

**STATE OF ALASKA**

**AMENDMENT TO PROFESSIONAL SERVICES CONTRACT**

1. Agency Contract Number 060706
2. ASPS Number 2007-0600-6640
3. Optional Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Years remaining _____
4. Financial Coding
5. Agency Assigned Encumbrance Number 0682242
6. Amendment Number Two (2)

This agreement is between the State of Alaska,

7. Department of Health and Social Services  
**Health and Social Services/ Health Care Services** hereafter the State, and

8. Contractor  
**ACS State Healthcare, LLC** hereafter the Contractor

Mailing Address	Street or P.O. Box	City	State	ZIP Code
9040 Roswell Road, Suite 700		Atlanta	Georgia	30350

9. Original period of performance  
FROM: October 1, 2007 TO: September 30, 2017

10. Amended period of performance  
FROM: October 1, 2007 TO: September 30, 2017

11. Previous amount of contract to date: <b>\$ 130,480,881.00</b>	12. Amount of this amendment: <b>\$7,286,679.23</b>	13. This amended contract shall not exceed a total of: <b>\$ 137,767,560.23</b>
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14. In accordance with the provisions of the above referenced contract, the parties to that contract agree that the services to be performed by the contractor under the contract are amended as follows: All other terms and conditions of the contract remain in effect.  
This amendment is to amend appendix F and G.

IN WITNESS WHEREOF the parties hereto have executed this amendment.

**NOTICE!** This amendment has no effect until signed by the head of the contracting agency, project director and head contracting agency or designee.

15. <b>CONTRACTOR</b>		17. <b>CERTIFICATION:</b>	
Name of Firm <b>ACS State Healthcare, LLC</b>		I certify that the facts herein and on supporting documents are correct, that this voucher constitutes a legal charge against funds and appropriations cited, that sufficient funds are encumbered to pay this obligation, or that there is a sufficient balance in the appropriation cited to cover this obligation. I am aware that to knowingly make or allow false entries or alterations on a public record, or knowingly destroy, mutilate, suppress, conceal, remove or otherwise impair the verity, legibility or availability of a public record constitutes tampering with public records punishable under AS 11.56.815-.820. Other disciplinary action may be taken up to and including dismissal.	
Signature of Authorized Representative <i>Will Saunders</i>	Date <b>9-15-11</b>		
Typed or Printed Name of Authorized Representative <b>Will Saunders</b>			
Title <b>President</b>			
16. <b>CONTRACTING AGENCY</b>		Signature of Head Contracting Agency or Designee <i>[Signature]</i>	Date <b>9/21/11</b>
Department/Division <b>Health &amp; Social Services / Health Care Services</b>		Typed or Printed Name of Authorizing Official <b>Darla Madden</b>	
Signature of Project Director <i>[Signature]</i>	Date <b>9-15-11</b>	Title <b>Chief, Grants and Contracts</b>	
Typed or Printed Name of Project Director <b>Paul Cartland</b>			
Title <b>Project Director</b>			

**APPENDIX F  
PAYMENT PROVISIONS**

Payment for HIPAA 5010 Implementation provided under this contract shall not exceed **\$7,286,680.00**.  
Payment for HIPAA 5010 will be based upon fixed rate outlined in the table below.

Milestone	Description	Contract Price	Target Date	Definition
5010-1	Edifecs License/COTS Software	\$1,617,187	9/27/11	Transaction Management (TN) License/XEngine Healthcare Edition/Ramp Management/SpecBuilder, Healthcare Edition
5010-2	Provider 5010 Testing Portal Live	\$367,467	9/27/11	Provider 5010 testing portal available external for non Alaska Configured 5010 testing
5010-3	Requirements Verification Complete	\$367,467	9/27/11	State Signoff of impacted functional requirements are documented as to necessary changes. EDIFECS Solution platformed for Development/Configuration
5010-4	Business Design Complete for EDIFECS front end	\$367,467	11/31/11	Design Documentation necessary to support the front end of transactions in receipt by EDIFECS engine
5010-5	Develop and Implement Legacy Step Up/Step Down Solution, proof of concept model for full EDIFECS engine for Enterprise transaction management	\$367,467	12/31/11	All configuration and necessary implementation of the EDIFECS tool set complete including Trading Partner Management, Transaction Viewer and Customer Service Support and Production Readiness to support a test/live environment. User Acceptance Testing Completion constitutes achievement of Milestone. <b>Note:</b> The Remediation and Provider Test Go Live of Legacy is not the milestone, only the supporting solution that is re-useable for the full remediation and the availability of Provider 5010 Testing
5010-6	EDIFECS EDI Gateway Live	\$629,944	1/1/12	Step Up/Step Down Solution capable of providing identical transactions based on IG configuration to the test tools on System Test such that solution can be tested alongside direct 4010 compliant transactions upon which core is based. Milestone is the capability of receiving, viewing and managing 5010 inbound and outbound transaction.
5010-7	Business Design Complete – Enterprise Remediation	\$629,944	10/31/11	Design Documentation necessary to support the fully remediated Enterprise Solution with Alaska specific modifications complete
5010-8	Provider Incremental Testing with Back End System Available for 5010 Transactions (Enterprise-Initial 5010 Implementation)	\$419,962	06/01/12	External Trading Partners able to submit X12 Transactions to the EDI Gateway and receive responses from the Enterprise Back End.
5010-9	Implementation of 5010 Compliant Solution Using Step Up/Down or native compliance	\$262,477	Enterprise Go Live	System Go Live using EDIFECS Step Up/Step Down Solution or native compliance
5010-10	System Testing of 5010 Fully Integrated Solution Enters System Test	\$997,411	Alaska Enterprise System Test Complete	All configuration and necessary implementation of the fully compliant Enterprise Solution has passed Functional Integrated with no Severity 1 or 2 defects for all functional areas and all transactions.
5010-11	5010 Fully Integrated Solution Go Live	\$1,627,354	04/1/13	Final Go Live of 5010 native compliant solution
	Totals	\$7,286,680		

**Cost by Category**

Labor	\$	4,580,936
Consulting	\$	741,300
Office Supplies	\$	18,000
Travel	\$	143,653
Software	\$	42,188
EDIFECS	\$	1,575,000
Hardware	\$	185,603
	\$	7,286,679

The contractor shall submit invoices and attachments to the address specified below no later than 30 days after the end of each month in which services were performed. Failure to include the required information on the invoice may cause an unavoidable delay to the payment process.

The contractor will submit invoice(s) for services performed in accordance with Appendix G. Each invoice must include:

- Contractor's name and contact information for questions regarding the invoice
- Contract number
- Date (s) of services performed
- Hours worked by individual and task category with the hourly rate

Contractor shall mail the original invoice and attachments:

Department of Health and Social Services  
FMS/Grants and Contracts Support Team  
Procurement Section  
Attn: Lois Blastick  
3601 C Street, Suite 578  
Anchorage, AK 99503

Notwithstanding any other provision of this contract, it is understood and agreed that the State shall withhold payment at any time the contractor fails to perform work as required under Appendix F and /or G of this contract.

## **APPENDIX G SCOPE OF WORK**

This amendment will add the scope of work as outlined HIPAA 5010 & ICD-10 Planning Advance Planning Document (PAPD MMIS 10-003M) dated March 2010 and the below information from HIPAA 5010 Remediation Quote/Amendment dated June 15, 2011.

This amendment between the parties shall cover all ACS effort in order to achieve State goals and compliance with 45 CFR Part 162 Health Insurance Reform; Modifications to the Health Insurance Portability and Accountability Act (HIPAA); Final Rules ("HIPAA 2").

ACS, in conjunction with the State of Alaska, DHSS and its Technical Assistance Contractor (TAC) will affect the following work effort

- 5010 Provider Compliance Testing
- 5010 Solution for legacy to cover period between 1/1/2012 and Enterprise Go Live
- 5010 Solution for Enterprise using via the EDIFECS Electronic Data Interchange (EDI) Suite
- 5010 Solution for Enterprise database and rules configuration for internally supported compliance leveraging the EDIFECS suite
- Full 5010 native compliance in Enterprise

### **Project Initiation**

For purposes of defining scope and detail, ACS has provided DHSS with a document entitled Alaska 5010 Implementation Project Initiation Document. This document is hereby incorporated by reference and scope as defined within such shall be deemed scope under this amendment. This document shall be a deliverable of the 5010 Assessment but shall govern the Solution accepted by the State.

### **General Amendment Guidelines**

ACS shall provide all solutions necessary to affect the scope as defined herein and detailed within the Alaska 5010 Implementation Project Initiation Document ("PID") and Detailed Work Plans ("DWP"). Certain components of the ACS solution for 5010 are applicable only to the temporary sustainment of the Legacy system. Such functionality and the work to implement such are In Scope for purposes of this Amendment, however, ACS has excluded all costs that are specific to this effort.

### **ACS responsibilities**

1. Provide all technical, business solutions and managerial resources to affect the implementation phases
2. Purchase on behalf of the solution and on behalf of the State all necessary hardware and software necessary to affect each Phase of the Solution
3. Upon completion of the final phase, ACS shall take such steps necessary to transfer title of COTS products purchased on behalf of the State in the deployment of the Solution. At the time of this Amendment, this refers specifically to the EDIFECS suite as defined by the EDIFECS proposal which is incorporated herein by reference.
4. Integrate the necessary testing to validate that each phase of the solution will ultimately provide HIPAA 5010 compliant transaction handling.
5. For the Legacy Environment provide for the current functionality and currently used HIPAA Transactions using a Step Up Step Down approach for the period of time between the compliance date of 1/1/2012 and Go Live of the Alaska Medicaid Health Enterprise Solution
6. For each of the HIPAA Transactions identified in the Project Initiation document provide the equivalent 5010 functionality to the terms of the elaborated designs and as specified during the requirements clarification sessions. Where new functionality exists because of the enhancements of 5010, ACS shall collect, jointly agree upon and document the implementation of Alaska specific requirements. Such requirements shall be in line with the core

implementation and relate specifically to those changes to allow for the correct response, adjudication or finalization of a transaction based on current requirements.

7. ACS at any time may choose to move a fully integrated functionality forward in the process should it be in the best technical and functional interest of the project. An example of such would be to abandon the Step Up/Step Down solution for HIPAA Transaction 278 and proceed directly to an integrated and full 5010 compliant 278 transaction. Such decision will be made only after careful consideration with the State and TAC.
8. Assure that the solutions implemented shall conform to the Medicaid Enterprise Certification Toolkit (MECT) in effect at the time of this Amendment's execution.

### **State Responsibilities**

1. Either directly or through Technical Assistance Contractor (TAC) review and approve (given reasonable pre conditions), requirements deliverables jointly agreed upon and integrated into the Detailed Work Plan. Such timeframe shall be jointly agreed upon in the DWP definition phase and shall not adversely affect the ability to achieve the Go Live date.
2. Either directly or through the TAC review business design deliverables jointly agreed upon and integrated into the Detailed Work Plan. Such timeframe shall be jointly agreed upon in the DWP definition phase and shall not adversely affect the ability to achieve the Go Live date.
3. Either directly or through the TAC review testing deliverables jointly agreed upon and integrated into the Detailed Work Plan. Such timeframe shall be jointly agreed upon in the DWP definition phase and shall not adversely affect the ability to achieve the Go Live date.
4. Either directly or through the TAC provide subject matter experts meet with and walk through such deliverables, respond to Action Items, identify and help clear Issues and identify and mitigate Risks to the project in the same manner as current Project Procedures and Process documentation provides for.
5. Provide during the various implementation phases, staff necessary to User Acceptance Test and certify the Solution as ready for that Phase's production readiness.

All terms and conditions of the original contract and all subsequent amendments remain in effect.