing reports and other data, training, and more. Contractor will finalize the plan with MDOC in the fourth quarter of the first year and operationalize it early in the second year and annually thereafter.

Contractor will also recommend data elements to track that assess Corizon compliance with integrated clinical care in accordance with the integrated care roll out across all facilities. These will be incorporated into the second year of the project.

TECHNICAL SUPPORT FOR INTEGRATED CARE IMPLEMENTATION

Refer to Exhibit E "Integrated Care Consulting and TA".

The goal of this work is that MDOC will deliver evidence-based, fully integrated primary care and behavioral health services to all inmates, and that the care is at all times tailored to the needs of the inmate based on his/her placement in the 4-Quadrant model.

The primary staff contributing to this work are Dona Strugar-Fritsch, Gina Lasky, Rich VandenHeuvel, Dr. Lori Raney, and Dr. Emily Brandenfels.

Primary activities are to:

- Support the two pilot sites in continued testing of this new model of care
- Support MDOC leadership and planning team in developing the infrastructure necessary to support fully integrated care across the MDOC system
- Support MDOC and Corizon integrated care leaders in becoming capable of supporting implementation and ongoing operation of fully integrated care across the MDOC system
- Contribute to developing a feasible and sustainable plan for rolling out integrated care across the system
- Support MDOC in rolling out the model to all facilities
- Assure that MDOC has the necessary tools for clinical and administrative management of integrated care including registries, EMR templates, performance and outcome metrics, training tools, and evaluation plan.
- Conduct ongoing evaluation of the model

REVIEW OF REENTRY SERVICES CONTRACT

MDOC currently contracts with a single vendor to provide reentry planning and support services to medically fragile inmates and to inmates with serious mental illness and/or other complex conditions. The goals of this activity are to:

- Assure that MDOC's reentry provider is in compliance with the requirements of its contract
- Assure that MDOC reentry activities evolve to adopt best practices and to changes in the community with respect to Medicaid, parole and probation, treatment of serious mental illness and SUD, and the criminal justice environment.

The primary staff involved in these activities will be Donna Strugar-Fritsch who will focus on medically fragile inmate issues, and Heidi Arthur and Rich VandenHeuvel who will focus on the SMI and SUD issues.

Activities will include:

- A kick-off meeting with the Contractor, to establish a relationship and identify the strengths, limitations, and opportunities for improvement of the contract from the Contractor's perspective
- A kick-off meeting with MDOC to identify the Contractor's performance to data and strengths, limitations, and opportunities for improvement of the contract from MDOC's perspective
- Site visit to Contractor in first and fourth quarter to observe processes and documents
- Quarterly validation of MDOC audit of aftercare planning for D47 inmates, mental health services, and aftercare community referrals
- Periodic ad hoc updating and annual memorandum to MDOC on emerging national and state changes and trends in Medicaid, parole and probation, treatment of serious mental illness and SUD, the criminal justice environment, other reentry elements, and programs to move medically fragile inmates out of prisons
- Annual recommendations on modifications to the Reentry contract and approach.

REVIEW OF PRISON-BASED RESIDENTIAL SUD TREATMENT SERVICES

MDOC currently contracts with a single vendor to provide prison-based residential SUD treatment services at the Detroit Reentry Center and at Women's Huron Valley prison. The goals of this activity are to:

- Assure that MDOC's Contractor for prison-based residential SUD treatment is in compliance with the requirements of its contract
- Assure that in prison residential SUD treatment evolves to adopt best practices and emerging clinical approaches

- Assure that billing and invoicing are accurate
- Assure program fidelity to evidence-based models approved by MDOC.

The primary CONTRACTOR team members participating in this effort will be Heidi Arthur and Rich VandenHeuvel, with support from Donna Laverdiere and Alana Ketchel on formatting the data.

Activities will include:

- A kick-off meeting with the Contractor, to establish a relationship and identify the strengths, limitations, and opportunities for improvement of the contract from the Contractor's perspective
- A kick-off meeting with MDOC to identify the Contractor's performance to data and strengths, limitations, and opportunities for improvement of the contract from MDOC's perspective.
- Quarterly validation of MDOC contract compliance data
- Site visits to WHV and the Detroit Reentry Center in second and fourth quarter to observe processes, documents, client practices, and clinical controls and to conduct random chart audits
- Contractor will create a template for reporting discrepancies contractor identifies and for tracking the data in a dashboard that allows filtering by a variety of factors
- On a semi-annual basis, Contractor will consolidate validation findings into a single draft report. Contractor will share it with MDOC and present it to the vendor for response. Contractor will discuss vendors' response with them, and then craft a final report of findings that identify variables that impact vendor performance and recommendations and considerations for ongoing services, contracting, and audit
- Periodic ad hoc updating and annual memorandum to MDOC on emerging national and state changes and trends in residential SUD treatment in prisons.

REVIEW OF PRISON-BASED OUTPATIENT SUD TREATMENT SERVICES

MDOC currently contracts with 7 providers to deliver prison-based outpatient SUD treatment services in 28 locations. The goals of this activity are to:

- Assure that MDOC's Contractors for prison-based outpatient SUD treatment are in compliance with the requirements of their contracts
- Assure that in prison outpatient SUD treatment evolves to adopt best practices and emerging clinical approaches
- Assure that billing and invoicing are accurate
- Assure program fidelity to evidence-based models approved by MDOC.

The primary Contractor team members participating in this effort will be Heidi Arthur and Rich VandenHeuvel, with support from Donna Laverdiere and Alana Ketchel on formatting the data.

Activities will include:

- A kick-off meeting with MDOC to identify the Contractor's performance to data and strengths, limitations, and opportunities for improvement of the contract from MDOC's perspective
- A kick-off teleconference with the Contractors, to establish a relationship and identify the strengths, limitations, and opportunities for improvement of the contract from the Contractors' perspectives
- Quarterly validation of MDOC contract compliance data
- Site visits to one location of each Contractor over second and third quarter to observe processes, documents, client practices, and clinical controls and to conduct random chart audits
- Reviews of three randomly selected charts from each site not visited, using scanned documents posted to a HIPAA-secure web portal
- Contractor will create a template for reporting discrepancies contractor identifies and for tracking the data in a dashboard that allows filtering by a variety of factors
- On a semi-annual basis, Contractor will consolidate validation findings into a single report to MDOC. It will identify variables that impact vendor performance and recommendations and considerations for ongoing services, contracting, and audit
- Periodic ad hoc updating and annual memorandum to MDOC on emerging national and state changes and trends in outpatient SUD treatment in prisons.

COMMUNITY-BASED RESIDENTIAL SUD TREATMENT SERVICES

MDOC currently contracts with 18 vendors to provide community-based residential SUD treatment in locations around the state. The treatment approach must evolve in step with Michigan's benefit package for SUD treatment for the Medicaid expansion population, and should also leverage the high interest and funding from federal agencies and foundations in the issue of treating SUD in the justice-involved population, and particularly in treatment for offenders with SUD and a co-occurring mental illness.

The goals of this activity are to:

- Assure that MDOC's Contractors for community residential SUD treatment are in compliance with the requirements of their contracts
- Assure that community residential SUD treatment evolves to adopt best practices and emerging clinical approaches and evolve in concert with Medicaid benefits to maximize available federal matching funds
- Assure that billing and invoicing are accurate
- Assure program fidelity to evidence-based models approved by MDOC.

The primary Contractor team members participating in this effort will be Heidi Arthur and Rich VandenHeuvel, with support from Donna Laverdiere and Alana Ketchel on formatting the data.

Activities will include:

- A kick-off meeting with MDOC to identify the Contractors' performance to data and strengths, limitations, and opportunities for improvement of the contracts from MDOC's perspective
- A kick-off teleconference with the Contractors, to establish a relationship and identify the strengths, limitations, and opportunities for improvement of the contract from the Contractors' perspectives
- Annual validation of MDOC contract compliance data
- Site visits to nine Contractors in the first year and nine in the second year, to observe processes, documents, client practices, and clinical controls and to conduct random chart audits
- Reviews of three randomly selected charts from each site not visited, using scanned documents posted to a HIPAA-secure web portal
- Contractor will create a template for reporting discrepancies contractor identifies and for tracking the data in a dashboard that allows filtering by a variety of factors
- Contractor will consolidate validation findings into a single annual report to MDOC. It will identify variables that impact vendor performance and recommendations and considerations for ongoing services, contracting, and audit, and also recommend additional contract elements for audit
- Quarterly updating and annual memorandum to MDOC on emerging national and state changes, trends and funding opportunities for community residential SUD treatment for offenders.

COMMUNITY-BASED OUTPATIENT SUD TREATMENT SERVICES

MDOC currently contracts with 21 vendors to provide community-based outpatient SUD treatment in locations around the state. The treatment approach must evolve in step with Michigan's benefit package for SUD treatment for the Medicaid expansion population, and should also leverage the high interest and funding from federal agencies and foundations in the issue of treating SUD in the justice-involved population, and particularly in treatment for offenders with SUD and a co-occurring mental illness.

The goals of this activity are to:

- Assure that MDOC's Contractors for community outpatient SUD treatment are in compliance with the requirements of their contracts
- Assure that community outpatient SUD treatment evolves to adopt best practices and emerging clinical approaches and evolve in concert with Medicaid benefits to maximize available federal matching funds
- Assure that billing and invoicing are accurate
- Assure program fidelity to evidence-based models approved by MDOC.

The primary CONTRACTOR team members participating in this effort will be Heidi Arthur and Rich VandenHeuvel, with support from Donna Laverdiere and Alana Ketchel on formatting the data.

Activities will include:

- A kick-off meeting with MDOC to identify the Contractors' performance to data and strengths, limitations, and opportunities for improvement of the contracts from MDOC's perspective
- A kick-off teleconference with the Contractors, to establish a relationship and identify the strengths, limitations, and opportunities for improvement of the contract from the Contractors' perspectives
- Quarterly validation of MDOC contract compliance data.
- Site visits to 10 Contractor in the first year and 11 in the second year, to observe processes, documents, client practices, and clinical controls and to conduct random chart audits.
- Reviews of three randomly selected charts from each site not visited, using scanned documents posted to a HIPAA-secure web portal
- Contractor will create a template for reporting discrepancies we identify and for tracking the data in a dashboard that allows filtering by a variety of factors
- Contractor will consolidate validation findings into a single annual report to MDOC. It will identify variables that impact vendor performance and recommendations and considerations for ongoing services, contracting, and audit, and also recommend additional contract elements for audit
- Quarterly updating and annual memorandum to MDOC on emerging national and state changes, trends and funding opportunities for community outpatient SUD treatment for offenders.

PRISON-BASED SEX OFFENDER TREATMENT SERVICES

MDOC contracts with a single vendor to provide sex offender treatment at its Cooper Street facility. The goals of this activity are to:

- Assure that MDOC's Contractor for in-prison sex offender treatment is in compliance with the requirements of its contract
- Assure program fidelity to evidence-based models approved by MDOC
- Develop additional program performance metrics.

The primary Contractor team members participating in this effort will be Gina Lasky and Rich VandenHeuvel, with support from Donna Laverdiere and Alana Ketchel on formatting the data.

Activities will include:

- A kick-off meeting with MDOC to identify the Contractor's performance to data and strengths, limitations, and opportunities for improvement of the contract from MDOC's perspective
- A kick-off teleconference with the Contractor, to establish a relationship and identify the strengths, limitations, and opportunities for improvement of the contract from the Contractor's perspectives
- Quarterly validation of MDOC contract compliance data
- One site visit to Cooper Street to observe processes, documents, client practices, and clinical controls and conduct random chart audits
- Annual draft report of validation findings presented to MDOC and the vendor for response. Contractor will discuss vendor's response with the vendor, and then craft a final report of findings that identify variables that impact vendor performance and recommendations and considerations for ongoing services, contracting, and audit.

COMMUNITY-BASED SEX OFFENDER TREATMENT SERVICES

MDOC contracts with 12 vendors to provide community-based sex offender treatment at locations around the state. The goals of this activity are to:

- Assure that MDOC's Contractors for community-based sex offender treatment are in compliance with the requirements of their contracts
- Assure program fidelity to evidence-based models approved by MDOC
- Develop additional program performance metrics.

The primary Contractor team members participating in this effort will be Gina Lasky and Rich VandenHeuvel, with support from Donna Laverdiere and Alana Ketchel on formatting the data.

Activities will include:

- A kick-off meeting with MDOC to identify the Contractors' performance to data and strengths, limitations, and opportunities for improvement of the contracts from MDOC's perspective
- A kick-off teleconference with the Contractors, to establish a relationship and identify the strengths, limitations, and opportunities for improvement of the contract from the Contractors' perspectives
- Quarterly validation of MDOC contract compliance data
- Site visits to 6 Contractors in the first year and 6 in the second year, to observe processes, documents, client practices, and clinical controls and to conduct random chart audits
- Reviews of three randomly selected charts from each site not visited, using scanned documents posted to a HIPAA-secure web portal
- Contractor will create a template for reporting discrepancies identified and for tracking the data in a dashboard that allows filtering by a variety of factors

- Contractor will consolidate validation findings into a single annual report to MDOC. It will identify variables that impact vendor performance and recommendations and considerations for ongoing services, contracting, and audit, and also recommend additional contract elements for audit.

DASHBOARDS, REGISTRIES, AND AUDIT TOOLS

The project activities described above each include steps to array data in dashboards reports that allow MDOC to readily interpret and defend findings and take appropriate action. Contractor recognizes that MDOC may also seek support in developing additional dashboards and analytic reports for objectives that are outside of the direct contract management described above. For example, MDOC may wish to further its work to develop clinical disease registries for certain diagnostic conditions as part of its commitment to population health management.

Project Manager Donna Strugar-Fritsch will be responsible for managing MDOC requests for dashboards, registries, audit tools, and data collection. Ian Randall will be responsible for accessing NextGen and pulling data from it as needed, and for developing dashboards, views in Tableau, and other representations of data from multiple sources. This work will be conducted in close collaboration with MDOC.

BEST PRACTICES RESEARCH

Contractor has built activities to research emerging best practices into several components of this project plan including SUD treatment, approaches for offenders with co-occurring mental illness and SUD, integrated care, Medicaid benefits, and sex offender treatment. Key staff in each area will monitor the literature, conferences, news, and our other clients to stay current on these rapidly changing elements of correctional health care.

Contractor will assign staff to conduct research on any additional issues that emerge over the course of this engagement. Our team of 200 consultants is likely to have expertise in many issues that could arise. In the event that Contractor do not, Contractor will confer with our large cadre of Sub-Contractors whose experience covers many areas tangential to ours. Project Manager Donna Strugar-Fritsch will be responsible for assigning personnel to best practices research and for presenting the results to MDOC.

SUBSEQUENT PROJECT YEARS

The overarching goals of this project remain in place for the duration of the project. Project goals for each area of activity also remain as stated for the initial year. Key staff and their roles as identified for the initial year are unchanged for the course of the project. Changes in the project activities for years two – five are noted below.

PROJECT ADMISTRATION

The activities described in year one will continue in years two through five with the exception of the Transition Plan. A new project plan and budget will be developed late in year one, which will serve as the road map for details in year two. This will recur at the end of each subsequent project year, in preparation for the next.

MAXOR PHARMACY CONTRACT AND PRICING REVIEW

This activity will be finalized in year one and will not continue.

REVIEW OF CORIZON INTEGRATED SERVICES CONTRACT MANAGEMENT

Claims Analysis

Monthly claims analysis and dashboard reporting will continue in years two through five, identical to year one with the exception of the start-up activities.

Service Level Agreements

Validation of MDOC findings on monthly medical and pharmacy and quarterly psychiatric SLA audits will continue throughout the contract. There may be additional SLAs implemented as well, and CONTRACTOR will validate MDOC audit as necessary.

PharmaCorr Pricing and Contractual Validation

In year two, Contractor will implement the audit plan developed with MDOC and PharmaCorr at the end of year one. Contractor will test compliance with a wide variety of contractual requirements. Contractor will also validate pricing and rebates/discounts on the claim file for PharmaCorr's first year, and report discrepancies, duplicates, errors, and other administrative and payment irregularities. After discussion with MDOC, Contractor will provide the preliminary report and supporting data to PharmaCorr for comment or clarification. Contractor will incorporate PharmaCorr's information into a final report to MDOC. This activity will be repeated in years three through five.

Other Corizon Contract Requirements

Contractor will conduct independent review or data validation (or perhaps a combination of both) in keeping with the plan developed at the end of year one to assess Corizon's compliance with other contractual requirements. This activity will occur in each project year, though the focus may change.

TECHNICAL SUPPORT FOR INTEGRATED CARE IMPLEMENTATION

In year two, Contractor will continue to support MDOC in rolling out integrated care. As detailed in Exhibit E Integrated Care Consulting and TA, Contractor efforts will decrease as MDOC becomes more competent in managing the rollout and operation of integrated care across the system. In year two, Contractor's roll will be to work with MDOC in coaching calls and webinars for Cohort 1. Contractor will take primary responsibility for the first meetings of the four Learning Collaboratives and work with MDOC on subsequent meetings of the collaboratives in through early year three. Contractor's support in year three will shift to designing an evaluation and Contractor will conduct the evaluation in years three and four. Our activity in year five will be limited to helping MDOC report its findings.

REVIEW OF REENTRY SERVICES CONTRACT

Quarterly validation of MDOC's findings will continue in years two through five, as will twice-yearly site visits and reporting to MDOC on emerging models of care and Medicaid issues.

REVIEW OF PRISON-BASED RESIDENTIAL SUD TREATMENT CONTRACT

Quarterly validation of MDOC's findings will continue in years two through five, as will twice-yearly site visits to observe processes, review charts, and interview staff. Contractor will also continue to report on emerging models of prison-based residential SUD treatment.

REVIEW OF PRISON-BASED OUTPATIENT SUD TREATMENT CONTRACT

Quarterly validation of MDOC's findings will continue in years two through five, as will annual site visits to one location of each Contractor and chart reviews of sites not visited. Contractor will also continue to report on emerging models of prison-based outpatient SUD treatment.

REVIEW OF COMMUNITY-BASED RESIDENTIAL SUD TREATMENT SERVICES

Annual validation of MDOC data collected from community-based residential SUD providers will continue in years two through five, as will periodic reporting on emerging practices for residential SUD treatment for offenders and changes in the Medicaid system.

REVIEW OF COMMUNITY-BASED OUTPATIENT SUD TREATMENT SERVICES

Annual validation of MDOC data collected from community-based outpatient SUD providers will continue in years two through five, as will site visits and chart reviews. Contractor will also provide periodic reporting on emerging practices for outpatient SUD treatment for offenders and changes in the Medicaid system.

REVIEW OF PRISON-BASED SEX OFFENDER TREATMENT

Quarterly validation of MDOC's findings will continue in years two through five, as will an annual site visit. Contractor will also continue to report on emerging models of prison-based sex offender treatment.

REVIEW OF COMMUNITY-BASED SEX OFFENDER TREATMENT

Quarterly validation of MDOC's findings will continue in years two through five, as will annual site visits and chart reviews. Contractor will also continue to report on emerging models of community-based sex offender treatment.

DASHBOARDS, REGISTRIES AND AUDIT TOOLS

Contractor will continue to provide TA to MDOC in developing new dashboards, registries, audit tools, and other means of representing correctional health data. This will occur as needed throughout years two through five.

BEST PRACTICES RESEARCH

Contractor will continue to research best practices in correction health as needed throughout years two through five.

STATE OF MICHIGAN

Contract # 071B6600114
Health Care Third Party Reviewer

EXHIBIT E Integrated Care Consulting and Technical Assistance (TA)

INTEGRATED CARE PROJECT PLAN

Contractor to support the MDOC integrated care initiative as the pilots continue and the model is rolled out across MDOC facilities.

Training of Statewide Integrated Care Leaders

Contractor proposes to provide explicit and thorough training in Integrated Care to MDOC's new Integrated Care Director and others designated by MDOC and to Corizon's new leadership including, at a minimum, the Corizon statewide Medical Director and Psychiatric Director and the two Regional Integrated Care Coordinators.

The training will assure that the medical/psychiatric/nursing team fully understands and embraces the evidence-based Integrated Care model sufficiently to commit to fidelity to the essential components of the model throughout the course of implementation across the system. Contractor proposes an in-depth, two-day training as soon as the contract begins, and linked to the pilot site visits described below. Contractor will include these clinicians in the pilot site visits. Further support will be provided by mentoring this group in conducting coaching calls and conducting additional site visits. Contractor will also help prepare this team to lead the roll-out in other MDOC facilities. It is our intent to "train the trainers" through interventions that build their skills while reducing our involvement, resulting in a seamless transition to their leadership within 12-18 months, with ongoing follow up and support as back-up from Contractor.

Support and Stabilize the Pilots

Contractor proposes to conduct a site visit to each pilot site as soon as possible in August, to catch up on activities, assess short and long term needs, and engage the new MDOC Integrated Care leader and Corizon clinical leaders in the project. Our team will be joined by the MDOC and Corizon clinical leaders who attended the training described above.

Contractor will provide continued technical assistance (TA) to the two pilot sites (Macomb and Oaks) in refining screening tools, refining effective risk stratification, further developing clinical registries for Integrated Care, developing short and long term metrics for outcome evaluation, and ensuring the teams are making day to day adjustments to the model that maintains fidelity to the core principles. Contractor will also provide encouragement and problem-solving support as they refine the roles of team members and of the Care Managers and begin to explore challenges in stepping care within MDOC facilities and addressing transitions of care as the pilot population expands. Contractor also believes that consultation by phone with two physicians – Primary Care and Psychiatry – who have direct experience with the model Contractor is modifying for MDOC

would be very useful to address the liability concerns raised in the pilots and to further define the consulting psychiatry and PCP roles for your pilots and leadership. These discussions should include the Corizon medical director as well. Developing these components of Integrated Care will be directly applicable to the other MDOC facilities.

With MDOC and Corizon leaders, Contractor will conduct teleconferences every other week with the individual pilot sites after the site visit for 60 – 90 days. This will provide site support and also allow all parties to further develop the metrics, tools, and roles essential to further roll out. Following these activities, the pilot sites will be ready to serve as mentors to the next cohort of implementation sites.

Support to MDOC Leadership Team/Planning Committee

The Leadership Team and Planning Committee both need support to standardize tools and approaches for the full implementation across the state, to develop a roll-out plan, and to more fully develop the clinical registry interface with NextGen and program metrics. In addition, the state-wide, regional, and facility-specific supervisory structures for Integrated Care need to be identified and put in place and staffing levels for Care Managers and others.

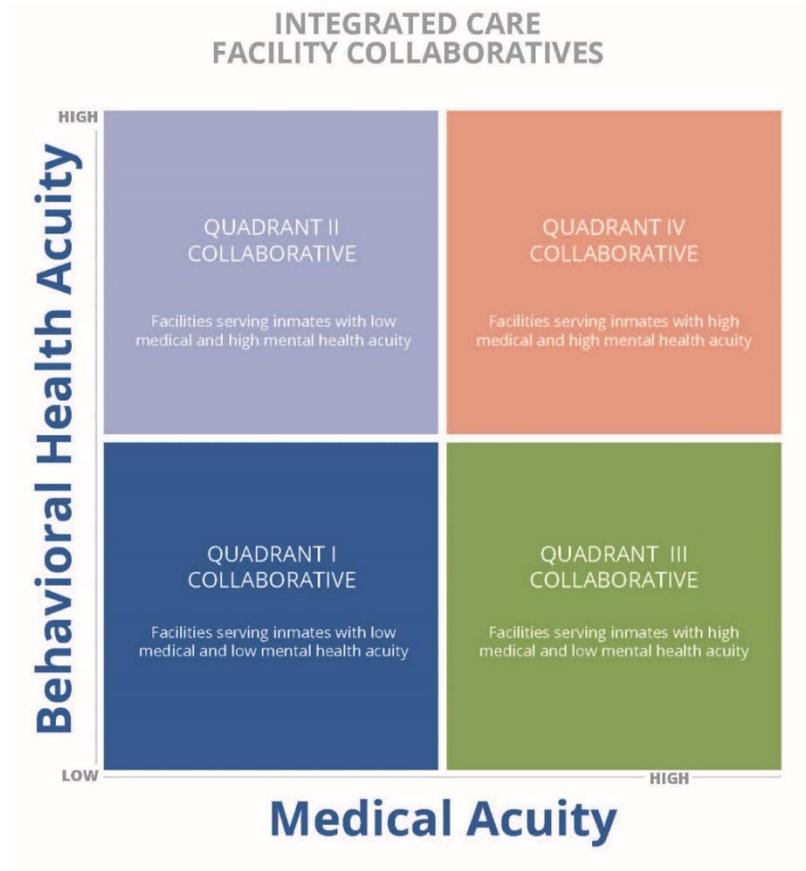
IT/Systems Integration Support

Contractor proposes to work with MDOC on addressing internal systems that must interface and operate to support integrated care within and across MDOC facilities. This will include design of clinical, housing, classification, and other data templates and feeds; communication platforms within and outside of NextGen; and data extraction templates for evaluation.

Roll-Out Plan

Contractor propose to implement Integrated Care into 10 prisons each year, in three geographically proximal groups of 3-4 sites each year. The sites do not need to be similar in their populations or programs, but their proximity will allow more efficient use of Contractor and MDOC BHCS resources. For each geographic group of 3-4 prisons, Contractor will begin with a day-long site visit to the facility to observe processes of care and identify how the model needs to be tailored for the unique physical, clinical, and operational elements of the facility and its staff. A 2-day training with all 3-4 prisons together will follow. Each site will then receive individual coaching calls every other week and individual site visits every other month for a period of nine months. In addition, Contractor will provide a series of six webinars on a variety of relevant topics. CONTRACTOR will collaborate with MDOC on developing the content, and will support MDOC to develop the subject matter expertise to take over delivering the webinars for later cohorts.

Beginning in the second year, the facilities will join learning collaboratives based on the primary quadrants of their populations. Contractor expect four cohorts corresponding to the four quadrants of the SAMHSA model that MDOC has adopted. Facilities in each of the quadrants will have unique needs for clinical roles, care management, screening criteria, and integrated care processes. The collaboratives will provide opportunity for sharing, collaborative problem solving, and for earlier sites to mentor later sites.



The following table shows the proposed timeline for all of the steps described above in rolling the model out across all MDOC facilities. The color coding also illustrates how CONTRACTOR will lead and model the first iteration of activities, then work with MDOC to jointly provide content, and finally transition to MDOC fully providing content with just occasional support from CONTRACTOR as needed.

INTEGRATED CARE PROJECT WORK PLAN AND TIMELINE												
	YEAR ONE				YEAR TWO				YEAR THREE			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
MDOC/Corizon Training												
Two-day training	x											
Ongoing support	x	x	x	x	x	x	x	x	x	x	x	x
Systems integration			x	x	x	x	x	x				
Pilot Support												
Site visit	x											
Coaching calls	x	x	x	x	x	x						
Webinar	x	x	x	x	x	x						
Roll-Out Cohort 1												
Site visit			x									
Training			x									
Coaching calls every other week			x	x	x							
Site visits every other month			x	x	x							
Quarterly collaboratives						x	x	x	x	x	x	
Webinar				x	x	x	x	x	x			
Roll-Out Cohort 2												
Site visit			x									
Training			x									
Coaching calls every other week			x	x	x							
Site visits every other month			x	x	x							
Quarterly collaboratives						x	x		x	x	x	x
Webinar					x	x	x	x	x	x		
Roll-Out Cohort 3												
Site visit				x								
Training				x								
Coaching calls every other week				x	x	x						
Site visits every other month				x	x	x						
Quarterly collaboratives							x	x	x	x	x	x
Webinar							x	x	x	x	x	x
Roll-Out Cohort 4												
Site visit					x							
Training					x							
Coaching calls every other week					x	x	x					
Site visits every other month					x	x	x					
Quarterly collaboratives								x	x	x	x	x
Webinar							x	x	x	x	x	x
Roll-Out Cohort 5												
Site visit						x						
Training						x						
Coaching calls every other week						x	x	x				
Site visits every other month						x	x	x				
Quarterly collaboratives									x	x	x	x
Webinar						x	x	x	x	x	x	x
Roll-Out Cohort 6												
Site visit							x					
Training							x					
Coaching calls every other week							x	x	x			
Site visit every other months							x	x	x			
Quarterly collaboratives										x	x	x
Webinar							x	x	x	x	x	x
Primarily HMA responsibility	Joint HMA/MDOC responsibility				Primarily MDOC responsibility							

Project Evaluation

Contractor proposes to conduct a formal project evaluation with MDOC during years four and five. Evaluation metrics will be established in years one and two, and collected and evaluated throughout the course of the project. Iterative results will be reviewed and shared regularly, and in year four and five the results will be formalized.

Contractor propose to rate each prison on the levels of integration developed by SAMHSA and embodied in the SAMHSA-HRSA CIHS tool. Contractor recommend that the MDOC target be that each site will become a level 4 or 5 by the end of the process.

Contractor will also use team-based tools that assess team functioning.

Finally, Contractor will evaluate the following metrics by facility, collaborative, and statewide:

- Process metrics to measure if the team is delivering care the way it is supposed to;
- Outcome metrics to measure the short and long-term clinical effects of integration;
- Custody metrics to measure inmate behavior; and
- Utilization and cost metrics to measure cost savings and benefits.