

Appendix C – Amendment 3 Description of Services

The Alaska Psychiatric Institute (API):

The Alaska Psychiatric Institute (API) is licensed to operate an 80-bed acute care psychiatric inpatient hospital serving a population of approximately 735,000 people across the State of Alaska. API requires compliance under Conditions of Participation (CoP) by accrediting bodies to include CMS, the Joint Commission, health facilities, and licensing. API provides direct patient care in the most restrictive setting, as well as psychiatric services, forensic psychology services (including court ordered evaluations, court testimony, and competency restoration), and psychology services (includes active treatment, individual counseling, treatment planning, rehabilitation, neuropsychological screening, and psycho-educational assessments). The institute also provides medication support including an inpatient pharmacy, testimony at court proceedings on medication management, and support of the Division of Juvenile Justice’s pharmaceutical needs. API also works with many partners from various health care providers and nonprofit agencies and is a member of the Joint Medical Emergency Preparedness Group. This group supplies mutual aid and support between area hospitals and local treatment centers in the event of a natural disaster or mass casualty situation.

Scope of Work

This amendment exercises renewal option one (1) of three (3), and modifies Appendices C & D.

Phase	Description	Term
1	Stabilization	February 8, 2019 (the “Effective Date”), to continue on a month-to-month basis until written notice is provided by the State of Alaska. The month-to-month term shall not extend past March 31, 2020, unless an additional amendment is executed.

Month-to-Month Operations

The services of Phase 1 will operate continually on a month-to-month basis, without requiring amendment, through March 31, 2020, unless an additional amendment is executed. This amendment (3) exercises renewal option one (1) of three (3). There are two (2) additional three-month renewal options available, to be exercised at the mutual agreement of both parties.

If the State requires termination prior to March 30, 2020, the State will provide written notice to the vendor of the termination date a minimum of 60 days in advance. That notice will also provide the vendor with information of how the services of this contract will be replaced, so that the vendor can develop and implement a transition plan, as identified below.

Phase 1 – Stabilization

Beginning with this Amendment (3), the contractor shall take all actions reasonably necessary for API to be in full operation, including:

1. Provide support necessary to maintain compliance with all regulatory authorities and all pending Plans of Correction or if required, re-establishing licensing certification and/or accreditations; this specifically includes certification or re-certification under the Medicaid program;
2. Provide support, including on-site Wellpath staff where necessary, to help create and maintain, or modify, hospital systems so that industry and regulatory standards are met (such as Quality Assurance/Performance Improvement).
3. Continue efforts to locate and identify candidates for staffing of API, especially for key positions, so that API can reach full utilization capability.

Additional Terms & Conditions of Phase 1:

1. Any employees who are members of a State of Alaska collective bargaining unit shall be the sole responsibility of the State, and shall be supervised by State of Alaska employees. Nurses and other individuals who perform work traditionally associated with bargaining unit positions in the areas of medical services, psychiatry, psychology, nursing, performance improvement, risk management, evidence-based programs, trauma-informed care, safety, finance, accounting, billing, information technology, compliance, and CMS certification, shall be recruited and employed per the terms and conditions of collective bargaining agreements, including the agreement between the State of Alaska and the Alaska State Employees Association.
2. Wellpath will provide additional staff to support API in the day-to-day operations of the facility. This includes:
 - a. trainers to train API state employees,
 - b. advisors for API management,
 - c. locums for psychiatric providers.

Said staff shall be employees or contractors of Wellpath with experience in areas including, but not limited to medical services, psychiatry, psychology, nursing, performance improvement, risk management, evidence-based programs, trauma-informed care, safety, finance, accounting, billing, information technology, compliance, general administration, and CMS certification. Wellpath shall be financially responsible to pay wages, benefits, and fees as required by applicable law and shall comply with any responsibilities related to tax withholdings required by applicable law with respect to such personnel.
3. The State shall continue to recruit for and hire employees or contractors for all positions at API, including management positions. All employees currently employed at API, and those who are hired by, or contracted with, API during the term of this agreement shall be the financial responsibility of the State.
4. Wellpath shall provide collaboration, cooperation, and participation in any state proceeding including court proceedings or legislative hearings related to the services of this contract.
5. Wellpath shall continue to facilitate the actions of the existing work plan. The work plan report shall be updated at least every month through the stabilization phase, and will continue to identify capacity, benchmarks and progress towards them, whether met or not met, and provide a detailed analysis of the challenges, opportunities, and action items to meet those challenges.
6. The parties acknowledge that during the stabilization phase, Wellpath is not responsible for the operations or management of API. Wellpath shall honor terms & conditions of existing contracts in which API is currently engaged. Requests for termination or adjustment to any contract must be presented to the State, in writing, for approval, along with a proposal for the amendment/termination that exhibits adherence to the terms & conditions of these contracts. The State will remain financially responsible for the costs of services provided under these contracts during Phase 1.
7. Pharmacy services will remain the responsibility of the State; the State shall be financially responsible for the cost of all clinically-indicated medications and pharmacy services.

Transition Plan

The State of Alaska is considering how it will conduct the services described in this contract after its conclusion. Once determined, the State will provide written notice to the contractor, as described in the section above (Month-to-Month Operations).

Once notified, the contractor shall develop and submit a transition plan to facilitate a smooth transfer of the contracted work at the end of this contract or as directed in the written termination notice (described above). The plan must be submitted for approval by the state, and the transition must be complete within 60 days after approval of the transition plan. The goals of the transition plan must include, but are not limited to:

- A current list of all Wellpath employees in employ at API;
- The current staffing plan for full utilization;
- A detailed summary and status of any outstanding plans of correction;
- A summary or status of any pending investigations or compliance reviews;
- A detailed list of duties and services being provided by Wellpath and identification of the appropriate employees and/or departments to continue the work;

- A description of the status of policy and procedure review and revisions, and identified remaining tasks;
- A description of training provided to employees to date, and recommendations for proper follow up/continuance of training.

The transition plan must be approved by the State prior to implementing.

IT and Security Requirements

Wellpath shall coordinate and agree to all privacy and security protocols related to this agreement with respect to accessing the current data systems and electronic health records system. However, this provision does not preclude Wellpath from installing and operating a new, updated or different electronic health records system during this agreement. In coordination with Wellpath, the DHSS Chief Security Officer and Privacy Officer shall review any proposed new, updated or different electronic health record systems and data systems to ensure legal compliance with information security and privacy best practices; especially 45 C.F.R. §§ 164.302 – 318. Wellpath shall expeditiously provide documentation and access requested by the DHSS Chief Security Officer and Privacy Officer for the review. Wellpath shall not install or operate new, updated or different electronic health record systems or data systems until they receive written approval from the DHSS Chief Security Officer and Privacy Officer.

Phase 2 - Ongoing Operations

Amendment 1 removed the option of Phase 2 from the contract.

Appendix D – Amendment 3 Payment for Services

This amendment (3), as of 9/1/2019, reduces the monthly charge from \$1,000,000 per month to \$700,000 per month.

The results in a reduction of <\$1,200,000> .

This amendment (3), facilitates one 3-month renewal option, at the rate of \$700,000 per month.

This results in an addition of \$ 2,100,000.

Together, the above require an additional \$900,000 for the revised period of performance (2/8/19 – 3/31/20).

Total services of this contract may not exceed \$11,900,000.00.

Subject to Appropriations

All payments by the Department to Wellpath under this Agreement are subject to appropriations sufficient to fund the payment requirements of this Agreement in accordance with state law. In the event the State of Alaska fails to appropriate an amount sufficient to fund the payments due under this Agreement, the Department shall provide immediate written notice to Wellpath, and Wellpath shall thereupon have the right to cease performing services hereunder.

The parties acknowledge that funding for this Agreement will include a mix of state general funds, interagency receipts from claims related to Medicaid beneficiaries/DSH (Disproportionate Share Hospitals), and Statutory Designated Program Receipts from claims related to Medicare and other insurances.

Financial Records

Wellpath shall maintain financial records necessary for the Department to verify the expenditures for API claimed under the Budget. Such records shall be made available to the Project Director within 30 days of written request.

Invoicing

Beginning September 1, 2019, for the performance of the services of Phase 1: Stabilization, the State shall be billed monthly, in the amount of \$700,000 per month. The contractor shall submit monthly invoices to the State within thirty (30) days of the end of the month being billed. The State will pay invoices within 30 days.

The Contractor will submit invoices as follows:

Email invoices to:

hss.fms.contracts.invoicing@alaska.gov

(please reference the contract 0619-131 in the subject line)

Each invoice must:

- reference the Contractor's name, address and phone number
- reference the contract number: 0619-131
- include an invoice number
- identify the period which is being invoiced, and any prorated amount
- Reference DHSS – API, for whom the services are being provided

Dispute Resolution

In the event that the Department or Contractor have a dispute over an invoice or performance obligation (hereafter “default”), the parties shall provide notice of such default within thirty (30) days of the default (“Notice”). Each party shall have thirty (30) days to cure any default. If the offending party cures the default within such period, then any Notice shall be void and have no further force or effect.

In the event the Department or the Contractor disagrees with the alleged default or believes it will be unable to cure the default during such thirty (30)-day period, the offending party shall respond to the Notice setting forth in sufficient detail its position as to the alleged default or a reasonably detailed corrective action plan which the offending party proposes to undertake in order to cure the alleged default, including the proposed time frame for implementation of such plan. Within 15 days of receipt of the offending party’s response, a senior leader from the Department and the Contractor shall meet and confer in good faith to attempt to resolve the matters in dispute.

If the parties are unable to resolve a dispute where Contractor is the offending party, then the Department shall have the right to withhold funds from Contractor’s next invoice, provided the dispute remains unresolved and the Department has provided Contractor thirty (30) days’ prior written notice of its intent to withhold funds. The amount that the Department may withhold shall not exceed the amount of actual, reasonable, and documented out-of-pocket expenses incurred by the Department as necessary to cure the Contractor’s alleged default. The Department shall pay Contractor the remaining invoice amount net of the amount withheld. . Nothing in this section amends or abrogates the notice obligation related to termination under Appendix C, Article 5 of this agreement.

Taxes

The parties agree that Wellpath shall not be responsible for the payment of any property, ad valorem, or other taxes that may now or hereafter be due on or with respect to API or related to the operation or management of API, including any personal or business property taxes. Wellpath shall only be responsible for any taxes associated with its personnel, vendors, and pharmacy.

Full Force and Effect

If any terms or provisions of this Amendment or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Amendment or the application of such term or provision to person or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term and provision of this Amendment shall be valid and enforceable to the fullest extent permitted by law.

Except for the provisions modified by this Amendment, all other provisions of the Agreement shall remain in full force and effect and unchanged.