Form No. DTMB-3521 (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

CHANGE NOTICE NO. 2
to
CONTRACT NO. 071B3200086
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
University Of Massachusetts	Mary Fontaine	mary.fontaine@umassmed.edu
55 Lake Avenue North	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
Worcester MA, 01655	617-886-8031	*****7352

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	MDHHS	Kevin Dunn	517-335-5096	dunnk3@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Lance Kingsbury	517-284-7017	kingsburyl@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: Medicaid Cost Avoidance and Third Party Liability (TPL) Recovery Services Activity G - Medicare/Operational Enhancements for the Michigan Department of Health and Human Services

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
May 1, 2013	April 30, 2016	2 - 1 Year	April 30, 2016

PAYMENT TERMS	DELIVERY TIMEFRAME
3% 30 – Net 45	N/A

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
☐ P-card ☐ Direct Voucher (DV) ☐ Other	☐ Yes ☒ No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
☒	2 Years	☐		April 30, 2018

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$3,008,000.00	$ 0.00	$3,008,000.00

Description:

Effective May 1, 2016, the contract is amended as follows:

1. **Two option years are hereby exercised. The revised contract expiration date is April 30, 2018.**
2. **Attachment A - Pricing prices are hereby reduced:**
   - **2.1. Medicare Buy-in Quality Review – Contingency Fee: 10.8%**
   - **2.2. Missed Entitlement/MGQE Benefits Review – Unit Price: $1,050.00.**
     Pricing rates for Medicare Buy-In Quality Review and Missed Entitlement/MGQE Benefits Review cases are based on the rate in place at the time of the initial case referral to the federal agency (Social Security Administration (SSA) and/or the Centers for Medicare and Medicaid Services (CMS)) for correction.
3. **Section 1.022 is hereby amended to include the new, attached Enhanced Medicare Identification contract language and pricing.**
4. **Contract Administrator is changed to Lance Kingsbury (Section 2.021).**

All other terms, conditions, specifications, and pricing remain the same. Per agency request and contractor agreement, and DTMB Procurement approval.

Enhanced Medicare Identification

Project Description
Through the Enhanced Medicare Identification projects, the Contractor will employ advanced, proprietary data matching techniques to identify Medicare coverage information for Medicaid beneficiaries.

A. Enhanced Medicare Identification
The Contractor must perform Enhanced Medicare Identification activities that reinforce current MDHHS processes and identify Medicare coverage information for Medicaid beneficiaries, which is not currently known to MDHHS systems and has not been identified through MDHHS' routine processes. The Contractor must employ advanced data matching and data analysis techniques to identify Medicare coverage for Medicaid beneficiaries, which is shown on federal data sets, but is not shown in MDHHS systems. The Contractor must transmit the identified Medicare coverage information for each beneficiary to MDHHS to add to MDHHS systems, allowing MDHHS to begin cost-avoiding claims and, when applicable, recovering expenditures for these beneficiaries.

B. MMA and TBQ File Quality Review
The State Medicare Modernization Act (MMA) File contains information on dually eligible Medicare-Medicaid beneficiaries. Each month, the State of Michigan sends the MMA File to CMS identifying Michigan Medicaid beneficiaries who are also eligible to receive Medicare.

The Territories Beneficiary Query (TBQ) allows states to request individual Medicare-Medicaid eligibility information from CMS. The State of Michigan sends a TBQ file to CMS to request beneficiary data, and CMS will return a TBQR file with a list of validated beneficiaries. The State of Michigan uses this information to determine if a beneficiary is dually eligible.

Per the request of MDHHS, the Contractor must perform an MMA and TBQ File Quality Review of State of Michigan business processes for loading MMA and TBQ files and identifying Medicare coverage for individual Medicaid beneficiaries. The Quality Review includes, but is not limited to, providing business rules or improvements for identifying Medicare Part C and D plans and identifying missed Medicare effective dates. MDHHS will provide the Contractor with the necessary business processes to perform the review. The Contractor must complete the review within 90 days of receiving the business processes from MDHHS and provide a report of their recommendations to MDHHS within 30 days of completing the quality review, unless a further extension is granted by MDHHS. After recommendations are provided to MDHHS, the Contractor will continue to provide consulting as needed and as requested by MDHHS.

Pricing

Role	Rate/hour	Name
Project Sub-Manager	$150.00	Jenifer Hartman
Project Sub-Manager	$125.00	Beth Nadeau
Business Analyst	$100.00	TBD

The consulting rate is determined by labor costs incurred performing the duty and generating the recommendations report. This shall be a quarterly payment and be included in the quarterly invoice.

Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

August 22, 2014

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 1
to
CONTRACT NO. 071B3200086
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
University of Massachusetts Medical School	Mary Fontaine	Mary.Fontaine@umassmed.edu
55 Lake Avenue North	TELEPHONE	CONTRACTOR #, MAIL CODE
Worcester, MA 01655	(617) 886-8031	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	MDCH	Kevin Dunn	(517) 335-5096	Dunnk3@michigan.gov
BUYER:	DTMB	Angela Buren	(517) 284-7005	Burena@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: **Medicaid Cost Avoidance and Third Party Liability (TPL) Recovery Services Activity G – Medicare/Operational Enhancements for the Michigan Department of Community Health**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS	CURRENT EXPIRATION DATE
May 1, 2013	April 30, 2016	2, 1 yr.	April 30, 2016
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
3% 30 - Net 45	N/A	N/A	N/A

ALTERNATE PAYMENT OPTIONS:	AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card ☐ Direct Voucher (DV) ☐ Other	☐ YES ☒ NO

MINIMUM DELIVERY REQUIREMENTS:
N/A

DESCRIPTION OF CHANGE NOTICE:

OPTION EXERCISED:	IF YES, EFFECTIVE DATE OF CHANGE:	NEW EXPIRATION DATE: N/A
☒ NO ☐ YES	N/A	

Effective September 2, 2014, The attached Amended Business Associate Agreement between the State of Michigan and the University of Massachusetts Medical School is hereby incorporated into this Contract.

NOTE: The Contract Compliance Inspector for this Contract is changed to Kevin Dunn.

All other terms, conditions, specifications, and pricing remain the same. Per agency/contractor agreement and DTMB Procurement approval.

ESTIMATED AGGREGATE CONTRACT VALUE REMAINS::	$3,008,000.00

AMENDED BUSINESS ASSOCIATE AGREEMENT
BETWEEN
THE STATE OF MICHIGAN
AND
THE UNIVERSITY OF MASSACHUSETTS MEDICAL SCHOOL

This Amended Business Associate Agreement ("Agreement") is entered into this _____ day of _____ 2014, is intended as an Attachment to be incorporated into and made part of Contract Number 071B3200086 ("Contract") between the State of Michigan ("State") on behalf of the Medicaid Third Party Liability ("TPL") Division of the Michigan Department of Community Health ("MDCH", but also referred to as "Covered Entity") and the University of Massachusetts Medical School ("UMASS", but also referred to as "Business Associate").

WHEREAS, the Covered Entity has agreed to utilize the services of the Business Associate subject to the terms and conditions of the Contract and all instruments supplemental to or in amendment of the Contract;

WHEREAS, the HIPAA Rules require the Covered Entity to enter into a contract containing specific requirements with the Business Associate before the Covered Entity may disclose PHI and PII to the Business Associate.

NOW THEREFORE, in consideration of the promises and mutual agreements contained in the Contract, the Parties agree as follows:

I. RECITALS

A. UMASS is a cost avoidance and recovery services vendor doing business in the State of Michigan and headquartered in Worcester, Massachusetts.

B. On May 1, 2013, the Contract was enacted between the State on behalf of the Medicaid TPL Division of the MDCH and UMASS. The Contract is for the provision of activities associated with Medicaid TPL and includes services for the identification of verified commercial health insurance coverage for beneficiaries of medical assistance.

C. In Section 2.024 of the Contract, the State expressly reserves the right to amend the Contract and request "any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor [UMASS] under the Contract."

D. UMASS performs services for the MDCH that require the exchange of information, including Protected Health Information ("PHI") and Personally Identifiable Information ("PII"), under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") as amended by the Health Information Technology for Economic and Clinical Health ("HITECH") Act, the American Recovery and Reinvestment Act of 2009 (Pub.L. No. 111-

5), National Institutes of Standards and Technology ("NIST") guidelines, Office of Management and Budget ("OMB") guidelines, and Office for Civil Rights (OCR) guidelines.

E. The MDCH is a hybrid covered entity under HIPAA and the Parties to the Contract are entering into this Agreement to establish the responsibilities of both Parties regarding HIPAA-covered information and have the underlying Contract comply with the laws, regulations, and guidelines identified herein (collectively, referred to as "HIPAA Rules").

F. Under the terms of the Contract, the MDCH wishes to disclose certain information to UMASS, some of which may constitute PHI and/or PII. In consideration thereof, UMASS wishes to protect the privacy and security of the information as set forth in this Agreement.

G. The MDCH and UMASS intend to protect the privacy and provide for the security of PHI disclosed to UMASS under the Contract in compliance with the HIPAA Rules.

H. The HIPAA Rules require the MDCH to enter into an Agreement containing specific requirements with UMASS before the MDCH may disclose PHI or PII to UMASS.

II. AGREEMENT

1. **Definitions.**

a. **Catch-all Definition.** The following terms used in this Agreement have the same meaning as those terms in the HIPAA Rules: Data Aggregation; Designated Record Set; Disclosure; Health Care Operations; Individual; Minimum Necessary; Notice of Privacy Practices; Protected Health Information; Required by Law; Secretary; Security Incident; Security Measures, Subcontractor; Unsecured Protected Health Information, and Use.

b. "**Agreement**" means this HIPAA Business Associate Agreement.

c. **"Breach"** means actual or possible loss of control, unauthorized disclosure of or unauthorized access to PHI or other PII (which may include, but is not limited to PHI), where persons other than authorized users gain access or potential access to such information for any purpose other than authorized purposes.

d. **"Business Associate"** has the same meaning as the term "business associate" at 45 CFR 160.103 and in this Agreement means UMASS.

e. **"Contract"** means all provisions, Amendment Agreements, Attachments, Exhibits, Memorandums of Understanding and Amendments associated with Contract Number 071B3200086 between the State on behalf of the Medicaid TPL Division of the MDCH and UMASS for the provision of activities associated with Medicaid TPL.

f. **"Covered Entity"** has the same meaning as the term "covered entity" at 45 CFR 160.103 and regarding this Agreement means the MDCH.

g. **"HIPAA Rules"** means the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Parts 160 and 164, as amended by the HITECH Act, the American Recovery and Reinvestment Act of 2009 (Pub.L. No. 111-5), National Institutes of Standards and Technology ("NIST") guidelines, Office of Management and Budget ("OMB") guidelines, and Office for Civil Rights (OCR) guidelines.

h. **"Parties"** means the collective reference to both UMASS and the MDCH.

i. **"Personally Identifiable Information"** means information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. The definition of PII is not anchored to any single category of information or technology, rather, it requires a case-by-case assessment of the specific risk that an individual can be identified. Non-PII can become PII whenever additional information is made publicly available — in any medium and from any source — that, when combined with other available information, could be used to identify an individual.

2. **Obligations of Business Associate.**

The Business Associate agrees to:

a. Use and disclose PHI and PII only as permitted or required by this Agreement or as required by law;

b. Implement and use appropriate safeguards, and comply with Subpart C of 45 CFR 164 and the HIPAA Rules regarding electronic protected health information, to prevent use or disclosure of PHI and PII other than as provided in this Agreement. Business Associate must maintain, and provide a copy to the Covered Entity within 10 days of a request from the Covered Entity, a comprehensive written information privacy and security program that includes security measures that reasonably and appropriately protect the confidentiality, integrity, and availability of PHI and PII relative to the size and complexity of the Business Associate's operations and the nature and the scope of its activities;

c. Report to the Covered Entity within 24 hours of any use or disclosure of PHI and PII not provided for by this Agreement of which it becomes aware, including breaches of Unsecured Protected Health Information as required by 45 CFR 164.410, and any Security Incident of which it becomes aware. If the Business Associate is responsible for any unauthorized use or disclosure of PHI and PII, it must promptly act as required by applicable federal and State laws and regulations. Covered Entity and the Business Associate will cooperate in investigating whether a breach has occurred, to decide how to provide breach notifications to individuals, the federal Health and Human Services' Office for Civil Rights, and potentially the media;

d. Ensure according to 45 CFR sections 164.502(e)(1)(ii) and 164.308(b)(2) and the HIPAA Rules that any subcontractors that create, receive, maintain, or transmit PHI or PII on

behalf of the Business Associate agree to the same restrictions, conditions, and requirements that apply to the Business Associate regarding such information. Each subcontractor must sign an agreement with the Business Associate containing substantially the same provisions as this Agreement and further identifying the Covered Entity as a third party beneficiary of the agreement with the subcontractor. Business Associate must implement and maintain sanctions against subcontractors that violate such restrictions and conditions and must mitigate the effects of any such violation;

e. Make available PHI and PII in a Designated Record Set to the Covered Entity within 10 days of a request from the Covered Entity to satisfy the Covered Entity's obligations under 45 CFR § 164.524 and the HIPAA Rules;

f. Within ten days of a request from the Covered Entity, amend PHI and PII in a Designated Record Set under 45 CFR § 164.526. If any individual requests an amendment of PHI or PII directly from the Business Associate or its agents or subcontractors, the Business Associate must notify the Covered Entity in writing within ten days of the request, and then, in that case, only the Covered Entity may either grant or deny the request;

g. Maintain, and within ten days of a request from the Covered Entity make available the information required to enable the Covered Entity to fulfill its obligations under 45 CFR § 164.528. Business Associate is not required to provide an accounting to the Covered Entity of disclosures : (i) to carry out treatment, payment or health care operations, as set forth in 45 CFR § 164.506; (ii) to individuals of PHI and PII about them as set forth in 45 CFR § 164.502; (iii) under an authorization as provided in 45 CFR § 164.508; (iv) to persons involved in the individual's care or other notification purposes as set forth in 45 CFR § 164.510; (v) for national security or intelligence purposes as set forth in 45 CFR § 164.512(k)(2); or (vi) to correctional institutions or law enforcement officials as set forth in 45 CFR § 164.512(k)(5); (vii) as part of a limited data set according to 45 CFR 164.514(e); or (viii) that occurred before the compliance date for the Covered Entity. Business Associate agrees to implement a process that allows for an accounting to be collected and maintained by the Business Associate and its agents or subcontractors for at least six years before the request, but not before the compliance date of the Privacy Rule. At a minimum, such information must include: (i) the date of disclosure; (ii) the name of the entity or person who received PHI/PII and, if known, the address of the entity or person; (iii) a brief description of PHI/PII disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure. If the request for an accounting is delivered directly to the Business Associate or its agents or subcontractors, the Business Associate must forward it within ten days of the receipt of the request to the Covered Entity in writing;

h. To the extent the Business Associate is to carry out one or more of the Covered Entity's obligations under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to the Covered Entity when performing those obligations;

i. Make its internal practices, books, and records relating to the Business Associate's use and disclosure of PHI and PII available to the Secretary for purposes of determining compliance with the HIPAA Rules. Business Associate must concurrently provide to the Covered Entity a copy of any PHI that the Business Associate provides to the Secretary;

j. Retain all PHI and PII throughout the term of the Agreement and for a period of six years from the date of creation or the date when it last was in effect, whichever is later, or as required by law. This obligation survives the termination of the Agreement;

k. Implement policies and procedures for the final disposition of electronic PHI/PII and the hardware and equipment on which it is stored, including but not limited to, the removal of PHI/PII before re-use;

l. Within ten days after a written request by the Covered Entity, the Business Associate and its agents or subcontractors must allow the Covered Entity to conduct a reasonable inspection of the facilities, systems, books, records, agreements, policies and procedures relating to the use or disclosure of PHI and PII under this Agreement for the purpose of determining whether the Business Associate has complied with this Agreement; provided, however, that: (i) the Business Associate and the Covered Entity must mutually agree in advance upon the scope, timing and location of such an inspection; (ii) the Covered Entity must protect the confidentiality of all confidential and proprietary information of the Business Associate to which the Covered Entity has access during the course of such inspection; and (iii) the Covered Entity or the Business Associate must execute a nondisclosure agreement, if requested by the other Party. The fact that the Covered Entity inspects, or fails to inspect, or has the right to inspect, the Business Associate's facilities, systems, books, records, agreements, policies and procedures does not relieve the Business Associate of its responsibility to comply with this Agreement. The Covered Entity's (i) failure to detect or (ii) detection, but failure to notify the Business Associate or require the Business Associate's remediation of any unsatisfactory practices, does not constitute acceptance of such practice or a waiver of the Covered Entity's enforcement rights under this Agreement; and

m. The Business Associate has an affirmative duty to satisfy to the national standard of care in PHI and PII privacy and security and to identify, evaluate, and implement any and all administrative and legislative changes, amendments, or updates to the HIPAA Rules.

3. **Permitted Uses and Disclosures by the Business Associate.**

a. Business Associate may use or disclose PHI and PII:

(i) For the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate; provided, however, either (A) the disclosures are required by law, or (B) the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to

the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached;

(ii) As required by law;

(iii) For Data Aggregation services relating to the health care operations of the Covered Entity;

(iv) To de-identify, consistent with 45 CFR 164.514(a) – (c), PHI and PII it receives from the Covered Entity. If the Business Associates de-identifies the PHI it receives from the Covered Entity, the Business Associate may use the de-identified information for any purpose not prohibited by the HIPAA Rules; and

(v) For any other purpose involving carrying out the Business Associate's duties under the Contract, consistent with HIPAA and the HIPAA rules.

b. Business Associate agrees to make uses and disclosures and requests for PHI consistent with the Covered Entity's minimum necessary policies and procedures.

c. Business Associate may not use or disclose PHI and PII in a manner that would violate Subpart E of 45 CFR Part 164 or the HIPAA Rules if done by the Covered Entity except for the specific uses and disclosures described above in 3(a)(i) and (iii).

4. **Covered Entity's Obligations**

Covered entity agrees to:

a. Use its Security Measures to reasonably and appropriately maintain and ensure the confidentiality, integrity, and availability of PHI transmitted to the Business Associate under the Agreement until the PHI is received by the Business Associate;

b. Provide the Business Associate with a copy of its Notice of Privacy Practices and must notify the Business Associate of any limitations in the Notice of Privacy Practices of the Covered Entity under 45 CFR 164.520 to the extent that such limitation may affect the Business Associate's use or disclosure of PHI;

c. Notify the Business Associate of any changes in, or revocation of, the permission by an individual to use or disclose the individual's PHI to the extent that such changes may affect the Business Associate's use or disclosure of PHI; and

d. Notify the Business Associate of any restriction on the use or disclosure of PHI that the Covered Entity has agreed to or is required to abide by under 45 CFR 164.522 to the extent that such restriction may affect the Business Associate's use or disclosure of PHI.

5. **Term.** This Agreement must continue in effect as to each Contract to which it applies until such Contract is terminated or is replaced with a new contract between the parties containing provisions meeting the requirements of the HIPAA Rules, whichever first occurs.

6. **Termination.**

a. **Material Breach.** In addition to any other provisions in the Contract regarding breach, a breach by the Business Associate of any provision of this Agreement, as determined by the Covered Entity, constitutes a material breach of the Agreement and is grounds for termination of the Contract by the Covered Entity under the provisions of the Contract covering termination for cause. If the Contract contains no express provisions regarding termination for cause, the following apply to termination for breach of this Agreement, subject to the Reasonable Steps to Cure Breach outlined herein in Paragraph 6(b):

(i) **Default.** If the Business Associate refuses or fails to timely perform any of the provisions of this Agreement, the Covered Entity may notify the Business Associate in writing of the non-performance, and if not corrected within thirty days, the Covered Entity may immediately terminate the Contract. Business Associate must continue performance of the Contract to the extent it is not terminated.

(ii) **Associate's Duties**. Notwithstanding termination of the Contract, and subject to any directions from the Covered Entity, the Business Associate must timely, reasonably and necessarily act to protect and preserve property in the possession of the Business Associate in which the Covered Entity has an interest.

(iii) **Compensation.** Payment for completed performance delivered and accepted by the Covered Entity must be at the Contract price.

(iv) **Erroneous Termination for Default.** If the Covered Entity terminates the Contract under Section 6(a) and after such termination it is determined, for any reason, that the Business Associate was not in default, or that the Business Associate's action/inaction was excusable, such termination will be treated as a termination for convenience, and the rights and obligations of the parties will be the same as if the Contract had been terminated for convenience.

b. **Reasonable Steps to Cure Breach.** If the Covered Entity knows of a pattern of activity or practice of the Business Associate that constitutes a material breach or violation of the Business Associate's obligations under the provisions of this Agreement or another arrangement and does not terminate this Contract under Section 6(a), then the Covered Entity must notify the Business Associate of the pattern of activity or practice. The Business Associate must then take reasonable steps to cure such breach or end such violation, as applicable. If the Business Associate's efforts to cure such breach or end such violation are unsuccessful, the Covered Entity must either (i) terminate this Agreement, if feasible or (ii) if termination of this Agreement is not feasible, the Covered

Entity must report the Business Associate's breach or violation to the Secretary of the Department of Health and Human Services.

c. **Effect of Termination.** After termination of this Agreement for any reason, the Business Associate, with respect to PHI it received from the Covered Entity, or created, maintained, or received by the Business Associate on behalf of the Covered Entity, must:

(i) Retain only that PHI and PII which is necessary for the Business Associate to continue its proper management and administration or to carry out its legal responsibilities;

(ii) Return to the Covered Entity (or, if agreed to by the Covered Entity in writing, destroy) the remaining PHI that the Business Associate still maintains in any form;

(iii) Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164, the HIPAA Rules, and all amendments and guidelines thereof, to prevent use or disclosure of the PHI and PII, other than as provided for in this Section, for as long as the Business Associate retains the PHI and PII;

(iv) Not use or disclose the PHI and PII retained by the Business Associate other than for the purposes for which such PHI and PII were retained and subject to the same conditions set out at Section 3(a)(1) which applied before termination; and

(v) Return to the Covered Entity (or, if agreed to by the Covered Entity in writing, destroy) the PHI retained by the Business Associate when it is no longer needed by the Business Associate for its proper management and administration or to carry out its legal responsibilities.

7. **No Waiver of Immunity.** The parties do not intend to waive any of the immunities, rights, benefits, protection, or other provisions of the Michigan Governmental Immunity Act, MCL 691.1401, *et seq.*, the Federal Tort Claims Act, 28 U.S.C. 2671 *et seq.*, or the common law.

8. **Data Ownership.** The Business Associate has no ownership rights in the PHI. The covered entity retains all ownership rights of the PHI.

9. **Disclaimer.** The Covered Entity makes no warranty or representation that compliance by the Business Associate with this Agreement, HIPAA or the HIPAA Rules will be adequate or satisfactory for the Business Associate's own purposes. Business Associate is solely responsible for all decisions made by the Business Associate regarding the safeguarding of PHI.

10. **Certification.** If the Covered Entity determines an examination is necessary to comply with the Covered Entity's legal obligations under HIPAA relating to certification of its security practices, the Covered Entity or its authorized agents or contractors, may, at the Covered Entity's expense, examine the Business Associate's facilities, systems, procedures and records as may be necessary for such agents or contractors to certify to the Covered Entity the extent to which the

Business Associate's security safeguards comply with HIPAA, the HIPAA Rules or this Agreement.

11. **Amendment.** The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of this Agreement may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA and the HIPAA Rules. Upon the request of either Party, the other Party agrees to promptly enter into negotiations concerning the terms of an amendment to this Agreement embodying written assurances consistent with the standards and requirements of HIPAA and the HIPAA Rules. Either Party may terminate the Agreement upon thirty days written notice if (i) the Business Associate does not promptly enter into negotiations to amend this Agreement when requested by the Covered Entity under this Section or (ii) the Business Associate does not enter into an amendment to this Agreement providing assurances regarding the safeguarding of PHI and PII that the Covered Entity, in its sole discretion, deems sufficient to satisfy the standards and requirements of HIPAA and the HIPAA Rules.

12. **Assistance in Litigation or Administrative Proceedings.** Business Associate must make itself, and any subcontractors, employees or agents assisting Business Associate in the performance of its obligations under this Agreement, available to Covered Entity, at no cost to Covered Entity, to testify as witnesses, or otherwise, if someone commences litigation or administrative proceedings against the Covered Entity, its directors, officers or employees, departments, agencies, or divisions based upon a claimed violation of HIPAA or the HIPAA Rules relating to the Business Associate's or its subcontractors use or disclosure of PHI and PII under this Agreement, except where the Business Associate or its subcontractor, employee or agent is a named adverse Party.

13. **No Third Party Beneficiaries.** Nothing express or implied in this Agreement is intended to confer any rights, remedies, obligations or liabilities upon any person other than the Covered Entity, the Business Associate and their respective successors or assigns.

14. **Effect on Contract.** Except as specifically required to implement the purposes of this Agreement, or to the extent inconsistent with this Agreement, all other terms of the Contract must remain in force and effect. The parties expressly acknowledge and agree that sufficient mutual consideration exists to make this Agreement legally binding in accordance with its terms. Business Associate and the Covered Entity expressly waive any claim or defense that this Agreement is not part of the Contract.

15. **Interpretation and Order of Precedence.** This Agreement is incorporated into and becomes part of the Contract. Together, this Agreement and each separate Contract constitute the mutual promises of the parties with respect to their Business Associate relationship under HIPAA and the HIPAA Rules. The provisions of this Agreement must prevail over any provisions in the Contract that may conflict or appear inconsistent with any provision in this Agreement. This Agreement and the Contract must be interpreted as broadly as necessary to implement and comply with HIPAA and the HIPAA Rules. The parties agree that any ambiguity in this Agreement must be resolved in favor of a meaning that complies and is consistent with

HIPAA and the HIPAA Rules. This Agreement supersedes and replaces any previous separately executed HIPAA agreement between the parties. If this Agreement or the Contract conflicts with the mandatory provisions of the HIPAA Rules, then the HIPAA Rules control. Where the provisions of this Agreement differ from those mandated by the HIPAA Rules, but are nonetheless permitted by the HIPAA Rules, the provisions of this Agreement and the Contract control.

16. **Effective Date.** This Agreement is effective upon receipt of the last approval necessary and the affixing of the last signature required.

17. **Survival of Certain Contract Terms.** Notwithstanding anything in this Agreement to the contrary, the Business Associate's obligations under Section 6(d) and record retention laws ("Effect of Termination") and Section 13 ("No Third Party Beneficiaries") survive termination of this Agreement and are enforceable by the Covered Entity if the Business Associate fails to perform or comply with this Agreement.

18. **Representatives and Notice.**

a. **Contact Representatives**. For the purpose of this Agreement, the individuals identified below are the representatives for issues relating to PHI and/or PII under this Agreement. For all other notices under the Contract, the individuals identified in the Contract must be the representatives of the respective parties. Either Party may, in its discretion, designate in writing new or substitute representatives.

   a. UMASS must provide an email as well as a registered mail, certified mail, or hand-delivered written Notice to both of the following MDCH representatives:

      i. **Mark West**
      State Administrative Manager
      MDCH, Third Party Liability Division
      400 South Pine Street
      Lansing, MI 48913
      Phone: (517) 335-9253
      Email: Westm8@michigan.gov; and

      ii. **Carrie Waggoner**
      Privacy Specialist
      MDCH Office of Legal Affairs & FOIA
      201 Townsend Street, 7th Floor
      Lansing, MI 48933
      Phone: (517) 241-0048
      Email: waggonerc@michigan.gov

b. MDCH must provide an email as well as a registered mail, certified mail, or hand-delivered written Notice to the following UMASS representative:

i. **Beth Nadeau**
Business Team Lead
Medicare Eligibility Enhancement Programs
UMass Medical School
Center for Health Care Financing
(617) 886-8257
Beth.Nadeau@umassmed.edu

b. **Notice Requirements.** All required notices must be in writing and must be hand-delivered or given by certified or registered mail. Any notice given to a Party under this Agreement must be deemed effective, if addressed to such party, upon: (i) delivery, if hand delivered; (ii) the third (3rd) Business Day after being sent by certified or registered mail. The Parties must also provide a copy of the required notice by electronic mail with delivery confirmation and read receipt to the other Party's designated representative.

III. SIGNATURES

IN WITNESS WHEREOF, the Parties, intending to be legally bound, have caused their duly authorized officers to execute this Agreement as of the date first written above via a separate contract change notice signature page, which is incorporated herein by reference.

Form No. DTMB-3522 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

May 1, 2013

NOTICE
OF
CONTRACT NO. 071B3200086
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
University of Massachusetts Medical School	Mary Fontaine	Mary.Fontaine@umassmed.edu
55 Lake Avenue North	TELEPHONE	CONTRACTOR #, MAIL CODE
Worcester, MA 01655	(617) 886-8031	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DCH	Greg Rivet	517-335-5096	RivetG@michigan.gov
BUYER:	DTMB	Angela Buren	517-373-9776	Burena@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION:			
Medicaid Cost Avoidance and Third Party Liability (TPL) Recovery Services Activity G – Medicare/Operational Enhancements for the Michigan Department of Community Health			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 years	May 1, 2013	April 30, 2016	2, 1 Year Options
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
3% 30 – Net 45	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card ☐ Direct Voucher (DV) ☐ Other			☐ YES ☒ NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:	$3,008,000.00		

Form No. DTMB-3522 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CONTRACT NO. 071B3200086

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
University of Massachusetts Medical School	Mary Fontaine	Mary.Fontaine@umassmed.edu
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Worcester, MA 01655	(617) 886-8031	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DCH	Greg Rivet	517-335-5096	RivetG@michigan.gov
BUYER:	DTMB	Angela Buren	517-373-9776	Burena@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION:

Medicaid Cost Avoidance and Third Party Liability (TPL) Recovery Services
Activity G – Medicare/Operational Enhancements
for the Michigan Department of Community Health

INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 years	May 1, 2013	April 30, 2016	2, 1 Year Options
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
3% 30 – Net 45	N/A	N/A	N/A

ALTERNATE PAYMENT OPTIONS:	AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card ☐ Direct Voucher (DV) ☐ Other	☐ YES ☒ NO

MINIMUM DELIVERY REQUIREMENTS:

N/A

MISCELLANEOUS INFORMATION:

N/A

ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:	$3,008,000.00

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #RFP-AB-071I3200009. Orders for delivery may be issued through the issuance of a Purchase Order Form.

Contract #: 071B3200086

FOR THE CONTRACTOR:	FOR THE STATE:
University of Massachusetts Medical School	
Firm Name	Signature
	Kevin Dunn, Services Division Director
Authorized Agent Signature	Name/Title
	DTMB Procurement
Authorized Agent (Print or Type)	Enter Name of Agency
Date	Date

.

STATE OF MICHIGAN
Department of Technology Management and Budget
DTMB-Procurement

Contract #071B3200086
Medicaid Cost Avoidance and Third Party Liability (TPL) Recovery Services
Activity G – Medicare/Operational Enhancements
Michigan Department of Community Health

Buyer Name: Angela Buren
Telephone Number: (517) 373-0325
E-Mail Address: Burena@michigan.gov

Table of Contents

DEFINITIONS ***23***

Definitions Related to Background and Scope of Work ***24***

1.010 Project Identification 26
1.011 Project Request 26
1.012 Background 26
1.020 Scope of Work and Deliverables 27
1.021 In Scope 27
1.022 Work and Deliverable 28
1.031 Contractor Staff, Roles, and Responsibilities 32
1.040 Project Plan 34
1.041 Project Plan Management 34
1.042 Reports 35
1.050 Acceptance 36
1.051 Criteria 36
1.052 Final Acceptance – Deleted/Not Applicable - NA 36
1.060 Proposal Pricing 36
1.061 Proposal Pricing 36
1.062 Price Term 36
1.063 Tax Excluded from Price 36
1.064 Holdback – Deleted/Not Applicable – NA 36
1.070 Additional Requirements 37
1.071 Additional Terms and Conditions specific to this Contract 37
2.000 Contract Structure and Term 38
2.001 Contract Term 38
2.002 Options to Renew 38
2.003 Legal Effect 38
2.004 Attachments & Exhibits 38
2.005 Ordering 38
2.006 Order of Precedence 38
2.007 Headings 38
2.008 Form, Function & Utility 38
2.009 Reformation and Severability 39
2.010 Consents and Approvals 39
2.011 No Waiver of Default 39
2.012 Survival 39
2.020 Contract Administration 39
2.021 Issuing Office 39
2.022 Contract Compliance Inspector 39
2.023 Project Manager 40
2.024 Change Requests 40
2.025 Notices 40
2.026 Binding Commitments 40
2.027 Relationship of the Parties 40
2.028 Covenant of Good Faith 41
2.029 Assignments 41
2.030 General Provisions 41
2.031 Media Releases 41
2.032 Contract Distribution 41
2.033 Permits 41
2.034 Website Incorporation 41
2.035 Future Bidding Preclusion 41
2.036 Freedom of Information 41
2.037 Disaster Recovery 42
2.040 Financial Provisions 42
2.041 Fixed Prices for Services/Deliverables 42
2.042 Adjustments for Reductions in Scope of Services/Deliverables 42
2.043 Services/Deliverables Covered 42
2.044 Invoicing and Payment – In General 42

2.045 Pro-ration 42
2.046 Antitrust Assignment 43
2.047 Final Payment 43
2.048 Electronic Payment Requirement 43
2.050 Taxes 43
2.051 Employment Taxes 43
2.052 Sales and Use Taxes 43
2.060 Contract Management 43
2.061 Contractor Personnel Qualifications 43
2.062 Contractor Key Personnel 43
2.063 Re-assignment of Personnel at the State's Request 44
2.064 Contractor Personnel Location – Deleted/Not Applicable 44
2.065 Contractor Identification 44
2.066 Cooperation with Third Parties 44
2.067 Contractor Return of State Equipment/Resources 44
2.068 Contract Management Responsibilities 44
2.070 Subcontracting by Contractor 45
2.071 Contractor Full Responsibility 45
2.072 State Consent to Delegation 45
2.073 Subcontractor Bound to Contract 45
2.074 Flow Down 45
2.075 Competitive Selection 45
2.080 State Responsibilities 45
2.081 Equipment 45
2.082 Facilities – Deleted/Not Applicable 45
2.090 Security 45
2.091 Background Checks 45
2.092 Security Breach Notification 46
2.093 PCI Data Security Standard 46
2.100 Confidentiality 46
2.101 Confidentiality 46
2.102 Protection and Destruction of Confidential Information 46
2.103 Exclusions 47
2.104 No Implied Rights 47
2.105 Respective Obligations 47
2.110 Records and Inspections 47
2.111 Inspection of Work Performed 47
2.112 Examination of Records 47
2.113 Retention of Records 47
2.114 Audit Resolution 48
2.115 Errors 48
2.120 Warranties 48
2.121 Warranties and Representations 48
2.122 Warranty of Merchantability – Deleted/Not Applicable 49
2.123 Warranty of Fitness for a Particular Purpose – Deleted/Not Applicable 49
2.124 Warranty of Title – Deleted/Not Applicable 49
2.125 Equipment Warranty – Deleted/Not Applicable 49
2.126 Equipment to be New – Deleted/Not Applicable 49
2.127 Prohibited Products – Deleted/Not Applicable 49
2.128 Consequences For Breach 49
2.130 Insurance 49
2.131 Liability Insurance 49
2.132 Subcontractor Insurance Coverage 50
2.133 Certificates of Insurance and Other Requirements 50
2.140 Indemnification 51
2.141 Responsibilities of the Parties 36

2.150 Termination/Cancellation 51
2.151 Notice and Right to Cure 51
2.152 Termination for Cause 51
2.153 Termination for Convenience 52
2.154 Termination for Non-Appropriation 52
2.155 Termination for Criminal Conviction 52
2.156 Termination for Approvals Rescinded 52
2.157 Rights and Obligations upon Termination 52
2.158 Reservation of Rights 53
2.160 Termination by Contractor 53
2.161 Termination by Contractor—Deleted/Not Applicable 53
2.170 Transition Responsibilities 53
2.171 Contractor Transition Responsibilities 53
2.172 Contractor Personnel Transition 53
2.173 Contractor Information Transition 53
2.174 Contractor Software Transition 53
2.175 Transition Payments 54
2.176 State Transition Responsibilities 54
2.180 Stop Work 54
2.181 Stop Work Orders 54
2.182 Cancellation or Expiration of Stop Work Order 54
2.183 Allowance of Contractor Costs 54
2.190 Dispute Resolution 54
2.191 In General 54
2.192 Informal Dispute Resolution 54
2.193 Injunctive Relief 55
2.194 Continued Performance 55
2.200 Federal and State Contract Requirements 55
2.201 Nondiscrimination 55
2.202 Unfair Labor Practices 56
2.203 Workplace Safety and Discriminatory Harassment 56
2.204 Prevailing Wage—Deleted/Not Applicable 56
2.210 Governing Law 56
2.211 Governing Law 56
2.212 Compliance with Laws 56
2.213 Jurisdiction 56
2.220 Limitation of Liability 56
2.221 Limitation of Liability 56
2.230 Disclosure Responsibilities 56
2.231 Disclosure of Litigation 56
2.232 Call Center Disclosure 57
2.233 Bankruptcy 57
2.240 Performance 58
2.241 Time of Performance 58
2.242 Service Level Agreements (SLAs) – Deleted/Not Applicable 58
2.243 Liquidated Damages – Deleted/Not Applicable 58
2.244 Excusable Failure 58
2.250 Approval of Deliverables 59
2.251 Delivery Responsibilities-—Deleted/Not Applicable 59
2.252 Delivery of Deliverables—Deleted/Not Applicable 59
2.253 Testing—Deleted/Not Applicable 59
2.254 Approval of Deliverables, In General—Deleted/Not Applicable 59
2.255 Process For Approval of Written Deliverables—Deleted/Not Applicable 59
2.256 Process for Approval of Services—Deleted/Not Applicable 59
2.257 Process for Approval of Physical Deliverables—Deleted/Not Applicable 59
2.258 Final Acceptance—Deleted/Not Applicable 59

2.260 Ownership 59
2.261 Ownership of Work Product by State 59
2.262 Vesting of Rights 59
2.263 Rights in Data 59
2.264 Ownership of Materials 59
2.270 State Standards 60
2.271 Existing Technology Standards 60
2.272 Acceptable Use Policy 60
2.273 Systems Changes 60
2.280 Extended Purchasing – Deleted/Not Applicable 60
2.290 Environmental Provision 60
2.291 Environmental Provision 60
2.300 Other Provisions 61
2.311 Forced Labor, Convict Labor, Forced or Indentured Child Labor, or Indentured Servitude Made Materials 61

ATTACHMENTS:

Attachment A, Pricing
Attachment B, HIPAA Business Associate Addendum

DEFINITIONS

24x7x365 means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).

Additional Service means any Services within the scope of this Contract, but not specifically provided under any Statement of Work.

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

Bidder(s) are those companies that submit a proposal in response to the RFP.

Business Day means any day other than a Saturday, Sunday or State-recognized legal holiday from 8:00am EST through 5:00pm EST unless otherwise stated.

Blanket Purchase Order is an alternate term for Contract and is used in the Plan Sponsors' computer system.

CCI means Contract Compliance Inspector.

Days means calendar days unless otherwise specified.

Deleted – N/A means that section is not applicable or included in this Contract. This is used as a placeholder to maintain consistent numbering.

Deliverable means physical goods and/or services required or identified in a Statement of Work.

DTMB means the Michigan Department of Technology Management and Budget.

Environmentally Preferable Products means a product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to: those which contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.

Hazardous Material means any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).

Incident means any interruption in any function performed for the benefit of a Plan Sponsor.

Key Personnel means any personnel identified in **Section 1.031** as Key Personnel.

New Work means any Services/Deliverables outside the scope of this Contract and not specifically provided under any Statement of Work, such that once added will result in the need to provide the Contractor with additional consideration. "New Work" does not include Additional Service.

Ozone-depleting Substance means any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydrochlorofluorocarbons.

Post-Consumer Waste means any product generated by a business or consumer which has served its intended end use; and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.

Post-Industrial Waste means industrial by-products which would otherwise go to disposal and wastes generated after completion of a manufacturing process, but does not include internally generated scrap commonly returned to industrial or manufacturing processes.

Recycling means the series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.

Reuse means using a product or component of municipal solid waste in its original form more than once.

RFP means a Request for Proposal designed to solicit proposals for services.

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

SLA means Service Level Agreement.

Source Reduction means any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.

State Location means any physical location where the State performs work. State Location may include State-owned, leased, or rented space.

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.

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

Waste Prevention means source reduction and reuse, but not recycling.

Pollution Prevention means the practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.

Work in Progress means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

Work Product refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of and in furtherance of performing the services required by the Contract.

DEFINITIONS RELATED TO BACKGROUND AND SCOPE OF WORK

AG means Michigan's Office of Attorney General.

BAA means Business Associate Agreement, a requirement within HIPAA intended for the protection of personal health information.

CFR means the Code of Federal Regulations – a repository of promulgated regulations that relate to federal law.

CHAMPS means the Community Health Automated Medicaid Processing System – Michigan's Medicaid Management Information System.

CMS means the Centers for Medicare & Medicaid Services, within the US Department of Health and Human Services – the federal agency responsible for Medicaid.

CSHCS means Children's Special Health Care Services – a program of health care and supportive services for children with qualifying medical conditions authorized by Title V of the Social Security Act.

MDCH means Michigan's Department of Community Health.

DHS means Michigan's Department of Human Services.

DRA means the Deficit Reduction Act, 2005 – a federal law that in part requires States to have laws in place clarifying a State Medicaid agency's right of recovery against any third party legally responsible for payment of a health care claim and the responsibility of legally liable third parties to provide the Medicaid agency with data about their covered beneficiaries.

HIPAA means the Health Insurance Portability and Accountability Act, 1996. Among other provisions, this federal law established requirements for the protection of personal health information and mandated the use of standardized and electronic coding configurations and claim formats for health care services.

HIPP means a Health Insurance Premium Payment program.

MCL means Michigan Compiled Laws – a repository of Michigan laws.

MCO means Managed Care Organization – a term that includes Health Maintenance Organizations.

Medicaid means the health care program for categorically eligible low-income persons authorized by Title XIX of the Social Security Act. The program is administered by the State but jointly funded by the federal government.

Medicare means the health insurance program for elderly and disabled persons authorized by Title XVIII of the Social Security Act. The program is funded by the federal government and administered by contracted intermediaries.

TCN means the Transaction Control Number and is used by the Michigan Department of Community Health to identify provider claims.

TED means Third Party Liability Electronic Database – the electronic database utilized for selected Medicaid beneficiaries.

TEQ means Trauma Edit Questionnaire – a document used to solicit information related to accidents or injuries suffered by Medicaid beneficiaries.

TPL means Third Party Liability.

USC means United States Code – a repository of federal laws.

Article 1 – Statement of Work (SOW)

1.010 Project Identification

1.011 Project Request

This Contract is for the provision of Activities associated with Medicaid Third Party Liability (TPL) and Medicaid cost avoidance and recovery for the Michigan Department of Community Health (MDCH). This Contract includes specified Activities associated with the identification of verified commercial health insurance coverage for beneficiaries of medical assistance.

1.012 Background

A. Introduction

The MDCH is the designated State agency responsible for administering the Medical Assistance (Title XIX – Medicaid) program in the State and, among other programs, is also responsible for administering the State's Children's Special Health Care Services (Title V – CSHCS) program. Within MDCH, the Medical Services Administration's Bureau of Medicaid Financial Management and Administrative Services, Third Party Liability Division has responsibility for performing the TPL function, which relates not only to Medicaid (the largest program administered by MDCH) and CSHCS, but to other smaller programs as well. Any subsequent reference to "Medicaid" in this Contract applies, as appropriate, to all health care programs under the purview of MDCH and the Bureau of Medicaid Financial Management and Administrative Services, Third Party Liability Division.

The TPL function involves identifying and maximizing reimbursement from third party resources for expenditures made on behalf of Medicaid beneficiaries.

The definition of third party resource for this purpose includes, but is not limited to, health insurers, commercial health maintenance organizations, nonprofit health care corporations, commercial managed care corporations or organizations, and preferred provider organizations, along with third party administrators and pharmacy benefit managers. In addition, the definition includes automobile insurers, workers' compensation insurers and general liability insurers

A state's Medicaid program is the payer of last resort, and although Medicaid beneficiaries or their authorized representatives are required as a condition of eligibility to provide information regarding the availability of third party resources, it is the role of the state's TPL program to identify potentially liable resources and to recoup from them covered costs that have been paid by the Medicaid program or, based on established criteria, from the providers of service. Timely identification of these potentially liable resources also permits the Medicaid program to avoid inappropriate payments when adjudicating claims for services and is considered a very high priority for MDCH.

The majority of Michigan's Medicaid beneficiaries are enrolled in managed care organizations (MCOs) under contract to MDCH. These Medicaid-contracted MCOs are required, as a condition of their contract, to implement appropriate measures for cost avoidance and recovery to maximize reimbursement from liable third party resources. To assist them, MDCH regularly provides an electronic file containing known insurance coverage, as well as other information that identifies potential MCO opportunities for recovery.

Federal laws and regulations pertaining to a state's TPL program and relevant to this Contract include, but are not limited to, Sections 1902, 1906 and 1917 of the Social Security Act within the United States Code (42 USC 1396a, 1396e and 1396p, respectively) and regulations in the Code of Federal Regulations at 42 CFR 433.135 through 433.154. These citations may be viewed by accessing the following site: http://www.gpoaccess.gov/index.html. All Activities in this Contract must be conducted in accordance with the Health Insurance Portability and Accountability Act (HIPAA) of 1996 and the Deficit Reduction Act (DRA) of 2005. Additional federal guidance related to TPL requirements is available in the State Medicaid Manual, Part 3 (CMS Pub. 45), as issued and maintained by the Centers for Medicare & Medicaid Services (CMS), an agency within the US Department of Health and Human Services. This manual may be viewed by accessing the following site: http://www.cms.hhs.gov/Manuals/PBM/list.asp.

Michigan laws pertaining to the Medicaid TPL program, and relevant to this Contract, appear in the Michigan Compiled Laws (MCL) and include, but are not limited to, MCL 400.106, 400.111a and 400.112a. Also relevant to this Contract is Public Act 593 of 2006, incorporated as MCL 550.281 through 550.289 and Public Act 421 of 2009, incorporated as MCL 400.602 et seq. These citations may be viewed by accessing the following site: http://www.legislature.mi.gov/(S(24soso55zvwfpp45ifvohjyt))/mileg.aspx?page=Home. Additional Medicaid program policies and required procedures are contained in the Michigan Medicaid Provider Manual and its supplemental bulletins, which may be accessed at the following site: http://www.michigan.gov/mdch/0,1607,7-132-2945_5100-87572--,00.html.

B. Relevant Statistics

There are approximately 1.8 million Medicaid eligible beneficiaries in Michigan, and total Medicaid expenditures in Fiscal Year (FY) 2011 were $11.7 billion. Approximately 1.25 million of these beneficiaries are enrolled and receiving their health care services through a risk-based Medicaid-contracted MCO. The 14 Medicaid-contracted MCOs collectively provide services in all counties of the State. Over the course of this Contract, it is likely that both the number and percentage of beneficiaries enrolled in MCOs will increase. It is also possible that due to national health care reform, the total Medicaid population will increase.

Of the total Medicaid population, approximately 100,000 beneficiaries have other health insurance resources, excluding Medicare, available to pay for medical services. During FY 2010-11 the Contractor had the opportunity to identify and initiate recoveries from these resources of approximately $12.9 million. During FY 2011, the Contractor verified 148,000 lines of coverage.

Through Contractor TPL efforts in FY 2011, more than 23,000 Trauma Edit Questionnaires were mailed to beneficiaries. The average annual recovery for FY 2009 to FY 2011 was $206,000.

During FY 2011, Credit Balance/Overpayment Audits were conducted for 83 of the State's 144 hospitals, resulting in the recovery of more than $1.3 million in Medicaid program expenditures. Each audit covered multiple years.

The Michigan Estate Recovery program was implemented in July 2011. The following statistics for that program represent start up activity and may not be representative of the activity that will occur in subsequent years. In the first 10 months of the program, 13,997 cases were created, resulting in 17,561 letters sent to the families of deceased beneficiaries or to nursing facilities. This activity has resulted in the recovery of $396,000.

1.020 Scope of Work and Deliverables

1.021 In Scope

The in scope work and deliverables associated with this Contract can be summarized broadly as the following Activity:

Activity G: Operational Maximization Activities

1) Enhanced Medicare Identification
2) Enhanced Medicare Outreach and Enrollment
3) Federal Missed Entitlement Review
4) Medicare Buy-In Quality Review

The Contractor must limit use of the information obtained through MDCH efforts or any other source to only purposes directly related to the requirements in this Contract. Information obtained by the Contractor for multi-purpose use through a voluntary agreement with an organization, such as health insurance coverage information from a national insurer or other business entity responsible for payment of health care claims, will not be subject to limitation.

Any time frames related to the performance of tasks or provision of reports, files, or other documents not specifically identified in this Contract will be mutually determined between MDCH and the Contractor following Contract award. Any changes in activity protocols will be managed by Memorandums of Understanding between MDCH and the Contractor. Any technical record or report format or any database design not specifically identified in this Contract will also be mutually determined between MDCH and the Contractor.

1.022 Work and Deliverable

The Contractor must provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of work, including but not limited to:

Enhanced Medicare Identification

Project Description

The Contractor must perform Enhanced Medicare Identification activities that reinforce current MDCH processes and identify Medicare coverage information for Medicaid beneficiaries, which is not currently known to MDCH systems and has not been identified through MDCH's routine processes. The Contractor must employ advanced data matching and data analysis techniques to identify current Medicare coverage for Medicaid beneficiaries, which is shown on federal data sets, but is not shown in MDCH systems. The Contractor must transmit the identified Medicare coverage information for each beneficiary to MDCH to add to MDCH systems, allowing MDCH to begin cost-avoiding claims and, when applicable, recovering expenditures for these beneficiaries.

Enhanced Medicare Outreach and Enrollment

Project Description

As states focus efforts to enhance coordination of care for dual-eligible beneficiaries, while ensuring that costs of health care services are appropriately covered by Medicare, it is critical that all Medicaid beneficiaries who may be eligible for Medicare coverage are identified and enrolled into Medicare benefits. The Contractor must use the Enhanced Medicare Outreach and Enrollment project to target Medicaid beneficiaries who are over the age of 65, but do not have current Medicare coverage. Although eligible for Medicare coverage, these beneficiaries have not completed the required application process with SSA, and MDCH continues to pay for health care services for these beneficiaries through the Medicaid program.

Federal Missed Entitlement Review

Project Description

Most Medicare beneficiaries who are under the age of 65 qualify for Medicare coverage based on entitlement to the SSA cash benefit known as Old Age, Survivors, and Disability Insurance (OASDI). OASDI is also referred to as the Title II benefit, authorized under Title II of the Social Security Act, and includes the Social Security Disability Insurance (SSDI) benefit. Under-65 beneficiaries may qualify for OASDI based on disability status and qualifying work history. SSA measures work history according to wages earned and payroll taxes contributed under the Federal Insurance Contributions Act (FICA). SSA utilizes a complex equation which takes into account factors such as age, disability onset date, and the number of qualifying quarters earned to determine individual entitlement to OASDI. Generally, beneficiaries under the age of 65 qualify to receive Medicare coverage after receiving OASDI cash benefits for a period of 24 months, also referred to as the 24-month Medicare waiting period.

The Federal Missed Entitlement Review project analyzes state Medicaid populations to identify Medicaid beneficiaries whose entitlement to OASDI and/or Medicare has potentially been missed or erroneously denied by SSA. The Contractor must focus on identifying and referring to SSA two populations of impacted Medicaid beneficiaries:

Population 1: SSI beneficiaries who appear to qualify for OASDI and Medicare benefits based on their own work histories.
Population 2: SSI beneficiaries who appear to qualify for Medicare benefits based on Medicare Qualified Government Employment (MQGE) guidelines.

Once referred, the Contractor must work with the SSA Regional Office to provide any documentation needed to re-evaluate the beneficiary cases and correct entitlement to OASDI and/or Medicare. Corrected cases generally result in the granting of retroactive OASDI cash and/or Medicare benefits by SSA to the beneficiaries. In some instances, when entitlement is corrected, beneficiaries have been granted retroactive OASDI cash and Medicare benefits as far back as 25 years.

Medicare Buy-In Quality Review

Project Description
States are required to pay monthly Medicare Part A and Part B premiums on behalf of certain qualifying beneficiaries through the Medicare Buy-In Program, also known as the Medicare Savings Programs. Each month, CMS bills states for Medicare premiums for beneficiaries who have been:

Determined entitled to Medicare benefits by SSA
Enrolled in Medicare coverage by CMS
Determined eligible for state payment of Medicare premiums through the Medicare Buy-In Program by a combination of SSA, CMS, and state actions

While SSA is responsible for determining Medicare entitlement, CMS is responsible for all Medicare enrollment and billing functions. SSA, CMS, and the states work together to determine eligibility for Medicare Buy-In and manage state payments of Medicare premiums. With SSA, CMS, and the states all playing significant roles in the Medicare Buy-In process, disconnects, discrepancies, and disagreements related to eligibility and billing frequently occur. The Contractor must employ a Medicare Buy-In Quality Review approach to ensure that State payments of monthly premiums through the Medicare Buy-In billing process are accurate from both eligibility and financial perspectives.

The Medicare Buy-In Quality Review project must include two specific review areas:

1) Medicare Part A Buy-In Eligibility Review, which focuses on the accuracy of Part A premium billings as determined through a review of individual Part A entitlement status
2) Medicare Part A and Part B Buy-In Financial Review, which evaluates Part A and Part B financial transactions to ensure all debits and credits are accurate and appropriate

Activity H. Internal Controls and Quality Assurance Monitoring

Internal Controls
The Contractor must establish appropriate internal controls for each Activity to assure that the information provided to MDCH has been verified and is accurate. Further, the Contractor will not be paid to correct its own errors and may be financially penalized for any errors discovered by MDCH.

One internal control mechanism that the Contractor may consider is an electronic database that tracks all tasks performed for an Activity and for which payment has been requested from MDCH. Such a database must permit ongoing access by specified MDCH staff, reflect the basis for each payment request to MDCH and include all pertinent information to support the payment request. The layout of such a database would require approval by MDCH.

A document that details internal control mechanisms will be required of the Contractor within 30 days of Contract award.

Quality Assurance Monitoring
The Contractor must provide, for each Activity, a quality assurance mechanism to ensure the accuracy and quality of work performed. Often a quality assurance mechanism includes a secondary review of an appropriate sample of work associated with a specific task. The cost of the required quality assurance mechanism is considered an integral part of this Contract and will not be reimbursed separately.

Activity I. Compliance with Federal and State Laws, Rules, Regulations, Policies and Guidelines
As referenced in **Section 1.012** in this Contract, there are numerous federal and State laws, rules, regulations, policies and guidelines governing the Activities associated with this Contract and identified in this section. The Contractor is also reminded that **Section 2.210** of this Contract specifies that the Contractor must comply with all such governance. In addition, the Contractor should note the following requirements related to Activities in this Contract:

- Any services or deliverables paid in association with this Contract will be from federal and State funds and any false claims, statements or documents, or any concealment of a material fact may be prosecuted under applicable federal or State laws and regulations, including the Michigan False Claims Act.

- The Contractor must comply in all material respects with all federal and State mandated regulation, rules, orders or guidance applicable to privacy, security and electronic transactions, including without limitation regulations promulgated under Title II Subtitle F of the Health Insurance Portability and Accountability Act (Public Law 104-191) (HIPPA). Furthermore, the Contractor must comply with any new or revised legislation, regulations, rules or orders for Privacy of Individually Identifiable Health Information or similar legislation (collectively, "Laws"), in order to ensure the Contractor is at all times in conformance with all Laws.
- The Contractor must sign a Business Associate Agreement (BAA) with MDCH specific to the Activity (ies) for this Contract and affirm therein compliance with all applicable HIPPA requirements. The BAA also includes language regarding Security and Confidentiality, as referenced in **Section 2.090** and **Section 2.100** in this Contract. The BAA (Attachment B) will need to be completed upon Contract execution.
- The Contractor must comply with indicated, amended or modified requirements for MMIS certification issued by CMS (see the Medicaid Enterprise Certification Toolkit at www.cms.hhs.gov/MMIS) as they govern or impact the Contractor's service performance, work or deliverables for MDCH.

Activity J. Business Expenses
The Contractor is responsible for all business expenses associated with performing the Activities in this Contract. These expenses include, but are not limited to, office space, furniture, equipment, supplies, postage, telephone costs, travel, and staff salaries and fringe benefits. All information technology costs associated with the Activity (ies) in this Contract are also considered business expenses and are the Contractor's responsibility. If appropriate for the Activity, the cost of operating the toll free telephone line and establishing and maintaining the web site referenced in this Section is also included in the cost for the Activity.

Activity K. Information Technology Requirements

CHAMPS
CHAMPS has many automated features. The Contractor is encouraged to visit MDCH's web site at http://www.michigan.gov/mdch/0,1607,7-132-2945_5100-145006--,00.html for additional information regarding CHAMPS.

The Contractor may need to make modifications to its systems and processes during this Contract period. The Contractor must accept the responsibility, without additional financial cost to MDCH, for making these modifications as necessary in order to effectively and efficiently carry out the responsibilities of this Contract.

Disaster Recovery Plan
The Contractor must develop and maintain, for the duration of this Contract and any transition period thereafter, a disaster recovery plan for restoring the application of software and electronic files and for hardware backup in the event the production systems are destroyed.

- The disaster recovery plan must limit service interruption to a period no greater than 72 consecutive hours and must ensure compliance with this Contract requirements.
- A final plan is required for the Contractor within 30 days of Contract award. The final plan must be consistent with the preliminary plan and implemented only after MDCH approval.
- MDCH reserves the right to direct the Contractor to amend or update its disaster recovery plan when required due to a change in federal or State policy or in accordance with the best interests of the State; such revisions will be made as requested throughout this Contract period and at no additional cost to MDCH.
- All aspects of the disaster recovery plan must be available to MDCH at all times.

Activity L. Contractor Communications – Written and Oral
All correspondence, forms, or other documents developed by the Contractor and intended for issuance to potentially liable third party payers, providers, employers or other for purposes associated with the Activities in this Contract must be approved by MDCH prior to use. All such documents must be submitted to MDCH for review at least 30 calendar days prior to their intended use. MDCH reserves the right, for the duration of this Contract, to direct the Contractor to make revisions to any previously approved correspondence, forms or other documents when required due to a change in federal or State policy or in accordance with the best interests of the State; such revisions will be made as requested throughout the Contract period and at no additional cost to MDCH.

All correspondence used by the Contractor must provide accurate and sufficient information, in accordance with MDCH requirements, federal, and State laws.

The Contractor must ensure that all reports, correspondence, electronic files, or other documents submitted to MDCH or a designee are correct and any identified errors must be corrected at no additional cost to MDCH.

The Contractor must adhere to any scripts for oral communications with potentially liable third party payers, providers, employers or others for purposes associated with the Activities in this Contract as provided and required by MDCH. MDCH reserves the right, for the duration of this Contract, to modify the required scripts.

Activity M. Customer Service

Telephone System

The Contractor is responsible for Activity G – Operational Maximization Activities as well as any other Contract Activity for which it is appropriate, and must establish and maintain a toll free telephone system to facilitate communication with the potentially liable third parties, employers, or others involved with the specific Activity (if applicable).

- The telephone system must be staffed, at a minimum, from 8:00 a.m. to 5:00 p.m. Eastern Standard Time or Eastern Daylight Time, as appropriate, Monday through Friday, except on federal or State of Michigan holidays.
- The staff taking calls must assist all callers in a professional and courteous manner while following all guidelines regarding confidentiality of Medicaid information. As appropriate, staff must utilize MDCH-approved scripts when taking calls related to specific Activities. Any complaints received through the telephone system must be thoroughly documented, including how the complaint was handled; such documentation must be submitted to MDCH upon request.
- An Interactive Voice Response (IVR) system may be used, but must include a means for the caller to speak without delay to a “live” person. A before and after hours message must be included. The Contractor must assure that calls are returned by the end of the next business day after any message is left.
- The structure of the telephone system, including the messages on any IVR system, must be approved by MDCH prior to implementation.
- Statistics must be maintained and provided to MDCH monthly to reflect the volume of calls by type, including, but not necessarily limited to, those calls answered and calls abandoned/dropped. Statistics regarding wait time will also be required.

Activity N. Lock-Box

The Contractor must utilize and cover the costs associated with maintaining a Lock-Box Account established through the Michigan Department of Treasury for the Contractor’s Medicaid TPL recovery work. A separate Lock-Box Account has also been established for MDCH’s TPL recovery work. Any documents misdirected to the MDCH Lock-Box will be forwarded to the Contractor.

The Contractor must to post all payments deposited in the Lock-Box to the applicable tracking system within 24 business hours of receipt.

Activity O. Physical Location of Contractor

The Contractor must identify where its staff will be physically located for the duration of this Contract (city at a minimum and street address if known). The State will not make space available in its facilities for Contractor’s staff. The staff performing significant tasks associated with each Activity will need to be available within 24 hours for face-to-face meetings, at the discretion of MDCH, on contractual matters. No travel costs will be reimbursable under this Contract. For those Activities for which Key Personnel includes legal counsel, the counsel must be licensed to practice in Michigan.

1.030 Roles and Responsibilities

1.031 Contractor Staff, Roles, and Responsibilities

A. Key Personnel

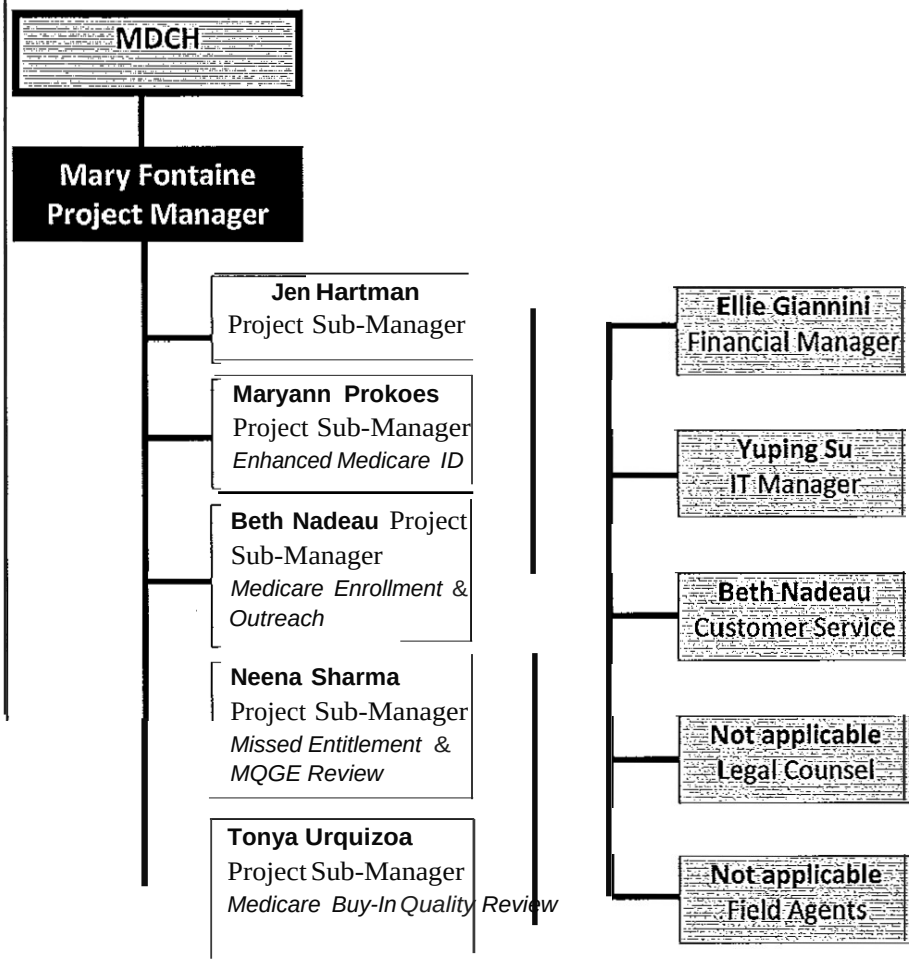
Key Personnel must include, at least, the following:

1. Project Manager. The Contractor must have a Project Manager, as a single point of contact, for MDCH with overall responsibility for the Contractor's functions under this Contract for the awarded Activity (ies). The Project Manager must have the authority to make decisions and to resolve problems on his/her company's behalf with the State (both MDCH and DTMB). The Project Manager for this Contract is Mary Fontaine.
2. Project Sub-Managers. The Contractor must have Project Sub-Managers responsible for specified major categories of tasks under this Contract for the awarded Activity (ies). Recognizing that the Project Manager may not always be readily available to resolve any day-to-day operational problems, the Project Sub-Managers (or designated back-ups) must be available by e-mail or telephone to respond to inquiries from MDCH staff within 30 minutes of contact during every business day. The Project Sub-Managers for this Contract are:

    - Jen Hartman – Project Sub-Manager
    - Maryann Prokoes – Project Sub-Manager – Enhanced Medicare ID
    - Beth Nadeau- Project Sub-Manager – Medicare Enrollment and Outreach
    - Neena Sharma – Project Sub-Manager – Missed Entitlement and MQGE Review
    - Tonya Urquizoa - Project Sub-Manager – Medicare Buy-In Quality Review

3. Financial Manager. MDCH considers it critical that the Contractor have a knowledgeable and experienced member of its staff responsible for financial management. The Financial Manager for this Contract is Ellie Giannini.
4. Information Technology (IT) Manager. Much of the work involved in each Activity involves information technology. Accordingly, to assure that the Activity is managed effectively, an IT Manager is a requirement. The IT Manager for this Contract is Yuping Su.
5. Customer Service Manager. MDCH expects that all contacts related to the TPL function, whether by its own staff or its Contractors, be conducted in a professional and courteous manner. To assure that all written documents and verbal protocols are structured to comply with this expectation, an experienced staff person responsible for this oversight is a requirement. The Customer Service Manager for this Contract is Beth Nadeau.
6. Legal Counsel. (Applicable to Activities D, E and any other applicable Activities). These two Activities, and any other applicable activities will include significant involvement with Michigan's legal system and require counsel experienced with the State's statutes and court protocols applicable to the expected legal actions.
7. Field Agents. The Contractor must have personnel available to perform needed field work for specific Activities.

The names of key personnel and their area of responsibility are summarized in the following organizational chart:



B. Subcontractors
If the Contractor intends to use one or more Subcontractors for any portion of the work associated with this Contract, formal written approval is required from MDCH prior to assigning Subcontractor(s).

C. Staff Training
The Contractor must provide training relative to the specific task(s) associated with each awarded Activity. This training must be provided for all new employees prior to assuming their duties. The Contractor must conduct regular refresher training to assure that all staff are aware of any program, process or policy changes. MDCH, as appropriate, will provide training for the Contractor's training staff. The Contractor must permit the State (MDCH and/or DTMB) access to records relating to such training and, if requested, permit State staff to attend and monitor training programs.

1.040 Project Plan

1.041 Project Plan Management

Project Management by the Contractor

The Contractor must carry out the tasks associated with each Activity under the direction and control of MDCH. Although there will be continuous liaison with the Contractor's team, the MDCH Project Manager may require face-to-face meetings on a weekly basis for the first few months of this Contract if it is determined necessary for effective implementation of the Activity. These meetings will be held at MDCH offices in Lansing, Michigan and include the Contractor's Project Manager and any other Key Personnel as appropriate, including Subcontractors, if applicable. Thereafter, face-to-face meetings for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise will occur monthly with participants mutually determined. Special meetings may be called by either party to address problems or issues requiring immediate attention. The referenced meetings will address all Activities for which the Contractor was awarded a Contract as a result of the RFP.

The Contractor must assure that specifically designated staff are available by e-mail or telephone to respond to inquiries from MDCH staff by close of business on the day of contact.

The Contractor's Project Manager must submit brief written monthly summaries of progress specific to each Activity to the MDCH Project Manager, which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the MDCH Project Manager; and any significant deviation from previously agreed-upon work statements. These monthly reports must be submitted to the MDCH Project Manager via e-mail at least three business days prior to the monthly meetings and are in addition to any reports required in **Section 1.020** and **Section 1.042** of this Contract. During the first few months of this Contract, e-mailed progress reports will be required on a weekly basis and at least one business day prior to the weekly meeting.

Within 10 business days of Contract award, the Contractor's Project Manager must submit a work plan to the MDCH Project Manager for final approval. This work plan must be in agreement with the Activity-specific implementation plan(s) included in the Contractor's proposal and accepted by the State for this Contract, and must, at a minimum, include the following:

- The Contractor's Activity-specific organization structure, including Subcontractors, if any.
- The Contractor's staffing table with names and titles of both Key Personnel and any subordinate supervisory staff assigned to the Activity (ies). This must be in agreement with staffing identified in the accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval by MDCH.
- A breakdown for each Activity that shows tasks and process flows, systems requirements and functionalities, timelines and reports, and staff resources required and allocated to each.

Project Management by MDCH
MDCH will conduct a readiness review of the Contractor within 30 calendar days of Contract award.

A Project Manager will be designated by MDCH as the primary point of contact between the Contractor and MDCH personnel. The MDCH Project Manager will:

- Ensure that the Contractor's Key Personnel receive any training necessary relative to Michigan's Medicaid TPL program as well as data system function and compatibility;
- Perform, or oversee the performance by State staff of, a periodic quality assurance review of Activity-specific tasks, e.g., a selected number of records forwarded to MDCH reflecting new or terminated insurance coverage or recoveries from third party payers;
- Ensure that the Contractor is provided with necessary systems and interface specifications and any forms or formats required for the performance of the Contracted task(s);
- Ensure that the Contractor is provided with the files referenced in Section 1.022, including those that reflect eligibility, insurance coverage, and claims paid by the Medicaid program; and
- Ensure that staff of the Contractor is provided with access as appropriate to other data or systems necessary to fulfill the requirements of this Contract.

The referenced quality assurance review by State staff is separate and distinct from the quality assurance monitoring required of Contractors.

MDCH will review and respond with either an approval, denial or request for revision all forms, form letters and other documents submitted by the Contractor that are intended for issuance to potentially liable third party payers, providers, employers or others. Such review and approval is required prior to their use by a Contractor or Subcontractor.

MDCH will provide Medicaid TPL program policy and process clarification when requested by the Contractor.

MDCH will make all determinations regarding the cost effectiveness of pursuing recoveries related to any Activities covered by this Contract. MDCH reserves the right, at its sole discretion, to direct the Contractor to cease pursuit of a specific recovery at any time.

1.042 Reports

The following reports and electronic files will be required from the Contractor:

- The specific reports and electronic files listed below;
- Summaries of progress and problems as identified in **Section 1.041** of this Contract; and
- Ad hoc reports as mutually agreed upon.

The Contractor must deliver the following reports and files electronically to the MDCH Project Manager or other designated State staff in a mutually agreeable format and in the time frames specified:

Activity in Section 1.022	Report or File	Frequency
1.041	Activity-specific progress report	3 days before each Monthly Meeting
1.041	Activity-specific work plan	10 business days after Contract award

1.050 Acceptance

1.051 Criteria

The following criteria will be used by the State to determine Acceptance of the Services or Deliverables provided under this SOW:

- The MDCH Project Manager will be responsible for verifying that the work:
- Was performed within the time period referenced;
- Meets the deliverables criteria; and
- Was performed according to the Contract specifications.

Before implementing any of the Activities described in the Statement of Work in **Section 1.022,** the Contractor will perform necessary testing and quality assurance tasks to verify compliance with the requirements in this Contract. Included in this requirement is the development of any electronic systems, reports, documents or other protocols established in order to perform the Activities. The Contractor must demonstrate such compliance to the satisfaction of the MDCH Project Manager. If modifications are required, they must be made prior to implementation.

For the duration of this Contract, should the MDCH Project Manager advise the Contractor of modifications that must be made in any electronic systems, reports, documents or other protocols associated with the Activities being performed by the Contractor or any subcontractor, either due to issues with the way such Activities are being performed or due to changes in federal or State requirements, the Contractor must at no cost to MDCH make such modifications.

The MDCH Project Manager will be responsible for reviewing each invoice from the Contractor to ensure that the amounts billed, both for work reimbursed on a unit price basis and on a contingency basis, are consistent with deliverables. Once the MDCH Project Manager approves the invoice, they will forward it to MDCH Accounting for payment via the established MDCH approval path.

1.052 Final Acceptance – Deleted/Not Applicable

1.060 Proposal Pricing

1.061 Proposal Pricing

For authorized Services and Price List, see Attachment A.

1.062 Price Term

Prices quoted are firm for the entire length of the Contract.

1.063 Tax Excluded from Price

(a) Sales Tax: For purchases made directly by the State, the State is exempt from State and Local Sales Tax. Prices must not include the taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

(b) Federal Excise Tax: The State may be exempt from Federal Excise Tax, or the taxes may be reimbursable, if articles purchased under this Contract are used for the State's exclusive use. Certificates showing exclusive use for the purposes of substantiating a tax-free or tax-reimbursable sale will be sent upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices must not include the Federal Excise Tax.

1.064 Holdback – Deleted/Not Applicable

1.070 Additional Requirements

1.071 Additional Terms and Conditions specific to this Contract

A. Contractor Liability for Fiscal Sanctions

If any State of federal agency or court of law imposes fiscal sanctions or disallowances against MDCH as a result of the Contractor's action or inaction associated with an Activity covered by this Contract, the Contractor must accept fiscal liability and compensate MDCH for any and all sanctioned or disallowed amounts. This liability extends to the Contractor's Subcontractors, if any.

B. Contractor's Failure to Comply

Should the Contractor at any time: 1) refuse or neglect to supply adequate and competent supervision; 2) refuse or fail to provide sufficient and properly skilled personnel, equipment, or materials of the proper quality or quantity; 3) fail to provide the services in accordance with the time frames set forth in this Contract; or 4) fail in the performance of any time or condition contained in this Contract, the State (MDCH and/or DTMB) may, in addition to any other contractual, legal or equitable remedies, proceed to take the following action after five business days written notice to the Contractor:

Withhold any monies then or next due to the Contractor.

Article 2 - Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term
The Contract is for a period of three years beginning May 1, 2013, through April 30, 2016. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.002 Options to Renew
The Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to two additional one-year periods.

2.003 Legal Effect
Contractor must show acceptance of the Contract by signing two copies of the Contract and returning them to the Contract Administrator. The Contractor must not proceed with the performance of the work to be done under the Contract, including the purchase of necessary materials, until both parties have signed the Contract to show acceptance of its terms, and the Contractor receives a Contract release/purchase order that authorizes and defines specific performance requirements.

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under the Contract, until Contractor is notified in writing that the Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

2.004 Attachments & Exhibits
All Attachments and Exhibits affixed to any and all Statement(s) of Work, or appended to or referencing the Contract, are incorporated in their entirety and form part of the Contract.

2.005 Ordering
The State will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which must be approved by the Contract Administrator or the Contract Administrator's designee, to order any Services/Deliverables under the Contract. All orders are subject to the terms and conditions of the Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are also specifically contained in that Purchase Order's or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown; however, the Contractor must furnish all such materials and services as may be ordered during the CONTRACT period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

2.006 Order of Precedence
(a) The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005.**
(b) In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of the Contract, which may be modified or amended only by a formal Contract amendment.

2.007 Headings
Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of the Contract.

2.008 Form, Function & Utility
If the Contract is for use of more than one (1) State agency and if the Deliverable/Service does not the meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.009 Reformation and Severability
Each provision of the Contract is severable from all other provisions of the Contract and, if one (1) or more of the provisions of the Contract is declared invalid, the remaining provisions of the Contract remain in full force and effect.

2.010 Consents and Approvals
Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, the consent or approval must be in writing and must not be unreasonably withheld or delayed.

2.011 No Waiver of Default
If a party fails to insist upon strict adherence to any term of the Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of the Contract.

2.012 Survival
Any provisions of the Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

2.020 Contract Administration

2.021 Issuing Office
The Contract is issued by the Department of Technology, Management and Budget, DTMB-Procurement and MDCH (collectively, including all other relevant State of Michigan departments and agencies, the "State"). DTMB-Procurement is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. DTMB-Procurement **is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of the Contract.** The Contractor Administrator within DTMB-Procurement for the Contract is:

Angela Buren, Buyer
Procurement
Department of Technology, Management and Budget
Mason Bldg., 2nd Floor
PO Box 30026
Lansing, MI 48909
Email: Burena@michigan.gov
Phone: (517) 373-0325

2.022 Contract Compliance Inspector
After DTMB-Procurement receives the properly executed Contract, it is anticipated that the Chief Procurement Officer of DTMB-Procurement, in consultation with MDCH, will direct the person named below, or any other person so designated, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of the Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract as that authority is retained by DTMB Procurement**. The CCI for the Contract is:

Gregory Rivet, Manager
MDCH Grants and Purchasing Division
320 South Walnut Street
Lansing, MI 48813
rivetg@michigan.gov
517-335-5096
Fax: (517) 241-4845

2.023 Project Manager
The following individual will oversee the project:

Tanya Lowers, Director
Third Party Liability Division
Bureau of Medicaid Financial Management and Administrative Services
Medical Services Administration
Michigan Department of Community Health
400 S. Pine Street, Lansing, Michigan 48909
LowersT@michigan.gov
Phone: (517) 335-8760
Fax: (517) 335-9422

2.024 Change Requests
The State reserves the right to request, from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the Contractor does not so notify the State, the Contractor has no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable.

Change Requests:

(a) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under the Contract, describing the Change and its effects on the Services and any affected components of the Contract (a "Contract Change Notice").

(b) No proposed Change may be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the DTMB-Procurement.

(c) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of the Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

2.025 Notices
Any notice given to a party under the Contract must be deemed effective, if addressed to the State contact as noted in Section 2.021 and the Contractor's contact as noted on the cover page of the contract, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this Section; (iii) the third Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

Either party may change its address where notices are to be sent by giving notice according to this Section.

2.026 Binding Commitments
Representatives of Contractor must have the authority to make binding commitments on Contractor's behalf within the bounds set forth in the Contract. Contractor may change the representatives from time to time upon written notice.

2.027 Relationship of the Parties
The relationship between the State and Contractor is that of client and independent contractor. No agent, employee, or servant of Contractor or any of its Subcontractors must be deemed to be an employee, agent or servant of the State for any reason. Contractor is solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

2.028 Covenant of Good Faith
Each party must act reasonably and in good faith. Unless stated otherwise in the Contract, the parties must not unreasonably delay, condition, or withhold the giving of any consent, decision, or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

2.029 Assignments
(a) Neither party may assign the Contract, or assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the requirements of the Contract. The State may withhold consent from proposed assignments, subcontracts, or novations when the transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

(b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. If the State permits an assignment, the Contractor is not relieved of its responsibility to perform any of its contractual duties, and the requirement under the Contract that all payments must be made to one (1) entity continues.

(c) If the Contractor intends to assign the Contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State in writing at least 90 days before the assignment. The Contractor also must provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.

2.030 General Provisions

2.031 Media Releases
News releases (including promotional literature and commercial advertisements) pertaining to the RFP and 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 from the State. No results of the activities associated with the RFP and Contract are to be released without prior written approval of the State and then only to persons designated.

2.032 Contract Distribution
DTMB-Procurement retains the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by DTMB-Procurement.

2.033 Permits
Contractor must obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State must pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.034 Website Incorporation
The State is not bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

2.035 Future Bidding Preclusion
Contractor acknowledges that, to the extent the Contract involves the creation, research, investigation or generation of a future RFP, it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP.

2.036 Freedom of Information
All information in any proposal submitted to the State by Contractor and the Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 PA 442, MCL 15.231, et seq (the "FOIA").

2.037 Disaster Recovery
Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under the Contract must provide the State with priority service for repair and work around in the event of a natural or man-made disaster.

2.040 Financial Provisions

2.041 Fixed Prices for Services/Deliverables
Each Statement of Work or Purchase Order issued under the Contract must specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.042 Adjustments for Reductions in Scope of Services/Deliverables
If the scope of the Services/Deliverables under any Statement of Work issued under the Contract is subsequently reduced by the State, the parties must negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope.

2.043 Services/Deliverables Covered
For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under the Contract, the State must not be obligated to pay any amounts in addition to the charges specified in the Contract.

2.044 Invoicing and Payment – In General
(a) Each Statement of Work issued under the Contract must list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.

(b) Each Contractor invoice must show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis must show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.

(c) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 PA 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.

(d)
All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and DTMB-Procurement.

The specific payment schedule for any Contract(s) entered into, as the State and the Contractor must mutually agree upon. The schedule must show payment amount and must reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy, statements must be forwarded to the designated representative by the 15th day of the following month.

The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the CCI, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.045 Pro-ration
To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services must be pro-rated for any partial month.

2.046 Antitrust Assignment
The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of the Contract.

2.047 Final Payment
The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one (1) party against the other arising from unsettled claims or failure by a party to comply with the Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under the Contract must constitute a waiver of all claims by Contractor against the State for payment under the Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

2.048 Electronic Payment Requirement
Electronic transfer of funds is required for payments on State contracts. The Contractor must register with the State electronically at http://www.cpexpress.state.mi.us. As stated in 1984 PA 431, all contracts that the State enters into for the purchase of goods and services must provide that payment will be made by Electronic Fund Transfer (EFT).

2.050 Taxes

2.051 Employment Taxes
Contractors are expected to collect and pay all applicable federal, state, and local employment taxes.

2.052 Sales and Use Taxes
Contractors are required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining "two (2) or more trades or businesses under common control" the term "organization" means sole proprietorship, a partnership (as defined in § 701(a)(2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company. Not applicable if Contractor is tax-exempt under Section 115 of the Internal Revenue Code and/or under the Doctrine of Intergovernmental Tax Immunity.

2.060 Contract Management

2.061 Contractor Personnel Qualifications
All persons assigned by Contractor to the performance of Services under the Contract must be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and must be fully qualified to perform the work assigned to them. Contractor must include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of the Contract, independent contractors engaged by Contractor solely in a staff augmentation role must be treated by the State as if they were employees of Contractor for the Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

2.062 Contractor Key Personnel
(a) The Contractor must provide the CCI with the names of the Key Personnel.

(b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.

(c) The State reserves 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 must notify the State of the proposed assignment, must introduce the individual to the appropriate State representatives, and must 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 must provide a written explanation including reasonable detail outlining the reasons for the rejection.

(d) Contractor must not remove any Key Personnel from their assigned roles on the 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"). Unauthorized Removals 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. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements and appropriate transition planning must be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.

(e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

2.063 Re-assignment of Personnel at the State's Request

The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted for a time as agreed to by the parties.

2.064 Contractor Personnel Location – Deleted/Not Applicable

2.065 Contractor Identification

Contractor employees must be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.066 Cooperation with Third Parties

Contractor must cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor must provide to the State's agents and other contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with the Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for the Contract is very specific and must not unnecessarily or unreasonably interfere with, delay, or otherwise impede Contractor's performance under the Contract with the requests for access.

2.067 Contractor Return of State Equipment/Resources

The Contractor must return to the State any State-furnished equipment, facilities, and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

2.068 Contract Management Responsibilities

The Contractor must assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State considers the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subcontracted, the Contract must include a list of Subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve Subcontractors and to require the Contractor to replace Subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the Subcontractor to all provisions of the Contract. Any change in Subcontractors must be approved by the State, in writing, prior to such change.

2.070 Subcontracting by Contractor

2.071 Contractor Full Responsibility
Contractor has full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under the Contract, including payment of any and all charges for Services and Deliverables.

2.072 State Consent to Delegation
Contractor must not delegate any duties under the Contract to a Subcontractor unless the DTMB-Procurement has given written consent to such delegation. The State reserves the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement SubContractor for the removed Subcontractor must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work will not be counted for a time agreed upon by the parties.

2.073 Subcontractor Bound to Contract
In any subcontracts entered into by Contractor for the performance of the Services, Contractor must require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of the Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by the Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor is the responsibility of Contractor, and Contractor must remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor must make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under the Contract will not relieve Contractor of any obligations or performance required under the Contract.

2.074 Flow Down
Except where specifically approved in writing by the State on a case-by-case basis, Contractor must flow down the obligations in **Sections 2.031, 2.060, 2.100, 2.110, 2.120, 2.130, 2.200** in all of its agreements with any Subcontractors.

2.075 Competitive Selection
The Contractor must select Subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract.

2.080 State Responsibilities

2.081 Equipment
The State must provide only the equipment and resources identified in the Statements of Work and other Contract Exhibits.

2.082 Facilities – Deleted/Not Applicable

2.090 Security

2.091 Background Checks
On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints.

Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel must comply with the State's security and acceptable use policies for State IT equipment and resources. See http://www.michigan.gov/dit. Furthermore, Contractor personnel must agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. The Contractor must present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff must comply with all Physical Security procedures in place within the facilities where they are working.

2.092 Security Breach Notification

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State, in writing, any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.093 PCI Data Security Standard

(a) Contractors that process, transmit or store credit/debit cardholder data, must adhere to the Payment Card Industry (PCI) Data Security Standards. The Contractor is responsible for the security of cardholder data in its possession. The data may only be used to assist the State or for other uses specifically authorized by law.

(b) The Contractor must notify the CCI (within 72 hours of discovery) of any breaches in security where cardholder data has been compromised. In that event, the Contractor must provide full cooperation to the Visa, MasterCard, Discover and state Acquirer representative(s), and/or a PCI approved third party to conduct a thorough security review. The Contractor must make the forensic report available within two weeks of completion. The review must validate compliance with the current PCI Data Security Standards for protecting cardholder data.

(c) The Contractor must properly dispose of cardholder data, in compliance with DTMB policy, when it is no longer needed. The Contractor must continue to treat cardholder data as confidential upon contract termination.

(d) The Contractor must provide the CCI with an annual Attestation of Compliance (AOC) or a Report on Compliance (ROC) showing the contractor is in compliance with the PCI Data Security Standards. The Contractor must notify the CCI of all failures to comply with the PCI Data Security Standard.

2.100 Confidentiality

2.101 Confidentiality

Contractor and the State each acknowledge that the other possesses, and will continue to possess, confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor must mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) which is marked confidential, restricted, proprietary, or with a similar designation. "Confidential Information" of the State must mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under the Contract, is marked as confidential, proprietary, or with a similar designation by the State. "Confidential Information" excludes any information (including the Contract) that is publicly available under the Michigan FOIA.

2.102 Protection and Destruction of Confidential Information

The State and Contractor must each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication, or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by the Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party must limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of the Contract.

Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under the Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility, 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 and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.

Promptly upon termination or cancellation of the Contract for any reason, Contractor must certify to the State that Contractor has destroyed all State Confidential Information.

2.103 Exclusions
Notwithstanding the foregoing, the provisions of **Section 2.100** will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of **Section 2.100** will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

2.104 No Implied Rights
Nothing contained in this Section must be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.105 Respective Obligations
The parties' respective obligations under this Section must survive the termination or expiration of the Contract for any reason.

2.110 Records and Inspections

2.111 Inspection of Work Performed
The State's authorized representatives must at all reasonable times and with 10 days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and must have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 10 Days prior written notice and at all reasonable times, the State's representatives must be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives.

2.112 Examination of Records
For seven (7) years after the Contractor provides any work under the Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State must notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

2.113 Retention of Records
Contractor must maintain at least until the end of the Audit Period, all pertinent financial and accounting records (including time sheets and payroll records, information pertaining to the Contract, and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period.

If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.114 Audit Resolution
If necessary, the Contractor and the State will meet to review each audit report promptly after issuance. The Contractor must respond to each audit report in writing within 30 days from receipt of the report, unless a shorter response time is specified in the report. The Contractor and the State must develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in the audit report.

2.115 Errors
(a) If the audit demonstrates any errors in the documents provided to the State, then the amount in error must be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four invoices. If a balance remains after four (4) invoices, then the remaining amount will be due as a payment or refund within 45 days of the last quarterly invoice that the balance appeared on or termination of the Contract, whichever is earlier.

(b) In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor must pay all of the reasonable costs of the audit.

2.120 Warranties

2.121 Warranties and Representations
The Contractor represents and warrants:

(a) It is capable in all respects of fulfilling and must fulfill all of its obligations under the Contract. The performance of all obligations under the Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under the Contract.

(b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.

(c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under the Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under the Contract, nor their use by the State, will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.

(d) If, under the Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in the Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.

(e) The Contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into the Contract, on behalf of Contractor.

(f) It is qualified and registered to transact business in all locations where required.

(g) Neither the Contractor nor any affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under the Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two (2) days of learning about it.

(h) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after the Contract start date, the Contractor must report those changes immediately to DTMB-Procurement.

2.122 Warranty of Merchantability – Deleted/Not Applicable

2.123 Warranty of Fitness for a Particular Purpose – Deleted/Not Applicable

2.124 Warranty of Title – Deleted/Not Applicable

2.125 Equipment Warranty – Deleted/Not Applicable

2.126 Equipment to be New – Deleted/Not Applicable

2.127 Prohibited Products – Deleted/Not Applicable

2.128 Consequences For Breach
In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, the breach may be considered as a default in the performance of a material obligation of the Contract.

2.130 Insurance

2.131 Liability Insurance
The Contractor must provide proof of the minimum levels of insurance coverage as indicated below. The insurance must protect the State from claims which may arise out of or result from the Contractor's performance of Services under the terms of the Contract, whether the Services are performed by the Contractor, or by any Subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain under the Contract.

All insurance coverage's provided relative to the Contract/Purchase Order are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance must be written for not less than any minimum coverage specified in the Contract or required by law, whichever is greater.

The insurers selected by Contractor must have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if the ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in the Contract must be issued by companies that have been approved to do business in the State. See www.michigan.gov/deleg.

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State must be entitled to coverage to the extent of the higher limits.

The Contractor is required to pay for and provide the type and amount of insurance checked ☑ below:

☑ 1. Commercial General Liability with the following minimum coverage:

$2,000,000 General Aggregate Limit other than Products/Completed Operations
$2,000,000 Products/Completed Operations Aggregate Limit
$1,000,000 Personal & Advertising Injury Limit
$1,000,000 Each Occurrence Limit

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

☑ 2. If a motor vehicle is used to provide services or products under the Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

☑ 3. Workers' compensation coverage must be provided according to applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision must not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

☑ 4. Employers liability insurance with the following minimum limits:

$100,000 each accident
$100,000 each employee by disease
$500,000 aggregate disease

☐ 5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of $1,000,000.00 with a maximum deductible of $50,000.00.

☐ 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars ($10,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

☐ 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: $3,000,000.00 each occurrence and $3,000,000.00 annual aggregate.

☐ 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under the Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

2.132 Subcontractor Insurance Coverage

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor must require all of its Subcontractors under the Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor must fully comply with the insurance coverage required in this Section. Failure of Subcontractor to comply with insurance requirements does not limit Contractor's liability or responsibility.

2.133 Certificates of Insurance and Other Requirements

Contractor must furnish to DTMB-Procurement, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. Before the Contract is signed, and when reasonably possible after the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability policy.

The Contractor agrees that, within 30 days after receipt of notice of cancellation of the insurance policies referenced above, from the applicable insurers, said Company or its designee will send a copy of such notice to the Certificate Holder.

Such notice is not a right or obligation within the policies, it does not alter or amend any coverage, it will not extend any policy cancellation date and it will not negate any cancellation of the policy. Failure to provide a copy of such notice to the Certificate Holder shall impose no obligation or liability of any kind upon the insurer or its agents or representatives.

In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

The Contractor must maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three (3) years following the expiration or termination for any reason of the Contract. The minimum limits of coverage specified above are not intended, and must not be construed, to limit any liability or indemnity of Contractor under the Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If the Contractor fails to pay any premium for required insurance as specified in the Contract, or if any insurer cancels or significantly reduces any required insurance as specified in the Contract without the State's written consent, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.

2.140 Indemnification

2.141 Responsibilities of the Parties

The University of Massachusetts Medical School shall be solely and entirely responsible for its acts and omissions and for the acts and omissions of its employees, agents, or subcontractors in connection with the performance of this Contract. The State shall be solely and entirely responsible for its acts and omissions and for the acts and omissions of its State employees, agents, or subcontractors in connection with the performance of this Contract.

2.150 Termination/Cancellation

2.151 Notice and Right to Cure

If the Contractor breaches the Contract, and the State, in its sole discretion, determines that the breach is curable, then the State must provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

2.152 Termination for Cause

(a) The State may terminate the Contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under the Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State

(b) If the Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating the Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by the Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in the Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under the Contract.

(c) If the State chooses to partially terminate the Contract for cause, charges payable under the Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of the Contract that are terminated for cause must cease on the effective date of the termination.

(d) If the State terminates the Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in the Contract for a termination for convenience.

2.153 Termination for Convenience

The State may terminate the Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate the Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate the Contract in part, the charges payable under the Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of the Contract that are terminated for cause must cease on the effective date of the termination.

2.154 Termination for Non-Appropriation

(a) Contractor acknowledges that, if the Contract extends for several fiscal years, continuation of the Contract is subject to appropriation or availability of funds for the Contract. If funds to enable the State to effect continued payment under the Contract are not appropriated or otherwise made available, the State must terminate the Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).

(b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under the Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.

(c) If the State terminates the Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.155 Termination for Criminal Conviction

The State may terminate the Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.

2.156 Termination for Approvals Rescinded

The State may terminate the Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State must pay the Contractor for only the work completed to that point under the Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

2.157 Rights and Obligations upon Termination

(a) If the State terminates the Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from the Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b) If the State terminates the Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under the Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under the Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for Services and Deliverables provided under the Contract, and may further pursue completion of the Services/Deliverables under the Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158 Reservation of Rights
Any termination of the Contract or any Statement of Work issued under it by a party must be with full reservation of, and without prejudice to, any rights or remedies otherwise available to the party with respect to any claims arising before or as a result of the termination.

2.160 Termination by Contractor

2.161 Termination by Contractor—Deleted/Not Applicable

2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities
If the State terminates the Contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If the Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 90 days. These efforts must include, but are not limited to, those listed in **Sections 2.171, 2.172, 2.173, 2.174, and 2.175.**

2.172 Contractor Personnel Transition
The Contractor must work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties to effect an orderly transition. The Contractor must allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by the Contract.

In addition, during or following the transition period, in the event the State requires the Services of the Contractor's Subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's Subcontractors or vendors. Contractor must notify all of Contractor's subcontractors of procedures to be followed during transition.

2.173 Contractor Information Transition
The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under the Contract. The Contractor must provide the State with asset management data generated from the inception of the Contract through the date on which the Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor must deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

2.174 Contractor Software Transition
The Contractor must reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under the Contract. This must include any documentation being used by the Contractor to perform the Services under the Contract. If the State transfers any software licenses to the Contractor, those licenses must, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

2.175 Transition Payments
If the transition results from a termination for any reason, reimbursement must be governed by the termination provisions of the Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates agreed upon by the State. The Contractor must prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.176 State Transition Responsibilities
In the event that the Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:
(a) Reconciling all accounts between the State and the Contractor;
(b) Completing any pending post-project reviews.

2.180 Stop Work

2.181 Stop Work Orders
The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.180**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.150**.

2.182 Cancellation or Expiration of Stop Work Order
The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment must conform to the requirements of **Section 2.024**.

2.183 Allowance of Contractor Costs
If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, the termination must be deemed to be a termination for convenience under **Section 2.150**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.180.**

2.190 Dispute Resolution

2.191 In General
Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor must submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or the Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

2.192 Informal Dispute Resolution
(a) All disputes between the parties must be resolved under the Contract Management procedures in the Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Procurement, DTMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:

(i) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

(ii) During the course of negotiations, all reasonable requests made by one (1) party to another for non-privileged information reasonably related to the Contract must be honored in order that each of the parties may be fully advised of the other's position.

(iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.

(iv) Following the completion of this process within 60 calendar days, the Director of Procurement, DTMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.

(b) This Section must not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under **Section 2.193**.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193 Injunctive Relief

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is the that the damages to the party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.194 Continued Performance

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.150**, as the case may be.

2.200 Federal and State Contract Requirements

2.201 Nondiscrimination

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, or physical or mental disability.

Contractor further agrees that every subcontract entered into for the performance of the Contract or any purchase order resulting from the Contract must contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot 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., and any breach of this provision may be regarded as a material breach of the Contract.

2.202 Unfair Labor Practices
Under 1980 PA 278, MCL 423.321, et seq., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under Section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under Section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.203 Workplace Safety and Discriminatory Harassment
In performing Services for the State, the Contractor must comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor must comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html.

2.204 Prevailing Wage—Deleted/Not Applicable

2.210 Governing Law

2.211 Governing Law
The Contract must in all respects be governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

2.212 Compliance with Laws
Contractor must comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.

2.213 Jurisdiction
Any dispute arising from the Contract must be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.220 Limitation of Liability

2.221 Limitation of Liability
Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of the Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract.

2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation
(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act.

In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor must disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

(b) Assurances. If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of the Contract would cause a reasonable party to be concerned about:

(i) the ability of Contractor (or a Subcontractor) to continue to perform the Contract according to its terms and conditions, or

(ii) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of the Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:

(a) Contractor and its Subcontractors must be able to continue to perform the Contract and any Statements of Work according to its terms and conditions, and

(b) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.

(c) Contractor must make the following notifications in writing:

(1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DTMB-Procurement.

(2) Contractor must also notify DTMB Procurement within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.

(3) Contractor must also notify DTMB Procurement within 30 days whenever changes to company affiliations occur.

2.232 Call Center Disclosure

Contractor and/or all Subcontractors involved in the performance of the Contract providing call or contact center services to the State must disclose the location of its call or contact center services to inbound callers. Failure to disclose this information is a material breach of the Contract.

2.233 Bankruptcy

The State may, without prejudice to any other right or remedy, terminate the Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish the Works in Process by whatever appropriate method the State may deem expedient if:

(a) the Contractor files for protection under the bankruptcy laws;

(b) an involuntary petition is filed against the Contractor and not removed within 30 days;

(c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;

(d) the Contractor makes a general assignment for the benefit of creditors; or

(e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under the Contract.

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process must be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

2.240 Performance

2.241 Time of Performance

(a) Contractor must use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.

(b) Without limiting the generality of **Section 2.241(a),** Contractor must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.

(c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 Service Level Agreements (SLAs) – Deleted/Not Applicable

2.243 Liquidated Damages – Deleted/Not Applicable

2.244 Excusable Failure

Neither party will be liable for any default, damage, or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military, or otherwise), power failure, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. but the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

2.250 Approval of Deliverables

2.251 Delivery Responsibilities--—Deleted/Not Applicable

2.252 Delivery of Deliverables—Deleted/Not Applicable

2.253 Testing—Deleted/Not Applicable

2.254 Approval of Deliverables, In General—Deleted/Not Applicable

2.255 Process For Approval of Written Deliverables—Deleted/Not Applicable

2.256 Process for Approval of Services—Deleted/Not Applicable

2.257 Process for Approval of Physical Deliverables—Deleted/Not Applicable

2.258 Final Acceptance—Deleted/Not Applicable

2.260 Ownership

2.261 Ownership of Work Product by State
The State owns all Deliverables as they are works made for hire by the Contractor for the State. The State owns all United States and international copyrights, trademarks, patents, or other proprietary rights in the Deliverables.

2.262 Vesting of Rights
With the sole exception of any preexisting licensed works identified in the SOW, the Contractor assigns, and upon creation of each Deliverable automatically assigns, to the State, ownership of all United States and international copyrights, trademarks, patents, or other proprietary rights in each and every Deliverable, whether or not registered by the Contractor, insofar as any the Deliverable, by operation of law, may not be considered work made for hire by the Contractor for the State. From time to time upon the State's request, the Contractor must confirm the assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State may obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables.

2.263 Rights in Data
(a) The State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The Contractor must not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of the Contractor. No employees of the Contractor, other than those on a strictly need-to-know basis, have access to the State's data. Contractor must not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, the Contractor must only use personally identifiable information as strictly necessary to provide the Services and must disclose the information only to its employees who have a strict need-to-know the information. The Contractor must comply at all times with all laws and regulations applicable to the personally identifiable information.

(b) The State is the owner of all State-specific data under the Contract. The State may use the data provided by the Contractor for any purpose. The State must not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State may use personally identifiable information only as strictly necessary to utilize the Services and must disclose the information only to its employees who have a strict need to know the information, except as provided by law. The State must comply at all times with all laws and regulations applicable to the personally identifiable information. Other material developed and provided to the State remains the State's sole and exclusive property.

2.264 Ownership of Materials
The State and the Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State. Any software licensed through the Contractor and sold to the State, will be licensed directly to the State.

2.270 State Standards

2.271 Existing Technology Standards

The Contractor must adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at http://www.michigan.gov/dit.

2.272 Acceptable Use Policy

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see http://www.michigan.gov/ditservice. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

2.273 Systems Changes

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the Project Manager. Any changes Contractor makes to State systems with the State's approval must be done according to applicable State procedures, including security, access, and configuration management procedures.

2.280 Extended Purchasing – Deleted/Not Applicable

2.290 Environmental Provision

2.291 Environmental Provision

Hazardous Materials:
For the purposes of this Section, "Hazardous Materials" is a generic term used to describe asbestos, ACBMs, PCBs, petroleum products, construction materials including paint thinners, solvents, gasoline, oil, and any other material the manufacture, use, treatment, storage, transportation, or disposal of which is regulated by the federal, State, or local laws governing the protection of the public health, natural resources, or the environment. This includes, but is not limited to, materials such as batteries and circuit packs, and other materials that are regulated as (1) "Hazardous Materials" under the Hazardous Materials Transportation Act, (2) "chemical hazards" under the Occupational Safety and Health Administration standards, (3) "chemical substances or mixtures" under the Toxic Substances Control Act, (4) "pesticides" under the Federal Insecticide Fungicide and Rodenticide Act, and (5) "hazardous wastes" as defined or listed under the Resource Conservation and Recovery Act.

(a) The Contractor must use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State, and local laws. The State must provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State must advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor must immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.

(b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State must order a suspension of Work in writing. The State must proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State must terminate the affected Work for the State's convenience.

(c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor must resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in **Section 2.242** for a time as mutually agreed by the parties.

(d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor must bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

Michigan has a Consumer Products Rule pertaining to labeling of certain products containing volatile organic compounds. For specific details visit http://www.michigan.gov/deq/0,1607,7-135-3310_4108-173523--,00.html

Refrigeration and Air Conditioning:
The Contractor must comply with the applicable requirements of Sections 608 and 609 of the Clean Air Act (42 U.S.C. 7671g and 7671h) as each or both apply to the Contract.

Environmental Performance:
Waste Reduction Program: Contractor must establish a program to promote cost-effective waste reduction in all operations and facilities covered by the Contract. The Contractor's programs must comply with applicable Federal, State, and local requirements, specifically including Section 6002 of the Resource Conservation and Recovery Act (42 U.S.C. 6962, et seq.).

2.300 Other Provisions

2.311 Forced Labor, Convict Labor, Forced or Indentured Child Labor, or Indentured Servitude Made Materials

Equipment, materials, or supplies, that will be furnished to the State under the Contract must not be produced in whole or in part by forced labor, convict labor, forced or indentured child labor, or indentured servitude.

“Forced or indentured child labor” means all work or service: exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or performed by any person under the age of 18 under a contract the enforcement of which can be accomplished by process or penalties.

Attachment A - Pricing

G. Operational Maximization Activities	**Variable**	
Enhanced Medicare ID-Part A[1]	**Unit Price**	**$ 325.00**
Enhanced Medicare ID-Part B[1]	**Unit Price**	**$ 215.00**
Medicare Outreach & Enrollment[2]	**Unit Price**	**$ 1,081.00**
Medicare Buy-In Quality Review[3]	**Contingency Fee**	**12%**
Missed Entitlement/MGQE Benefits Review[4]	**Unit Price**	**$ 1,081.00**

[1] Unit price based on a percentage of the estimated annual cost savings for Medicare coverage successfully identified by Contractor and added to MDCH systems as a result of this activity, during the life of the agreement. Once MDCH verifies the number of Medicare Part A and Part B coverage records identified by Contractor and successfully added to MDCH systems, Contractor shall provide a summary report of project results with an invoice that supports the amount to be paid. This shall be a one-time payment following the identification and add. Beneficiaries included in the invoice for Enhanced Medicare Identification activities will not be invoiced under any other Contractor project.

[2] Unit price based on a percentage of the estimated annual cost savings realized from Medicare coverage approved for each Medicaid beneficiary successfully enrolled in full Medicare benefits as a result of this activity, during the life of the agreement. Payment will be contingent upon successful enrollment in full Medicare benefits, including completion of all activities to ensure beneficiaries are enrolled in both Medicare Part A and Part B coverage and Medicare Buy-In benefits for state payment of premiums and cost sharing, as appropriate.

Contractor shall provide a summary report of project results that details the number of beneficiaries newly approved for Medicare coverage and the federal data set which confirms the approved coverage with an invoice that supports the amount to be paid. This shall be a one-time payment following confirmation of the approval of Medicare coverage for each beneficiary. Beneficiaries included in the invoice for Enhanced Medicare Outreach and Enrollment activities will not be invoiced under any other Contractor project.

[3] This contingency rate will only be a percentage of the savings to MDCH, which appear in the form of retroactive credits on the monthly Medicare Buy-In billing files for Medicaid beneficiaries identified and referred for correction to SSA or CMS based on Contractor activities, during the life of the agreement. MDHC will send each case identified or referred for correction by Contractor to SSA or CMS for review. Contractor will not receive payment based on prospective savings realized by MDCH for correction of ongoing premium charges.

Contractor will provide a summary report of project results that details the number of beneficiaries for whom retroactive credits have been received by MDCH on the monthly Medicare billing files with an invoice that supports the amount to be paid. This shall be a one-time payment following confirmation of the credit amount received for each beneficiary.

[4] Unit price based on a percentage of the estimated annual cost savings realized from Medicare coverage approved under OASDI or MQGE benefits as a result of this activity, during the life of the agreement. Payment will be contingent upon successful approval of Medicare benefits for Medicaid beneficiaries. Contractor shall provide a summary report of project results which detail the number of beneficiaries newly approved for Medicare coverage and the federal data set which confirms the approved coverage with an invoice that supports the amount to be paid. This shall be a one-time payment following confirmation of the approval of Medicare coverage for each beneficiary. Beneficiaries included in the invoice for Federal Missed Entitlement Review activities will not be invoiced under any other Contractor project included in this proposal.

The Contractor is responsible for all business expenses associated with performing the Activities in this Contract. These expenses include, but are not limited to, office space, furniture, equipment, supplies, postage, telephone costs, travel, and staff salaries and fringe benefits. All information technology costs associated with the Activity in this Contract are also considered business expenses and are the Contractor's responsibility. If appropriate for the Activity, the cost of operating the toll free telephone line and establishing and maintaining the web site referenced in this Section is also included in the cost for the Activity.

Prices quoted are firm for the entire length of this Contract.

Attachment B

HIPAA BUSINESS ASSOCIATE ADDENDUM

The parties to this Business Associate Addendum ("Addendum") are the State of Michigan, acting by and through the Department of Technology, Management and Budget, on behalf of the Department of Community Health ("State") and _____, ("Contractor"). This Addendum supplements and is made a part of the existing contract(s) or agreement(s) between the parties including the following Contract(s): Medicaid Cost Avoidance and Recovery Services ("Contract").

For purposes of this Addendum, the State is (check one):

(X) Covered Entity ("CE")

( ) Business Associate ("Associate")

and Contractor is (check one):

( ) Covered Entity ("CE")

(X) Business Associate ("Associate")

RECITALS

A. Under the terms of the Contract, CE wishes to disclose certain information to Associate, some of which may constitute Protected Health Information ("PHI") (defined below). In consideration of the receipt of PHI, Associate agrees to protect the privacy and security of the information as set forth in this Addendum.

B. CE and Associate intend to protect the privacy and provide for the security of PHI disclosed to Associate under the Contract in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA") and regulations promulgated thereunder by the U.S. Department of Health and Human Services (the "HIPAA Regulations") as amended by the Health Information Technology Economic and Clinical Health Act ("HITECH Act") under the American Recovery and Reinvestment Act of 2009, Public Law 111-5 ("ARRA"), and other applicable laws, as amended.

C. As part of the HIPAA Regulations, the Privacy Rule and the Security Rule (defined below) require CE to enter into a contract containing specific requirements with Associate before the disclosure of PHI, as set forth in, but not limited to, 45 CFR §§ 160.103, 164.402, 164.410, 164.502(e), 164.504(e), and 164.314 and contained in this Addendum.

In consideration of the mutual promises below and the exchange of information under this Addendum, the parties agree as follows:

1. Definitions.

a. Except as otherwise defined herein, capitalized terms in this Addendum have the definitions set forth in the HIPAA Regulations at 45 CFR Parts 160, 162 and 164, as amended, including, but not limited to, subpart A, subpart C ("Security Rule"), subpart D (Breach Notification), and subpart E ("Privacy Rule").

b. "Agreement" means both the Contract and this Addendum.

c. "Breach" means the unauthorized acquisition, access, use, or disclosure of Protected Health Information that compromises the security or privacy of the Protected Health Information as defined in 45 CFR 164.402.

d. "Contract" means the underlying written agreement or purchase order between the parties for the goods or services to which this Addendum is added.

e. "Impermissible Use or Disclosure" means the acquisition, access, use, or disclosure of Protected Health Information in a manner not permitted under HIPAA that may or may not compromise the security or privacy of the Protected Health Information.

f. "Protected Health Information" or "PHI" has the meaning given to such term under the Privacy Rule and also means, by way of example and without limitation, any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

g. "Protected Information" means PHI provided by CE to Associate or created or received by Associate on CE's behalf.

h. "Security Incident" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

2. Obligations of Associate.

a. Permitted Uses. Associate may not use Protected Information except for the purpose of performing Associate's obligations under the Contract and as permitted under this Agreement. Further, Associate cannot use Protected Information in any manner violates the HIPAA Regulations. Associate may use Protected Information: (i) for the proper management and administration of Associate in carrying out its duties under the Agreement; (ii) to carry out the legal responsibilities of Associate; or (iii) for Data Aggregation purposes for the Health Care Operations of CE. Additional provisions, if any, governing permitted uses of Protected Information are set forth in Appendix 1 to this Addendum.

b. Permitted Disclosures. Associate may not disclose Protected Information in any manner that would constitute a violation of the HIPAA Regulations if disclosed by CE, except that Associate may disclose Protected Information: (i) in a manner permitted under the Agreement; (ii) for the proper management and administration of Associate in carrying out its duties under the Agreement; (iii) as required by law; (iv) for Data Aggregation purposes for the Health Care Operations of CE; or (v) to report violations of law to appropriate federal or state authorities, consistent with 45 CFR § 164.502(j)(1). To the extent that Associate discloses Protected Information to a third party, Associate must obtain, before making any such disclosure: (i) reasonable assurances from such third party that such Protected Information will be held confidential as provided under this Addendum and only disclosed as required by law or for the purposes for which it was disclosed to such third party; and (ii) an agreement to implement reasonable and appropriate safeguards to protect the Protected Information; and (iii) an agreement from such third party to immediately notify Associate of any Impermissible Use, Disclosure, or Breach of the Protected Information, or any Security Incident, to the extent it has obtained knowledge of such an occurrence. Additional provisions, if any, governing permitted disclosures of Protected Information are set forth in Appendix 1.

c. Appropriate Safeguards. Associate must implement appropriate Security Measures as are necessary to protect against the use or disclosure of all forms of Protected Information other than as permitted by the Contract or this Addendum. Associate must maintain a comprehensive written information privacy and security program that includes Security Measures that reasonably and appropriately protect the Confidentiality, Integrity, and Availability of Protected Information relative to the size and complexity of the Associate's operations and the nature and scope of its activities. Security Measures include, without limitation, the valid encryption and password protection of Protected Information and of all portable electronic devices that store Protected Information regardless of the nature and scope of its activities.

d. Reporting of a Breach, Security Incident or Impermissible Use or Disclosure. During the term of the Contract or this Addendum, Associate must notify CE in writing within twenty-four (24) hours of any suspected or actual Breach, Security Incident, or Impermissible Use or Disclosure. Associate must also take (i) prompt corrective action to cure any such event and (ii) any action required by applicable federal and state laws and regulations. Associate will cooperate with CE to mitigate the effects on any Breach, Security Incident, or Impermissible Use or Disclosure. Associate will document the incident and its outcome and will retain such documentation no less than five (5) years.

e. Notification. If a Breach, Security Incident, Impermissible Use or Disclosure occurs, and the PHI is under the control of the Associate or its subcontractor or its agent, the Associate must notify the affected individuals and is responsible for paying the costs associated with the Breach, Security Incident, Impermissible Use or Disclosure and subsequent notification to affected individuals. The Associate will cooperate with the CE in sending out any notification relating to a Breach, Security Incident, or Impermissible Use or Disclosure.

f. Associate's Agents. If Associate uses one or more subcontractors or agents to provide services under this Agreement, and such subcontractors or agents receive or have access to Protected Information, each subcontractor or agent must sign an agreement with Associate containing substantially the same provisions as this Addendum and further identifying CE as a third party beneficiary of the agreement with such subcontractors or agents in the event of any violation of such subcontractor or agent agreement. Associate must (i) implement and maintain sanctions against agents and subcontractors that violate such restrictions and conditions; (ii) mitigate the effects of any such violation; and (iii) be responsible for any activities and costs associated with carrying out any Breach Notification for which an agent or subcontractor is responsible.

g. Access to Protected Information. Associate must make available Protected Information maintained by Associate or its agents or subcontractors in Designated Record Sets to CE for inspection and copying within ten days of a request by CE to enable CE to fulfill its obligations to permit individual access to PHI under the Privacy Rule, including, but not limited to, 45 CFR § 164.524.

h. Amendment of PHI. Within ten days of receipt of a request from CE for an amendment of Protected Information or a record about an individual contained in a Designated Record Set, Associate or its agents or subcontractors must make such Protected Information available to CE for amendment and incorporate any such amendment to enable CE to fulfill its obligations with respect to requests by individuals to amend their PHI under the Privacy Rule, including, but not limited to, 45 CFR § 164.526. If any individual requests an amendment of Protected Information directly from Associate or its agents or subcontractors, Associate must notify CE in writing within ten days of receipt of the request, and then, in that case, only the CE may either grant or deny the request.

i. Accounting Rights. Within ten days of notice by CE of a request for an accounting of disclosures of Protected Information, Associate and its agents or subcontractors must make available to CE the information required to enable CE to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR § 164.528. As set forth in, and as limited by, 45 CFR § 164.528, Associate is not required to provide an accounting to CE of disclosures made: (i) to carry out treatment, payment or health care operations, as set forth in 45 CFR § 164.506; (ii) to individuals of Protected Information about them as set forth in 45 CFR § 164.502; (iii) under an authorization as provided in 45 CFR § 164.508; (iv) to persons involved in the individual's care or other notification purposes as set forth in 45 CFR § 164.510; (v) for national security or intelligence purposes as set forth in 45 CFR § 164.512(k)(2); or (vi) to correctional institutions or law enforcement officials as set forth in 45 CFR § 164.512(k)(5). Associate agrees to implement a process that allows for an accounting to be collected and maintained by Associate and its agents or subcontractors for at least six years before the request, but not before the compliance date of the Privacy Rule. At a minimum, such information must include: (i) the date of disclosure; (ii) the name of the entity or person who received Protected Information and, if known, the address of the entity or person; (iii) a brief description of Protected Information disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure. If the request for an accounting is delivered directly to Associate or its agents or subcontractors, Associate must forward it within ten days of the receipt of the request to CE in writing.

CE must prepare and deliver any such accounting requested. Associate may forward it not disclose any Protected Information except as set forth in Section 2(b) of this Addendum.

j. Governmental Access to Records. Associate must make available its internal practices, books and records relating to the use and disclosure of Protected Information to the Secretary of the U.S. Department of Health and Human Services (the "Secretary"), in a time and manner designated by the Secretary, for purposes of determining CE's compliance with the HIPAA Regulations. Associate must provide to CE a copy of any Protected Information that Associate provides to the Secretary concurrently with providing such Protected Information to the Secretary.

k. Minimum Necessary. Associate (and its agents or subcontractors) must comply with the Minimum Necessary requirements of the Privacy Rule, including, but not limited to 45 CFR §§ 164.502(b) and 164.514(d), by requesting, using, and disclosing only the minimum amount of Protected Information necessary to accomplish the purpose of the request, use or disclosure.

l. Data Ownership. Unless otherwise specified in the Contract, Associate acknowledges that Associate has no ownership rights with respect to the Protected Information. The CE retains all ownership rights of the Protected Information.

m. Retention of Protected Information. Notwithstanding Section 5(d) of this Addendum, Associate and its subcontractors or agents must retain all Protected Information throughout the term of the Contract and must continue to maintain the information required under Section 2(h) of this Addendum for a period of six years from the date of creation or the date when it last was in effect, whichever is later, or as required by law. This obligation survives the termination of the Contract.

n. Destruction of Protected Information. Associate agrees to implement policies and procedures for the final disposition of electronic Protected Information and the hardware and equipment on which it is stored, including but not limited to, removal before re-use, as well as paper or other hard copy media, in accordance with the most recent guidance from the Department of Health and Human Services' Secretary.

o. Audits, Inspection and Enforcement. Within ten days after a written request by CE, Associate and its agents or subcontractors must allow CE to conduct a reasonable inspection of the facilities, systems, books, records, agreements, policies and procedures relating to the use or disclosure of Protected Information under this Addendum for the purpose of determining whether Associate has complied with this Addendum; provided, however, that: (i) Associate and CE must mutually agree in advance upon the scope, timing and location of such an inspection; (ii) CE must protect the confidentiality of all confidential and proprietary information of Associate to which CE has access during the course of such inspection; and (iii) CE or Associate must execute a nondisclosure agreement, if requested by Associate or CE. The fact that CE inspects, or fails to inspect, or has the right to inspect, Associate's facilities, systems, books, records, agreements, policies and procedures does not relieve Associate of its responsibility to comply with this Addendum. CE's (i) failure to detect or (ii) detection, but failure to notify Associate or require Associate's remediation of any unsatisfactory practices, does not constitute acceptance of such practice or a waiver of CE's enforcement rights under this Agreement.

p. Safeguards During Transmission. Associate is responsible for using Security Measures to reasonably and appropriately maintain and ensure the Confidentiality, Integrity, and Availability of Protected Information transmitted to or on behalf of CE under this Agreement, in accordance with the standards and requirements of the HIPAA Regulations, until such Protected Information is received by CE or the intended recipient, and in accordance with any specifications set forth in Appendix 1.

3. Obligations of CE.

a. Safeguards During Transmission. CE is responsible for using Security Measures to reasonably and appropriately maintain and ensure the Confidentiality, Integrity, and Availability of Protected Information transmitted to Associate under this Agreement, in accordance with the standards and requirements of the HIPAA Regulations, until such Protected Information is received by Associate, and in accordance with any specifications set forth in Appendix 1.

b. Notice of Changes. CE must provide Associate with a copy of its notice of privacy practices produced in accordance with 45 CFR § 164.520, as well as any subsequent changes or limitation(s) to such notice, to the extent such changes or limitations may effect Associate's use or disclosure of Protected Information. CE must provide Associate with any changes in, or revocation of, permission to use or disclose Protected Information, to the extent it may affect Associate's permitted or required uses or disclosures. To the extent that it may affect Associate's permitted use or disclosure of Protected Information, CE must notify Associate of any restriction on the use or disclosure of Protected Information that CE has agreed to in accordance with 45 CFR § 164.522.

4. Term. This Addendum must continue in effect as to each Contract to which it applies until such Contract is terminated or is replaced with a new contract between the parties containing provisions meeting the requirements of the HIPAA Regulations, whichever first occurs. However, certain obligations will continue as specified in this Addendum.

5. Termination.

a. Material Breach. In addition to any other provisions in the Contract regarding breach, a breach by Associate of any provision of this Addendum, as determined by CE, constitutes a material breach of the Agreement and is grounds for termination of the Contract by CE under the provisions of the Contract covering termination for cause. If the Contract contains no express provisions regarding termination for cause, the following apply to termination for breach of this Addendum, subject to 5.b.:

(1) Default. If Associate refuses or fails to timely perform any of the provisions of this Addendum, CE may notify Associate in writing of the non-performance, and if not corrected within thirty days, CE may immediately terminate the Agreement. Associate must continue performance of the Agreement to the extent it is not terminated.

(2) Associate's Duties. Notwithstanding termination of the Agreement, and subject to any directions from CE, Associate must timely, reasonably and necessarily act to protect and preserve property in the possession of Associate in which CE has an interest.

(3) Compensation. Payment for completed performance delivered and accepted by CE must be at the Contract price.

(4) Erroneous Termination for Default. If, after the CE terminates the Contract because of the Associate's default, it is determined, for any reason, that Associate was not in default, or that Associate's action/inaction was excusable, such termination will be treated as a termination for convenience, and the rights and obligations of the parties will be the same as if the contract had been terminated for convenience, as described in this Addendum or in the Contract.

b. Reasonable Steps to Cure Breach. If CE knows of a pattern of activity or practice of Associate that constitutes a material breach or violation of the Associate's obligations under the provisions of this Addendum or another arrangement and does not terminate this Agreement under Section 5(a), then CE must take reasonable steps to cure such breach or end such violation, as applicable. If CE's efforts to cure such breach or end such violation are unsuccessful, CE must either (i) terminate this Agreement, if feasible or (ii) if termination of this Agreement is not feasible, CE must report Associate's breach or violation to the Secretary of the Department of Health and Human Services.

c. Effect of Termination.

(1) Except as provided in paragraph (2) of this subsection, upon termination of this Agreement, for any reason, Associate must return or destroy all Protected Information that Associate or its agents or subcontractors still maintain in any form, and must retain copies of such Protected Information. If Associate elects to destroy the Protected Information, Associate must certify in writing to CE that such Protected Information has been destroyed.

(2) If Associate believes that returning or destroying the Protected Information is not feasible, including but not limited to, a finding that record retention requirements provided by law make return or destruction infeasible, Associate must promptly provide CE written notice of the conditions making return or destruction infeasible. Upon mutual agreement of CE and Associate that return or destruction of Protected Information is infeasible, Associate must continue to extend the protections of Sections 2(a), 2(b), 2(c), 2(d), 2(e) and 2(f) of this Addendum to such information, and must limit further use of such Protected Information to those purposes that make the return or destruction of such Protected Information infeasible.

6. No Waiver of Immunity. No term or condition of this Agreement must be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protection, or other provisions of the Michigan Governmental Immunity Act, MCL 691.1401, *et seq*., the Federal Tort Claims Act, 28 U.S.C. 2671 *et seq.*, or the common law, as applicable, as now in effect or hereafter amended.

7. Disclaimer. CE makes no warranty or representation that compliance by Associate with this Addendum, HIPAA or the HIPAA Regulations will be adequate or satisfactory for Associate's own purposes. Associate is solely responsible for all decisions made by Associate regarding the safeguarding of Protected Information and PHI.

8. Certification. To the extent that CE determines an examination is necessary in order to comply with CE's legal obligations under HIPAA relating to certification of its security practices, CE or its authorized agents or contractors, may, at CE's expense, examine Associate's facilities, systems, procedures and records as may be necessary for such agents or contractors to certify to CE the extent to which Associate's security safeguards comply with HIPAA, the HIPAA Regulations or this Addendum.

9. Amendment.

a. Amendment to Comply with Law. The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of this Addendum may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the Privacy Rule, the Security Rule and other applicable laws relating to the security or privacy of Protected Information. The parties understand and agree that CE must receive satisfactory written assurance from Associate that Associate will adequately safeguard all Protected Information. Upon the request of either party, the other party agrees to promptly enter into negotiations concerning the terms of an amendment to this Addendum embodying written assurances consistent with the standards and requirements of HIPAA, the Privacy Rule, the Security Rule or other applicable laws. CE may terminate the Agreement upon thirty days written notice if (i) Associate does not promptly enter into negotiations to amend this Agreement when requested by CE under this Section or (ii) Associate does not enter into an amendment to this Agreement providing assurances regarding the safeguarding of PHI that CE, in its sole discretion, deems sufficient to satisfy the standards and requirements of HIPAA, the HIPAA Regulations and other applicable laws.

b. Amendment of Appendix 1. Appendix 1 may be modified or amended by mutual agreement of the parties in writing from time to time without formal amendment of this Addendum.

10. Assistance in Litigation or Administrative Proceedings. Associate must make itself, and any subcontractors, employees or agents assisting Associate in the performance of its obligations under this Agreement, available to CE, at no cost to CE, to testify as witnesses, or otherwise, if someone commences litigation or administrative proceedings against CE, its directors, officers or employees, departments, agencies, or divisions based upon a claimed violation of HIPAA, the HIPAA Regulations or other laws relating to security and privacy of Protected Information that arises out of the Contractor's performance under this Agreement, except where Associate or its subcontractor, employee or agent is a named adverse party.

11. No Third Party Beneficiaries. Nothing express or implied in this Addendum is intended to confer any rights, remedies, obligations or liabilities upon any person other than CE, Associate and their respective successors or assigns.

12. Effect on Contract. Except as specifically required to implement the purposes of this Addendum, or to the extent inconsistent with this Addendum, all other terms of the Contract must remain in force and effect. The parties expressly acknowledge and agree that sufficient mutual consideration exists to make this Addendum legally binding in accordance with its terms. Associate and CE expressly waive any claim or defense that this Addendum is not part of the Contract.

13. Interpretation and Order of Precedence. This Addendum is incorporated into and becomes part of the Contract. Together, this Addendum and each separate Contract constitute the "Agreement" of the parties with respect to their Business Associate relationship under HIPAA and the HIPAA Regulations. The provisions of this Addendum must prevail over any provisions in the Contract that may conflict or appear inconsistent with any provision in this Addendum. This Addendum and the Contract must be interpreted as broadly as necessary to implement and comply with HIPAA and the HIPAA Regulations. The parties agree that any ambiguity in this Addendum must be resolved in favor of a meaning that complies and is consistent with HIPAA and the HIPAA Regulations. This Addendum supersedes and replaces any previous separately executed HIPAA addendum between the parties. If this Addendum conflicts with the mandatory provisions of the HIPAA Regulations, then the HIPAA Regulations control. Where the provisions of this Addendum differ from those mandated by the HIPAA Regulations, but are nonetheless permitted by the HIPAA Regulations, the provisions of this Addendum control.

14. Effective Date. This Addendum is effective upon receipt of the last approval necessary and the affixing of the last signature required.

15. Survival of Certain Contract Terms. Notwithstanding anything in this Addendum to the contrary, Associate's obligations under Section 5(d) and record retention laws ("Effect of Termination") and Section 13 ("No Third Party Beneficiaries") survive termination of this Agreement and are enforceable by CE if the Associate fails to perform or comply with this Addendum.

16. Representatives and Notice.

a. Representatives. For the purpose of this Agreement, the individuals identified in the Contract must be the representatives of the respective parties. If no representatives are identified in the Contract, the individuals listed below are hereby designated as the parties' respective representatives for purposes of this Agreement. Either party may from time to time designate in writing new or substitute representatives.

b. Notices. All required notices must be in writing and must be hand delivered or given by certified or registered mail to the representatives at the addresses set forth below.

Covered Entity Representative:

Name: Kim Stephen
Title: Director, Bureau of Budget and Audit
Department and Division: Michigan Department of Community Health
Address: 320 S. Walnut Street
Lansing, Michigan 48913

Business Associate Representative:

Name: _____
Title:_____
Department and Division: _____
Address: _____
_____
_____

Any notice given to a party under this Addendum must be deemed effective, if addressed to such party, upon: (i) delivery, if hand delivered; or (ii) the third (3rd) Business Day after being sent by certified or registered mail.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum as of the Addendum Effective Date.

Associate	**Covered Entity**
[INSERT NAME]	[INSERT NAME]
By:_____	By:_____
Date:_____	Date: _____
Print Name: _____	Print Name:_____
Title:_____	Title:_____