



**STATE OF MICHIGAN  
ENTERPRISE PROCUREMENT**

Department of Technology, Management, and Budget  
320 S. Walnut Street 2nd Floor Lansing, MI 48933  
P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number 7  
to  
Contract Number MA19000000912

<b>CONTRACTOR</b>	ModivCare Solutions, LLC (formerly LogistiCare Solutions, LLC)
	6900 Layton Avenue, Suite 1200
	Denver CO 80237
	Larry Smith
	(248) 395-5101
	larry.smith@modivcare.com
	CV0060358

<b>STATE</b>	<b>Program Manager</b>	Various	MDHHS
	<b>Contract Administrator</b>	Kyle London	DTMB
		(517) 614-3616	
		londonk1@michigan.gov	

CONTRACT SUMMARY				
Medicaid Non-Emergency Medical Transportation (NEMT) Broker for Wayne, Oakland, and Macomb Counties				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
August 1, 2019	June 30, 2024	2 - 12 Months	July 31, 2026	
PAYMENT TERMS		DELIVERY TIMEFRAME		
NET 45		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (PRC) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$103,817,850.91	\$25,000,000.00	\$128,817,850.91		

## DESCRIPTION

Effective February 25, 2025, this Contract is increased by \$25,000,000 and the following change hereby supersedes all previous versions.

### 1. Schedule A, Section 4.2 Meetings

A. The State may request a kick-off meeting with the Contractor within 30 days of the Contract effective date.

B. Weekly Meetings: Contractor's local operations team will meet with Department representatives on a weekly basis.

a. The Department and Contractor may modify the meeting frequency, if mutually agreed upon and documented via email memorandum, meetings must occur no less than monthly.

C. The State will request other meetings, as it deems appropriate.

All other terms, conditions, specifications, and pricing remain the same. Per DTMB contractor and agency agreement, DTMB Central Procurement approval, and State Administrative Board approval on February 25, 2025.

**Program Managers  
for  
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDHHS	Spring McKeever	517-335-5198	Mckeever1@michigan.gov
MDHHS	Ashlee Diaz	517-241-4056	DiazA8@michigan.gov



# STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget  
320 S. Walnut Street 2nd Floor Lansing, MI 48933  
P.O. BOX 30026 LANSING, MICHIGAN 48909

## CONTRACT CHANGE NOTICE

Change Notice Number 6  
to  
Contract Number MA19000000912

<b>CONTRACTOR</b>	ModivCare Solutions, LLC (formerly LogistiCare Solutions, LLC)
	6900 Layton Avenue
	Denver, CO 80237
	Larry Smith
	248-395-5101
	larry.smith@modivcare.com
	CV0060358

<b>STATE</b>	<b>Program Manager</b>	Ashlee Diaz	MDHHS
		517-241-4056	
	diaza8@michigan.gov		
	<b>Contract Administrator</b>	Marissa Gove	DTMB
517-449-8952			
govem1@michigan.gov			

CONTRACT SUMMARY				
Medicaid Non-Emergency Medical Transportation (NEMT) Broker for Wayne, Oakland, and Macomb Counties				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
July 1, 2019	June 30, 2024	2 - 12 Months	July 31, 2025	
PAYMENT TERMS		DELIVERY TIMEFRAME		
NET 45		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (PRC) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	12 months	<input type="checkbox"/>		July 31, 2026
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$103,817,850.91	\$0.00	\$103,817,850.91		
DESCRIPTION				
<p>Effective January 23, 2025, the following changes are hereby incorporated:</p> <ol style="list-style-type: none"> <li>The last option year is exercised with a new expiration of July 31, 2026.</li> <li>The attached Schedule B - Pricing hereby supersedes all previous versions.</li> <li>The Account Manager Laura Watkins is replaced by Jvon Carty.</li> </ol> <p>All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement approval.</p>				

## CHANGE NOTICE 6 - REVISED SCHEDULE B PRICING MATRIX

1. Pricing includes all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State.
2. Pricing Schedule:

### MONTHLY CAPITATED COST OF NEMT MANGEMENT SERVICES

The Contractor must provide a capitated rate. The cost calculation is all-inclusive for all costs associated with this Contract.

	<b>Year 1</b> 8/01/19- 7/31/20	<b>Year 2</b> 8/01/20- 7/31/21	<b>Year 3</b> 8/01/21- 7/31/22	<b>Year 4</b> 8/01/22- 7/31/23	<b>Year 5</b> 8/01/23- 9/30/24	<b>Year 6</b> 10/01/24- 7/31/2025	<b>Year 7</b> 8/1/2025- 7/31/2026
A. Eligible Members*	935,341	935,341	935,341	935,341	935,341	187,551	187,551
B. Per-Member Per-Month (PMPM) Rate	\$1.63	\$1.47	1.43	1.42	1.45	5.99	\$6.24
C. Contractor's PMPM Payment Amount** (A x B)	\$1,524,605.83	\$1,374,951.27	\$1,337,537.63	\$1,328,184.22	\$1,356,244.45	\$1,123,430.49	\$1,170,318.24
D. Annualized	12	12	12	12	12	10	12

E. Grand Total (C x D)	\$18,295,269.96	\$16,499,415.24	\$16,050,451.56	\$15,938,210.64	\$16,274,933.40	\$11,234,304.90	\$14,043,818.88
<b>7 Year Total</b>	<b>\$103,817,850.91</b>						

\*This amount represents MDHHS's best effort for a true and accurate monthly average for 6/1/2017-6/1/2018. Actual beneficiary counts may differ throughout the term of the Contract.

\*\*The Contractor will be paid a PMPM amount. The State will determine eligible beneficiaries each month when the State calculates the total number of eligible beneficiaries for the purpose of that month's PMPM payment for the Contractor.



# STATE OF MICHIGAN ENTERPRISE PROCUREMENT

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P.O. BOX 30026 LANSING, MICHIGAN 48909

## CONTRACT CHANGE NOTICE

Change Notice Number **5**  
to  
Contract Number **MA19000000912**

<b>CONTRACTOR</b>	ModivCare Solutions, LLC (formerly LogistiCare Solutions, LLC)
	6900 Layton Avenue
	Denver CO 80237
	Larry Smith
	(248) 395-5101
	larry.smith@modivcare.com
	CV0060358

<b>STATE</b>	<b>Program Manager</b>	Ashlee Diaz	MDHHS
		517-241-4056	
		DiazA8@michigan.gov	
	<b>Contract Administrator</b>	Marissa Gove	DTMB
517-449-8952			
govem1@michigan.gov			

CONTRACT SUMMARY				
Medicaid Non-Emergency Medical Transportation (NEMT) Broker for Wayne, Oakland, and Macomb Counties				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
July 1, 2019	June 30, 2024	2 - 12 Months	July 31, 2025	
PAYMENT TERMS		DELIVERY TIMEFRAME		
NET 45		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (PRC) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$103,817,850.91	\$0.00	\$103,817,850.91		
DESCRIPTION				
Effective August 19, 2024, the attached Schedule B - Pricing hereby supersedes all previous versions. All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement approval.				

## CHANGE NOTICE 5 - REVISED SCHEDULE B PRICING MATRIX

1. Pricing includes all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State.
2. Pricing Schedule:

### MONTHLY CAPITATED COST OF NEMT MANGEMENT SERVICES

The Contractor must provide a capitated rate. The cost calculation is all-inclusive for all costs associated with this Contract.

	<b>Year 1</b> 8/01/19- 7/31/20	<b>Year 2</b> 8/01/20- 7/31/21	<b>Year 3</b> 8/01/21- 7/31/22	<b>Year 4</b> 8/01/22- 7/31/23	<b>Year 5</b> 8/01/23- 9/30/24
A. Eligible Members	935,341*	935,341*	935,341*	935,341*	935,341*
B. Per-Member Per-Month (PMPM) Rate	\$1.63	\$1.47	1.43	1.42	1.45
C. Contractor's PMPM Payment Amount** (A x B)	\$1,524,605.83	\$1,374,951.27	\$1,337,537.63	\$1,328,184.22	\$1,356,244.45
D. Annualized	12	12	12	12	12
E. Grand Total (C x D)	\$18,295,269.96	\$16,499,415.24	\$16,050,451.56	\$15,938,210.64	\$16,274,933.40
<b>5 Year Total</b>	<b>\$83,058,280.80</b>				



\*This amount represents MDHHS's best effort for a true and accurate monthly average for 6/1/2017-6/1/2018. Actual beneficiary counts may differ throughout the term of the Contract.

\*\*The Contractor will be paid a PMPM amount. The State will determine eligible beneficiaries each month when the State calculates the total number of eligible beneficiaries for the purpose of that month's PMPM payment for the Contractor.

Note: Carve out services includes MHP covered beneficiaries for dental, mental health and substance abuse services. Mental health and substance abuse services are also carved out for MHP covered beneficiaries with the designation HMP-MC. For pregnant women, dental NEMT is covered by the MHP



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Department of Technology, Management, and Budget

525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **4**

to

Contract Number **MA19000000912**

<b>CONTRACTOR</b>	ModivCare Solutions, LLC
	6900 Layton Avenue, Suite 1200
	Denver, CO 80237
	Larry Smith
	(248) 395-5101
	Larry.Smith@modivcare.com
	CV0060358

<b>STATE</b>	<b>Program Manager</b>	Ashlee Diaz	MDHHS
		517-241-4056	
		DiazA8@michigan.gov	
<b>STATE</b>	<b>Contract Administrator</b>	Marissa Gove	DTMB
		(517) 449-8952	
		govem1@michigan.gov	

CONTRACT SUMMARY				
Medicaid Non-Emergency Medical Transportation (NEMT) Broker for Wayne, Oakland, and Macomb Counties				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
July 1, 2019	June 30, 2024	2 - 12 Months	July 31, 2024	
PAYMENT TERMS		DELIVERY TIMEFRAME		
NET 45		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (PRC) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	12 Months	<input type="checkbox"/>		July 31, 2025
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$85,058,280.80		\$18,759,570.11	\$103,817,850.91	

#### DESCRIPTION

Effective July 16, 2024, the following changes are hereby incorporated into this Contract:

1. The Contract is increased by \$18,759,570.11.
2. The first option year available is exercised.
3. The State's Contract Administrator is changed to Marissa Gove.
4. The State's Program Manager is changed to Ashlee Diaz.
5. The attached changes to Schedule A and Schedule B are hereby incorporated.

All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Central Procurement approval, and State Administrative Board approval on July 16, 2024.

## Change Notice 4 to Contract 19000000912

### 1. Schedule A, Statement of Work

- a. Section II. Project Request is hereby deleted and replaced with the following:
  - i. This Contract is for a Contractor to act as the broker for and administer of the NEMT program for the MDHHS for Medicaid beneficiaries residing in Wayne, Oakland, and Macomb counties. This includes capitated payment for a combination of services and administrative duties. NEMT services are provided for FFS Medicaid, FFS Healthy Michigan Plan (HMP), MICHild, and dually FFS Medicaid/Children’s Special Health Care Services (CSHCS) beneficiaries to any Medicaid covered service from any Medicaid enrolled provider. The Contractor must administer the program, assure NEMT to eligible beneficiaries, establish a network of transportation providers, verify providers and drivers are enrolled with Community Health Automated Medicaid Processing System (CHAMPS) Provider Enrollment, field beneficiary calls, verify beneficiary eligibility, approve and arrange for NEMT, provide reimbursement to the NEMT providers, establish provider record keeping requirements and track and report NEMT utilization.
- b. Section IV.1.A.3.g is hereby deleted.
- c. Section IV.3.1, Contractor Representative is hereby deleted and replaced with the following:
  - i. The Contractor must appoint one individual, specifically assigned to State of Michigan accounts, that will respond to State inquiries regarding the Contract Activities, answering questions related to ordering and delivery, etc. (the “Contractor Representative”).

The Contractor must notify the Contract Administrator at least 14 calendar days before removing or assigning a new Contractor Representative.

Contractor Representative contact information:

Name: Larry Smith

Phone: (248) 395-5101

Email: [Larry.Smith@modivcare.com](mailto:Larry.Smith@modivcare.com)

- d. Section IV.3.2.B Key Personnel Table is hereby deleted and replaced with the following:

Position	Name	Location	Functions to be performed
Sr. Director	Larry Smith	Michigan	Overall responsibility for meeting all MDHHS contract requirements. Additionally, he has the autonomy to represent Contractor to the State and to make operational decisions related to the State contract..
Account Manager	Laura Watkins	Ohio	Managing the State account; establishing and maintaining a rapport with key contacts to answer questions and confirm satisfaction; facilitating reoccurring client touch base meetings; reviewing data in reports to confirm accuracy and compliance with reporting timelines; communicating identified trends with clients and collaborating with them on process improvement plans and monitoring; updating policies and procedures as needed; and reinforcing HIPAA and program compliance.
Quality Manager	Kevin Jones	Oklahoma	Implementing and overseeing all aspects relating to quality of services provided by the Southfield staff; Responsible for all reporting to the State; the resolution, tracking, and reporting of all complaints and incidents; making sure that beneficiary and facility satisfaction surveys are completed as required; and monitoring and

			directing quality improvement efforts as required and when indicated.
Customer Service Manager	Mario Cruz Cavazos	Texas	Managing the team of customer care representatives (CCRs); Responsible for meeting all MDHHS call center and customer service goals through the oversight of day-to-day operations and customer service; Providing performance reports and implementing procedures to improve the reservation process and comply with contract requirements; Responsible for the generation and analysis of daily, weekly, and monthly call center reports, and oversees all customer service operations including determination of the appropriateness of NEMT requests, requests for specialized transportation including, but not limited to, medivan, wheelchair van, out-of-state travel, special circumstance transports, attendants, and dialysis patients.
Training Manager	Patricia Alexander	Michigan	Setting up new employees in the training system; tracking training activities and compliance; providing training, orientation and leadership development courses; evaluating and documenting coaches' performance; identifying and assisting with developing process improvements; working from a quality perspective to identify trends and challenges and develop plans to correct problem areas; and confirming compliance with operating processes and procedures, including all required security measures.
Compliance Manager	Jamila Bates	Virginia	Responsible for compliance activities to confirm internal and subcontractor compliance with the provisions and requirements stated in the State Contract; Reviewing all contractually required documentation for providers, audits for indicators of fraud and abuse, creates field reports, and checks levels of service for transportation provided to beneficiaries; Collecting and monitoring driver and provider compliance information to make sure all providers and drivers are in 100% compliance with standards; Reviewing background checks, sexual offender checks, 10-panel drug screen test results, motor vehicle records, medical screening and training certificates, and other required credentials; Verifies that all required insurance coverage is current and appropriate; Responsible to make sure HIPAA requirements are adhered to and that related annual reviews are completed.
Regional Manager	Jorge Castizo Rico	Missouri	Responsibilities include the daily management of 80 transportation companies across Wayne, Oakland and Macomb counties; serving as the local Project Manager for the WellRyde AVL System; maintaining and strengthening processes to investigate, validate, resolve, respond to, follow-through on and prevent re-occurrence of complaint(s); managing network development, support, improvement and contract enforcement; communicating with providers often, visiting them regularly and/or observing their fleets in action; managing our provider network to confirm that performance criteria are met; performing vehicle inspections to safeguard vehicle compliance with all ADA and other Federal, State and Local regulatory standards.

Provider Liaison	Donald Scott/ Andrese Cockroft	Michigan	Responsible for building and strengthening relationships with the Contractor transportation provider network; assisting with gathering and tracking State and Federal compliance items, like CHAMPS, HIPAA and FWA training attestation; educating the provider network on the best practices for billing; promoting and supporting automated transportation management system usage; managing the volunteer driver program; and preparing and distributing a quarterly newsletter.
Facility Manager	Raina Brown	Michigan	Serving as liaison between nursing homes, dialysis clinics and various medical providers; providing training and information about NEMT processes; maintaining multiple reports such as: monthly attendance, quarterly recertification, monthly eligibility verification, Q-365, and Joint Steering Committee reports to eliminate Fraud, Waste & Abuse; handling and processing meals and lodging invoices; participating in Lobby Days at the various dialysis and substance abuse clinics to educate the staff and beneficiaries of Contractor's policies and procedures.
Transportation Manager	Michelle Beauregard	Michigan	Managing the day-to-day routing of all trips and confirming the beneficiary is getting the best quality service possible; communicating daily with Regional Managers regarding provider network needs and issues; supporting and managing the Transportation Supervisor, Assistant Transportation Coordinators and the Public Transit Coordinators; working with the transportation providers to confirm service areas, trip volumes and correct system routing; overseeing all mass transit activities including working to increase public transit trip volume and monthly bus pass opportunities.
Outreach Coordinator	James Hammons	Ohio	Functioning as an advocate within the NEMT system to more than 125 health care facilities; Responsible for traveling to health care facilities to gauge satisfaction and answer questions; managing community-based outreach and education; developing and maintaining an ongoing relationship with facilities through face-to-face interactions, phone calls and group presentations; providing in-service training to facilities on topics such as technology, processes and required forms; and maintaining open lines of communication between the beneficiaries, facilities, and the Contractor.
Customer Service Representative	N/A	Michigan	Contractor's CCRs report to our Customer Service Manager. CCRs are the primary staff with whom NEMT beneficiaries are in contact. Primary job duties of the CCR include coordinating communications with beneficiaries and arranging appropriate NEMT services; efficient and accurate entering of all customer service requests into transportation management platform; and the performance of key functions related to trip authorization. CCRs are also responsible for recording any phoned-in complaints.

**2. Schedule B, Pricing, Note** is hereby deleted.



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **3**  
 to  
 Contract Number **19000000912**

<b>CONTRACTOR</b>	ModivCare Solutions, LLC
	1275 Peachtree Street NE, 6th Floor
	Atlanta, GA 30309
	Chris Echols
	800-486-7647 2459
	williame@modivcare.com
	CV0060358

<b>STATE</b>	<b>Program Manager</b>	Spring McKeever	MDHHS
		517-335-5198	
		Mckeever1@michigan.gov	
	<b>Contract Administrator</b>	Jillian Yeates	DTMB
		(517) 275-1131	
		yeatesj@michigan.gov	

**CONTRACT SUMMARY**

MEDICAID NON-EMERGENCY MEDICAL TRANSPORTATION (NEMT) BROKER FOR WAYNE, OAKLAND, AND MACOMB COUNTIES

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
July 1, 2019	June 30, 2024	2 - 1 Year	July 31, 2024
PAYMENT TERMS		DELIVERY TIMEFRAME	
NET 45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

N/A

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$85,058,280.80	\$0.00	\$85,058,280.80		

**DESCRIPTION**

Effective June 28, 2021, the changes below are hereby incorporated into this Contract. Changes are highlighted in the description below.

- Standard Contract Terms, Section 6, the Program Manager has been changed to Amy Mattson, 1275 Peachtree Street NE, 6<sup>th</sup> Floor, Atlanta, GA 30309, Amy.Mattson@modivcare.com, (612) 416-5566.
- Schedule A, Section 1.A.1.i, is hereby deleted and replaced with the following:  
**Quarterly** Provided Newsletter  
Contractor's Michigan operations Provider Liaison will produce a newsletter, no less than **quarterly**, to give network transportation providers current information on changes, policies, and market.
- Schedule A, Section 1.A.2.a., is hereby deleted and replaced with the following:  
The Contractor must develop, with approval of MDHHS, a Medical Needs Form to be used for all **Special Allowances requests, including the following: special transportation (i.e. wheelchair lift-equipped or Medi-Van vehicles), beneficiaries requiring medically necessary attendants, and for all meals and lodging. The form provides verification of medical need for the special transportation and/or special allowance(s) for transportation to Medicaid covered medical services.**
- Schedule A, Section 1.A.2, is hereby adding a new subsection f. as follows: **f. Forms must be updated at least annually, or upon change in medical need if change occurs more frequently.**
- Schedule A, Section 1.A.5.c., is hereby deleted and replaced with: c. The Contractor must adhere to on-time performance standards **and provide a monthly performance report (as Per Reporting Section 4.1.C, and Section 4.3.C.8).** On-time performance is defined as: 1) Pick-ups: no more than 15 minutes prior or post scheduled pick-up time for at least 85% of the trips. 2) Appointments: **beneficiary arrival** no later than the actual scheduled time of the appointment for at least 90% of the trips.
- Schedule A, Section 1.A.5.e, the "." in the beginning of this Section is hereby removed.
- Schedule A, Section 1.C.1, is hereby deleted and replaced with the following:  
The Contractor must establish and maintain a staffed, toll-free, telephone call center to respond to requests and questions from beneficiaries, beneficiary designated representatives, providers, Medicaid technicians and MDHSS. **The Contractor may directly employ and operate the call center or engage a Subcontractor agency through a Business Processing Outsourcing (BPO) arrangement, provided all requirements of this Contract are met.**



- Schedule A, Section 1.C.1.c, is hereby deleted and replaced with the following:

Call center calls will be recorded and no less than 3% of the calls **per month** must be monitored for compliance with customer care guidelines and to identify possible problems or issues. This monitoring will be used for quality control and training purposes. The Contractor must maintain documentation of monitoring activities and have available upon request by MDHHS.

- Schedule A, Section 1.C.1.g, is hereby deleted and replaced with the following:

**Daily call abandonment performance for the reservation lines and ride assistance lines will be calculated separately and will be reported separately in the weekly report. The daily call abandonment rate for each of these lines must:**

- Remain below 10%**
- Not exceed  $\geq 10\%$ , for 10% or more of the days of the previous 12-week period. This is a perpetual rolling 12-week period for retrospective review of performance.**

- Schedule A, Section 1.C.2, is changing to subsection C.3 and C.3 is changing to subsection C.4. Subsection C.2 will now read as follows:

The call center must field requests for transportation services, provide information about transportation services and handle calls to register complaints. The call center **staff** must be physically located in the geographic area served by the Contract. Beneficiaries must not incur a charge for placing a call. The Contractor must **assure maintenance of** a dedicated staff to perform the requirements. Beneficiaries must be able to schedule transportation at least 14 days in advance and as few as same-day-service. Beneficiaries must be able to schedule transportation in advance and with as little as two days notice for routine appointments. Contractor's representatives at the call center must also assist callers requesting NEMT service for same-day, next day, and urgent trips. Beneficiaries must be informed that all advanced reservations are dependent upon meeting Medicaid eligibility. Professional, prompt, and courteous customer service must be a high priority.

- Schedule A, Section 1.2.A, is hereby deleted and replaced with the following:

Working with MDHHS, Contractor will transition to the **New Tech** platform to safeguard that there are no service interruptions to the NEMT program; **implementation of  $\geq 90\%$  providers will be achieved by 4/30/2021.**

Contractor will dedicate time and resources to educate staff, beneficiaries,

transportation providers, facility representatives, and other program stakeholders on the benefits and use of the new technology.

Contractor's Michigan-based training manager and training coordinators will receive in-depth hands-on training on the **New Tech** platform and serve as train-the-trainers. The Training Manager will then be responsible for working with Contractor's corporate training department, facility coordinator and network team to provide comprehensive training for all Michigan NEMT program stakeholders leading up to the integration of the platform.

Contractor will train member-facing staff (e.g., CCRs, Outreach Coordinator, and facility team) to talk with beneficiaries about the online tools available.

For transportation providers, Contractor's network team will provide on-site, over-the-phone and web-based technology support and training for providers during implementation and throughout the term of the contract.

For facilities, Contractor's Outreach Coordinator will conduct training sessions in person with medical providers and social workers and facilitate WebEx sessions on a regular basis to demonstrate the technology.

Once the **New Tech** platform is deployed in Michigan, it will become part of the Contractor's new employee training and outreach program.

- Schedule A, Section 3.1, the Contractor Representative has been changed to Amy Mattson, Amy.Mattson@modivcare.com, (612) 416-5566.
- Schedule A, Section 3.2.B, the Key Personnel Table, Key Personnel positions are updated as follows: Jason Harbitz is removed as the Director and replaced with Amy Mattson. Sarneshia Cade is removed as the Account Manager and the Account Manager position is removed from the Key Personnel table. All responsibilities previously under the Account Manager position, are hereby moved to the Senior Director of Client Services position.
- Schedule A, Section 3.2.B, the Key Personnel Table, Provider Liaison, Functions to be performed is hereby deleted and replaced with the following:  
Responsible for building and strengthening relationships with the Contractor transportation provider network; assisting with gathering and tracking State and Federal compliance items, like CHAMPS, HIPAA and FWA training attestation; educating the provider network on the best practices for billing; promoting and supporting automated transportation

**CHANGE NOTICE NO. 3 TO CONTRACT NO. 190000000912**

management system usage; managing the volunteer driver program; and preparing and distributing a quarterly newsletter.

- Schedule A, Section 3.6, Subcontractors, Voiance is hereby removed as a Subcontractor and replaced with Arise Virtual Solutions, 3450 Lakeside Dr., Miramar, FL 33027.
- In Exhibit 1 to Schedule A, Statement of Work, Ford Field Regional Community Vaccination Site Transportation Project, Section 6. Contacts, Jason Harbitz is deleted and replaced with Amy Mattson, Amy.Mattson@modivcare.com, (612) 416-5566.

All other terms, conditions, specifications, and pricing remain the same. Per Contractor and Agency Agreement, and DTMB Central Procurement Services approval.

**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
 P.O. BOX 30026 LANSING, MICHIGAN 48909



**CONTRACT CHANGE NOTICE**

Change Notice Number **2**  
 to  
 Contract Number **19000000912**

<b>CONTRACTOR</b>	ModivCare Solutions, LLC
	1275 Peachtree Street NE, 6th Floor
	Atlanta, GA 30309
	Chris Echols
	800-486-7647 2459
	williams@modivcare.com
	CV0060358

<b>STATE</b>	<b>Program Manager</b>	Spring McKeever	MDHHS
		517-335-5198	
	Mckeevers1@michigan.gov		
	<b>Contract Administrator</b>	Jillian Yeates	DTMB
(517) 275-1131			
yeatesj@michigan.gov			

**CONTRACT SUMMARY**

MEDICAID NON-EMERGENCY MEDICAL TRANSPORTATION (NEMT) BROKER FOR WAYNE, OAKLAND, AND MACOMB COUNTIES

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
July 1, 2019	June 30, 2024	2 - 1 Year	July 31, 2024
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
P-Card      PRC <input checked="" type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

N/A

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$83,058,280.80	\$2,000,000.00	\$85,058,280.80		

**DESCRIPTION**

Effective March 18, 2021, the following changes are hereby incorporated into this Contract:

- LogistiCare Solutions, LLC is now ModivCare Solutions, LLC. Accordingly, the following changes are incorporated into the Contract:
  - Standard Contract Terms, Section 4, the contact email for Chris Echols has been changed to williams@modivcare.com.
  - Standard Contract Terms, Section 5, the contact email for Chris Echols has been changed to williams@modivcare.com.
  - Standard Contract Terms, Section 6, the contact email for Jason Harbitz has been changed to Jason.harbitz@modivcare.com.
  - Schedule A, Section IV, 1.2, C.3. Ongoing Training has changed the terminology from LogistiCare to Contractor.
  - Schedule A, Section IV, 1.3, B.1.b., has changed the terminology from LogistiCare's to Contractor's.
  - Schedule A, Section IV, 3.1, Contractor Representative, the contact email for Jason Harbitz has been changed to Jason.harbitz@modivcare.com.

2. The following attached Exhibit 1 to Schedule A, Statement of Work for the Ford Field Regional Community Vaccination Site Transportation Project is hereby incorporated into this Contract.

3. This Contract is hereby increased by \$2,000,000.00 for the Attached Exhibit 1 to Schedule A, Statement of Work.

All other terms, conditions, specifications, and pricing remain the same. Per Contractor and Agency Agreement, and DTMB Central Procurement Services approval.

**EXHIBIT 1 TO SCHEDULE A  
STATEMENT OF WORK  
FORD FIELD REGIONAL COMMUNITY VACCINATION SITE TRANSPORTATION  
PROJECT**

**BACKGROUND AND SCOPE**

The State of Michigan, Department of Health and Human Services (MDHHS) requires transportation providers for transporting individuals eligible for the COVID-19 Vaccination but unable to access transportation in Macomb, Wayne, and Oakland counties to Ford Field Regional Community Vaccination Site (Ford Field), located at 2000 Brush St., Detroit, MI 48226, for COVID-19 Vaccinations. Contractor will drop off riders at the designated area for drop-offs. After the individual has received their vaccination, the State will require transportation of the individual from Ford Field to the return address of the rider. The Contractor will pick up riders at the designated area for pick-ups. This Statement of Work describes the additional responsibilities for Non-Emergency Medical Transportation services (NEMT) for COVID-19 vaccination transportation in Wayne, Oakland, and Macomb counties. Transportation, including ADA transportation services will be to and from locations identified in this Statement of Work.

**REQUIREMENTS**

- 1. Service Hours.** The Contractor will accommodate hours of operation to align with on-time drop offs and pick ups from the Ford Field vaccination site during the hours of operation. The hours of operation at Ford Field will be Monday – Sunday, with vaccination appointment times starting at 8:00 am until 8:30 pm. If at anytime the hours of operation change, the State will notify the Contractor.
- 2. Scheduling Platform and Call Center.** The Contractor will provide a 24 x 7 customer service and Call Center operation that will enable the State to request transportation services for individuals in Wayne, Oakland, and Macomb counties to and from Ford Field for COVID-19 Vaccinations. The Call Center will be available for individuals to contact the Contractor for any assistance in transportation.
- 3. Transportation Services.** The Contractor will provide transportation services as follows:
  - a.** The booking and authorization of rides will be initiated by an individual designated by the State of Michigan Agency. Contractor will receive an email verification of the transportation need from the State. The State will send transportation requests to [MichiganVaccinations@Modivcare.com](mailto:MichiganVaccinations@Modivcare.com).
  - b.** Contractor will contact the individual requesting transportation within 24 hours of receiving the email request.
  - c.** Contractor will transport a passenger during the transportation window based on the individual's scheduled vaccination day and time.

- d. Contractor will be available and attempt to arrange transportation services if a need is identified in a period of less than 48 hours.
        - e. The State will provide the Contractor with the full name, date of birth, phone number, address, Vaccine appointment date and time, and if any additional accommodation or assistance is needed.
        - f. The Contractor will provide the individual requiring transportation with contact information for their Call Center for any questions regarding transportation or need to reschedule or cancel the transportation.
4. **Service Area.** The Contractor will provide transportation services for individuals residing in Macomb, Wayne and Oakland counties.
5. **Transportation Protocol.** All transportation will be single passenger trips, multi-loading is not permitted. The driver must wear Personal Protective Equipment (PPE), including gloves and a facemask while transporting the passenger. The transportation must be curb to curb services, including the appropriate ADA requirements based on the passenger's needs. In the event a passenger uses a wheelchair and needs assistance boarding the vehicle, the driver must assist passenger and follow proper wheelchair securement procedures while ensuring all proper PPE is used. The Contractor must comply with the Center for Disease Control and Prevention (CDC) guidelines, including CDC guidelines for cleaning and sanitation. The Contractor will continue to follow requirements addressed in Schedule A, Statement of Work, Contract Activities, for transportation of any passengers that are considered Medicaid Beneficiaries.
6. **Contacts.**  
**State of Michigan Program Manager Contact:**  
Nate McQueen,  
[McQueenN@michigan.gov](mailto:McQueenN@michigan.gov)  
248-210-0672  
  
**Contractor Program Manager Contacts:**  
Jason Harbitz  
[Jason.Harbitz@modivcare.com](mailto:Jason.Harbitz@modivcare.com)  
517-488-9242  
  
Adam Shiffman  
[Adam.shiffman@modivcare.com](mailto:Adam.shiffman@modivcare.com)  
614-395-4304
7. **Complaints.** The Contractor will follow the Complaint process as described in Schedule A, Statement of Work, Contract Activities.
8. **Reporting.**
  - a. The Contractor will provide the Program Manager, Nate McQueen, with the following metrics at least weekly, or a time as required by the State:

- i. Trips scheduled, including date for the trip, passenger names and pick up and drop off locations
  - ii. Trips completed, including the date of the trip, passenger names and pick up and drop off locations with mileage.
  - iii. Trips cancelled by the State, including passenger name, and the date of cancelation.
  - iv. Trips scheduled, but passenger no-show, including the date of the trip, passenger name and pick up locations.
  - v. Number of complaints and detailed description of the complaints and resolution.
- b. The Contractor will continue to follow Reporting requirements addressed in Schedule A, Statement of Work, Contract Activities, for transportation of any passengers that are considered Medicaid Beneficiaries.

**9. Pricing.** Pricing is firm for the entire length of the Program and is as follows:

Level of Service	Base Rate	Mileage Rate
Ambulatory	\$ 10.00	\$ 2.50
Wheelchair/Medivan	\$ 20.00	\$ 4.50

If there's a need for stretcher level of service, Contractor will bill the actual cost of the trip plus a \$15 administrative fee.

**10. Invoice Requirements.** All invoices must be submitted to the Program Manager, Nate McQueen and must include: (a) date of service; (b) delivery order number; (c) passenger detail (names and pick up and drop off locations and mileage price); (d) total and line item pricing. The Contractor cannot invoice the State for any Medicaid Beneficiary with eligibility during the month(s) of vaccination dates of service, unless otherwise specified as related to payment for beneficiaries with eligibility types that include NEMT. The Contractor will work with the State to provide necessary reports and documentation for reconciliation of payments for Medicaid managed care organization, and invoice in the manner described by the State.

**11. Payment Methods.** The State will make payment for Contract Activities through EFT.





**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **1**  
 to  
 Contract Number **19000000912**

<b>CONTRACTOR</b>	LOGISTICARE SOLUTIONS, LLC
	1275 Peachtree Street NE, 6th Floor
	Atlanta, GA 30309
	Chris Echols
	800-486-7647 2459
	william@logisticare.com
	CV0060358

<b>STATE</b>	Program Manager	Spring McKeever	MDHHS
		517-335-5198	
<b>STATE</b>	Contract Administrator	Mckeevers1@michigan.gov	
		Jillian Yeates	DTMB
		(517) 275-1131	
		yeatesj@michigan.gov	

**CONTRACT SUMMARY**

MEDICAID NON-EMERGENCY MEDICAL TRANSPORTATION (NEMT) BROKER FOR WAYNE, OAKLAND, AND MACOMB COUNTIES

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 1, 2019	June 30, 2024	2 - 1 Year	June 30, 2024
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
P-Card      PRC <input checked="" type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**  
 N/A

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		July 31, 2024
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$83,058,280.80	\$0.00	\$83,058,280.80		

**DESCRIPTION**

Effective September 16, 2019 the following administrative changes have been made to the Contract:

- The attached Schedule B Pricing has been updated to reflect the correct effective dates.
- The Contract effective date has been updated to 8/1/2019. The Contract end date has been updated to 7/31/2024.
- The Compliance Manager listed in Schedule A, Section 3.2, B. has been updated to Angela Davis.
- The following Key Personnel positions in Schedule A, Section 3.2, B. have been removed:
  - Account Manager
  - Training Manager
  - Regional Manager
  - Provider Liaison
  - Facility Manager
  - Transportation Manager
  - Outreach Coordinator

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

# STATE OF MICHIGAN

Contract No. 190000000912  
Medicaid NEMT Broker for Wayne, Oakland and Macomb Counties

## REVISED SCHEDULE B PRICING MATRIX

1. Pricing includes all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State.
2. Pricing Schedule:

### MONTHLY CAPITATED COST OF NEMT MANGEMENT SERVICES

The Contractor must provide a capitated rate. The cost calculation is all-inclusive for all costs associated with this Contract.

	<b>Year 1</b> 8/01/19- 7/31/20	<b>Year 2</b> 8/01/20- 7/31/21	<b>Year 3</b> 8/01/21- 7/31/22	<b>Year 4</b> 8/01/22- 7/31/23	<b>Year 5</b> 8/01/23- 7/31/24
A. Eligible Members	935,341*	935,341*	935,341*	935,341*	935,341*
B. Per-Member Per-Month (PMPM) Rate	\$1.63	\$1.47	1.43	1.42	1.45
C. Contractor's PMPM Payment Amount** (A x B)	\$1,524,605.83	\$1,374,951.27	\$1,337,537.63	\$1,328,184.22	\$1,356,244.45
D. Annualized	12	12	12	12	12
E. Grand Total (C x D)	\$18,295,269.96	\$16,499,415.24	\$16,050,451.56	\$15,938,210.64	\$16,274,933.40

<b>5 Year Total</b>	<b>\$83,058,280.80</b>
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\*This amount represents MDHHS's best effort for a true and accurate monthly average for 6/1/2017-6/1/2018. Actual beneficiary counts may differ throughout the term of the Contract.

\*\*The Contractor will be paid a PMPM amount. The State will determine eligible beneficiaries each month when the State calculates the total number of eligible beneficiaries for the purpose of that month's PMPM payment for the Contractor.

Note: Carve out services includes MHP covered beneficiaries for dental, mental health and substance abuse services. Mental health and substance abuse services are also carved out for MHP covered beneficiaries with the designation HMP-MC. For pregnant women, dental NEMT is covered by the MHP



**STATE OF MICHIGAN PROCUREMENT**  
 Department of Technology, Management & Budget  
 525 W. Allegan St., Lansing, MI 48933  
 P.O. Box 30026 Lansing, MI 48909

**NOTICE OF CONTRACT**

NOTICE OF CONTRACT NO. **19000000912**  
 between  
 THE STATE OF MICHIGAN  
 and

<b>CONTRACTOR</b>	LogistiCare Solutions, LLC
	1275 Peachtree Street NE, 6 <sup>th</sup> Floor
	Atlanta, GA 30309
	Chris Echols
	800-486-7647 ext. 2459
	william@logisticare.com
	CV0060358

<b>STATE</b>	Program Manager	Spring McKeever	MDHHS
		517-335-5198	
	Mckeevers1@michigan.gov		
	Contract Administrator	Jillian Yeates	DTMB
517-275-1131			
yeatesj@michigan.gov			

<b>CONTRACT SUMMARY</b>			
<b>DESCRIPTION: Medicaid Non-Emergency Medical Transportation (NEMT) Broker for Wayne, Oakland, and Macomb Counties</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
July 1, 2019	June 30, 2024	Two, One-Year	June 30, 2024
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Payment Request (PRC) <input checked="" type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			
MISCELLANEOUS INFORMATION			
This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #19000000198.			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION		<b>\$83,058,280.80</b>	

**FOR THE CONTRACTOR:**

\_\_\_\_\_  
**Company Name**

\_\_\_\_\_  
**Authorized Agent Signature**

\_\_\_\_\_  
**Authorized Agent** (Print or Type)

\_\_\_\_\_  
**Date**

**FOR THE STATE:**

\_\_\_\_\_  
**Signature**

**Jared Ambrosier, Director, Enterprise Sourcing**  
Name & Title

**Department of Technology, Management & Budget**  
Agency

\_\_\_\_\_  
**Date**



# STATE OF MICHIGAN

## CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and LogistiCare Solutions, LLC (“**Contractor**”), a Delaware Limited Liability Company. This Contract is effective on July 1, 2019 (“**Effective Date**”), and unless terminated, expires on June 30, 2024.

This Contract may be renewed for up to two additional one-year period(s). Renewal is at the sole discretion of the State and will automatically extend the Term of this Contract. The State will document its exercise of renewal options via Contract Change Notice.

The parties agree as follows:

### 1. Definitions.

- a. “**Accept**” has the meaning set forth in **Section 37(b)**.
- b. “**Acceptance**” has the meaning set forth in **Section 37(b)**.
- c. “**Action**” has the meaning set forth in **Section 29**.
- d. “**Allegedly Infringing Features**” has the meaning set forth in **Section 32(b)(ii)**.
- e. “**Authorized Users**” means all Persons authorized by the State to access and use the Services through the State’s account under this Contract, subject to the maximum number of users specified in the applicable Statement of Work.
- f. “**Availability Requirement**” has the meaning set forth in **Section 38**.
- g. “**Business Day**” means a day other than Saturday, Sunday, or a State Holiday.
- h. “**Change Notice**” has the meaning set forth in **Section 76**.
- i. “**Code**” has the meaning set forth in **Section 60**.
- j. “**Confidential Information**” has the meaning set forth in **Section 41(a)**.
- k. “**Contract**” has the meaning set forth in the preamble.
- l. “**Contract Activities**” has the meaning set forth in **Section 2**.
- m. “**Contract Administer**” has the meaning set forth in **Section 5**.
- n. “**Contractor**” has the meaning set forth in the preamble.
- o. “**Contractor Personnel**” means all employees and agents of Contractor, all Subcontractors and all employees and agents of any Subcontractor, involved in the performance of Services.
- p. “**Documentation**” means all generally available documentation relating to the Services, including all user manuals, operating manuals and other instructions, specifications, documents and materials, in any form or media, that describe any component, feature, requirement or other aspect of the Services, including any functionality, testing, operation, or use thereof.
- q. “**DR Plan**” has the meaning set forth in **Section 43(a)**.
- r. “**Effective Date**” has the meaning set forth in the preamble.
- s. “**Fees**” has the meaning set forth in **Section 64(a)**.
- t. “**Force Majeure Event**” has the meaning set forth in **Section 58**.
- u. “**Harmful Code**” means any software, hardware or other technologies, devices or means, the purpose or effect of which is to: (a) permit unauthorized access to, or to destroy, disrupt, disable, distort, or otherwise harm or impede in any manner, and (i) computer, software, firmware,

hardware, system or network, or (ii) any applicable or function of any of the foregoing or the integrity, use or operation of any data Processed thereby; or (b) prevent the State or any Authorized User from accessing or using the Services or Contractor Systems as intended by this Contract, and includes any virus, bug, trojan horse, worm, backdoor or other malicious computer code and any time bomb or drop dead device.

- v. **“HIPAA”** has the meaning set forth in **Section 40(a)**.
- w. **“Hosted Services”** has the meaning set forth in **Section 3(a)**.
- x. **“Intellectual Property Rights”** means any and all rights comprising or relating to: (a) patents, patent disclosures and inventions (whether patentable or not); (b) trademark, service marks, trade dress, trade names, logos, corporate names and domain names, together with all of the goodwill associated therewith; (c) authorship rights, copyrights and copyrightable works (including computer programs) and rights in data and databases; (d) trade secrets, know-how and other confidential information; and (e) all other intellectual property rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection provided by applicable Law in any jurisdiction throughout the world.
- y. **“Key Personnel”** means any Contractor Personnel identified as key personnel in this Contract or any Statement of Work.
- z. **“Law”** means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree or other requirement or rule of any federal, state, local or foreign government or political subdivision thereof, or any arbitrator, court or tribunal of competent jurisdiction.
- aa. **“Loss”** means all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys’ fees and the costs of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers. **“Losses”** has a correlative meaning.
- bb. **“Person”** means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association, or other entity.
- cc. **“Personally Identifiable Information (PII)”** has the meaning set forth in **Section 40(a)**.
- dd. **“Process”** means to perform any operation or set of operations on any data, information, material, work, expression, or other content, including to (a) collect, receive, input, upload, download, record, reproduce, store, organize, combine, log, catalog, cross-reference, manage, maintain, copy, adapt, alter, translate, or make other improvements or derivative works, (b) process, retrieve, output, consult, use, disseminate, transmit, submit, post, transfer, disclose or otherwise provide or make available, or (c) block, erase, or destroy. **“Processing”** and **“Processed”** have correlative meanings.
- ee. **“RPO”** or **“Recovery Point Objective”** means the maximum amount of potential data loss in the event of a disaster.
- ff. **“RTO”** or **“Recovery Time Objective”** means the period of time to fully restore the Hosted Services in the case of a disaster.
- gg. **“Reject”** has the meaning set forth in **Section 37(b)**.
- hh. **“Rejection”** has the meaning set forth in **Section 37(b)**.
- ii. **“Representatives”** means a party’s employees, officers, directors, consultants, legal advisors and, with respect to Contractor, Contractor’s Subcontractor.
- jj. **“RFP”** means the State’s request for proposal designed to solicit responses for Services under this Contract.
- kk. **“Service Level Agreement”** means the service level agreement attached as **Schedule C** to this Contract, setting forth Contractor’s obligations with respect to the hosting, management and operation of the Service Software.

- ll. **“Service Software”** means any and all software applications and any third-party or other software, and all new versions, updates, revisions, improvements and modifications of the foregoing, that Contractor provides remote access to and use of as part of the Services.
- mm. **“Services”** has the meaning set forth in **Section 3**.
- nn. **“Source Code”** means the human readable source code of the Service Software to which it relates, in the programming language in which the Service Software was written, together with all related flow charts and technical documentation, including a description of the procedure for generating object code, all of a level sufficient to enable a programmer reasonably fluent in such programming language to understand, build, operate, support, maintain and develop modifications upgrades, updates, adaptations, enhancements, new versions and other derivative works and improvements of, and to develop computer programs compatible with, the Service Software.
- oo. **“Specifications”** means the specifications for the Services set forth in the applicable Statement of Work and, to the extent consistent with and not limiting of the foregoing, the Documentation.
- pp. **“State”** has the meaning set forth in the preamble.
- qq. **“State Data”** has the meaning set forth in **Section 40(a)**.
- rr. **“State Modification”** has the meaning set forth in **Section 30(a)**.
- ss. **“State Review Period”** has the meaning set forth in **Section 18**.
- tt. **“State Systems”** means the information technology infrastructure, including the computers, software, databases, electronic systems (including database management systems) and networks, of the State or any of its designees.
- uu. **“Statement of Work”** has the meaning set forth in **Section 3**. The Initial Statement of Work is attached as **Schedule A**, and subsequent Statements of Work will be sequentially identified and attached as Schedule A-1, A-2, A-3, etc.
- vv. **“Subcontractor”** means any entity that performs any Services under this Contract and otherwise has the meaning set forth in **Section 12**.
- ww. **“Support Services”** has the meaning set forth in **Section 39**.
- xx. **“Support Service Level Requirement”** has the meaning set forth in **Section 39**.
- yy. **“Term”** has the meaning set forth in the preamble.
- zz. **“Transition Period”** has the meaning set forth in **Section 27**.
- aaa. **“Transition Responsibilities”** has the meaning set forth in **Section 27**.
- bbb. **“User Data”** means any and all information reflecting the access or use of the Hosted Services by or on behalf of the State or any Authorized User, including any end user profile, visit, session, impression, click-through or click-stream data and any statistical or other analysis, information or data based on or derived from any of the foregoing.

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

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

Contractor must: (a) perform the Contract Activities in a timely, professional, safe, and workmanlike manner with a level of care, skill, practice and judgment consistent with generally recognized industry standards and practices for similar services, using personnel with the requisite skill, experience and qualifications, and will devote adequate resources to meet Contractor’s obligations (including the Availability Requirement and Support Service Level Requirements) under this Contract; (b) meet or exceed the performance and operational standards, and specifications of the Contract; (c) provide all Contract Activities in good quality, with no material defects; (d) not interfere with the State’s operations; (e) obtain and maintain all necessary



licenses, permits or other authorizations necessary for the performance of the Contract; (f) cooperate with the State, including the State's quality assurance personnel, and any third party to achieve the objectives of the Contract; (g) return to the State any State-furnished equipment or other resources in the same condition as when provided when no longer required for the Contract; (h) not make any media releases without prior written authorization from the State; (i) assign to the State any claims resulting from state or federal antitrust violations to the extent that those violations concern materials or services supplied by third parties toward fulfillment of the Contract; (j) comply with all State physical and IT security policies and standards which will be made available upon request; and (k) provide the State priority in performance of the Contract except as mandated by federal disaster response requirements. Any breach under this paragraph is considered a material breach.

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

3. **Services.** Throughout the Term and at all times in connection with its actual or required performance under this Contract, Contractor will, in accordance with all terms and conditions set forth in this Contract and each applicable Statement of Work, provide to the State and its Authorized Users the following services ("**Services**"):
  - a. the hosting, management and operation of the Service Software and other services for remote electronic access and use by the State and its Authorized Users ("**Hosted Services**") as described in one or more written, sequentially numbered, statements of work referencing this Contract, including all Specifications set forth in such statements of work, which upon their execution will be attached as **Schedule A** to this Contract and by this reference are incorporated in and made a part of this Contract (each, a "**Statement of Work**");
  - b. maintain the Availability Requirement set forth in the Service Level Agreement attached as **Schedule C** to this Contract;
  - c. provide maintenance and Support Services as set forth in the Service Level Agreement, attached as **Schedule C**;
  - d. implement and maintain the security requirements set forth in **Schedule D** to this Contract;
  - e. maintain a DR plan, which is attached as **Schedule E** to this Contract; and
  - f. such other services as may be specified in the applicable Statement of Work.
4. **Notices.** All notices, requests, consents, claims, demands, waivers and other communications required or permitted under this Contract, other than routine communications having no legal effect, must be in writing, addressed to the parties below (or as otherwise specified by a party in a notice given accordance to this **Section 4**), and will be considered given and received: (a) when received, if delivered by hand (with written communication of receipt); (b) when verified by written receipt if sent by courier; (c) on the date sent by email (with confirmation of transmission), if sent during normal business hours of the recipient, and on the next business day, if sent after normal business hours of the recipient; (d) when actually received if sent by mail without verification of receipt; or (e) on the fifth (5<sup>th</sup>) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid.

If to State:	If to Contractor:
Jillian Yeates 525 W. Allegan Lansing, MI 48933 <a href="mailto:yeatesj@michigan.gov">yeatesj@michigan.gov</a> 517-275-1131	Chris Echols 1275 Peachtree Street NE, 6 <sup>th</sup> Floor Atlanta, GA 30309 <a href="mailto:williame@logisticare.com">williame@logisticare.com</a> (800) 486-7647 ext. 2459

5. **Contract Administrator.** The Contract Administrator for each party is the only person authorized to amend, modify, or supplement this Contract, and approve and execute any change under this Contract (each a “**Contract Administrator**”):

State:	Contractor:
Jillian Yeates 525 W. Allegan St. Lansing, MI 48933 <a href="mailto:yeatesj@michigan.gov">yeatesj@michigan.gov</a> (517) 275-1131	Chris Echols 1275 Peachtree Street NE, 6 <sup>th</sup> Floor Atlanta, GA 30309 <a href="mailto:williame@logisticare.com">williame@logisticare.com</a> (800) 486-7647 ext. 2459

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

State:	Contractor:
Spring McKeever 400 S. Pine St. Lansing, MI 48933 <a href="mailto:Mckeevers1@michigan.gov">Mckeevers1@michigan.gov</a> (517) 335-5198	Jason Harbitz 1275 Peachtree Street NE, 6 <sup>th</sup> Floor Atlanta, GA 30309 <a href="mailto:Jason.harbitz@logisticare.com">Jason.harbitz@logisticare.com</a> (866) 791-4107 ext. 2201

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

Required Limits	Additional Requirements
<b>Commercial General Liability Insurance</b>	
<p><u>Minimal Limits:</u></p> <p>\$1,000,000 Each Occurrence Limit</p> <p>\$1,000,000 Personal &amp; Advertising Injury Limit</p> <p>\$2,000,000 General Aggregate Limit</p> <p>\$2,000,000 Products/Completed Operations</p> <p><u>Deductible Maximum:</u></p> <p>\$50,000 Each Occurrence</p>	<p>Contractor must have their policy endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 0.</p> <p>Coverage must not have exclusions or limitations related to sexual abuse and molestation liability.</p>
<b>Umbrella or Excess Liability Insurance</b>	
<p><u>Minimal Limits:</u></p> <p>\$5,000,000 General Aggregate</p>	<p>Contractor must have their policy endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds.</p>
<b>Automobile Liability Insurance</b>	
<p><u>Minimal Limits:</u></p> <p>\$1,000,000 Per Occurrence</p>	<p>Contractor must have their policy: (1) endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds; and (2) include Hired and Non-Owned Automobile coverage.</p>
<b>Workers' Compensation Insurance</b>	
<p><u>Minimal Limits:</u></p> <p>Coverage according to applicable laws governing work activities.</p>	<p>Waiver of subrogation, except where waiver is prohibited by law.</p>
<b>Employers Liability Insurance</b>	
<p><u>Minimal Limits:</u></p> <p>\$500,000 Each Accident</p>	

\$500,000 Each Employee by Disease \$500,000 Aggregate Disease.	
<b>Privacy and Security Liability (Cyber Liability) Insurance</b>	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence \$1,000,000 Annual Aggregate	Contractor must have their policy: (1) endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds; and (2) cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability.

If Contractor’s policy contains limits higher than the minimum limits, the State is entitled to coverage to the extent of the higher limits. The minimum limits are not intended, and may not be construed to limit any liability or indemnity of Contractor to any indemnified party or other persons.

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

Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or purchase order number, at Contract formation and within 20 calendar days of the expiration date of the applicable policies; (b) require that subcontractors maintain the required insurances contained in this **Section 8**; (c) notify the Contract Administrator within 5 business days if any insurance is cancelled; and (d) waive all rights against the State for damages covered by insurance. Failure to maintain the required insurance does not limit this waiver.

This **Section 8** is not intended to and is not be construed in any manner as waiving, restricting or limiting the liability of either party for any obligations under this Contract (including any provisions hereof requiring Contractor to indemnify, defend and hold harmless the State).

**9. Reserved.**

**10. Reserved.**

**11. Independent Contractor.** Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in this Contract. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the State, is responsible for the payment of wages, benefits and taxes of Contractor’s employees and any subcontractors. Prior performance does not modify Contractor’s status as an independent contractor.

**12. Subcontracting.** Contractor may not delegate any of its obligations under the Contract without the prior written approval of the State. Contractor must notify the State at least 90 calendar days before the proposed

delegation, and provide the State any information it requests to determine whether the delegation is in its best interest. If approved, Contractor must: (a) be the sole point of contact regarding all contractual matters, including payment and charges for all Contract Activities; (b) make all payments to the subcontractor; and (c) incorporate the terms and conditions contained in this Contract in any subcontract with a subcontractor. Contractor must ensure each Contractor subcontractor (including any subcontractor of a Contractor subcontractor, each, a “**Subcontractor**”) complies with all relevant terms of this Contract, including all provisions relating to State Data or other Confidential Information of the State. Contractor remains responsible for the completion of the Contract Activities, compliance with the terms of this Contract, and the acts and omissions of the subcontractor. The State, in its sole discretion, may require the replacement of any subcontractor.

- 13. Staffing.** The State’s Contract Administrator may require Contractor to remove or reassign personnel by providing a notice to Contractor. Contractor is solely responsible for the payment of Contractor Personnel, including all fees, expenses and compensation to, by, or on behalf of any Contractor Personnel and, if applicable, the withholding of income taxes and payment withholding of social security and other payroll taxes, unemployment insurance, workers’ compensation insurance payments and disability benefits. Contractor will ensure that no Person who has been convicted of a felony or any misdemeanor involving, in any way, theft, fraud, or bribery provides any Services or has access to any State Data, State Systems or State facilities.
- 14. Background Checks.** Upon request, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks. Any request for a background check will be initiated by the State and must be reasonably related to the type of work requested. If provided to the State, results of background checks will be promptly returned to Contractor and will be treated as Confidential Information. All investigations will include a Michigan State Police Background check (ICHAT) and may include a National Crime Information Center (NCIC) Finger Print check. Contractor will present attestation of satisfactory completion of such tests. Contractor is responsible for all costs and expenses associated with such background checks.
- 15. Assignment.** Contractor may not assign or otherwise transfer any of its rights, or delegate or otherwise transfer any of its obligations or performance, under this Contract, in each case whether voluntarily, involuntarily, by operation of law or otherwise, without the prior approval of the State. The State has the right to terminate this Contract in its entirety or any Services or Statements of Work hereunder, pursuant to **Section 26**, if Contractor delegates or otherwise transfers any of its obligations or performance hereunder, whether voluntarily, involuntarily, by operation of law or otherwise, and no such delegation or other transfer will relieve Contractor of any of such obligations or performance. For purposes of the preceding sentence, and without limiting its generality, any merger, consolidation or reorganization involving Contractor (regardless of whether Contractor is a surviving or disappearing entity) will be deemed to be a transfer of rights, obligations, or performance under this Contract for which the State’s prior written consent is required. Any purported assignment, delegation, or transfer in violation of this **Section 15** is void. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other party. If the State determines that a novation of the Contract to a third party is necessary, Contractor will agree to the novation and provide all necessary documentation and signatures.
- 16. Change of Control.** Contractor will notify, at least 90 calendar days before the effective date, the State of a change in Contractor’s organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor’s stock; (b) a sale of substantially all of Contractor’s assets; (c) a change in a majority of Contractor’s board members; (d)

consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

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

**17. Ordering.** Contractor is not authorized to begin performance until receipt of authorization as identified in Schedule A.

**18. Acceptance for Contract Activities.** Contract Activities are subject to inspection and testing by the State within 30 calendar days of the State's receipt of them ("**State Review Period**"), unless otherwise provided in Schedule A. If the Contract Activities are not fully accepted by the State, the State will notify Contractor by the end of the State Review Period that either: (a) the Contract Activities are accepted, but noted deficiencies must be corrected; or (b) the Contract Activities are rejected. If the State finds material deficiencies, it may: (i) reject the Contract Activities without performing any further inspections; (ii) demand performance at no additional cost; or (iii) terminate this Contract in accordance with **Section 25**, Termination for Cause.

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

If Contractor is unable or refuses to correct the deficiency within the time response standards set forth in this Contract, the State may cancel the order in whole or in part. The State, or a third party identified by the State, may perform the Contract Activities and recover the difference between the cost to cure and the Contract price plus an additional 10% administrative fee.

**19. Reserved.**

**20. Reserved.**

**21. Reserved.**

**22. Reserved.**

**23. Liquidated Damages.** Liquidated damages, if applicable, will be assessed as described in Schedule A.

**24. Stop Work Order.** The State may suspend any or all activities under the Contract at any time. The State will provide Contractor a written stop work order detailing the suspension. Contractor must comply with the stop work order upon receipt. Within 90 calendar days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate the Contract or purchase order. The State will not pay for Contract Activities, Contractor's lost profits, or any additional compensation during a stop work period.

- 25. Termination for Cause.** The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State: (a) endangers the value, integrity, or security of any location, data, or personnel; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (c) engages in any conduct that may expose the State to liability; (d) breaches any of its material duties or obligations; or (e) fails to cure a breach within the time stated in a notice of breach. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

If the State terminates this Contract under this **Section 25**, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of the Contract, the termination will be deemed to have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in **Section 26**, Termination for Convenience.

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

- 26. Termination for Convenience.** The State may immediately terminate this Contract in whole or in part without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance of the Contract Activities immediately, or (b) continue to perform the Contract Activities in accordance with **Section 27**, Transition Responsibilities. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities to the extent the funds are available.
- 27. Transition Responsibilities.** Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days; the "**Transition Period**"), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.
- 28. Effect of Termination.** Upon and after the termination or expiration of this Contract or one or more Statements of Work for any or no reason:
- a. Contractor will be obligated to perform all Transition Responsibilities specified in **Section 27**.

- b. All licenses granted to Contractor in State Data will immediately and automatically also terminate. Contractor must promptly return to the State all State Data not required by Contractor for its Transition Responsibilities, if any.
- c. Contractor will (i) return to the State all documents and tangible materials (and any copies) containing, reflecting, incorporating, or based on the State's Confidential Information; (ii) permanently erase the State's Confidential Information from its computer systems; and (iii) certify in writing to the State that it has complied with the requirements of this **Section 28**, in each case to the extent such materials are not required by the Contractor for Transition Responsibilities, if any.
- d. Notwithstanding any provisions of this Contract or any Statement of Work to the contrary, upon the State's termination of this Contract or any Statement of Work for cause pursuant to **Section 25**, the State will have the right and option to continue to access and use the Services under each applicable Statement of Work, in whole or in part, or a period not to exceed one hundred and eighty (180) days from the effective date of such termination pursuant to the terms and conditions of this Contract and each applicable Statement of Work and at a reduced rate of fifty (50%) off the applicable Fees set forth in each such Statement of Work.

**29. General Indemnification.** Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or resulting from any third party claim, suit, action or proceeding (each an "**Action**") that does or is alleged to arise out of or result from : (a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); (d) any acts or omissions of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (e) any negligence or more culpable act or omission (including recklessness or willful misconduct) in connection with the performance or nonperformance of any Services or other activity actually or required to be performed by or on behalf of, Contractor (including, in the case of Contractor, any Contractor Personnel) under this Contract, provided that, to the extent that any Action or Losses described in this **Section 29** arise out of, results from, or alleges a claim that any of the Services does or threatens to infringe, misappropriate or otherwise violate any Intellectual Property Rights or other rights of any third party, Contractor's obligations with respect to such Action and Losses, if any, will be subject to the terms and conditions of this **Section 29** and **Section 32**.

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

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



Any litigation activity on behalf of the State, or any of its subdivisions under this **Section 29**, must be coordinated with the Department of Attorney General. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

**30. Infringement Indemnification By Contractor.** Contractor must indemnify, defend and hold the State, and the State's agencies, departments, officers, directors, employees, agents, and contractors harmless from and against all Losses arising out of or resulting from any Action that does or is alleged to arise out of or result from a claim that any of the Services, or the State's or any Authorized User's use thereof, actually does or threatens to infringe, misappropriate or otherwise violate any Intellectual Property Right or other right of a third party, provided however, that Contractor will have no liability or obligation for any Action or Loss to the extent that such Action or Loss arises out of or results from any:

- a. Alteration or modification of the Hosted Services or Service Software by or on behalf of the State or any Authorized User without Contractor's authorization (each, a "**State Modification**"), provided that no infringement, misappropriation or other violation of third party rights would have occurred without such State Modification and provided further that any alteration or modification made by or for Contractor at the State's request will not be excluded from Contractor's indemnification obligations hereunder unless (i) such alteration or modification has been made pursuant to the State's written specifications and (ii) the Hosted Services, as altered or modified in accordance with the State's specifications, would not have violated such third party rights but for the manner in which the alteration or modification was implemented by or for Contractor; and
- b. Use of the Hosted Services by the State or an Authorized User pursuant to this Contact in combination with any software or service not provided, authorized or approved by or on behalf of Contractor, if (i) no violation of third party rights would have occurred without such combination and (ii) such software or service is not commercially available and not standard in Contractor's or the State's industry and there are no Specifications, Documentation, or other materials indicating Contractor's specification, authorization or approval of the use of the Hosted Services in combination therewith.

**31. Infringement Remedies.** If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

**32. Mitigation.**

- a. If Contractor receives otherwise learns of any threat, warning or notice alleging that all, or any component or feature, of the Services violates a third party's rights, Contractor must promptly notify the State of such fact in writing, and take all commercially reasonable actions necessary to ensure the State's continued right to access and use such Services and otherwise protect the State from any Losses in connection therewith, including investigation such allegation and obtaining a credible opinion of counsel that it is without merit.
- b. Subject to the exclusions set forth in clauses (a) and (b) of **Section 30**, if any of the Services or any component or feature thereof is ruled to infringe or otherwise violate the rights of any third party by any court of competent jurisdiction, or if any use of any Services or any component thereof is threatened to be enjoined, or is likely to be enjoined or otherwise the subject of an infringement or misappropriation claim, Contractor must, at Contractor's sole cost and expense:

- i. Procure for the State the right to continue to access and use the Services to the full extent contemplated by this Contract and the Specifications; or
  - ii. Modify or replace all components, features and operations of the Services that infringe or are alleged to infringe (“**Allegedly Infringing Features**”) to make the Services non-infringing while providing equally or more suitable features and functionality, which modified and replacement services will constitute Services and be subject to the terms and conditions of this Contract.
- c. If neither of the remedies set forth in **Section 32(b)** is reasonably available with respect to the Allegedly Infringing Features then Contactor may direct the State to cease any use of any materials that have been enjoined or finally adjudicated as infringing, provided that Contactor will:
  - i. Refund to the State any prepaid Fees for Services that have not been provided; and
  - ii. in any case, at its sole cost and expense, secure the right for the State to continue using the Allegedly Infringing Features for a transition period of up to six (6) months to allow the State to replace the affected Services or Allegedly Infringing Features without disruption.
- d. The remedies set forth in this **Section 32** are in addition to, and not in lieu of, all other remedies that may be available to the State under this Contract or otherwise, including the State’s right to be indemnified pursuant to **Section 29** and **Section 30**.

**33. Limitation of Liability and Disclaimer of Damages.** IN NO EVENT WILL THE STATE’S AGGREGATE LIABILITY TO CONTRACTOR UNDER THIS CONTRACT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED THE MAXIMUM AMOUNT OF FEES PAYABLE UNDER THIS CONTRACT. The State will not be liable for consequential, incidental, indirect, or special damages, including without limitation lost profits and lost business opportunities, regardless of the nature of the action.

**34. Disclosure of Litigation, or Other Proceeding.** Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, “**Proceeding**”) involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor’s viability or financial stability; or (2) a governmental or public entity’s claim or written allegation of fraud; or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.

**35. Reserved.**

**36. License Grant and Restrictions.**

- a. Contractor License Grant. Contractor hereby grants to the State, exercisable by and through its Authorized Users, a nonexclusive, royalty-free, irrevocable (except as provided herein) right and license during the Term and such additional periods, if any, as Contractor is required to perform Services under this Contract and any Statement of Work, to:
  - i. Access and use the Hosted Services, including in operation with other software, hardware, systems, networks and services, for the State’s business purposes, including Processing State Data;
  - ii. Generate, print, copy, upload, download, store and otherwise Process all GUI, audio, visual, digital and other output, displays and other content as may result from any access to or use of the Services;

- iii. Prepare, reproduce, print, download and use a reasonable number of copies of the Specifications and Documentation for any use of the Services under this Contract; and
  - iv. Access and use the Services for all such non-production uses and applications as may be necessary or useful for the effective use of the Hosted Services hereunder, including for purposes of analysis, development, configuration, integration, testing, training, maintenance, support and repair, which access and use will be without charge and not included for any purposes of assessing any Fees or other consideration payable to Contractor or determining any excess use of the Hosted Services as described in **Section 36.c**.
- b. License Restrictions. The State will not: (a) rent, lease, lend, sell, sublicense, assign, distribute, publish, transfer or otherwise make the Hosted Services available to any third party, except as expressly permitted by this Contract or in any Statement of Work; or (b) use or authorize the use of the Services or Documentation in any manner or for any purpose that is unlawful under applicable Law.
  - c. Use. The State will pay Contractor the corresponding Fees set forth in the Statement of Work for all Authorized Users access and use of the Service Software. Such Fees will be Contractor's sole and exclusive remedy for use of the Service Software, including any excess use.
  - d. State License Grant. The State hereby grants to Contractor a limited, non-exclusive, non-transferable license (i) to use the State's (or individual agency's, department's or division's) name, trademark, service marks or logos, solely in accordance with the State's specifications, and (iii) to display, reproduce, distribute and transmit in digital form the State's (or individual agency's, department's, or division's) name, trademarks, service marks or logos will be specified in the applicable Statement of Work.

### **37. Service Preparation, Testing and Acceptance of Hosted Services.**

- a. Service Preparation. Promptly upon the parties' execution of a Statement of Work, Contractor will take all steps necessary to make the Services procured thereunder ready and available for the State's use in accordance with the Statement of Work and this Contract, including any applicable milestone date or dates set forth in such Statement of Work.
- b. Testing and Acceptance of Hosted Services.
  - i. When Contractor notifies the State in writing that the Hosted Services are ready for use in a production environment, the State will have thirty (30) days (or such other period as may be agreed upon by the Parties in writing) from receipt of the notice to test the Hosted Services to determine whether they comply in all material respects with the requirements of this Contract and the Specifications.
  - ii. Upon completion of the State's testing, the State will notify Contractor of its acceptance ("**Accept**" or "**Acceptance**") or, if it has identified any noncompliance with the Specifications, rejection ("**Reject**" or "**Rejection**") of the Hosted Services. If the State Rejects the Hosted Services, the State will provide a written list of items that must be corrected. On receipt of the State's notice, Contractor will promptly commence, at no additional cost or charge to the State, all reasonable efforts to complete, as quickly as possible and in any event within twenty (20) days (or such other period as may be agreed upon by the Parties in writing) from receipt of the State's notice, such necessary corrections, repairs and modifications to the Hosted Services to bring them into full compliance with the Specifications.
  - iii. If any corrective measures are required under **Section 37(b)(ii)**, upon completion of all such measures, Contractor will notify the State in writing and the process set forth in **Section 37(b)(i)** and **Section 37(b)(ii)** will be repeated; provided that if the State determines that the Hosted Services, as revised, still do not comply in all material respects with the Specifications, the State may, in its sole discretion:

1. Require the Contractor to repeat the correction, repair and modification process set forth in **Section 37(b)(ii)** at no additional cost to the State; or
  2. Terminate any and all of the relevant Statement of Work, this Contract and any other Statements of Work hereunder.
- iv. The parties will repeat the foregoing procedure until the State Accepts the Hosted Services or elects to terminate the relevant Statement of Work as provided in **Section 37(b)(iii)(2)** above. If the State so terminates the relevant Statement of Work, Contractor must refund to the State all sums previously paid to Contractor under such Statement of work within (10) Business Days of the State's written notice of termination, and the State will be relieved of all obligations thereunder.

**38. Service Availability.** Contractor will make the Hosted Services available, as measured over the course of each calendar month during the Term, in accordance with the provisions set forth in the Service Level Agreement, attached as **Schedule C** to this Contract (the "**Availability Requirements**").

**39. Support and Maintenance Services.** Contractor will provide Hosted Service maintenance and support services (collectively, "**Support Services**") in accordance with the provisions set forth in the Service Level Agreement, attached as **Schedule C** to this Contract (the "**Support Service Level Requirement**").

#### **40. State Data.**

- a. Ownership. The State's data ("**State Data**," which will be treated by Contractor as Confidential Information) includes: (a) User Data; and (b) the State's data collected, used, processed, stored, or generated as the result of the Contract Activities, included but not limited to (i) personally identifiable information ("**PII**") collected, used, processed, stored, or generated as the result of the Contract Activities, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed; and, (ii) personal health information ("**PHI**") collected, used, processed, stored, or generated as the result of the Contract Activities, which is defined under the Health Insurance Portability and Accountability Act ("**HIPAA**") and its related rules and regulations. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This **Section 40** survives the termination of this Contract.
- b. Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Contract Activities, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Contract Activities. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Contract Activities, such use and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This **Section 40** survives the termination of this Contract.
- c. Extraction of State Data. Contractor must, within five (5) business days of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever

(including but not limited to the payment of any fees due to Contractor), an extract of the State Data in the format specified by the State.

- d. Backup and Recovery of State Data. Unless otherwise specified in Schedule A, Contractor is responsible for maintaining a backup of State Data and for an orderly and timely recovery of such data. Unless otherwise described in Schedule A, Contractor must maintain a contemporaneous backup of State Data that can be recovered within two (2) hours at any point in time. All backed up State Data must be located in the continental United States.
- e. Loss or Compromise of Data. In the event of any act, error or omission, negligence, misconduct, or breach on the part of Contractor that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor must, as applicable: (a) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) in the case of PII or PHI, at the State's sole election, (i) with approval and assistance from the State, notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within five (5) calendar days of the occurrence; or (ii) reimburse the State for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twenty-four (24) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) pay for any costs associated with the occurrence, including but not limited to any costs incurred by the State in investigating and resolving the occurrence, including reasonable attorney's fees associated with such investigation and resolution; (g) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (h) be responsible for recreating lost State Data in the manner and on the schedule set by the State without charge to the State; and (i) provide to the State a detailed plan within ten (10) calendar days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, must comply with applicable law, be written in plain language, not be tangentially used for any solicitation purposes, and contain, at a minimum: name and contact information of Contractor's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Contractor. The State will have the option to review and approve any notification sent to affected individuals prior to its delivery. Notification to any other party, including but not limited to public media outlets, must be reviewed and approved by the State in writing prior to its dissemination. This **Section 40** survives termination or expiration of this Contract.
- f. Discovery. Contractor will immediately notify the State upon receipt of any requests which in any way might reasonable require access to State Data or the State's use of the Hosted Services.

Contractor must notify the State Program Manager by the fastest means available and also in writing. In no event will the Contractor provide such notification more than twenty-four (24) hours after Contractor receives the request. Contractor must not respond to subpoenas, service of process, FOIA requests, and other legal requests related to the State without first notifying the State and obtaining the State's prior approval of Contractor's proposed responses. Contractor agrees to provide its completed responses to the State with adequate time for State review, revision, and approval.

**41. Non-Disclosure of Confidential Information.** The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. The provisions of this **Section 41** survive the termination of this Contract.

- a. Meaning of Confidential Information. For the purposes of this Contract, the term "**Confidential Information**" means all information and documentation of a party that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked "confidential" or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term "Confidential Information" does not include any information or documentation that was: (a) in the possession of the State and subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of this Contract and notwithstanding the above, in all cases and for all matters, State Data is deemed to be Confidential Information.
- b. Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a subcontractor is permissible where: (a) use of a subcontractor is authorized under this Contract and the subcontractor is a Permitted Subcontractor; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor's responsibilities; and (c) Contractor obligates the subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor or any subcontractor may be required to execute a separate agreement to be bound by the provisions of this **Section 41**.
- c. Cooperation to Prevent Disclosure of Confidential Information. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this

Contract and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.

- d. Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Statement of Work corresponding to the breach or threatened breach.
- e. Surrender of Confidential Information upon Termination. Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party. However, the State's legal ability to destroy Contractor data may be restricted by its retention and disposal schedule, in which case Contractor's Confidential Information will be destroyed after the retention period expires.

#### **42. Data Privacy and Information Security.**

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

questionnaire provided by the State regarding Contractor's data privacy and information security program.

- d. Audit Findings. Contractor must implement any required safeguards as identified by the State or by any audit of Contractor's data privacy and information security program.
- e. State's Right to Termination for Deficiencies. The State reserves the right, at its sole election, to immediately terminate this Contract or a Statement of Work without limitation and without liability if the State determines that Contractor fails or has failed to meet its obligations under this **Section 42**.

**43. Disaster Recovery and Backup.** Throughout the Term and at all times in connection with its actual or required performance of the Services, Contractor will:

- a. Maintain and operate a backup and disaster recovery plan to achieve a Recovery Point Objective (RPO) of two (2) hours, and a Recovery Time Objective (RTO) of two (2) hours (the "**DR Plan**"), and implement such DR Plan in the event of any unplanned interruption of the Hosted Services. Contractor's current DR Plan, revision history, and any reports or summaries relating to past testing of or pursuant to the DR Plan are attached as **Schedule E**. Contractor will actively test, review and update the DR Plan on at least an annual basis using industry best practices as guidance. Contractor will provide the State with copies of all such updates to the Plan within fifteen (15) days of its adoption by Contractor. All updates to the DR Plan are subject to the requirements of this **Section 43**; and
- b. Provide the State with copies of all reports resulting from any testing of or pursuant to the DR Plan promptly after Contractor's receipt or preparation. If Contractor fails to reinstate all material Hosted Services with the periods of time set forth in the DR Plan, the State may, in addition to any other remedies available under this Contract, in its sole discretion, immediately terminate this Contract as a non-curable default under **Section 25**.

**44. Reserved.**

**45. Reserved.**

**46. Records Maintenance, Inspection, Examination, and Audit.** During the Term, and for four (4) years after, Contractor must maintain complete and accurate books and records regarding its business operations relevant to the calculation of Fees and any other information relevant to Contractor's compliance with **Section 64**. The State or its designee may audit Contractor to verify compliance with this Contract. Contractor must retain, and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to the Contract through the term of the Contract and for 4 years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, Contractor must retain the records until all issues are resolved.

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

This **Section 46** applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.



**47. Warranties and Representations.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities; (e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; (h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading; and that (i) Contractor is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606; (j) Contractor is duly organized, validly existing, and in good standing as a corporation or other entity as represented under this Contract under the laws and regulations of its jurisdiction of incorporation, organization, or chartering; (k) Contractor has the full right, power, and authority to enter into this Contract and to perform its contractual obligations; (l) the execution of this Contract by its Representatives has been duly authorized by all necessary organizational action; (m) when executed and delivered by Contractor, this Contract will constitute the legal, valid, and binding obligation of Contractor, enforceable against Contractor in accordance with its terms; (n) Contractor is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State within the previous five (5) years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract. A breach of this **Section 47** is considered a material breach of this Contract, which entitles the State to terminate this Contract under **Section 25**, Termination for Cause.

**48. Software and Service Warranties.** Contractor represents and warrants to the State that:

- a. Contractor has, and throughout the Term and any additional periods during which Contractor does or is required to perform the Services will have, the unconditional and irrevocable right, power and authority, including all permits and licenses required, to provide the Services and grant and perform all rights and licenses granted or required to be granted by it under this Contract;
- b. Neither Contractor's grant of the rights or licenses hereunder nor its performance of any Services or other obligations under this Contract does or at any time will: (i) conflict with or violate any applicable Law, including any Law relating to data privacy, data security or personal information; (ii) require the consent, approval or authorization of any governmental or regulatory authority or other third party; or (iii) require the provision of any payment or other consideration by the State or any Authorized User to any third party, and Contractor must promptly notify the State in writing if it becomes aware of any change in any applicable Law that would preclude Contractor's performance of its material obligations hereunder;
- c. As accessed and used by the State or any Authorized User in accordance with this Contract and the Specifications, the Hosted Services, Documentation and all other Services and materials provided by Contractor under this Contract will not infringe, misappropriate or otherwise violate any Intellectual Property Right or other right of any third party;
- d. There is no settled pending or, to the Contractor's knowledge as of the Effective Date, threatened Action, and it has not received any written, oral, or other notice of any Action (including in the form of any offer to obtain a license): (i) alleging that any access to or use of the Services or Service Software does or would infringe, misappropriate or otherwise violate any Intellectual Property Right of any third party; (ii) challenging Contractor's ownership of, or right to use or license, any

software or other materials used or required to be used in connection with the performance or receipt of the Services, or alleging any adverse right, title or interest with respect thereto; or (iii) that, if decided unfavorably to Contractor, would reasonably be expected to have an actual or potential adverse effect on its ability to perform the Services or its other obligations under this Contract, and it has no knowledge after reasonable investigation of any factual, legal or other reasonable basis for any such litigation, claim or proceeding;

- e. The Service Software and Services will in all material respects conform to and perform in accordance with the Specifications and all requirements of this Contract, including the Availability and Availability Requirement provisions set forth in **Section 38**;
- f. All Specifications are, and will be continually updated and maintained so that they continue to be, current, complete and accurate and so that they do and will continue to fully describe the Hosted Services in all material respects such that at no time during the Term or any additional periods during which Contractor does or is required to perform the Services will the Hosted Services have any material undocumented feature;
- g. The Contractor Systems and Services are and will remain free of Harmful Code;
- h. Contractor will not advertise through the Hosted Services (whether with adware, banners, buttons or other forms of online advertising) or link to external web sites that are not approved in writing by the State;
- i. During the term of this Contract, any audit rights contained in any third-party software license agreement or end user license agreement for third-party software incorporated in or otherwise used in conjunction with the Services, will apply solely to Contractor's (or is subcontractors) facilities and systems that host the Services (including any disaster recovery site), and regardless of anything to the contrary contained in any third-party software license agreement or end user license agreement, third-party software providers will have no audit rights whatsoever against State systems or networks; and
- j. Contractor acknowledges that the State cannot indemnify any third parties, including but not limited to any third-party software providers that provide software that will be incorporated in or otherwise used in conjunction with the Services, and that notwithstanding anything to the contrary contained in any third-party software license agreement or end user license agreement, the State will not indemnify any third-party software provider for any reason whatsoever.

**49. Disclaimer.** EXCEPT FOR THE EXPRESS WARRANTIES IN THIS CONTRACT, CONTRACTOR HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESSED, IMPLIED, STATUTORY OR OTHERWISE UNDER OR IN CONNECTION WITH THIS CONTRACT OR ANY SUBJECT MATTER HEREOF.

**50. Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This **Section 50** applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.

**51. Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations. Contractor must comply with all applicable Laws as they concern this Contract, including by securing and maintaining all required and appropriate visas, work permits, business licenses and other documentation and clearances necessary for performance of the Services

52. Reserved.

53. Reserved.

54. **Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.

55. **Unfair Labor Practice.** 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 MCL 423.322. 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 MCL 423.324, the State may void any contract if, after award of the contract, the contractor as an employer or the name of the subcontractor, manufacturer or supplier of the contractor appears in the register..

56. **Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint agents in Michigan to receive service of process.

57. **Non-Exclusivity.** Nothing contained in this Contract is intended nor will be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.

58. **Force Majeure.**

- a. Force Majeure Events. Subject to **Section 58(b)**, neither party will be liable or responsible to the other party, or be deemed to have defaulted under or breached this Contract, for any failure or delay in fulfilling or performing any term hereof, when and to the extent such failure or delay is caused by: acts of God, flood, fire or explosion, war, terrorism, invasion, riot or other civil unrest, embargoes or blockages in effect on or after the date of this Contract, national or regional emergency, or any passage of law or governmental order, rule, regulation or direction, or any action taken by a governmental or public authority, including imposing an embargo, export or import restriction, quota or other restriction or prohibition (each of the foregoing, a "**Force Majeure Event**"), in each case provided that: (a) such event is beyond the reasonable control of the affected party; (b) the affected party gives prompt written notice to the other party, stating the period of time the occurrence is expected to continue; (c) the affected party uses diligent efforts to end the failure or delay and minimize the effects of such Force Majeure Event. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved of a breach or delay caused by its subcontractors. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.
- b. State Performance; Termination. In the event of a Force Majeure Event affecting Contractor's performance under this Contract, the State may suspend its performance hereunder until such time as Contractor resumes performance. The State may terminate this Contract by written notice

to Contractor is a Force Majeure Event affecting Contractor's performance hereunder continues substantially uninterrupted for a period of five (5) Business Days or more. Unless the State terminates this Contract pursuant to the preceding sentence, any date specifically designated for Contractor's performance under this Contract will automatically be extended for a period up to the duration of the Force Majeure Event.

- c. Exclusion; Non-suspended Obligations. Notwithstanding the foregoing or any other provisions of this Contract:
  - i. In no event will any of the following be considered a Force Majeure Event:
    1. Shutdowns, disruptions or malfunctions of the Contractor Systems or any of Contractor's telecommunication or internet services other than as a result of general and widespread internet or telecommunications failures that are not limited to the Contractor's Systems; or
    2. The delay or failure of any Contractor Personnel to perform any obligation of Contractor hereunder unless such delay or failure to perform is itself by reason of a Force Majeure Event; and
  - ii. No Force Majeure Event modifies or excuses Contractor's obligations under **Section 38** (Service Availability and Service Availability Credits), **Section #** (Support Service Level Credits), **Section 40** (State Data), **Section 41** (Confidentiality), **Section 42** (Security), **Section 43** (Disaster Recovery) or **Section 29** (Indemnification), or any Availability Requirement or Support Service Level Requirement.

**59. Software Escrow.** The parties may enter into a separate intellectual property escrow agreement. Such escrow agreement will govern all aspects of Source Code escrow and release.

**60. Effect of Contractor Bankruptcy.** All rights and licenses granted by Contractor under this Contract are and will be deemed to be rights and licenses to "intellectual property," and the subject matter of this agreement, including the Services, is and will be deemed to be "embodiments" of "intellectual property" for purposes of an such terms are used in and interpreted under section 365(n) of the United States Bankruptcy Code (the "**Code**") (11 U.S.C. § 365(n) (2010)). The State has the right to exercise all rights and elections under the Code and all other applicable bankruptcy, insolvency and similar laws with respect to this Contract (including all executory Statement of Works). Without limiting the generality of the foregoing, if Contractor or its estate becomes subject to any bankruptcy or similar proceeding, subject to the State's rights of election, all rights and licenses granted to the State under this Contract will continue subject to the respective terms and conditions of this Contract, and will not be affected, even by Contractor's rejection of this Contract.

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

Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executive and either concludes that resolution is unlikely, or fails to respond within 15 business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This **Section 61** does not limit the State's right to terminate the Contract.

- 62. Media Releases.** News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions of the State.
- 63. Website Incorporation.** The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.
- 64. Fees and Expenses.**
- a. Fees. Subject to the terms and conditions of this Contract, the applicable Statement of Work, and the Service Level Agreement, the State will pay the fees set forth in the applicable Statement of Work, subject to such increases and adjustments as may be permitted pursuant to **Section 64(b) ("Fees")**.
  - b. Fees during Option Years. Contractor's Fees are fixed during the initial period of the Term. Contractor may increase Fees for any renewal period by providing written notice to the State at least sixty (60) calendar days prior to the commencement of such renewal period. An increase of Fees for any renewal period may not exceed three percent (3%) of the Fees effective during the immediately preceding twelve (12) month period. No increase in Fees is effective unless made in compliance with the provisions of this **Section 64**.
  - c. Responsibility for Costs. Contractor is responsible for all costs and expenses incurred in or incidental to the performance of Services, including all costs of any materials supplied by Contractor, all fees, fines, licenses, bonds, or taxes required of or imposed against Contractor, and all other of Contractor's costs of doing business.
  - d. Availability and Support Service Level Credits. Contractor acknowledges and agrees that any credits assessed under the Service Level Agreement: (a) is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from not meeting the Availability Requirement or the Support Service Level Requirement, which would be impossible or very difficult to accurately estimate; and (b) may, at the State's option, be credited or set off against any Fees or other charges payable to Contractor under this Contract or be payable to the State upon demand. Credits may not exceed the total amount of Fees that would be payable for the relevant service period in which the credits are assessed.
  - e. Right of Set-off. Without prejudice to any other right or remedy it may have, the State reserves the right to set off at any time any amount then due and owing to it by Contractor against any amount payable by the State to Contractor under this Contract.
- 65. Entire Agreement and Order of Precedence.** This Contract, which includes Schedule A – Statement of Work, and expressly incorporated schedules and exhibits, is the entire agreement of the parties related to the Contract Activities. This Contract supersedes and replaces all previous understandings and agreements between the parties for the Contract Activities. If there is a conflict between documents, the order of precedence is: (a) first, this Contract, excluding its schedules, exhibits, and Schedule A – Statement of Work; (b) second, Schedule A – Statement of Work as of the Effective Date; and (c) third, schedules expressly incorporated into this Contract as of the Effective Date. NO TERMS ON CONTRACTOR'S INVOICES, ORDERING DOCUMENTS, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE CONTRACT ACTIVITIES WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE, EVEN IF ACCESS TO OR USE OF THE CONTRACT ACTIVITIES REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.

- 66. Severability.** If any part of this Contract is held invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Contract or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto will negotiate in good faith to modify this Contract so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.
- 67. Waiver.** No waiver by any party of any of the provisions hereof is effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in this Contract, no failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Contract will operate or be construed as a waiver thereof; nor will any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.
- 68. Survival.** The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, indemnification, and confidentiality, will survive the expiration or termination of this Contract.
- 69. Further Assurances.** Each party will, upon the reasonable request of the other party, execute such documents and perform such acts as may be necessary to give full effect to the terms of this Contract.
- 70. Headings.** The headings in this Contract are for reference only and do not affect the interpretation of this Contract.
- 71. No Third-party Beneficiaries.** This Contract is for the sole benefit of the parties and nothing herein, express or implied, is intended to or will confer on any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Contract.
- 72. Equitable Relief.** Each party to this Contract acknowledges and agrees that (a) a breach or threatened breach by such party of any of its obligations under this Contract would give rise to irreparable harm to the other party for which monetary damages would not be an adequate remedy and (b) in the event of a breach or a threatened breach by such party of any such obligations, the other party hereto is, in addition to any and all other remedies that may be available to such party at law, at equity or otherwise in respect of such breach, entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction, without any requirement to post a bond or other security, and without any requirement to prove actual damages or that monetary damages will not afford an adequate remedy. Each party to this Contract agrees that such party will not oppose or otherwise challenge the appropriateness of equitable relief or the entry by a court of competent jurisdiction of an order granting equitable relief, in either case, consistent with the terms of this **Section 73**.
- 73. Schedules.** All Schedules and Exhibits that are referenced herein and attached hereto are hereby incorporated by reference.
- 74. Counterparts.** This Contract may be executed in counterparts, each of which will be deemed original, but all of which together are deemed to be one and the same agreement and will become effective and binding upon the parties as of the Effective Date at such time as all the signatories hereto have signed a counterpart of this Contract. A signed copy of this Contract delivered by facsimile, e-mail or other means of electronic transmission (to which a signed copy is attached) is deemed to have the same legal effect as delivery of an original signed copy of their Contract.

**75. Contract Modification.** Any modifications or changes to this Contract, including Services, will be effective only if and when memorialized in a mutually agreed written change notice (a “**Contract Change Notice**”) signed by both Parties. Notwithstanding the foregoing, no subsequent Statement of Work or Contract Change Notice executed after the Effective Date will be construed to amend this Contract unless it specifically states its intent to do so and cites the section or sections amended.

## Federal Provisions Addendum

The provisions in this addendum may apply if the purchase will be paid for in whole or in part with funds obtained from the federal government. If any provision below is not required by federal law for this Contract, then it does not apply and must be disregarded. If any provision below is required to be included in this Contract by federal law, then the applicable provision applies and the language is not negotiable. If any provision below conflicts with the State's terms and conditions, including any attachments, schedules, or exhibits to the State's Contract, the provisions below take priority to the extent a provision is required by federal law; otherwise, the order of precedence set forth in the Contract applies. Hyperlinks are provided for convenience only; broken hyperlinks will not relieve Contractor from compliance with the law.

### 1. Federally Assisted Construction Contracts

If this contract is a "**federally assisted construction contract**" as defined in [41 CRF Part 60-1.3](#), and except as otherwise may be provided under [41 CRF Part 60](#), then during performance of this Contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action will include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision will not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Contractor's legal duty to furnish information.

(4) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section, and must post copies of the notice in conspicuous places available to employees and applicants for employment.



(5) The Contractor will comply with all provisions of [Executive Order 11246](#) of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The Contractor will furnish all information and reports required by [Executive Order 11246](#) of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in [Executive Order 11246](#) of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in [Executive Order 11246](#) of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The Contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of [Executive Order 11246](#) of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

## **2. Davis-Bacon Act (Prevailing Wage)**

- a. If applicable, the Contractor (and its Subcontractors) for **prime construction contracts** in excess of \$2,000 must comply with the Davis-Bacon Act ([40 USC 3141-3148](#)) as supplemented by Department of Labor regulations ([29 CFR Part 5](#), "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction").
- b. The Contractor (and its Subcontractors) must pay all mechanics and laborers employed directly on the site of the work, unconditionally and at least once a week, and without subsequent deduction or rebate on any account, the full amounts accrued at time of payment, computed at wage rates not less than those stated in the advertised specifications, regardless of any contractual relationship which may be alleged to exist between the Contractor or subcontractor and the laborers and mechanics;
- c. The Contractor will post the scale of wages to be paid in a prominent and easily accessible place at the site of the work;
- d. There may be withheld from the Contractor so much of accrued payments as the contracting officer considers necessary to pay to laborers and mechanics employed by the Contractor or any Subcontractor on the work the difference between the rates of wages required by the Contract to be paid laborers and mechanics on the work and the rates of wages received by the laborers and mechanics and not refunded to the Contractor or Subcontractors or their agents.

### 3. Copeland “Anti-Kickback” Act

If applicable, the Contractor must comply with the [Copeland “Anti-Kickback” Act \(40 USC 3145\)](#), as supplemented by Department of Labor regulations ([29 CFR Part 3](#), “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”), which prohibits the Contractor and subrecipients from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled.

### 4. Contract Work Hours and Safety Standards Act

If the Contract is **in excess of \$100,000** and **involves the employment of mechanics or laborers**, the Contractor must comply with [40 USC 3702](#) and [3704](#), as supplemented by Department of Labor regulations ([29 CFR Part 5](#)), as applicable.

### 5. Rights to Inventions Made Under a Contract or Agreement

If the Contract is funded by a federal “funding agreement” as defined under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

### 6. Clean Air Act

If this Contract is **in excess of \$150,000**, the Contractor must comply with all applicable standards, orders, and regulations issued under the Clean Air Act (42 USC 7401-7671q) and the Federal Water Pollution Control Act (33 USC 1251-1387). Violations must be reported to the federal awarding agency and the regional office of the Environmental Protection Agency.

### 7. Debarment and Suspension

A “contract award” (see [2 CFR 180.220](#)) must not be made to parties listed on the government-wide exclusions in the [System for Award Management](#) (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

### 8. Byrd Anti-Lobbying Amendment

If this Contract **exceeds \$100,000**, bidders and the Contractor must file the certification required under [31 USC 1352](#).

### 9. Procurement of Recovered Materials

Under [2 CFR 200.322](#), a non-Federal entity that is a state agency or agency of a political subdivision of a state **and its contractors** must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items

designated in guidelines of the Environmental Protection Agency (EPA) at [40 CFR part 247](#) that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

## Byrd Anti-Lobbying Certification

The following certification and disclosure regarding payments to influence certain federal transactions are made under FAR 52.203-11 and 52.203-12 and [31 USC 1352](#), the “Byrd Anti-Lobbying Amendment.” Hyperlinks are provided for convenience only; broken hyperlinks will not relieve Contractor from compliance with the law.

1. [FAR 52.203-12](#), “Limitation on Payments to Influence Certain Federal Transactions” is hereby incorporated by reference into this certification.
2. The bidder, by submitting its proposal, hereby certifies to the best of his or her knowledge and belief that:
  - a. No federal **appropriated** funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress on his or her behalf in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan, or cooperative agreement;
  - b. If any funds **other than federal appropriated funds** (including profit or fee received under a covered federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress on his or her behalf **in connection with this solicitation**, the bidder must complete and submit, with its proposal, [OMB standard form LLL, Disclosure of Lobbying Activities](#), to the Solicitation Manager; and
  - c. He or she will include the language of this certification in all subcontract awards at any tier and require that all recipients of subcontract awards in excess of \$150,000 must certify and disclose accordingly.
3. This certification is a material representation of fact upon which reliance is placed at the time of Contract award. Submission of this certification and disclosure is a prerequisite for making or entering into this Contract under [31 USC 1352](#). Any person making an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision is subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

Signed by:

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[Type name and title]

[Type company name]

Date: \_\_\_\_\_

# STATE OF MICHIGAN

Contract No. 190000000912

Medicaid Non-Emergency Medical Transportation (NEMT) Broker for Wayne, Oakland and Macomb Counties

## **SCHEDULE A STATEMENT OF WORK CONTRACT ACTIVITIES**

### **I. BACKGROUND**

The Michigan Department of Health and Human Services (MDHHS) is the single State agency that administers and supervises the Michigan Medicaid program in accordance with the Title XIX of the Social Security Act 1902 (a)(10)(A) and (e), 42 CFR (Code of Federal Regulations), MCL 400.106, 1984 PA 246. 42 C.F.R. Section 431.53 requires Medicaid agencies to assure necessary transportation for beneficiaries to and from covered appointments.

MDHHS has determined eligibility for NEMT. Starting January 1, 2011, NEMT was provided through a pilot program in Wayne, Oakland, and Macomb counties to Medicaid Fee-For-Service (FFS) and for eligible services to Medicaid Health Plan (MHP) beneficiaries. On December 1, 2013, the NEMT pilot program was changed to a full risk contract covering the same counties and population.

In 2017, MDHHS provided FFS Medicaid NEMT to approximately 6,270 individual beneficiaries a month, resulting in approximately 60,000 net trips monthly for Wayne, Macomb and Oakland Counties. NEMT is not a covered benefit under the contract for beneficiaries residing in a Nursing Facility or if covered under the MIChoice Waiver Program. In December 2017 there were 756,720 MHP and 172,757 FFS eligible beneficiaries in Wayne, Oakland and Macomb Counties. Please refer to Attachment D for additional information.

### **II. PROJECT REQUEST**

This Contract is for a Contractor to act as the broker for and administer of the NEMT program for the MDHHS for Medicaid beneficiaries residing in Wayne, Oakland, and Macomb counties. This includes capitated payment for a combination of services and administrative duties. NEMT services are provided for FFS Medicaid, FFS Healthy Michigan Plan (HMP), MICHild, and dually FFS Medicaid/Children's Special Health Care Services (CSHCS) beneficiaries to any Medicaid covered service from any Medicaid enrolled provider. NEMT for clients enrolled in a MHP is limited to dental, substance abuse, and community mental health services. For pregnant women, dental NEMT is covered by the MHP. For HMP beneficiaries enrolled in managed care (HMP-MC), NEMT is limited to mental health and substance abuse services. The Contractor must administer the program, assure NEMT to eligible beneficiaries, establish a network of transportation providers, verify providers and drivers are enrolled with Community Health Automated Medicaid Processing System (CHAMPS) Provider Enrollment, field beneficiary calls, verify beneficiary eligibility, approve and arrange for NEMT, provide reimbursement to the NEMT providers, establish provider record keeping requirements and track and report NEMT utilization.

### **III. SCOPE**

The Contractor must administer the NEMT program as well as work with the MDHHS Program Manager to establish and maintain the NEMT program. The Contractor must work with MDHHS to:

- Administer the NEMT program.
- Assure NEMT to eligible Medicaid beneficiaries.

- Determine the suitable reimbursement rates for all transportation providers, including individuals.
- Maintain a call center to field beneficiary calls so that transportation can be provided to eligible Medicaid beneficiaries.
- Verify that the beneficiaries are eligible to receive NEMT prior to approving and arranging for NEMT.
- Establish provider record keeping requirements and set up a database to track the MDHHS NEMT utilization.
- Submit beneficiary level encounters in a format specified by MDHHS, on a monthly basis, within 45 days of the end of the reported month.

MDHHS will work with the Contractor to provide a process for obtaining verification of Medicaid NEMT eligibility. The Contractor must be able to verify eligibility for transportation services utilizing the CHAMPS Eligibility Inquiry and/or the Health Insurance Portability & Accountability Act of 1996 (HIPAA) 270/271 (Eligibility Inquiry/Response) transaction or other MDHHS agreed upon system. The Contractor must be able to process 5010 HIPAA-formatted 834 enrollment files and 820 payment files. The Contractor will not be charged for eligibility verification requests.

The Contractor will be assigned a provider ID number that will allow access to this system. In addition, the Contractor can sign up to use WebDENIS, which is also free for enrolled providers. WebDENIS is Blue Cross/Blue Shield's web-based verification system which providers can use to access the Medicaid eligibility database. (Access information can be obtained on the MDHHS website at the following link: [http://www.michigan.gov/MDHHS/0,1607,7-132-2945\\_5100-57088--,00.html](http://www.michigan.gov/MDHHS/0,1607,7-132-2945_5100-57088--,00.html))

#### **IV. REQUIREMENTS**

Contractor must provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

##### **1. General Requirements**

###### **A. Programs**

1. Educational/Promotional Materials
  - a. The Contractor must develop materials, such as pamphlets, flyers, direct mailings, etc. for beneficiaries and providers which include outreach and general information about the NEMT based on policy in the MDHHS Medicaid Provider Manual. Contractor will also post this information on Contractor's Michigan-specific website and distribute materials that provide contact numbers in the 15 languages for posting within facilities.
  - b. The Contractor must provide beneficiaries in Wayne, Oakland, and Macomb County MDHHS offices and Medicaid enrolled providers information about this program. Information must be made available to others upon request.
  - c. The Contractor must provide applicants and other requesters of NEMT written information explicitly acknowledging that Medicaid must assure transportation for beneficiaries to and from Medicaid service providers for Medicaid covered services, information on how to contact the Contractor and schedule service, information regarding the Contractor's policies and procedures, and information on the complaint process.
  - d. Records of distribution must be maintained and available to MDHHS upon request.
  - e. Information must be written at a sixth-grade level or lower and must be available in English, Spanish and Arabic, at a minimum, with access to the top 15 languages spoken in the covered area of service as required by the Affordable Care Act. Information regarding the top 15 languages can be found at the following link: <https://www.hhs.gov/sites/default/files/resources-for-covered-entities-top-15-languages-list.pdf>.
  - f. Sufficient material, such as Informational pamphlets and flyers, must be produced on an as needed basis to respond to all information requests.

- g. The Contractor must work with MDHHS Medicaid staff regarding development and publication of all printed materials to be distributed and receive MDHHS Program Manager prior approval before distributing.
  - h. Lobby Days  
Facility Coordinators will accompany Contractor's Facility Outreach Coordinator to a designated facility, and spend time in the lobby talking with beneficiaries and facility personnel to listen, learn, answer questions, and discover what is working and what is not working from a stakeholder perspective. Contractor's team will conduct a minimum of one lobby day per month.
  - i. Monthly Provider Newsletter  
Contractor's Michigan operations Provider Liaison will produce a monthly newsletter to give network transportation providers current information on changes, policies, and market trends.
  - j. Quarterly Advisory Committee Meeting  
Contractor will implement a quarterly advisory committee meeting. The invited attendees will be comprised of transportation providers, facility staff, at least one beneficiary, health care associations, advocacy groups, and the MDHHS program manager. The meetings will be used to train, share information, discuss concerns, and identify successes within the program. Contractor will take the information gleaned from these town-hall-type meetings back to the operations center for analysis to make program adjustments as necessary. The goal of these quarterly advisory committee meetings will be to facilitate ongoing communications critical to developing and maintaining positive working relationships with all NEMT stakeholders.
  - k. Provider Report Cards  
Contractor will provide consistent feedback to transportation providers in the form of a report card. These monthly reports include information on each provider's timeliness, safety, beneficiary survey results, and ongoing credentialing compliance.
  - l. Webinars  
Contractor will offer toll-free, webinars on an as needed basis to review Contractor's program policies and processes, provide training, and introduce technology. Webinars are tailored to the audience. Webinars typically run for 30 minutes, with an additional 15 minutes reserved for question and answers. Recorded webinars will be posted to the state website for viewing at any time.
  - m. Stakeholder Satisfaction Surveys  
Contractor will implement satisfaction surveys for facilities/health care practitioners and the transportation provider network.
2. Medical Needs Form
- a. The Contractor must develop, with approval of MDHHS, a Medical Needs Form to be used for all transportation, for beneficiaries requiring attendants, and for all meals and lodging requests. The form verifies that transportation provided is to a Medicaid covered medical service and provided by a Medicaid enrolled provider.
  - b. The Medical Needs Form must be signed and dated by a physician, a physician assistant, or a nurse practitioner.
  - c. A letter of medical necessity addressing the need for and type of NEMT required may be used in lieu of a Medical Needs form provided it is on letterhead, signed with the appropriate signature, and dated.
  - d. Forms and documentation must be maintained and available to MDHHS upon request.
  - e. Up to two initial courtesy rides may be allowed while the beneficiary obtains the medical needs form/documentation.

3. Coverage of NEMT Services:

- a. The Contractor must assess a beneficiary's need for NEMT services. This includes, but is not limited to:
  - 1) The beneficiary's program eligibility for NEMT services on the date of service.
  - 2) The transportation requested is to and from a Medicaid covered service.
  - 3) The beneficiary has no other suitable means of transportation available.
  - 4) The least costly, but appropriate, mode of transportation is used.
  - 5) The beneficiary is using the closest and most appropriate medical provider that is able to meet their medical needs.
- b. The Contractor must assure necessary NEMT for services covered by Michigan Medicaid for beneficiaries who do not participate with a MHP, or are receiving a carve-out service, or do not have separate NEMT coverage under their assigned benefit plan.
- c. NEMT must be provided only for those medical services that are a benefit of Medicaid.
- d. NEMT must be available to obtain medical evidence or receive Medicaid covered service from any Medicaid enrolled provider. This includes the need for chronic and ongoing treatment (i.e. dialysis treatment), prescriptions, medical supplies and/or one time, occasional and ongoing visits for medical care, the need for substance abuse treatment (Methadone, Suboxone), need for travel outside the normal service delivery area (such as out of State transportation where medically appropriate), need for overnight stays (including mileage, meals and lodging), need for commercial non-emergency transport vehicle (wheelchair lift/Medivan) and need for attendant (parent, caretaker, etc.).
- e. The Contractor must evaluate and approve/deny requests and provide NEMT for Medicaid services not covered by an MHP for the managed care population.
- f. The Contractor must have a process, approved by the MDHHS Program Manager, for notifying a beneficiary of denial for NEMT services. If reimbursement for NEMT is denied, the beneficiary must be notified of denial, including the reason for denial and the right to appeal the decision by written notice within one business day of the denial. The Contractor must be accessible and/or provide information for hearings, if requested by MDHHS. State personnel will also have access to a reporting dashboard where this information can be viewed in real time. The Contractor **MUST FOLLOW STANDARDS FOR NON COVERAGE ACCORDING TO MHDHHS POLICY ON THE DATE OF SERVICE.**
- g. Dental, substance abuse and community mental health services may not be provided by MHPs. MHPs are required to assure a beneficiary's need for transportation for MHP provided services only, including referrals for medical services from specialists or out-of-state medical providers.
- h. NEMT is covered only if there is no other means of transportation available.

4. Transportation Type:

- a. The Contractor must assure that all eligible beneficiaries have access to the appropriate type of NEMT.
- b. The Contractor must assure that it has approved and arranged for the most appropriate transportation for the beneficiary's condition.
- c. The type of transportation available may vary by region because of availability and/or a rural, rather than an urban, location.
- d. Availability is not dependent on whether the beneficiary previously provided their own transportation. It is permissible for the Contractor to determine the suitable reimbursement rates for all transportation providers, including individuals.
- e. The Contractor must have a process, system and criteria for determining and reporting the appropriate mode of transportation, what NEMT provider to assign it to, and must assure that the transport is completed in a timely and efficient manner by licensed, qualified and competent transport personnel.



## 5. Performance Standards

- a. The Contractor must identify and report non-attendance by the beneficiary.
  - 1) Contractor will produce a monthly beneficiary cancelation report and the State will also have access to a real-time reporting dashboard that is available 24 hours a day, seven days a week, where authorized individuals can view all aspects of a trip, including beneficiary non-attendance
- b. The Contractor must notify the beneficiary of the upcoming trip 24 hours prior to the scheduled appointment.
  - 1) Contractor's transportation providers will place reminder calls to beneficiaries 24 hours before their scheduled trip. Contractor's platform also will notify beneficiaries, their representative, and facilities—by call, text, or beneficiary app messaging. Beneficiaries may opt in to receive notifications at the time of booking, the day before a ride, when the driver is dispatched, once the ride is complete, and for the rider satisfaction survey.
- c. The Contractor must adhere to on-time performance standards. On-time performance is defined as:
  - 1) Pick-ups: no more than 15 minutes prior or post scheduled pick-up time for at least 85% of the trips.
  - 2) Appointments: no later than the actual scheduled time of the appointment for at least 90% of the trips
- d. The Contractor must have a plan for rerouting and recovering trips to ensure timely transportation to the appointment.
  - 1) Transportation Routers are notified through systematic alerts, when the platform identifies a ride that exceeds its estimated time of arrival. The Router can either acknowledge the Late Warning alert by selecting the thumbs-up or elect the red circle with an x to cancel the ride. Using protocol, the Router would either schedule a recovery ride via taxi or Lyft, or use the platform to identify a network provider that could quickly recover the trip.
- e. . The Contractor must have a plan to provide NEMT to parents, guardians or spouses of beneficiaries receiving Medicaid services who, by virtue of age and/or condition, need to be accompanied or who may need NEMT to be with a Medicaid beneficiary while the beneficiary is receiving Medicaid covered services.
  - 1) Contractor will permit escorts to ride with beneficiaries, according to MDHHS policies. Contractor's transportation management platform records the details about individual beneficiary needs, such as requiring escorts, and trips are systematically flagged for such services.
- f. The Contractor must have a plan to provide NEMT services to eligible beneficiaries to entities that do not charge for care such as Veterans Administration (VA) hospitals.
  - 1) An individual's transportation request to a no-charge health care facility will be approved if the beneficiary is a Medicaid eligible beneficiary and requesting transportation to a Medicaid covered service by a Medicaid enrolled practitioner.
- g. The Contractor must gather and maintain information for, and examine and respond to, changes in member populations and member needs to assure an adequate supply of the necessary types of vehicles and transportation services.

## 6. Contractor System Requirements

- a. The Contractor must have a system to compute the cost of the beneficiaries' medical transportation when verification is received that NEMT has been provided.
- b. The Contractor must have a system to calculate the total number of trips traveled from the beneficiary's home to the medical service destination(s) and back to the beneficiary's home.

## 7. Policy and Documentation:

- a. The Contractor must be able to process 5010 HIPAA-formatted 834 enrollment files and 820 payment files.
- b. The Contractor must have an understanding of Centers for Medicare and Medicaid Services (CMS) requirements regarding assurance of NEMT. Refer to the following link for additional information: <https://www.federalregister.gov/documents/2008/12/19/E8-29662/medicaid-program-state-option-to-establish-non-emergency-medical-transportation-program>.
- c. The Contractor must implement final bulletins and the Medicaid Provider Manual under the MDHHS manuals.

## **B. Provider Network**

1. In General:
  - a. The Contractor must establish a comprehensive network of NEMT providers to deliver NEMT to Medicaid beneficiaries.
  - b. The Contractor must give current NEMT providers the opportunity to participate, if they meet the criteria specified in the Contract including provider enrollment in CHAMPS, as the basis for establishing their provider network.
  - c. The provider network must be capable of serving beneficiaries from a variety of cultures and both urban and rural locations. The provider network must be responsive to the cultural, language and physical and/or medical needs of the beneficiaries.  
The Contractor must ensure that all beneficiaries, including non-English speaking beneficiaries, can access NEMT.
  - d. The Contractor must have capacity available through agreements with transportation providers and other arrangements (such as public bus and train service, free services or reduced cost services, volunteers or gas reimbursement) to meet the Medicaid beneficiaries' NEMT needs.
  - e. The Contractor must perform a monthly minimum of 10 spot checks observing pick-ups and drop-offs of beneficiaries including three ride alongs to assure criteria is being met. Observation notes must be made available to the MDHHS Program Manager upon request.
    - 1) Mystery Rider  
Contractor will implement a mystery rider program. This program engages Contractor's employees to act as beneficiaries and take trips with network transportation providers. Employees who are selected to participate in this program will receive extensive training on objectively evaluating the provider's performance, in real time.
    - 2) Interagency Blitz Program  
Contractor will also implement a live monitoring process called the Interagency Blitz Program. The Blitz will be a quarterly partnership with MDHHS and Contractor staff consisting of random, on-site pick-up and drop-off inspections to assure that service delivery matches program expectations.

Blitz participants observe live NEMT service delivery in action. Blitz will be scheduled once per quarter, per region.

Contractor's Program Director will determine the number of facilities to include in the Blitz based on the Trip Detail Reports. On the day of the Blitz, designated MDHHS and Contractor staff conduct on-street observations for compliance and quality service. An observed concern may trigger an audit of the transportation provider site as determined by the Project Director. Within five business days of the Blitz, Contractor will conduct a joint follow-up meeting with MDHHS to review discoveries and corrective actions.

## 2. Vehicle Standards:

- a. The provider network must include diverse modes of available transportation that is the least expensive mode of transportation that best meets the physical and medical circumstances of a beneficiary requiring transportation to a medical service. This includes, but is not limited to: wheelchair lift van, medivan, taxi, and public transit. Ambulance and Stretcher vans are not covered as NEMT vehicles and are not considered under this Contract.
- b. The Contractor must assure all network provider vehicles are fully inspected prior to operations and biannually thereafter. Vehicles must carry a Medicaid approved sticker on the outside of the vehicle upon completion of a successful inspection. The Contractor must maintain records of all inspection and make available to the State upon request.
  - 1) Pass Inspection (Green Sticker) – Valid for Six Months  
If a vehicle passes inspection, the Field Monitor will issue a date-stamped green inspection sticker that remains valid for six months, if the vehicle remains in working order. This sticker is placed on the inside lower corner of the front windshield of all vehicles.
  - 2) Serious Infractions (Red Sticker) – Removed from Service  
If a vehicle fails to pass an inspection because it violates any of Contractor's standards or the State's requirements, the Field Monitor marks the vehicle with a red sticker and order it removed from service until it passes a complete re-inspection.
- c. The Contractor must have procedures in place to verify and document that vehicles used in volunteer transportation meet the safety and comfort needs of the beneficiaries including, but not limited to:
  - Operating requirements and registration
  - Seat belts and child safety seat requirements if appropriate
  - Functional heating and air conditioning
  - Have a valid Michigan driver's license appropriate to the class of vehicle being operated.
  - Submit to a criminal background check. Any person with a disqualifying criminal conviction will be ineligible to drive or attend to passengers until the minimum time restrictions have elapsed, and then only upon a satisfactory review by Contractor and the State.
  - Complete first aid, passenger assistance, safety and sensitivity, and hands-on CPR training and submit proof of certification.
  - Adherence to all public laws, ordinances and regulations applicable to drivers and the vehicles that are used.
  - Compliant with all applicable confidentiality laws as required by the Medicaid program.

Contractor will maintain records confirming compliance with applicable vehicle and driver requirements for volunteer drivers.

- d. A non-emergency equipped vehicle (such as a van taking patients to doctor appointments, etc.) is a limousine and the carrier must have a Limousine Certificate of Authority. Documentation must be kept and made available to the MDHHS through on-demand reports.
- e. The Contractor must not provide their own vehicles and drivers through the services of any transportation company in which they have an ownership interest.

## 3. Tracking System

- a. The Contractor must provide (non-public) network providers with a real-time electronic system for the Contractor to track vehicles and manage provider trip assignments for possible adjustments. This functionality must be in a minimum of 90% of the contracted vehicles and must be capable of collecting data. The Contractor must assure the system is capable of utilizing electronic signatures to track beneficiaries getting in and out of the vehicle. The

Contractor must monitor the automated trip data and include “on time” and “no show” (provider and beneficiary) performance data in the monthly report to MDHHS.

- b. Communications between the driver and the beneficiary, including phone calls and text messages will be captured, as well as contacts between the driver and the Contractor. To protect the driver and beneficiary, a masked phone number will be generated that enables them to talk or text directly until the trip is complete. The communications are routed through Contractor’s system to determine how long a phone call lasts between a rider and the driver and if they texted each other. The same is true for driver/Contractor communications. Contractor will be able to produce a full audit log of every aspect of every trip.
4. Network Policy Requirements
- a. In compliance with Sections 6401 and 6501 of the Affordable Care Act (ACA), the Medical Services Administration has implemented a FFS Medicaid and Healthy Michigan Plan NEMT policy. The Contractor must implement the policy document that must be followed. All NEMT providers, unless otherwise specified, must comply with the terms of this policy prior to providing transportation services that may be reimbursable by the Medicaid program.
  - b. This policy applies to Medicaid FFS services only.
  - c. Refer to the MDHHS Medicaid Provider Manual, NEMT Chapter for additional information regarding Medicaid FFS NEMT policy.
  - d. In addition to the provider screening and enrollment requirements described in MSA 12-55, issued November 1, 2012, and those required by this Contract, all NEMT providers must enroll and consent to necessary background screenings related to criminal offense, business transaction and federal exclusion disclosures, as well as adverse action reporting. These disclosures must be verified monthly. At this time, requirements outlined in this bulletin will not apply to employees of demand responsive transit services (i.e., public and paratransit agencies), commercially hailed or street taxicabs, or beneficiaries or family members/guardians. Documentation of these screenings will be cataloged in Contractor’s transportation management platform as a component of each transportation provider’s record and will be verified monthly.
  - e. For purposes of this policy, a provider is any individual who delivers a direct (i.e., driver) or an indirect (i.e., attendant) NEMT service to an enrollee of the Medicaid program. Providers may be volunteers, employees of non-profit or commercial entities, or transportation subcontractors, or employees thereof, of Medicaid’s NEMT contractor. Valid identifying information, including name, home address, date of birth, and Social Security Number, must be provided by all providers and applicants. All providers must revalidate their Medicaid enrollment information for the purposes of subsequent criminal history screenings a minimum of once every three years, or more often if requested by MDHHS. MDHHS will notify providers when revalidation is required. Providers must notify MDHHS within 10 business days of any change to their enrollment information. Failure to do so will result in termination of their enrollment.
  - f. Providers and drivers must be properly enrolled into CHAMPS, operated by MDHHS, prior to being authorized, approved, or reimbursed to provide NEMT services through the Medicaid program. Enrollment of providers may be initiated through the Contractor with the provider’s written approval. Refer to MSA Bulletin Number 16-05 and Bulletin Number 19-03 as found in the Medicaid Provider Manual for additional detail.
5. Claims Tracking
- a. The Contractor must develop a means to track and report improper claims submitted by the contracted providers.
  - b. The submission of improper claims for payment by Medicaid may result in the assessment of liquidated damages.

## 6. Provider Agreements

- a. The Contractor must recruit transportation providers that employ safety and quality strategies in the delivery of NEMT.
- b. The Contractor must negotiate rates or use other strategies to ensure that the most appropriate NEMT is provided.
- c. The Contractor must assure that agreements with providers meet the minimum requirements as stated, as well as Federal and State of Michigan laws and regulations governing NEMT vehicles and drivers.
- d. The Contractor must arrange for NEMT for routinely scheduled trips, non-routinely scheduled trips and unscheduled trips. The Contractor must approve and arrange for NEMT through Provider contracts with public, not-for-profit, for-profit organizations and individual qualified operators, including relatives. The Contractor must also approve and arrange for NEMT utilizing volunteers, relatives and the beneficiary, when applicable.
- e. The Contractor must assure a culturally diverse provider network that is responsive to the varied needs of the beneficiaries.
- f. The Contractor must refrain from contracting with providers who MDHHS has terminated from the Medicaid program or NEMT program for good cause. Please see the List of Sanctioned Providers for details: [https://www.michigan.gov/mdhhs/0,5885,7-339-71551\\_2945\\_42542\\_42543\\_42546\\_42551-16459--,00.html](https://www.michigan.gov/mdhhs/0,5885,7-339-71551_2945_42542_42543_42546_42551-16459--,00.html)
- g. The Contractor must establish a network of independent transportation providers to deliver transportation and negotiate individual service delivery rates with each qualified transportation entity.
- h. The Contractor must make payments to each transportation provider based on authorized services rendered.

## 7. Non-Network Providers

The Contractor is permitted to use non-network providers such as taxis. The Contractor is expected to obtain adequate documentation from the municipality according to State and federal regulations. The providers must meet State qualifications and requirements including driver, safety, vehicle inspection and insurance.

## C. Call Center

1. The Contractor must establish and maintain a staffed, toll-free, telephone call center to respond to requests and questions from beneficiaries, beneficiary designated representatives, providers, Medicaid technicians and MDHHS. The call center must field requests for transportation services, provide information about transportation services and handle calls to register complaints. The call center must be physically located in the geographic area served by the Contract. Beneficiaries must not incur a charge for placing a call. The Contractor must maintain a dedicated staff to perform the requirements. Beneficiaries must be able to schedule transportation at least 14 days in advance and as few as same-day-service. Beneficiaries must be able to schedule transportation in advance and with as little as two days' notice for routine appointments. Contractor's representatives at the call center must also assist callers requesting NEMT service for same-day, next day, and urgent trips. Beneficiaries must be informed that all advanced reservations are dependent upon meeting Medicaid eligibility. Professional, prompt and courteous customer service must be a high priority.
  - a. The Contractor must train call center staff to respect a caller's right to privacy and confidentiality.

- b. The Contractor must maintain a properly functioning and appropriately staffed local and toll-free telephone number available during regular business hours (i.e. 8:00 a.m. through 5:00 p.m. EST Monday through Friday) with 24 hours, seven day a week voice mail, TTY and a facsimile number; and must have the ability to handle inquiries from non-English speaking beneficiaries and those with hearing and speech impairments. The phone system must have capacity to handle the volume of inquiries required to service the beneficiaries.
  - c. Call center calls will be recorded and no less than 3% of the calls must be monitored for compliance with customer care guidelines and to identify possible problems or issues. This monitoring will be used for quality control and training purposes. The Contractor must maintain documentation of monitoring activities and have available upon request by MDHHS.
  - d. The Contractor must have a staffed back-up center capable of servicing the beneficiaries in case of any unplanned shutdown of local phone lines. The back-up center must be available immediately or at a minimum within 30 minutes from any unplanned shutdown.
  - e. The Contractor must provide a staffed after hour access for beneficiaries to inquire about previously scheduled rides or urgent transports (including hospital discharges) outside of normal business hours.
  - f. The Contractor must ensure that they have staff to handle all calls and act as troubleshooters and problem solvers for transportation related questions (and any other issues that may arise).
  - g. The maximum abandonment rate must remain below 10%, 95% of the time.
  - h. The Contractor must assure that no calls will be answered by clearing the queue (i.e., answering only to ask callers to call back at a later time) or by busy signals, disconnections, or other technical problems that prevent the caller from receiving help from staff.
  - i. The Contractor must process all incoming telephone inquiries for NEMT in a timely (within 24 hours) and responsive manner. The Contractor must have the capability to ensure that the communication and language needs of beneficiaries are addressed.
  - j. The Contractor must educate beneficiaries who habitually call after regular working hours and leave messages requesting transportation.
  - k. The Contractor must assure that beneficiaries with emergency requests are referred or transferred to 911 or an appropriate local emergency or ambulance service.
  - l. The Contractor must maintain HIPAA compliance.  
Contractor will conduct regular audits of operational procedures, including information technology platforms, to confirm HIPAA compliance. Where necessary, Contractor will implement operational adjustments, and will continue to do so as HIPAA requirements evolve. Contractor will also continue to monitor and maintain the HIPAA compliance program in accordance with all federal and State requirements and regulations. Contractor's ongoing compliance activities will involve no additional cost to the State.
2. Except for officially approved purposes directly connected with the administration of the Contract, no information about (or obtained from) any beneficiary in possession of the Contractor must be disclosed to any party other than MDHHS in a form that identifies the beneficiary, without prior written consent of the beneficiary or a minor's parent or guardian. The Contractor must modify and maintain comprehensive confidentiality policies and procedures as approved by the MDHHS Program Manager.
  3. For eligible beneficiaries 18 and older, the Contractor must arrange transportation without revealing Medicaid coverage information if callers are not the beneficiary or legal guardian (i.e. medical provider, social worker). If the beneficiary is not eligible for transportation, the Contractor must indicate that the service is denied, and the beneficiary will receive a denial letter, but must not reveal any information concerning Medicaid coverage. The Contractor must document why the beneficiary is not the caller.

#### D. Schedule, Assign and Dispatch Trips

1. The Contractor must utilize scheduling and dispatching software that has been proven effective in a Medicaid NEMT environment to schedule, assign and dispatch trips. The Contractor must employ a technique to schedule beneficiary trips once they are authorized and must ensure that trip assignments are efficient. The scheduling system must be capable of accommodating advanced reservations, subscription service and requests for urgent service. The software should track scheduling tasks for reporting purposes as identified in Section 4.3. The Contractor must determine the most appropriate mode of transportation to meet the beneficiary's medical need, including any special transport requirements for medically fragile or physically/mentally challenged beneficiaries using the considerations identified on the beneficiary's medical needs documentation and in the Medicaid Provider Manual.
2. Prior to approving and arranging for NEMT, the Contractor must verify that the beneficiary is eligible to receive NEMT. This requires the processing of 5010 HIPAA-formatted 834 enrollment files and 820 payment files.
3. When utilizing public transportation, the Contractor must establish procedures for timely distribution of tokens/passes to beneficiaries so that the beneficiaries are present at medical appointments on time. The Contractor must establish adequate monitoring procedures to validate that the tokens/passes were used for authorized NEMT. The Contractor must determine the number of anticipated trips for a certain period and compare the cost of individual tickets/tokens to passes. Passes should only be used if the cost is less than individual tickets/tokens. The Contractor must perform and report pre-transportation and post-transportation validation checks on no less than 2% of public transportation used per month.
  - a. **Medical Facility:** When a beneficiary reports mail delivery issues, or for the convenience of beneficiaries with standing orders who use public transit to attend dialysis, chemotherapy, or radiation treatments, Contractor will provide medical facilities with a specific number of public transit passes. These passes will be mailed to the treating facilities or hand delivered during facility meetings. Each transit pass contains a serial number, which the facility tracks along with the recipient's name, attendance, and receipt of passes. Any passes that are not distributed are returned to the Contractor.
  - b. **Hand Delivery:** This option is reserved for on-demand trips that occur with less than four days' notice, when beneficiaries are unable to pick up their passes directly, there is not enough time to mail the passes, or previous mailings have failed. Contractor's Field Monitors will drop off the passes to the beneficiary's residence, where the beneficiary must sign and acknowledge receipt.
4. The Contractor is encouraged to use volunteer and public transportation to provide the most cost-efficient service to the beneficiaries if such transportation is appropriate to meet the needs of the beneficiary.
5. The Contractor must have procedures in place to verify and document that the drivers used in volunteer transportation are licensed and insured in accordance with State statutes and rules. The Contractor must verify that all volunteers are registered as providers in CHAMPS.
  - a. For volunteer transportation providers, Contractor will use the same procedures as the in-network transportation providers to verify and document that the volunteer drivers are licensed and have insurance in accordance with State statutes and rules.
  - b. Volunteer transportation providers will also be required to upload supporting credentialing information such as an affirmation of their CHAMPS enrollment, their Licensing and Regulatory Authority (LARA) registration, proof of insurance (must meet

state minimum for personal vehicles), and driver licenses and certifications—all of which will be reviewed and verified by Contractor's Provider Relations team.

6. The Contractor must arrange transportation in and out of the State when appropriate for eligible beneficiaries (the Contractor will not be responsible for arranging transportation for beneficiaries who reside outside of Michigan). All requests for out-of-State NEMT services require prior authorization from t MDHHS.
7. The Contractor must prevent excessive multi-loading of vehicles and excessively long trips that would require the beneficiary to be in the vehicle more than 30 minutes longer than the average direct travel time or delay the arrival time beyond what is scheduled.

#### **E. Contractor Database Requirements**

1. The Contractor must maintain a database to meet the needs of MDHHS, NEMT program and to provide MDHHS with quality program management data. The database must be backed up on a daily basis and the Contractor is responsible for all programming functions and costs associated with the maintenance of this database. The database must track beneficiary identification and utilization information and a database report that must be readily available upon request of MDHHS.
  - a. The Contractor must track utilization data for each call, including the beneficiary's Medicaid identification number, name, address, phone number, primary language, special needs and required mode. Every beneficiary call for NEMT will be documented in the transportation management platform/database. The data collected will include:
    - 1) Eligibility confirmation
    - 2) Appointment Type – specific Medical or Non-Medical reason for taking the trip
    - 3) Ride Type – Level of service requested - Car/SUV, Wheelchair Vehicle, among others.
    - 4) Service Level – Wheelchair, Walker with Lift, Ambulette, Basic Life Support, among others
    - 5) Special Accommodations
    - 6) Trip Itinerary - One Way – Single Leg trip from Location A to B; Round Trip – Two-way trip from Location A to B and back to A; Recurring Trips – Repeated occurrences of the same trip at specific user defined intervals of time
    - 7) Pick up and Drop Off Location - Beneficiary address; Medical Location – associated to one or more appointment types; NPI Number or Facility Name – searches against the NPI Registry
    - 8) Date and Time of Ride
    - 9) Recurring Trips
    - 10) Ride Options
  - b. The Contractor must maintain person-level computerized data on beneficiaries including determination of beneficiary eligibility and eligibility type (e.g. Medicare/Medicaid, Healthy Michigan Program), availability of suitable modes of transportation, necessity of trip, special needs and results of NEMT request. A record will be created for every eligible MDHHS beneficiary in the platform database. The data captured for each beneficiary includes:
    - 1) Name
    - 2) Date of birth
    - 3) Beneficiary ID # - unique ID such as Medicaid or Medicare number or MCO plan ID
    - 4) Contact info and contact preferences



- i. Primary/alternate phone
    - ii. Which phone is their default phone for contact purposes
    - iii. Email Address
  - 5) Contact Preferences – call, text or email.
  - 6) Notification options – ability to receive notifications for the following
    - i. Booking – anytime a ride is booked for this rider
    - ii. Day before – the calendar day before the ride is scheduled to take place
    - iii. Car dispatched – when the driver is contacted to pick up the rider
    - iv. Complete – ride has been completed; rider receives a post-ride survey to rate the quality of their ride
    - v. Send initiation code – notification for user initiated rides where the ride initiation code will be sent to the rider. Driver is not dispatched on these rides until the rider initiates the ride using this code.
  - 7) Preferred language for communications
  - 8) Benefit type – Medicare, Medicaid, commercial, dual eligibility
  - 9) Transportation benefits authorized
  - 10) Prior authorizations
    - i. Start and end date for authorization
    - ii. Appointment types the authorization is for
    - iii. Whether authorization approves a specific number of trips or provides additional cost coverage up to a certain maximum and corresponding Recurrence Period – Per Year, Month, Week, Benefit Period or Custom frequency – Every N times per Year, Month, Week or Day
  - 11) Preferred or excluded transportation providers
  - 12) Care contacts
  - 13) Booking notes
  - 14) Rider notes
- c. The Contractor must maintain a daily computerized Trip Log that includes **beneficiary** name and ID number, age, gender, the requester name (if different), date/time request, date/time of medical appointment, address of pick-up and drop-off, mode of transportation authorized, denial reason if applicable, justification of mode authorized, scheduled pick-up/drop-off time, actual pick-up/drop-off time, escorts, pick-up and drop-off location, provider and driver assigned, and trip mileage. Contractor’s computerized trip logs include data on:
- 1) Ride type
  - 2) Cost
  - 3) Pick-up and drop-off location
  - 4) Departure and arrival time
  - 5) Distance
  - 6) Duration
  - 7) Rider name
  - 8) Rider ID
  - 9) Driver name
  - 10) Special accommodations
  - 11) Rider companions
  - 12) Service level
  - 13) Rider contact number
- d. The Contractor must accommodate functions for daily operations, service authorization, trip scheduling, provider reimbursement and MDHHS monitoring.

- e. The Contractor must pull data by beneficiary ID number, name, gender, mode of transportation, date or other identifier to create a history of approvals and denials.
- f. The Contractor must support MDHHS by tracking NEMT utilization and trends, identifying potential NEMT opportunities for improvement and maintaining an information database. Extensive analytical data will be captured via Contractor's platform, to include:
  - 1) On-time performance
  - 2) Average beneficiary wait time
  - 3) Number of rides by type
  - 4) Number of rides per mode (Ambulatory)
  - 5) Number of rides per mode (Rideshare)
  - 6) Number of rides per mode (Wheelchair)
  - 7) Percent of rides scheduled same day
  - 8) NEMT provider no-shows
  - 9) Beneficiary no-shows
  - 10) Traditional medical transport vendor cost expenditures for beneficiary's transportation (Cost/Mile)
  - 11) Rideshare (Cost/Mile)
  - 12) Health plan administrative cost per ride
  - 13) Rideshare
  - 14) Health Plan
  - 15) Number of rides completed
  - 16) Monthly Account Trip Detail Report
  - 17) Monthly Encounter File Report
  - 18) Monthly Grievance Reports
  - 19) Grievance Rate by Month
  - 20) Grievance Count by Month
  - 21) Substantiated vs. Unsubstantiated Grievances
  - 22) Grievance Count by Subcategory
  - 23) Substantiated Grievances by NEMT and LYFT
  - 24) Other Standard Reports:
  - 25) Monthly Completed Trip Count
  - 26) Monthly Completed Trip Count by Reason
  - 27) Monthly Completed Trip Count by Origin County
  - 28) Quarterly Average Mileage by Origin County
  - 29) Monthly Completed Trip Count by Origin City
  - 30) Monthly Completed Trip Count by NEMT
  - 31) Monthly Completed Trip Count by NEMT Percentage
  - 32) Monthly Completed Trip Count by Region and NEMT
  - 33) Monthly Completed Trip Count by Region and Service Type
  - 34) Quarterly Average Mileage by NEMT/LYFT
  - 35) Members with Completed Trips
  - 36) Average Trip Mileage
  - 37) Monthly Trip % by Distance
  - 38) Monthly Completed Trip Count by Service Type
  - 39) Monthly On Time Percentage
  - 40) Percentage of Passenger No Shows
  - 41) Total Trips Booked
  - 42) Platform and On Time Service Levels

## 1.1. Transition

Refer to Section 27 of the Contract Terms.

## 1.2. Training

### A. Training on Technology Platform

Working with MDHHS, Contractor will transition to the new Circulation platform over the next year to safeguard that there are no service interruptions to the NEMT program. Contractor will dedicate time and resources to educate staff, beneficiaries, transportation providers, facility representatives, and other program stakeholders on the benefits and use of the new technology.

Contractor's Michigan-based training manager, and two full-time training coordinators will receive in-depth, hands-on training on the Circulation platform and serve as train-the-trainers. The Training Manager will then be responsible for working with Contractor's corporate training department, facility coordinator and network team to provide comprehensive training for all Michigan NEMT program stakeholders leading up to the integration of the platform.

Contractor will train member-facing staff (e.g., CCRs, Outreach Coordinator, and facility team) to talk with beneficiaries about the online tools available.

For transportation providers, Contractor's network team will provide on-site, over-the-phone and web-based technology support and training for providers during implementation and throughout the term of the contract.

For facilities, Contractor's Outreach Coordinator will conduct training sessions in person with medical providers and social workers and facilitate WebEx sessions on a regular basis to demonstrate the technology.

Once the Circulation platform is deployed in Michigan, it will become part of Contractor's new employee training and outreach program.

### B. Comprehensive Ongoing Training Program

1. Standard Training for All Employees: Upon hire, all employees must complete Contractor's interactive "Customer Service Experience" training, which defines best practices used when working with the Medicaid service population. This training consists of the following modules:
  - a. Customer Service
  - b. Effective Communication Skills
  - c. Sensitivity Training
  - d. Overcoming Communication Barriers
  - e. Communicating with Aging Beneficiaries
  - f. Appropriate Handling of Difficult Customers
2. Contractor's annual Compliance Training includes courses on HIPAA Privacy and Security, Harassment and Discrimination, Information Security, Health Safety and Welfare Education, Ethics, Information Security, Americans with Disabilities Act, URAC, and CMS/Medicare/Medicaid Compliance and Fraud, Waste and Abuse.
3. The online Learning Management System (LMS) facilitates Multiple Disability Awareness courses. These include, but are not limited to, Americans with Disabilities and Sensitivity modules that teach the importance of valuing diversity; methods to recognize 'hidden' disabilities, such as mental illnesses; and, effective ways to demonstrate care, inclusion, and patience with all disabled beneficiaries and employees.

4. All staff, including leadership personnel, participates in diversity training that focuses on celebrating diversity in culture including ethnicity, language, religion, sexuality, race, and gender. The training teaches methods to engage others and respect differences with the goal of increased inclusion, and fosters improved communication through sensitive, conscious dialogue.
5. CCRs also participate in program-specific training designed for adult learners. Contractor will divide the training into two segments:
  - a. First, trainees learn about Contractor's general customer service policies and procedures, the call-taking process (e.g., program-approved greetings, call scripts, system and processes, translation and TTY/TDD relay services.), and compliance with program, state, and federal regulations. Besides shadowing, role-playing, lectures, and online learning and assessments, this portion of training may include participation in the Mystery Rider program
  - b. After completing classroom training, CCRs transition to a coaching environment or "Boot Camp" where they focus on program knowledge and participate in hands-on training with job coaches.

### C. Training Resources

Outside of the training classroom, Contractor will provide employees a wide selection of interactive training materials and resources. These materials broaden their knowledge of best practices and guide workplace behaviors.

1. **Call Script:** Contractor's CCRs will be thoroughly trained and familiar with the MDHHS program rules and will conduct thorough scripted interviews during the reservation process to match each beneficiary to the least costly, most appropriate level or mode of transportation to a Medicaid-covered service using a MDHHS-approved call script.
2. **Job Aids:** Contractor will integrate job aids and resources into systems that CCRs can easily access and use at any time during a reservation call or exception investigation. After review and approval by the Department, Contractor will make the following available in our platform and the Employee Call Guide system to strengthen CCR learning and compliant behaviors:
  - a. Covered and non-covered services
  - b. Levels of service
  - c. Family and friends reimbursement forms
  - d. Medical Need Form
  - e. Program policies and procedures
3. **Ongoing Training:** To help CCRs continue to hone their skills and enhance performance, productivity, and compliance, Contractor will facilitate training throughout employment and offer access to advanced learning through the LMS. In the LMS, which is available 24 hours a day, seven days a week, staff can complete annual compliance (HIPAA) modules and refresher trainings that focus on program policies, customer service expectations, internal processes, and program changes/updates. The State is welcome to attend training sessions or to provide a curriculum to supplement any training conducted by LogistiCare.

### D. Management Training

Contractor will require new managers to complete the following training modules in addition to those required by CCRs and staff:

1. Comprehensive on-the-job training for managing a call center
2. Program-specific training and contract requirements

3. CCR and transportation routers curricula
4. Human resource basics
5. Employee performance management
6. Annual reviews
7. ADA & FMLA
8. Management reporting
9. Contractor offers additional courses that strengthen individual awareness of non-emergency transportation, beneficiary support, and Contractor's culture in the LMS portal.
10. Managerial Mentoring: All new managers must also participate in Contractor's mentorship program that involves shadowing seasoned managers at their assigned center to immerse new leaders in Contractor's culture of customer centered care and service excellence.

### **E. Transportation Provider Training**

Please refer to section 1.3 Training Certification, immediately below, for a full description of the transportation provider-training program.

#### **1.3. Training Certification**

The Contractor must educate transportation providers regarding rules, regulations, policies, practices and laws relating to the delivery of NEMT to eligible Medicaid beneficiaries. The Contractor must provide training in person or online such as through a webinar. The Contractor must ensure that the providers have obtained and maintained certifications for CPR and first-aid for all drivers. The Contractor must provide proof and/or certification of the training to MDHHS.

A. At a minimum, drivers and attendants must complete:

1. Basic first aid and CPR training and certification
2. CTAA's Passenger Service and Safety (PASS) or equivalent
  - a. Americans with Disabilities Act
  - b. Bloodborne pathogens (hepatitis A, B, and C; HIV; and dialysis)
  - c. Customer service, communication, and stress management
  - d. Disability awareness: assisting the visually impaired, hidden disabilities, stroke, epilepsy, and seizure disorders
  - e. Emergency and evacuation procedures
  - f. Recognizing and avoiding sexually inappropriate conduct
  - g. Securing wheelchairs/performing lift operations
  - h. Sensitivity training
  - i. Working with service animals
  - j. Biohazard handling and spill kit procedures
  - k. State child safety laws
  - l. Vehicle requirements and pre-trip inspections

B. In addition to the courses in Section A above, Contractor will offer the following to transportation providers:

1. NEMT Orientation, which includes program-specific training
  - a. Claims processing and appeals
  - b. Review of the Transportation Provider Manual (LogistiCare's internal program requirements, processes, policies, and procedures)
  - c. Reporting no-shows and on-time performance
  - d. Emergency situations and post-accident procedures
2. NSC's Defensive Driving or equivalent
  - a. Defensive driving strategies and techniques to reduce the chance of motor vehicle collisions
  - b. How drugs, alcohol, physical conditions and emotion affect driving decisions
  - c. How to deal with distracted, aggressive and fatigued driving

- d. Personal responsibility and accountability every driver needs to assume
  - e. Conditions that impact driving and how to control them
  - f. The dangers of cell phone use while driving and the hazards of unsafe driving behaviors
  - g. Importance of occupancy safety devices and how to use them correctly
  - h. Legal, financial and personal consequences for poor-decision making
3. NSC's Defensive Driving courses are available in English and Spanish, and are tailored to the learner's age, driving aptitude, vehicle driven, and location.
- C. To assist with ongoing training, Contractor will offer transportation providers access to an online library 24 hours a day, seven days a week with driver and behind the wheel instruction.
- D. Contractor will maintain records of all training and assure that drivers and attendants remain compliant, providing proof of training completion, as part of the credentialing process. This documentation will be stored in each provider's credentialing file on Contractor's platform, which Contractor can immediately access and share all credentialing documentation with MDHHS.

Contractor's transportation provider orientation and training plan is summarized in the following table, along with the training methods.

Training Topic	Orientation	Provider Manual	Meeting	Webinars
Overview of the NEMT Program	✓	✓	✓	✓
Overview of Contract Policies	✓	✓	✓	✓
Vehicle Requirements	✓	✓	✓	✓
Procedures for Handling Accidents, Incidents, Moving Violations & Vehicle Breakdowns	✓	✓	✓	✓
Driver Qualifications & Conduct	✓	✓	✓	✓
Use of Attendants	✓	✓	✓	✓
Scheduling Procedures During Regular Operating Hours, After Hours, Weekends, & Holidays	✓	✓	✓	✓
Procedures for Handling Urgent Trips	✓	✓	✓	✓
Criteria for Trip Assignments	✓	✓	✓	✓
Dispatching & Delivery of Services	✓	✓	✓	✓
Process for Reporting Trip Issues	✓	✓	✓	✓
Procedures for Obtaining Reimbursement	✓	✓	✓	✓

Training Topic	Orientation	Provider Manual	Meeting	Webinars
Driver Customer Service Standards & Requirements	✓	✓	✓	✓
Recordkeeping & Documentation Requirements	✓	✓	✓	✓
Procedures for Handling Complaints & Grievances	✓	✓	✓	✓
Required Communication with Beneficiaries	✓	✓	✓	✓
Sensitivity Training and Procedures	✓	✓	✓	✓
Written Policies	✓	✓	✓	✓
Review of the Transportation Provider Manual	✓	✓	✓	✓
Required Communication with Health Care Providers	✓	✓	✓	
Billing Procedures	✓	✓	✓	✓
HIPAA Compliance Requirements	✓	✓	✓	✓
Hazardous Weather Policy	✓	✓	✓	
Emergency Contingency	✓	✓	✓	
Disaster Recovery Procedures	✓	✓	✓	
Quality Assurance Procedures	✓	✓	✓	
All Performance Requirements, Associated Penalties & Incentives	✓	✓	✓	✓

**2. Acceptance**

See Section 18 and 37 of the Contract Terms.

**2.1. Criteria**

The following criteria will be used by the State to determine Acceptance of the Services or Deliverables provided under this Contract: Acceptance will be based on the Program Manager’s approval of the reports required in Section 4.3 Reporting and adherence to all Contract terms and conditions.

### **3. Staffing**

#### **3.1. Contractor Representative**

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

The Contractor must notify the Contract Administrator at least 14 calendar days before removing or assigning a new Contractor Representative.

Contractor Representative contact information:

Name: Jason Harbitz, Director

Phone: 866.791.4107 x 2201

Email: jason.harbitz@logisticare.com

#### **3.2. Key Personnel**

- A. The Contractor must appoint one individual who will be directly responsible for the day-to-day operations of the Contract (“Key Personnel”). Key Personnel must be specifically assigned to the State account, be knowledgeable on the contractual requirements, and respond to State inquiries. The Contractor must identify the Key Personnel, indicate where they will be physically located, describe the functions they will perform, and provide current chronological résumés.
- B. The Contractor must provide administrative and organizational staff to perform, at a minimum, the functions of the positions described as follows. The Contractor must ensure that all staff has appropriate training, education, experience, liability coverage and orientation to fulfill the requirements of the positions. The Contractor must also provide clerical and support staff to assist in the performance of these functions:
  - Administrator/Director: The Contractor must have a full time Administrator/Director with clear authority over general administration and implementation of the provisions and requirements set forth herein.
  - Quality Manager must implement and oversee all aspects relating to quality of services provided by the Contractor’s staff and subcontractors. Additionally, the Quality Manager must be responsible for the resolution, tracking and reporting of all complaints and incidents as described herein; ensuring that beneficiary satisfaction surveys are completed as required; and monitoring and directing quality improvement when indicated.
  - Customer Service Manager must oversee all aspects relating to customer service operations including determining the appropriateness of NEMT requests, requests for specialized transportation including, but not limited to: medivan, wheelchair van, out-of-state travel, special circumstance transports, attendants and dialysis patients.
  - Compliance Manager must perform compliance activities to ensure internal and subcontractor compliance with the provisions and requirements stated herein.
  - Customer Service Representative(s) must coordinate communications with beneficiaries and arrange appropriate NEMT services.



Position	Name	Location	Functions to be performed
Director	Jason Harbitz	Michigan	Overall responsibility for meeting all MDHHS contract requirements. Additionally, he has the autonomy to represent Contractor to the State and to make operational decisions related to the State contract..
Account Manager	Sarneshia Cade	Michigan	Managing the State account; establishing and maintaining a rapport with key contacts to answer questions and confirm satisfaction; facilitating reoccurring client touch base meetings; reviewing data in reports to confirm accuracy and compliance with reporting timelines; communicating identified trends with clients and collaborating with them on process improvement plans and monitoring; updating policies and procedures as needed; and reinforcing HIPAA and program compliance.
Quality Manager	Faith Drain	Michigan	Implementing and overseeing all aspects relating to quality of services provided by the Southfield staff; Responsible for all reporting to the State; the resolution, tracking, and reporting of all complaints and incidents; making sure that beneficiary and facility satisfaction surveys are completed as required; and monitoring and directing quality improvement efforts as required and when indicated.
Customer Service Manager	Timika Green	Michigan	Managing the team of customer care representatives (CCRs); Responsible for meeting all MDHHS call center and customer service goals through the oversight of day-to-day operations and customer service; Providing performance reports and implementing procedures to improve the reservation process and comply with contract requirements; Responsible for the generation and analysis of daily, weekly, and monthly call center reports, and oversees all customer service operations including determination of the appropriateness of NEMT

			requests, requests for specialized transportation including, but not limited to, medivan, wheelchair van, out-of-state travel, special circumstance transports, attendants, and dialysis patients.
Patricia Alexander	Training Manager	Michigan	Setting up new employees in the training system; tracking training activities and compliance; providing training, orientation and leadership development courses; evaluating and documenting coaches' performance; identifying and assisting with developing process improvements; working from a quality perspective to identify trends and challenges and develop plans to correct problem areas; and confirming compliance with operating processes and procedures, including all required security measures.
Compliance Manager	Margaret Crawford	Michigan	Responsible for compliance activities to confirm internal and subcontractor compliance with the provisions and requirements stated in the State Contract; Reviewing all contractually required documentation for providers, audits for indicators of fraud and abuse, creates field reports, and checks levels of service for transportation provided to beneficiaries; Collecting and monitoring driver and provider compliance information to make sure all providers and drivers are in 100% compliance with standards; Reviewing background checks, sexual offender checks, 10-panel drug screen test results, motor vehicle records, medical screening and training certificates, and other required credentials; Verifies that all required insurance coverage is current and appropriate; Responsible to make sure HIPAA requirements are adhered to and that related annual reviews are completed.
Regional Manager	Judith Barron	Michigan	Responsibilities include the daily management of 80 transportation companies across Wayne, Oakland and Macomb counties; serving as the

			<p>local Project Manager for the WellRyde AVL System; maintaining and strengthening processes to investigate, validate, resolve, respond to, follow-through on and prevent re-occurrence of complaint(s); managing network development, support, improvement and contract enforcement; communicating with providers often, visiting them regularly and/or observing their fleets in action; managing our provider network to confirm that performance criteria are met; performing vehicle inspections to safeguard vehicle compliance with all ADA and other Federal, State and Local regulatory standards.</p>
Provider Liaison	Kristen Abraham	Michigan	<p>Responsible for building and strengthening relationships with the Contractor transportation provider network; assisting with gathering and tracking State and Federal compliance items, like CHAMPS, HIPAA and FWA training attestations; educating the provider network on best practices for billing; promoting and supporting automated transportation management system usage; managing the volunteer driver program; and preparing and distributing a monthly newsletter.</p>
Facility Manager	Kenyetta Houston	Michigan	<p>Serving as liaison between nursing homes, dialysis clinics and various medical providers; providing training and information about NEMT processes; maintaining multiple reports such as: monthly attendance, quarterly recertification, monthly eligibility verification, Q-365, and Joint Steering Committee reports to eliminate Fraud, Waste &amp; Abuse; handling and processing meals and lodging invoices; participating in Lobby Days at the various dialysis and substance abuse clinics to educate the staff and beneficiaries of Contractor's policies and procedures.</p>
Transportation Manager	Michelle Beauregard	Michigan	<p>Managing the day-to-day routing of all trips and confirming the beneficiary is getting the best quality</p>

			service possible; communicating daily with Regional Managers regarding provider network needs and issues; supporting and managing the Transportation Supervisor, Assistant Transportation Coordinators and the Public Transit Coordinators; working with the transportation providers to confirm service areas, trip volumes and correct system routing; overseeing all mass transit activities including working to increase public transit trip volume and monthly bus pass opportunities.
Outreach Coordinator	Marshelle Leverett	Michigan	Functioning as an advocate within the NEMT system to more than 125 health care facilities; Responsible for traveling to health care facilities to gauge satisfaction and answer questions; managing community-based outreach and education; developing and maintaining an ongoing relationship with facilities through face-to-face interactions, phone calls and group presentations; providing in-service training to facilities on topics such as technology, processes and required forms; and maintaining open lines of communication between the beneficiaries, facilities, and the Contractor.
Customer Service Representative	Job Description Included	Michigan	Contractor's CCRs report to our Customer Service Manager. CCRs are the primary staff with whom NEMT beneficiaries are in contact. Primary job duties of the CCR include coordinating communications with beneficiaries and arranging appropriate NEMT services; efficient and accurate entering of all customer service requests into transportation management platform; and the performance of key functions related to trip authorization. CCRs are also responsible for recording any phoned-in complaints.

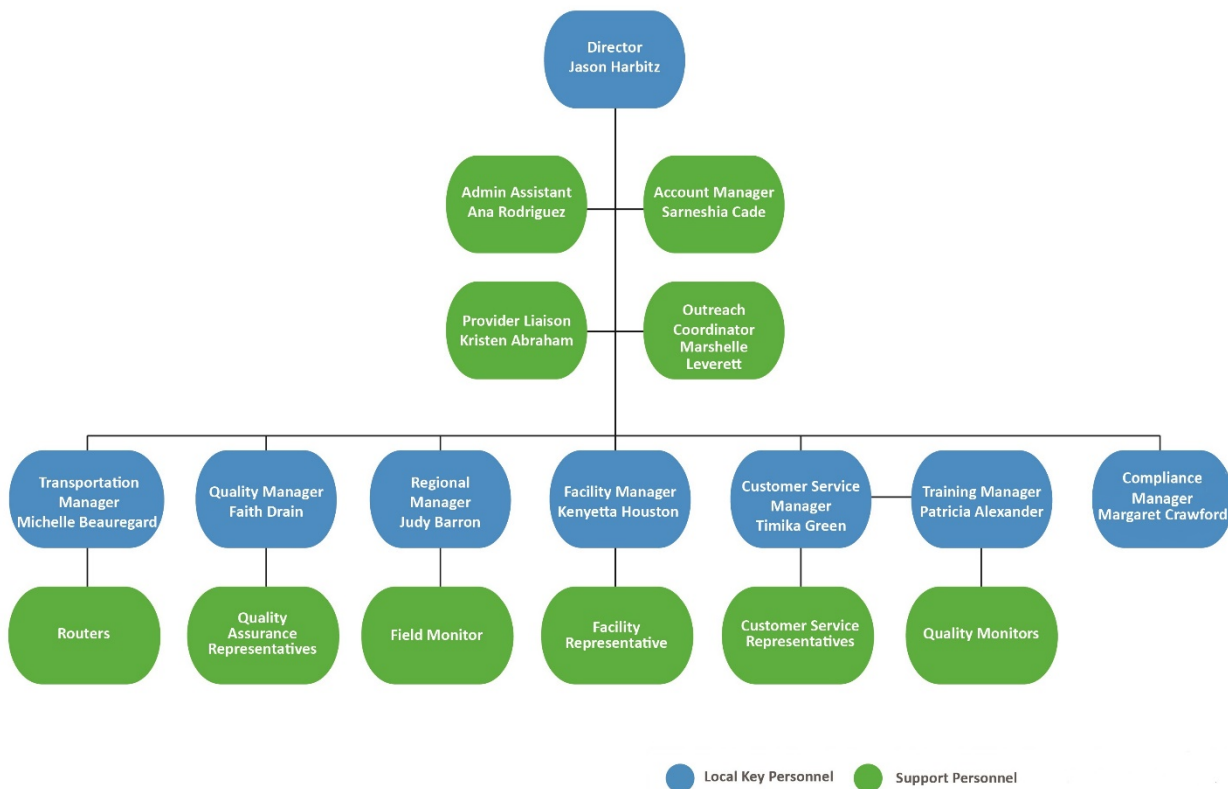
C. The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any

Key Personnel position, Contractor will notify the State of the proposed assignment, introduce the individual to the State’s Program Manager, and provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. The State may require a 30-calendar day training period for replacement personnel.

- D. Contractor will not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor’s removal of Key Personnel without the prior written consent of the State is an unauthorized removal (“Unauthorized Removal”). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel’s employment. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under Termination for Cause in the Standard Terms.
  
- E. The Contractor must identify the Key Personnel, indicate where they will be physically located, describe the functions they will perform, and provide current chronological résumés.

### 3.3. Organizational Chart

The Contractor overall organizational chart:



### 3.4. Customer Service Toll-Free Number

The Contractor must specify its toll-free number for the MDHHS to make contact with the Contractor Representative. The Contractor Representative must be available for calls during the hours of 8:00 am to 5:00 pm EST.

Contractor Representatives Toll Free Number:866.791.4107 x 2201 during the hours of 8:00 a.m. and 6:00 p.m. EST.

### 3.5. Disclosure of Subcontractors

The Contractor must disclose the following:

1. The legal business name; address; telephone number;
2. A description of subcontractor's organization and the services it will provide;
3. Information concerning subcontractor's ability to provide the Contract Activities
4. The relationship of the subcontractor to the Contractor;
5. Whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship;
6. A complete description of the Contract Activities that will be performed or provided by the subcontractor.

### 3.6 Subcontractors:

A. Transportation Providers

B. Voiance  
5780 N. Swan Rd.  
Tucson, AZ 85718  
520-745-9447

## 4. Project Management

### 4.1. Project Plan

#### A. Quality Management

1. The Contractor must:
  - a. establish safety and quality standards for the provision of NEMT
  - b. ensure that transportation providers meet health and safety standards for vehicle maintenance operation and inspection
  - c. ensure NEMT driver qualifications meet the standards defined in the Non-Emergency Medical Transportation chapter of the Medicaid Provider Manual.
2. The Contractor must establish a process for tracking and monitoring NEMT utilization by beneficiaries and providers to detect patterns of abuse or misuse. Contractor must report/refer all (employee, provider, and member) suspicion of fraud, waste, or abuse to the MDHHS Office of Inspector General (OIG) via email at [mdhhs-oig@michigan.gov](mailto:mdhhs-oig@michigan.gov). Examples of Medicaid fraud can be found at [www.michigan.gov/fraud](http://www.michigan.gov/fraud).
  - a. Contractor will perform the following types of FWA prevention reviews:

- i. Performing level of service reviews to confirm the most appropriate mode of transportation is scheduled.
  - ii. Employing Field Monitors to visually monitor the actual mode of transport provided to beneficiaries at health care facilities with very high percentages of higher modes of transport.
  - iii. Reviewing trips with excessive miles for the closest provider. Each trip is verified for covered services and that a closer provider does not exist.
- b. Monthly Trip Verification Reporting Audit. Contractor's Utilization Review team will complete a monthly audit of standing order trips by confirming beneficiary appointment attendance with medical providers. Based on facility feedback (attendance verification), Contractor will cross-reference trips assigned and paid to the transportation with the reported attendance. By comparing these reports against the system billing, we can identify beneficiaries who used the NEMT service but did not attend the scheduled Medicaid-covered service.
- c. Urgent Trip Request Verification. Following Department guidelines, Contractor will verify that a beneficiary's request for urgent NEMT services are in actual need of immediate medical care due to a medical necessity. Contractor's CCRs and verification team will contact the beneficiary's medical provider to verify the need for expedited treatment.
- d. Fraudulent Use of a Medicaid Number. Verbal medical provider appointment confirmation will always be required. Contractor will validate a high percentage of trips for which some aspect of medical necessity must be verified with the medical provider. Should fraud be raised as a possibility, Contractor may require the beneficiary to show a photo ID to confirm he or she is the authorized beneficiary.
- e. Misrepresenting Medical Necessity. All requests for NEMT services require a written authorization in the form of a MNF from a medical provider. Additionally, Contractor will design the verification process for urgent, same-day, and next-day appointments to help prevent abuse.
- f. Safeguards in Report Analysis. To help detect and prevent fraud, Contractor will have specific reports that track travel trends by beneficiary, transportation provider, type of service, destination facility, and other factors, such as no-show rates. By analyzing fraud management reports, Contractor can identify exceptions or trends that may suggest abuse, and conduct sufficient inquiries or investigations to rule out or confirm such behavior.
- g. Safeguards in Payment Processes.
- h. Safeguards in Screening Transporters and Drivers. Contractor will consult the OIG website before entering into a contract or retain any person or entity tasked with performing services in the NEMT Program. Contractor will consult the OIG's downloadable List of Excluded Individuals/Entities (LEIE) database during initial credentialing of a Transporter/driver and monthly thereafter. Contractor will consult the list for all employees, including consultants and temporary labor, against the same database upon hire and monthly thereafter. If Contractor identifies an individual or entity that has been excluded from rendering services on a Medicare, Medicaid, or other federal health services contract, Contractor will immediately cease to consider/use the individual or business for employment or any services.
- i. Safeguards in Report Analysis. Contractor will have specific reports that track travel trends by beneficiary, transporter, type of service, destination facility, and other factors, such as no-show rates. By analyzing fraud management reports, Contractor can identify exceptions or trends that may suggest abuse, and conduct sufficient inquiries or investigations to rule out or confirm such behavior.

3. Contractor must cooperate fully in any investigation by MDHHS-OIG or the Department of Attorney General (AG) and any subsequent legal action that may result from such referral. Contractor is permitted to disclose protected health information to MDHHS-OIG or the Department of Attorney General without first obtaining authorization from the member to disclose such information.

## **B. Issues Management**

### **1. Monitor and Manage Complaints:**

- a. The transportation providers and the MDHHS Program Manager must have online access to the electronic complaint tracking log, using the Contractor's system(s). Upon request, the MDHHS Program Manager must be given logins and have review access to the following:
  - Complaint editor to monitor specific complaints
  - Complaint summary reports to verify satisfaction levels agree
- b. MDHHS must be given view-only access to a Web-based system to access complaints 24x7x365 days a year with real-time data. The Contractor must notify MDHHS of all complaints and resolutions.

### **2. Complaint Escalation Process:**

- a. The Contractor must have written policies and procedures outlining the complaint, appeal, and escalation processes required to manage issues of concern presented to the Contractor by any individuals or group, including the State.
- b. If the complainant is not satisfied with the results of the first- and second-level reviews conducted by staff in the Contractor's main operations office, along with any necessary and appropriate corrective action, a request for a second review can be made verbally or in writing.
- c. The Customer Service Manager must enter the request for appeal into the Contractor's system, and the issue must be escalated to the Quality Manager, who must review the complaint and all related documentation.
- d. Within 72 hours of receiving the request to appeal, the Quality Manager must respond in writing to the complainant. This communication must outline the results of the second level review and any corrective actions that must be taken. The Contractor must also inform MDHHS of the results of the Quality Manager's review. If MDHHS has complaints concerning the Contractor's contract compliance or staff behavior, these complaints must be personally handled by the Quality Manager and reported to the MDHHS.
- e. Any MDHHS complaints about the Administrator/Director/General Manager must be handled by the Administrator/Director assigned to this Contract.
- f. The Contractor must automatically assign all complaints a tier designation, in accordance with the complaint type selected at the time of entry. This tiered classification system must be used to code the severity of each complaint.
- g. Call center staff must be held responsible for the immediate reporting of the most severe level complaints (including but not limited to auto accidents, road rage, injuries, physical and sexual assaults) to their management. Management staff is responsible for reporting these incidents to MDHHS.



### 3. Additional Complaint Requirements

- a. The Contractor must establish and maintain standardized, approved written procedures for handling all complaints, including documentation requirements. Additionally, the Contractor must notify beneficiaries of the process to use when transportation is refused.
- b. The Contractor must analyze complaint data to identify common themes and implement system improvements.
- c. The Contractor must educate and manage beneficiaries who are chronically late, “no-shows” or abusive. The Contractor must document no-shows and abusive behavior in the transportation database, and their process of reporting to the MDHHS beneficiaries who misuse NEMT services to or from a medical service. If the beneficiary continues to exhibit uncooperative behavior or misuses/abuse NEMT services, services may be denied provided NEMT is available through another source (e.g. public transportation, mileage reimbursement). Beneficiaries must receive written notice of denial and information regarding their right to an appeal for a denial or reduction of NEMT services.

### C. Change Management

If the need for a change to the project plan or provisions is identified by either the State or the Contractor, a meeting is to be called by the initiating party to negotiate the terms of the change. Any change that requires changes to the Contract scope and/or language must be processed through DTMB-Procurement (See Contract Terms, Section 75).

#### 4.2. Meetings

- A. The State may request a kick-off meeting with the Contractor within 30 days of the Contract effective date.
- B. Weekly Meetings: Contractor’s local operations team will meet with Department representatives on a weekly basis.
- C. The State will request other meetings, as it deems appropriate.

#### 4.3. Reporting

The Contractor must submit the following reports throughout the duration of the Contract:

- A. The Contractor must submit accurate and complete daily complaint summary reports including, but not limited to the list below. The Contractor must also provide MDHHS with real time access to this data through a reporting Analytics Page
  1. Name and contact information of the person filing complaint
  2. Date the complaint filed
  3. Beneficiary information, if applicable
  4. Narrative explaining the detail of the complaint
  5. Relevant trip information pertaining to the complaint
  6. Relevant provider information pertaining to the complaint
  7. Trip log information, if applicable
  8. Outcome/resolution of the complaint
  9. Date complaint resolved/responded to
  10. The most severe complaints must be identified and reported separately in the daily complaint summary report with additional notification to the MDHHS Program Manager

- B. The Contractor must submit accurate and complete weekly reports to the MDHHS Program Manager including, but not limited to the list below. The Contractor must also provide MDHHS with real time access to this data through a reporting Analytics Page
  - 1. Call center report by day for both reservations and ride status that includes the number of calls, the average hold time, and the average abandonment percentage.
  - 2. Canceled trips by category/reason.
  - 3. Numbers of gross trips, net trips and complaints
  
- C. The Contractor must submit accurate and complete reports to MDHHS monthly, no later than the 10th day of the following month, with an annual rollup report. Reports must include, but are not limited to, the list below. The Contractor must also provide MDHHS with real time access to this data through a reporting Analytics Page
  - 1. Call center report-including the number of calls, number answered, average speed answered in seconds, average talk time in seconds, number of abandoned calls, average time abandoned in seconds, percentage abandoned.
  - 2. Transportation Request Report-summarizing all requests for transportation, authorizations, cancellations, and denials by mode, trips for substance abuse treatment, public transit trips, volunteer transportation, the number of individual riders with at least one reservation, and the number of unduplicated or new riders.
  - 3. Transportation Trip Summary-summarizing percentages of all trips by mode, mileage, age and gender, particularly noting percentage increase in public transportation ridership and volunteer transportation.
  - 4. Denial Report-numbers and percentages by denial type.
  - 5. Miles per trip/per reservation report.
  - 6. Beneficiary satisfaction survey (quarterly).
  - 7. Complaint and Appeal Summary.
  - 8. On-time report, no-show report, missed trip report.
  - 9. Other reports may be requested by MDHHS either periodically or on a scheduled basis.

## 5. Ordering

### 5.1. Authorizing Document

The appropriate authorizing document for the Contract will be a signed Master Agreement.

## 6. Invoice and Payment

### 6.1. Payment Provisions

Payment under this Contract will be a fixed price consisting of a fixed reimbursement plan with specific monthly payments. The services will be under a fixed price per covered member (beneficiary) multiplied by the actual member count assigned to the Contractor in the month for which payment is made.

### 6.2. Price Term

- A. Pricing, per year (as defined in Schedule B), is the maximum allowable Per-Member-Per-Month (PMPM) rate that can be charged for the specified timeframe. The PMPM rate is an all-inclusive rate that includes all costs associated with this Contract. Upon MDHHS request, an annual review of the PMPM rate may be performed based on the encounter data submitted by the Contractor.
  
- B. Prices are subject to change at the end of each year (as defined in Schedule B). Such changes must be based on changes in actual costs incurred. Documentation of such changes must be provided with the request for price change in order to substantiate any requested change. DTMB-Procurement reserves the right to consider various pertinent information sources to evaluate price increase requests

(such as the CPI and PPI, US City Average, as published by the US Department of Labor, Bureau of Labor Statistics). DTMB-Procurement also reserves the right to consider other information related to special economic and/or industry circumstances, when evaluating a price change request. Changes may be either increases or decreases and may be requested by either party. Requests for price changes must be RECEIVED IN WRITING AT LEAST 60 DAYS PRIOR TO THEIR EFFECTIVE DATE and are subject to a signed Contract Change Notice (Contract Terms, Section 75) before becoming effective. The Contractor remains responsible for performing according to the Contract terms at the Contract price for all services rendered before price revisions are approved.

### **6.3. Payment Methods**

The State will make payment for Contract Activities using CHAMPS.

### **7. Liquidated Damages**

The Contractor must assure that the all the requirements, terms and conditions detailed in this Contract are met or exceeded. Failure to meet the requirements, terms and conditions detailed in this Contract may cause loss and damage to the State and it would be impracticable and extremely difficult to fix the actual damage sustained by the State. Therefore, if there is late or improper completion of the Contract Activities the State is entitled to collect liquidated damages in the amount of \$5,000 and an additional \$100 per day for each day Contractor fails to remedy the late or improper completion of the Work.

For audits, liquidated damages will be assessed and subject to extrapolation on all encounters within the audit sample which are non-compliant with the requirements specified in this contract. Liquidated damages will be set at 100% for any findings not in compliance and will be offset from future payments.

The State will notify Contractor in writing of any claim for liquidated damages on or before the date the State deducts such sums from funds payable to the Contractor. Any delay in assessing or collecting liquidated damages by the State should not be construed as a waiver of such rights.

The Contractor should not be liable for liquidated damages when, in the opinion of the State, incidents or delays result directly from causes beyond the control and without the fault or negligence of the Contractor. Examples of such events include but are not limited to fire, flooding, epidemics, and labor unrest. In any event, the delays must be beyond the control and without fault or negligence of the Contractor.

### **8. IT SPECIFIC STANDARDS**

#### **A. IT Policies, Standards and Procedures (PSP)**

Contractors are advised that the State has methods, policies, standards and procedures that have been developed over the years. Contractors are expected to provide proposals that conform to State IT policies and standards. All services and products provided as a result of this Contract must comply with all applicable State IT policies and standards.

IT Policies, Standards and Procedures (PSP): [http://www.michigan.gov/dtmb/0,4568,7-150-56355\\_56579\\_56755---,00.html](http://www.michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html)

#### **B. Acceptable Use Policy**

To the extent that Contractor has access to the State's computer system, Contractor must comply with the State's Acceptable Use Policy, see [http://michigan.gov/dtmb/0,4568,7-150-56355\\_56579\\_56755---,00.html](http://michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html). All Contractor Personnel will be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State's system. The State reserves the right to terminate Contractor's access to the State's system if a violation occurs.

#### **C. Look and Feel Standard**

All software items provided by the Contractor must adhere to the following Look and Feel Standards: [http://www.michigan.gov/documents/som/Look and Feel Standards](http://www.michigan.gov/documents/som/Look_and_Feel_Standards).

D. Mobile Responsiveness

Contractor's provider, member, and facility web portals, and Contractor's member and driver apps, were developed for mobile device use and are fully compatible with Contractor's platform. The portals and apps are accessible via Android and iOS devices.

E. ADA Compliance

The State is required to comply with the Americans with Disabilities Act of 1990 (ADA), and has adopted a formal policy regarding accessibility requirements for websites and software applications. The State is requiring that Contractor's Solution, where relevant, to level AA of the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 2.0. Contractor may consider, where relevant, the W3C's Guidance on Applying WCAG 2.0 to Non-Web Information and Communications Technologies (WCAG2ICT) for non-web software and content. The State may require that Contractor complete a Voluntary Product Accessibility Template for WCAG 2.0 (WCAG 2.0 VPAT) or other comparable document for the proposed Solution.

[http://www.michigan.gov/documents/dmb/1650.00\\_209567\\_7.pdf?20151026134621](http://www.michigan.gov/documents/dmb/1650.00_209567_7.pdf?20151026134621)

F. SUITE Documentation

In managing its obligation to meet the above milestones and deliverables, the Contractor is required to utilize the applicable State Unified Information Technology Environment (SUITE) methodologies, or an equivalent methodology proposed by the Contractor. The State reserves the right to give final approval of substituted documents and items marked as non-applicable.

SUITE's primary goal is the delivery of on-time, on-budget, quality systems that meet customer expectations. SUITE is based on industry best practices, including those identified in the Project Management Institute's PMBoK and the Capability Maturity Model Integration for Development. It was designed and implemented to standardize methodologies, processes, procedures, training, and tools for project management and systems development lifecycle management. It offers guidance for efficient, effective improvement across multiple process disciplines in the organization, improvements to best practices incorporated from earlier models, and a common, integrated vision of improvement for all project and system related elements.

While applying the SUITE framework through its methodologies is required, SUITE was not designed to add layers of complexity to project execution. There should be no additional costs from the Contractor, since it is expected that they are already following industry best practices which are at least similar to those that form SUITE's foundation.

SUITE's companion templates are used to document project progress or deliverables. In some cases, Bidders may have in place their own set of templates for similar use.

**Suite Documentation:** The State has approved Contractor's proposed Project Management methodology.

# STATE OF MICHIGAN

Contract No. 190000000912  
 Medicaid NEMT Broker for Wayne, Oakland and Macomb Counties

## SCHEDULE B PRICING MATRIX

- Pricing includes all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State.
- Pricing Schedule:

### MONTHLY CAPITATED COST OF NEMT MANGEMENT SERVICES

The Contractor must provide a capitated rate. The cost calculation is all-inclusive for all costs associated with this Contract.

	<b>Year 1</b> 4/01/19- 3/31/20	<b>Year 2</b> 4/01/20- 3/31/21	<b>Year 3</b> 4/01/21- 3/31/22	<b>Year 4</b> 4/01/22- 3/31/23	<b>Year 5</b> 4/01/23- 3/31/24
A. Eligible Members	935,341*	935,341*	935,341*	935,341*	935,341*
B. Per-Member Per-Month (PMPM) Rate	\$1.63	\$1.47	1.43	1.42	1.45
C. Contractor's PMPM Payment Amount** (A x B)	\$1,524,605.83	\$1,374,951.27	\$1,337,537.63	\$1,328,184.22	\$1,356,244.45
D. Annualized	12	12	12	12	12
E. Grand Total (C x D)	\$18,295,269.96	\$16,499,415.24	\$16,050,451.56	\$15,938,210.64	\$16,274,933.40

<b>5 Year Total</b>	<b>\$83,058,280.80</b>
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\*This amount represents MDHHS's best effort for a true and accurate monthly average for 6/1/2017-6/1/2018. Actual beneficiary counts may differ throughout the term of the Contract.

\*\*The Contractor will be paid a PMPM amount. The State will determine eligible beneficiaries each month when the State calculates the total number of eligible beneficiaries for the purpose of that month's PMPM payment for the Contractor.

Note: Carve out services includes MHP covered beneficiaries for dental, mental health and substance abuse services. Mental health and substance abuse services are also carved out for MHP covered beneficiaries with the designation HMP-MC. For pregnant women, dental NEMT is covered by the MHP

# STATE OF MICHIGAN

Contract No. 190000000912  
Medicaid NEMT Broker for Wayne, Oakland and Macomb Counties

## SCHEDULE C SERVICE LEVEL AGREEMENT

1. **Definitions.** For the purposes of this Section, the following terms have the meanings set forth below. All initial capitalized terms in this Schedule that are not defined in this **Section 1** will have the respective meaning given to them in the Contract.
  - a. **“Actual Uptime”** means the total minutes in the Service Period that the Hosted Services are actually Available.
  - b. **“Availability”** has the meaning set forth in **Section 2(a)**.
  - c. **“Available Requirement”** has the meaning set forth in **Section 2(a)**.
  - d. **“Available”** has the meaning set forth in **Section 2(a)**.
  - e. **“Corrective Action Plan”** has the meaning set forth in **Section 3(f)**.
  - f. **“Critical Service Error”** has the meaning set forth in **Section 5(d)(i)**.
  - g. **“Exceptions”** has the meaning set forth in **Section 2(b)**.
  - h. **“High Service Error”** has the meaning set forth in **Section 3(d)(i)**.
  - i. **“Low Service Error”** has the meaning set forth in **Section 3(d)(i)**.
  - j. **“Medium Service Error”** has the meaning set forth in **Section 3(d)(i)**.
  - k. **“Resolve”** has the meaning set forth in **Section 3(d)(ii)**.
  - l. **“Scheduled Downtime”** has the meaning set forth in **Section 4(c)**.
  - m. **“Scheduled Uptime”** means the total minutes in the Services Period that the Hosted Services are scheduled to be Available.
  - n. **“Service Availability Credits”** has the meaning set forth in **Section 2(f)(i)**.
  - o. **“Service Error”** means any failure of any Hosted Service to be Available or otherwise perform in accordance with this Schedule.
  - p. **“Service Level Credits”** has the meaning set forth in **Section 3(e)**.
  - q. **“Service Level Failure”** means a failure to perform the Software Support Services fully in compliance with the Support Service Level Requirements.
  - r. **“Service Period”** has the meaning set forth in **Section 2(a)**.
  - s. **“Software”** has the meaning set forth in the Contract.
  - t. **“Software Support Services”** has the meaning set forth in **Section 3**.
  - u. **“State Systems”** means the information technology infrastructure, including the computers, software, databases, electronic systems (including database management systems) and networks, of the State or any of its designees.
  - v. **“Support Request”** has the meaning set forth in **Section 3(d)(i)**.
  - w. **“Support Service Level Requirements”** has the meaning set forth in **Section 5(d)**.
  - x. **“Term”** has the meaning set forth in the Contract.
2. **Service Availability and Service Availability Credits.**
  - a. Availability Requirement. Contractor will make the Hosted Services Available, as measured over the course of each calendar month during the Term and any additional periods during which

Contractor does or is required to perform any Hosted Services (each such calendar month, a “**Service Period**”), at least 99.95% of the time, excluding only the time the Hosted Services are not Available solely as a result of one or more Exceptions (the “**Availability Requirements**”). “**Available**” means the Hosted Services are available and operable for access and use by the State and its Authorized Users over the Internet in material conformity with the Contract. “**Availability**” has a correlative meaning. The Hosted Services are not considered Available in the event of a material performance degradation or inoperability of the Hosted Services, in whole or in part. The Availability Requirement will be calculated for the Service Period as follows:  $(\text{Actual Uptime} - \text{Total Minutes in Service Period Hosted Services are not Available Due to an Exception}) \div (\text{Schedule Uptime} - \text{Total Minutes in Service Period Hosted Services are not Available Due to an Exception}) \times 100 = \text{Availability}$ .

- b. Exceptions. No period of Hosted Services degradation or inoperability will be included in calculating Availability to the extent that such downtime or degradation is due to any of the following (“**Exceptions**”):
  - i. Failures of the State’s or its Authorized Users’ internet connectivity;
  - ii. Scheduled Downtime as set forth in **Section 2(c)**.
- c. Scheduled Downtime. Contractor must notify the State at least twenty-four (24) hours in advance of all scheduled outages of the Hosted Services in whole or in part (“**Scheduled Downtime**”). All such scheduled outages will (a) last no longer than five (5) hours; (b) be scheduled between the hours of 11:00 p.m. and 5:00 a.m., Eastern Time; and (c) occur no more frequently than once per week; provided that Contractor may request the State to approve extensions of Scheduled Downtime above five (5) hours, and such approval by the State may not be unreasonably withheld or delayed.
- d. Software Response Time. Software response time, defined as the interval from the time the end user sends a transaction to the time a visual confirmation of transaction completion is received, must be less than five (5) seconds for 98% of all transactions. Unacceptable response times will be considered to make the Software unavailable and will count against the Availability Requirement.
- e. Service Availability Reports. Within thirty (30) days after the end of such Service period, Contractor will provide to the State a report describing the Availability and other performance of the Hosted Services during that calendar month as compared to the Availability Requirement. The report must in electronic or such other form as the State may approve in writing and must include, at a minimum: (a) the actual performance of the Hosted Services related to the Availability Requirement; (b) if Hosted Service performance has failed in any respect to meet or exceed the Availability Requirement during the reporting period, a description in sufficient detail to inform the State of the cause of such failure and the corrective actions the Contractor has taken and will take to ensure that the Availability Requirement is fully met; and (c) API response time..
- f. Remedies for Service Available Failures.
  - i. If the actual Availability of the Hosted Services is less than the Availability Requirement for any Service Period, such failure will constitute a Service Error for which Contractor will issue to the State the following credits on the fees payable for Hosted Services provided during the Service Period (“**Service Availability Credits**”):



Availability	Credit of Fees
≥99.98%	None
<99.98% but ≥99.0%	15%
<99.0% but ≥95.0%	50%
<95.0%	100%

- ii. Any Service Availability Credits due under this **Section 2(f)** will be applied in accordance with payment terms of the Contact.
  - iii. If the actual Availability of the Hosted Services is less than the Availability Requirement in any two (2) of four (4) consecutive Service Periods, then, in addition to all other remedies available to the State, the State may terminate the Contract on written notice to Contractor with no liability, obligation or penalty to the State by reason of such termination.
- 3. Support and Maintenance Services.** Contractor will provide Hosted Service maintenance and support services (collectively, “**Software Support Services**”) in accordance with the provisions of this **Section 3**. The Software Support Services are included in the Services, and Contractor may not assess any additional fees, costs or charges for such Software Support Services.
- a. Support Service Responsibilities. Contractor will:
    - i. Correct all Service Errors in accordance with the Support Service Level Requirements, including by providing defect repair, programming corrections and remedial programming;
    - ii. Provide unlimited telephone support;
    - iii. Provide unlimited online support 24 hours a day, seven days a week;
    - iv. Provide online access to technical support bulletins and other user support information and forums, to the full extent Contractor makes such resources available to its other customers; and
    - v. Respond to and Resolve Support Requests as specified in this **Section 3**.
  - b. Service Monitoring and Management. Contractor will continuously monitor and manage the Hosted Services to optimize Availability that meets or exceeds the Availability Requirement. Such monitoring and management includes:
    - i. Proactively monitoring on a twenty-four (24) hour by seven (7) day basis all Hosted Service functions, servers, firewall and other components of Hosted Service security;
    - ii. If such monitoring identifies, or Contractor otherwise becomes aware of, any circumstance that is reasonably likely to threaten the Availability of the Hosted Services, taking all necessary and reasonable remedial measures to promptly eliminate such threat that ensure full Availability; and
    - iii. If Contractor receives knowledge that the Hosted Service or any Hosted Service function or component is not Available (including by written notice from the State pursuant to the procedures set forth herein):
      - 1. Confirming (or disconfirming) the outage by a direct check of the associated facility or facilities;
      - 2. If Contractor’s facility check in accordance with clause (1) above confirms a Hosted Service outage in whole or in part: (A) notifying the State in writing pursuant to the procedures set forth herein that an outage has occurred, providing such details as may be available, including a Contractor trouble ticket

- number, if appropriate, and time of outage; and (B) working all problems causing and caused by the outage until they are Resolved as Critical Service Errors in accordance with the Support Request Classification set forth in **Section 3(d)**, or, if determined to be an internet provider problem, open a trouble ticket with the internet provider; and
3. Notifying the State that Contractor has fully corrected the outage and any related problems, along with any pertinent findings or action taken to close the trouble ticket.
- c. **Service Maintenance**. Contractor will continuously maintain the Hosted Services to optimize Availability that meets or exceeds the Availability Requirement. Such maintenance services include providing to the State and its Authorized Users:
- i. All updates, bug fixes, enhancements, new releases, new versions and other improvements to the Hosted Services, including the Software, that Contractor provides at no additional charge to its other similarly situated customers; and
  - ii. All such services and repairs as are required to maintain the Hosted Services or are ancillary necessary or otherwise related to the State's or its Authorized Users' access to or use of the Hosted Services, so that the Hosted Services operate properly in accordance with the Contract and this Schedule.
- d. **Support Service Level Requirements**. Contractor will correct all Service Errors and respond to and Resolve all Support Requests in accordance with the required times and other terms and conditions set forth in this **Section 3(d)** ("**Support Service Level Requirements**"), and the Contract.
- i. **Support Requests**. The State will classify its requests for Service Error corrections in accordance with the descriptions set forth in the chart below (each a "**Support Request**"). The State Program Manager will notify Contractor of Support Requests by email, telephone, or such other means as the parties may hereafter agree to in writing.

<b>Support Request Classification</b>	<b>Description: Any Service Error Comprising or Causing any of the Following Events or Effects</b>
Critical Service Error	<ul style="list-style-type: none"> <li>• Issue affecting entire system or single critical production function;</li> <li>• System down or operating in materially degraded state;</li> <li>• Data integrity at risk;</li> <li>• Declared a Critical Support Request by the State; or</li> <li>• Widespread access interruptions.</li> </ul>
High Service Error	<ul style="list-style-type: none"> <li>• Primary component failure that materially impairs its performance; or</li> <li>• Data entry or access is materially impaired on a limited basis.</li> </ul>
Medium Service Error	<ul style="list-style-type: none"> <li>• Hosted Service is operating with minor issues that can be addressed with an acceptable (as</li> </ul>

	determined by the State) temporary work around.
Low Service Error	<ul style="list-style-type: none"> <li>Request for assistance, information, or services that are routine in nature.</li> </ul>

- ii. Response and Resolution Time Service Levels. Response and Resolution times will be measured from the time Contractor receives a Support Request until the respective times Contractor has (i) responded to, in the case of response time and (ii) Resolved such Support Request, in the case of Resolution time. “**Resolve**” (including “**Resolved**”, “Resolution” and correlative capitalized terms) means that, as to any Service Error, Contractor has provided the State the corresponding Service Error correction and the State has confirmed such correction and its acceptance thereof. Contractor will respond to and Resolve all Service Errors within the following times based on the severity of the Service Error:

<b>Support Request Classification</b>	<b>Service Level Metric  (Required Response Time)</b>	<b>Service Level Metric  (Required Resolution Time)</b>	<b>Service Level Credits  (For Failure to Respond to any Support Request Within the Corresponding Response Time)</b>	<b>Service Level Credits  (For Failure to Resolve any Support Request Within the Corresponding Required Resolution Time)</b>
Critical Service Error	One (1) hour	<u>Four (4) hours,</u>	Five percent (5%) of the Fees for the month in which the initial Service Level Failure begins and five percent (5%) of such monthly Fees for each additional hour or portion thereof that the corresponding Service Error is not responded to within the required response time.	Five percent (5%) of the Fees for the month in which the initial Service Level Failure begins and five percent (5%) of such monthly Fees for the first additional hour or portion thereof that the corresponding Service Error remains un-Resolved, which amount will thereafter double for each additional one-hour increment.
High Service Error	One (1) hour	<u>Six (6) hours</u>	Three percent (3%) of the Fees for the month in which the initial Service Level Failure begins and	Three percent (3%) of the Fees for the month in which the initial Service Level Failure begins and

			three percent (3%) of such monthly Fees for each additional hour or portion thereof that the corresponding Service Error is not responded to within the required response time.	three percent (3%) of such monthly Fees for the first additional hour or portion thereof that the corresponding Service Error remains un-Resolved, which amount will thereafter double for each additional one-hour increment.
Medium Service Error	Three (3) hours	Two (2) Business Days	N/A	N/A
Low Service Error	Three (3) hours	Five (5) Business Days	N/A	N/A

- iii. Escalation. With respect to any Critical Service Error Support Request, until such Support Request is Resolved, Contractor will escalate that Support Request within sixty (60) minutes of the receipt of such Support Request by the appropriate Contractor support personnel, including, as applicable, the Contractor Service Manager and Contractor’s management or engineering personnel, as appropriate.
  - e. Support Service Level Credits. Failure to achieve any of the Support Service Level Requirements for Critical and High Service Errors will constitute a Service Level Failure for which Contractor will issue to the State the corresponding service credits set forth in **Section 3(d)(ii) (“Service Level Credits”)** in accordance with payment terms set forth in the Contract.
- f. Corrective Action Plan. If two or more Critical Service Errors occur in any thirty (30) day period during (a) the Term or (b) any additional periods during which Contractor does or is required to perform any Hosted Services, Contractor will promptly investigate the root causes of these Service Errors and provide to the State within five (5) Business Days of its receipt of notice of the second such Support Request an analysis of such root causes and a proposed written corrective action plan for the State’s review, comment and approval, which subject to and upon the State’s written approval, will be a part of and by this reference is incorporated in, the Contract as the parties’ corrective action plan (the **“Corrective Action Plan”**). The Corrective Action Plan must include, at a minimum: (a) Contractor’s commitment to the State to devote the appropriate time, skilled personnel, systems support and equipment and other resources necessary to Resolve and prevent any further occurrences of the Service Errors giving rise to such Support Requests; (b) a strategy for developing any programming, software updates, fixes, patches, etc. necessary to remedy, and prevent any further occurrences of, such Service Errors; and (c) time frames for implementing the Corrective Action Plan. There will be no additional charge for Contractor’s preparation or implementation of the Corrective Action Plan in the time frames and manner set forth therein.

# STATE OF MICHIGAN

Contract No. 190000000912  
Medicaid NEMT Broker for Wayne, Oakland and Macomb Counties

## SCHEDULE D DATA SECURITY REQUIREMENTS

1. **Definitions.** For the purposes of this Schedule, the following terms have the meanings set forth below. All initial capitalized terms in this Schedule that are not defined in this **Section 1** will have the respective meanings given to them in the Contract.
  - a. **“Contractor Systems”** has the meaning set forth in **Section 4** of this Schedule.
  - b. **“Fed RAMP”** means the Federal Risk and Authorization Management Program, which is a federally approved risk management program that provides a standardized approach for assessing and monitoring the security of cloud products and services.
  - c. **“FISMA”** means The Federal Information Security Management Act of 2002 (44 U.S.C. ch. 35, subch. III § 3541 et seq.).
  - d. **“Hosted Services”** means the hosting, management and operation of the computing hardware, ancillary equipment, Software, firmware, data, other services (including support services), and related resources for remote electronic access and use by the State and its Authorized Users, including any services and facilities related to disaster recovery obligations.
  - e. **“NIST”** means the National Institute of Standards and Technology.
  - f. **“PSP”** means the State’s IT Policies, Standards, and Procedures located at: [http://michigan.gov/dtmb/0,4568,7-150-56355\\_56579\\_56755---,00.html](http://michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html).
  - g. **“SSAE”** means Statement on Standards for Attestation Engagements.
2. **Protection of the State’s Confidential Information.** Throughout the Term and at all times in connection with its actual or required performance of the Services, Contractor will:
  - a. Host the Software in a government cloud solution, and Contractor must maintain an annual SSAE 16 SOC 2 Type 2 audit for the Hosted Services throughout the Term, maintain FedRAMP certification for the Hosted Services throughout the Term, and in the event the contractor is unable to maintain FedRAMP certification, the State may move the Software to an alternative provider, at contractor’s sole cost and expense;
  - b. Ensure that the Software is security hosted, supported, administered, and accessed in a data center that resides in the continental United States, and minimally meets Uptime Institute Tier 3 standards ([www.uptimeinstitute.com](http://www.uptimeinstitute.com)), or its equivalent;
  - c. Maintain and enforce an information security program including safety and physical and technical security policies and procedures with respect to its Processing of the State’s Confidential Information that comply with the requirements of the State’s data security policies set as set forth in the Contract, and must, at a minimum, remain compliant with FISMA and the NIST Special Publication 800.53 (most recent version) HIGH Controls using minimum control values as established in the applicable PSP.
  - d. Provide technical and organizational safeguards against accidental, unlawful or unauthorized access to or use, destruction, loss, alternation, disclosure, transfer, commingling or processing of such information that ensure a level of security appropriate to the risks presented by the processing of the State’s Confidential Information and the nature of such Confidential Information, consistent with best industry practice and standards;

- e. take all reasonable measures to:
    - i. Secure and defend all locations, equipment, systems and other materials and facilities employed in connection with the Services against “hackers” and others who may seek, without authorization, to disrupt, damage, modify, access or otherwise use Contractor Systems or the information found therein; and
    - ii. Prevent (i) the State and its Authorized Users from having access to the data of other customers or such other customer’s users of the Services; (ii) the State’s Confidential Information from being commingled with or contaminated by the data of other customers or their users of the Services; and (iii) unauthorized access to any of the State’s Confidential Information;
  - f. Ensure that State Data is encrypted in transit and at rest using AES 256bit or higher encryption;
  - g. Ensure that State Data is encrypted in transit and at rest using currently certified encryption modules in accordance with FIPS PUB 140-2 (as amended), Security Requirements for Cryptographic Modules;
  - h. Ensure the Hosted Services support Identity Federation/Single Sign-on (SSO) capabilities using Security Assertion Markup Language (SAML) or comparable mechanisms;
  - i. Ensure the Hosted Services have multi-factor authentication for privileged/administrative access; and
  - j. Assist the State, at no additional cost, with development and completion of a system security plan using the State’s automated governance, risk and compliance (GRC) platform.
- 3. Unauthorized Access.** Contractor may not access, and will not permit any access to, State systems, in whole or in part, whether through Contractor’s Systems or otherwise, without the State’s express prior written authorization. Such authorization may be revoked by the State in writing at any time in its sole discretion. Any access to State’s systems must be solely in accordance with the Contract and this Schedule, and in no case exceed the scope of the State’s authorization pursuant to this **Section 3**. All State-authorized connectivity or attempted connectivity to State systems must be only through the State’s security gateways and firewalls and in compliance with the State’s security policies set forth in the Contract as the same may be supplemented or amended by the State and provided to Contractor from time to time.
- 4. Contractor Systems.** Contractor will be solely responsible for the information technology infrastructure, including all computers, software, databases, electronic systems (including database management systems) and networks used by or for Contractor in connection with the Services (“**Contractor Systems**”) and must prevent unauthorized access to State systems through the Contractor Systems.
- 5. Security Audits.** During the Term, Contractor will:
- a. Maintain complete and accurate records relating to its data protection practices, IT security controls, and the security logs of any of the State’s Confidential Information, including any backup, disaster recovery or other policies, practices or procedures relating to the State’s Confidential Information and any other information relevant to its compliance with this Schedule;
  - b. Upon the States request, make all such records, appropriate personnel and relevant materials available during normal business hours for inspection and audit by the State or an independent data security expert that is reasonably acceptable to Contractor, provided that the State: (i) gives Contractor at least five (5) Business Days prior notice of any such audit; (ii) undertakes such audit no more than once per calendar year, except for good cause shown; and (iii) conducts or causes to be conducted such audit in a manner designed to minimize disruption of Contractor’s normal business operations and that complies with the terms and conditions of all data confidentiality, ownership, privacy, security and restricted use provisions of the Contract. The State may, but is not obligated to, perform such security audits, which must, at the State’s option and request,

include penetration and security tests, of any and all Contractor Systems and their housing facilities and operating environments; and

- c. If requested by the State, provide a copy of Contractor's SSAE 16 SOC 2 Type 2 audit report to the State within thirty (30) days after Contractor's receipt of such report. Any such audit reports will be recognized as Contractor's Confidential Information.
- d. If requested by the State, provide a copy of Contractor's FedRAMP System Security Plan. The System Security Plan will be recognized as Contractor's Confidential Information.

**6. Nonexclusive Remedy for Security Breach.** Any failure of the Services to meet the requirements of this Schedule with respect to the security of any State Data or other Confidential Information of the State, including any related backup, disaster recovery or other policies, practices or procedures, is a material breach of the Contract for which the State, at its option, may terminate the Contract immediately upon written notice to Contractor without any notice or cure period, and Contractor must promptly reimburse to the State any Fees prepaid by the State prorated to the date of such termination.

# STATE OF MICHIGAN

Contract No. 190000000912

Medicaid NEMT Broker for Wayne, Oakland and Macomb Counties

## **SCHEDULE E**

### **CONTRACTOR'S DISASTER RECOVERY PLAN**

**SCHEDULE REDACTED FOR SECURITY REASONS**