

**GENERAL CONDITIONS OF PURCHASE
BUSINESS ASSOCIATE AGREEMENT
ADDENDUM E**

Except as otherwise provided in this Business Associate Agreement Addendum, **Health Management Associates** (hereinafter referred to as “Business Associate”), may use, access or disclose Protected Health Information to perform functions, activities or services for or on behalf of the **State of Rhode Island, Department of Behavioral Healthcare, Developmental Disabilities and Hospitals** (hereinafter referred to as the “Covered Entity”), as specified herein and the attached Agreement between the Business Associate and the Covered Entity (hereinafter referred to as “the Agreement”), which this addendum supplements and is made part of, provided such use, access, or disclosure does not violate the Health Insurance Portability and Accountability Act (HIPAA), 42 USC 1320d et seq., and its implementing regulations including, but not limited to, 45 CFR, parts 160, 162 and 164, hereinafter referred to as the Privacy and Security Rules and patient confidentiality regulations, and the requirements of the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009, Public Law 111-5 (HITECH Act) and any regulations adopted or to be adopted pursuant to the HITECH Act that relate to the obligations of business associates, Rhode Island Mental Health Law, R.I. General Laws Chapter 40.1-5-26, and Confidentiality of Health Care Communications and Information Act, R.I. General Laws Chapter 5-37.3-1 *et seq.* Business Associate recognizes and agrees it is obligated by law to meet the applicable provisions of the HITECH Act.

1. Definitions

Generally:

Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in 45 C.F.R. §§ 160.103, 164.103, and 164.304, 164.501 and 164.502.

The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA, the Privacy and Security Rules and the HITECH Act: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required by Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

Specific:

- A. “Addendum” means this Business Associate Agreement Addendum.
- B. “Agreement” means the contractual Agreement by and between the State of Rhode Island, Department of Behavioral Healthcare, Developmental Disabilities and Hospitals and Business Associate, awarded pursuant to State of Rhode Island’s Purchasing Law (Chapter 37-2 of the Rhode Island General Laws) and Rhode Island Department of Administration, Division of Purchases, Purchasing Rules, Regulations, and General Conditions of Purchasing.
- C. “Business Associate” generally has the same meaning as the term “business associate” at 45 CFR 160.103, and in reference to the party to this agreement, shall mean **Health Management Associates**
- D. “Client/Patient” means Covered Entity funded person who is a recipient and/or the client or patient of the Business Associate.
- E. “Covered Entity” generally has the same meaning as the term “covered entity” at 45 CFR 160.103, and in reference to the party to this agreement, shall mean the State of Rhode Island, Department of Behavioral Healthcare, Developmental Disabilities and Hospitals.

- F. "Electronic Health Record" means an electronic record of health-related information on an individual that is created, gathered, managed, or consulted by authorized health care clinicians and staff.
- G. "Electronic Protected Health Information" or "Electronic PHI" means PHI that is transmitted by or maintained in electronic media as defined in the HIPAA Security Regulations.
- H. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.
- I. "HIPAA Privacy Rule" means the regulations promulgated under HIPAA by the United States Department of Health and Human Services to protect the privacy of Protected Health Information including, the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.
- J. "HITECH Act" means the privacy, security and security Breach notification provisions applicable to Business Associate under Subtitle D of the Health Information Technology for Economic and Clinical Health Act, which is Title XII of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and any regulations promulgated thereunder and as amended from time to time.
- K. "Secured PHI" means PHI that was rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of technologies or methodologies specified under or pursuant to Section 13402 (h)(2) of the HITECH Act under ARRA.
- L. "Security Incident" means any known successful or unsuccessful attempt by an authorized or unauthorized individual to inappropriately use, disclose, modify, access, or destroy any information.
- M. "Security Rule" means the Standards for the security of Electronic Protected Health Information found at 45 CFR Parts 160 and 162, and Part 164, Subparts A and C. The application of Security provisions Sections 164.308, 164.310, 164.312, and 164.316 of title 45, Code of Federal Regulations shall apply to Business Associate of Covered Entity in the same manner that such sections apply to the Covered Entity.
- N. "Suspected breach" is a suspected acquisition, access, use or disclosure of protected health information ("PHI") in violation of HIPAA privacy rules, as referenced above, that compromises the security or privacy of PHI.
- O. "Unsecured PHI" means PHI that is not secured, as defined in this section, through the use of a technology or methodology specified by the Secretary of the U.S. Department of Health and Human Services.

2. Obligations and Activities of Business Associate

- A. Business Associate agrees to not use or further disclose PHI other than as permitted or required by this Agreement or as required by Law, provided such use or disclosure would also be permissible by law by Covered Entity.
- B. Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the PHI other than as provided for by this Agreement. Business Associate agrees to implement Administrative Safeguards, Physical Safeguards and Technical Safeguards ("Safeguards") that reasonably and appropriately protect the confidentiality, integrity and availability of PHI as required by the "Security Rule."
- C. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.
- D. Business Associate agrees to report to Covered Entity any use or disclosure of the PHI not provided for by this Agreement, including breaches of unsecured PHI as required by 45 C.F.R. § 164.410, and any Security Incident of which it becomes aware, within twenty-four (24) hours of the incident.
- E. Business Associate agrees to ensure that any agent, including a subcontractor or vendor, to whom it provides PHI received from, or created or received by Business Associate on behalf of Covered

Entity agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information through a contractual arrangement that complies with 45 C.F.R. § 164.314.

- F. Business Associate agrees to provide paper or electronic access, at the request of Covered Entity and in the time and manner designated by Covered Entity, to PHI in a Designated Record Set to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 C.F.R. § 164.524. If the Individual requests an electronic copy of the information, Business Associate must provide Covered Entity with the information requested in the electronic form and format requested by the Individual and/or Covered Entity if it is readily producible in such form and format; or, if not, in a readable electronic form and format as requested by Covered Entity.
- G. Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526 at the request of Covered Entity or an Individual, and in the time and manner designated by Covered Entity. If Business Associate receives a request for amendment to PHI directly from an Individual, Business Associate shall notify
- H. Covered Entity upon receipt of such request.
- I. Business Associate agrees to make its internal practices, books, and records relating to the use and disclosure of PHI received from, created or received by Business Associate on behalf of Covered Entity available to Covered Entity, or at the request of Covered Entity to the Secretary, in a time and manner designated by Covered Entity or the Secretary, for the purposes of the Secretary determining compliance with the Privacy Rule and Security Rule.
- J. Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.
- K. Business Associate agrees to provide to Covered Entity or an Individual, in a time and manner designated by Covered Entity, information collected in accordance with this Agreement, to permit Covered Entity to respond to a request by an individual for an accounting of disclosures for PHI in accordance with 45 § C.F.R. 164.528.
- L. If Business Associate accesses, maintains, retains, modifies, records, stores, destroys, or otherwise holds, uses, or discloses Unsecured Protected Health Information (as defined in 45 C.F.R. § 164.402) for Covered Entity, it shall, following the discovery of a breach of such information, notify Covered Entity of such breach within a period of twenty-four (24) hours after discovery of the breach. Such notice shall include: a) the identification of each individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been accessed, acquired or disclosed during such breach; b) a brief description of what happened, including the date of the breach and discovery of the breach; c) a description of the type of Unsecured PHI that was involved in the breach; d) a description of the investigation into the breach, mitigation of harm to the individuals and protection against further breaches; e) the results of any and all investigation performed by Business Associate related to the breach; and f) contact information of the most knowledgeable individual for Covered Entity to contact relating to the breach and its investigation into the breach.
- M. To the extent the Business Associate is carrying out an obligation of the Covered Entity's under the Privacy Rule, the Business Associate must comply with the requirements of the Privacy Rule that apply to the Covered Entity in the performance of such obligation.
- N. Business Associate agrees that it will not receive remuneration directly or indirectly in exchange for PHI without authorization unless an exception under 45 C.F.R. § 164.502(a)(5)(ii)(B)(2) applies.
- O. Business Associate agrees that it will not receive remuneration for certain communications that fall within the exceptions to the definition of Marketing under 45 C.F.R. § 164.501, unless

permitted by 45 C.F.R. § 164.508(a)(3)(A)-(B).

- P. If applicable, Business Associate agrees that it will not use or disclose genetic information for underwriting purposes, as that term is defined in 45 C.F.R. § 164.502.
- Q. Business Associate hereby agrees to comply with state laws and rules and regulations applicable to PHI and personal information of individuals' information it receives from Covered Entity during the term of the Agreement.
 - i. Business Associate agrees to: (a) implement and maintain appropriate physical, technical and administrative security measures for the protection of personal information as required by any state law and rules and regulations; including, but not limited to: (i) encrypting all transmitted records and files containing personal information that will travel across public networks, and encryption of all data containing personal information to be transmitted wirelessly; (ii) prohibiting the transfer of personal information to any portable device unless such transfer has been approved in advance; and (iii) encrypting any personal information to be transferred to a portable device; and (b) implement and maintain a Written Information Security Program as required by any state law as applicable.
 - ii. The safeguards set forth in this Agreement shall apply equally to PHI, confidential and "personal information." Personal information means an individual's first name and last name or first initial and last name in combination with any one or more of the following data elements that relate to such resident: (a) Social Security number; (b) driver's license number or state-issued identification card number; or (c) financial account number, or credit or debit card number, with or without any required security code, access code, personal identification number or password, that would permit access to a resident's financial account; provided, however, that "personal information" shall not include information that is lawfully obtained from publicly available information, or from federal, state or local government records lawfully made available to the general public.

3. Permitted Uses and Disclosures by Business Associate

- A. Except as otherwise limited to this Agreement, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Service Arrangement, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of Covered Entity required by 45 C.F.R. §164.514(d).
- B. Except as otherwise limited in this Agreement, Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.
- C. Except as otherwise limited in this Agreement, Business Associate may disclose PHI for the proper management and administration of the Business Associate, provided that disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
- D. Except as otherwise limited in this Agreement, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. §164.504 (e)(2)(i)(B).
- E. Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. §164.502(j)(1).

4. Obligations of Covered Entity

- F. Covered Entity shall notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 C.F.R. § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
- G. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose PHI to the extent that such changes may affect Business Associate's use or disclosure of PHI.
- H. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. §164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

5. Permissible Requests by Covered Entity

Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by Covered Entity, provided that, to the extent permitted by the Service Arrangement, Business Associate may use or disclose PHI for Business Associate's Data Aggregation activities or proper management and administrative activities.

6. Term and Termination

- a. The term of this Agreement shall begin as of the effective date of the Service Arrangement and shall terminate when all of the PHI provided by Covered Entity to Business Associate or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions of this Section.
- b. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
 - i. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement and the Service Arrangement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity.
 - ii. Immediately terminate this Agreement and the Service arrangement if Business Associate has breached a material term of this Agreement and cure is not possible.
- c. Except as provided in paragraph (d) of this Section, upon any termination or expiration of this Agreement, Business Associate shall return or destroy all PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI. Business Associate shall ensure that its subcontractors or vendors return or destroy any of Covered Entity's PHI received from Business Associate.
- d. In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon Covered Entity's written agreement that return, or destruction of PHI is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

7. Miscellaneous

1. A reference in this Agreement to a section in the Privacy Rule or Security Rule means the section as in effect or as amended.
2. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of HIPAA, the Privacy and Security Rules and HITECH.
3. The respective rights and obligations of Business Associate under Section 6 (c) and (d) of this Agreement shall survive the termination of this Agreement.
4. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with HIPAA and HITECH.
5. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI.
6. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer upon any person other than Covered Entity, Business Associate and their respective successors and assigns, any rights, remedies, obligations, or liabilities whatsoever.
7. Modification of the terms of this Agreement shall not be effective or binding upon the parties unless and until such modification is committed to writing and executed by the parties hereto.
8. This Agreement shall be binding upon the parties hereto, and their respective legal representatives, trustees, receivers, successors and permitted assigns.
9. Should any provision of this Agreement be found unenforceable, it shall be deemed severable and the balance of the Agreement shall continue in full force and effect as if the unenforceable provision had never been made a part hereof.
10. This Agreement and the rights and obligations of the parties hereunder shall in all respects be governed by, and construed in accordance with, the laws of the State of Rhode Island, including all matters of construction, validity, and performance.
11. All notices and communications required or permitted to be given hereunder shall be sent by certified or regular mail, addressed to the other party as its respective address as shown on the signature page, or at such other address as such party shall from time to time designate in writing to the other party, and shall be effective from the date of mailing.
12. This Agreement, including such portions as are incorporated by reference herein, constitutes the entire agreement by, between and among the parties, and such parties acknowledge by their signature hereto that they do not rely upon any representations or undertakings by any person or party, past or future, not expressly set forth in writing herein.
13. Business Associate shall maintain or cause to be maintained sufficient insurance coverage as shall be necessary to insure Business Associate and its employees, agents, representatives or subcontractors against any and all claims or claims for damages arising under this Business Associate Agreement and such insurance coverage shall apply to all services provided by Business Associate or its agents or subcontractors pursuant to this Business Associate Agreement. Business Associate shall indemnify, hold harmless and defend Covered Entity from and against any and all claims, losses, liabilities, costs and other expenses (including but not limited to, reasonable attorneys' fees and costs, administrative penalties and fines, costs expended to notify individuals and/or to prevent or remedy possible identity theft, financial harm, reputational harm, or any other claims of harm related to a breach) incurred as a result of, or arising out of or in connection with any negligent or intentional acts or omissions of Business Associate, its employees, agents, representatives or subcontractors, under this Business Associate Agreement. This provision shall survive termination of this Agreement.

8. Acknowledgement

The undersigned affirms that he/she is a duly authorized representative of the Business Associate for which he/she is signing and has the authority to execute this Addendum on behalf of the Business Associate.

Acknowledged and agreed to by:

**State of Rhode Island, Department of
Behavioral Healthcare, Developmental
Disabilities and Hospitals**

Health Management Associates

Director

Chief Administrative Officer

Title of Authorized Agent

Title of Authorized Agent

Richard Charest

Kelly Johnson

Printed Name of Authorized Agent

Printed Name of Authorized Agent



Signature of Authorized Agent

Signature of Authorized Agent



Date

Date

**GENERAL CONDITIONS OF PURCHASE
SUPPLEMENTAL TERMS AND CONDITIONS
ADDENDUM F**

Name of Contractor: Health Management Associates

Title of Agreement: Rate Methodology

Basis for Contract: RFP#7658816

Contract Award: \$490,875.00

Performance Period: February 1, 2022-June 30, 2022 with the option to renew for an additional one-year term.

This Addendum to the State's General Conditions of Purchase (220-RICR-30-00-13 available at <https://rules.sos.ri.gov/regulations/part/220-30-00-13>), supplements and serves as additional terms and conditions to the General Conditions of Purchase ("General Conditions"). The General Conditions, along with the items incorporated by reference in 220-RICR-30-00-13.4, including this Addendum, serves as the "Agreement" between the parties. Under the General Conditions of Purchase, 220-RICR-30-00-13.34, this Agreement serves as GC Addendum F. The Contractor further agrees as follows:

WHEREAS this contract is executed between the **Department of Behavioral Healthcare, Developmental Disabilities and Hospitals** (hereinafter referred to as "BHDDH"), (the "State") and **Health Management Associates** (hereinafter referred to as "the Contractor (collectively the "Parties") for services rendered to the State as to **Evaluation, Development, and Implementation of New Rate and Payment Options Services**

WHEREAS the Contractor will perform all duties and responsibilities contained in the Scope of Work (Exhibit A) and adhere to the agreed upon budget (Exhibit B).

NOW THEREFORE, the Parties to the Agreement, for good and valuable consideration, the receipt of which is hereby acknowledged, agree as follows:

PAR. 1. GOVERNING LAW AND GENERAL TERMS AND CONDITIONS

The State's Purchasing Law (Chapter 37-2 of the Rhode Island General Laws) and Rhode Island Department of Administration, Division of Purchases, Purchasing Rules, Regulations, and General Conditions of Purchase apply as the governing terms and conditions of this Agreement, which can be obtained at <https://rules.sos.ri.gov/regulations/part/220-30-00-13>. In addition, the provisions of Federal Laws, Regulations and Procedures governing the implementation of federal funds apply to this Agreement.

PAR. 2. PERFORMANCE

In addition to the obligations stated in 220-RICR-30-00-13.22, the Contractor shall perform all obligations, duties, and work for the interim period under this Agreement. Said duties and responsibilities are contained in the Scope of Work in Exhibit A; Budget in Exhibit B; and Payment Schedule in Exhibit C. The **Department of Behavioral Healthcare, Developmental Disabilities and Hospitals** ("BHDDH") shall have the right at all times, to review the work being performed and to that end, BHDDH shall be given reasonable access to all activities related to this Agreement.

PAR. 3. TIME OF PERFORMANCE

The Contractor will perform under this Agreement for an initial five (5) month term commencing on **February 1, 2022, with the option to renew an additional one-year term.**

PAR. 4. INDEPENDENT CONTRACTOR

The Contractor shall be engaged as an independent contractor of the State. Nothing contained in this Agreement will be construed to create the relationship of employer and employee, principal and agent, partnership or joint venture, or any other fiduciary relationship. The Contractor may not act as agent for, or on behalf of, the State or to bind the State in any manner. The State shall issue an IRS Form 1099 reflecting the Contractor's compensation and shall not be responsible for federal, state and local taxes derived from the Contractor's net income or for the withholding and/or payment of any federal, state and local income, and other payroll taxes, workers' compensation, disability benefits, or other legal requirements applicable to the

Contractor. The Contractor will not be entitled to worker's compensation, retirement, insurance, or other benefits afforded to employees of the State.

PAR. 5. PROJECT OFFICER - BHDDH

BHDDH shall appoint a Contract Manager to manage this Agreement. The Contractor agrees to maintain close and continuing communication with the Contract Manager throughout the performance of work and services undertaken under the terms of this Agreement. The Contract Manager is responsible for seeking authorization of all payments made by BHDDH to the Contractor under this Agreement. No work shall be commenced on the part of the Contractor without a valid Purchase Order issued by the Department of Administration, Division of Purchases.

PAR. 6. CONTRACTOR

The Contractor shall be responsible for coordinating and reporting work performed pursuant to this Agreement subject to and in accordance with the Scope of Work in Exhibit A; within the Budget in Exhibit B; and payment schedule in Exhibit C. The Contractor shall notify BHDDH in writing immediately and seek approval from BHDDH, should a change to this Agreement be necessary in the opinion of the Contractor. Under no circumstances will a change be undertaken without the prior written approval of BHDDH.

PAR. 7. WORK REVIEWS

The Contractor recognizes the responsibilities of BHDDH to provide financial oversight of its contractors and consultants and agrees that the scope of all work performed under this Agreement may be reviewed by BHDDH and/or its designee and/or by any third party designated by BHDDH, for the purpose of verifying hours, costs, and expenses, and to ensure that they are in conformance with state and federal laws, regulations, and policies or for any other reason in the sole discretion of BHDDH.

PAR. 8. RESPONSIBILITIES UPON TERMINATION AND/OR DEFAULT OF AGREEMENT

Upon termination and/or default in accordance with 220-RICR-30-00-13.20 and the delivery to the Contractor of a notice of termination, specifying the nature of the termination, the extent to which performance of work under this contract is terminated, and the date upon which such termination becomes effective, the Contractor shall:

1. Stop work under this Agreement on the date and to the extent specified in the notice of termination.
2. Take such action as may be necessary, or as the Director may reasonably direct, for the protection and preservation of the property related to this Agreement, which is in the possession of the Contractor and in which the State has or may acquire an interest.
3. Terminate all orders to the extent that they relate to the performance of work terminated by the notice of termination.
4. Subject to the provisions of this paragraph, assign to the State all of the rights, title, and interest of the Contractor under the orders so terminated, in which case the State shall have the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders, however, notwithstanding this provision, the Contractor will not be obligated to assign any such rights, title or interest in the absence of payment therefore by the State.

5. With the approval or ratification of the State, initiate settlement of all outstanding liabilities and all claims, arising out of such termination of orders, the cost of which would be reimbursable in whole or in part, in accordance with the provisions of this Agreement. Final approval by the State shall not be unreasonably withheld.

6. Subject to the provisions of this paragraph, transfer title, or if the Contractor does not have title, then transfer their rights to the State (to the extent that title has not already been transferred) and deliver in the manner, at reasonable times, and to the extent reasonably directed by the State all files, processing systems, data manuals, or other documentation, in any form, that relate to the work completed or in progress prior to the notice of termination.

7. If instructed, complete the performance of such part of the work as shall not have been terminated by the notice of termination. The Contractor shall proceed immediately with the performance of the above obligations notwithstanding any delay in determining or adjusting the amount of any item of reimbursable price under this clause.

8. Upon termination, Contractor agrees to an orderly transition in accordance with 220-RICR-30-00-13.30. Prior to the end of the Termination and up to sixty (60) days thereafter, the Contractor agrees to make an orderly transition of contract and/or deliverables hereunder and to perform any and all tasks in good faith that are necessary to preserve the integrity of the work performed by the Contractor on behalf of the State. Upon termination or expiration of the Agreement, the Contractor, shall, if requested by the State at least thirty (30) days prior to such termination or expiration, provide reasonable training for the successor entity and/or continued performance of services. For providing such training or continued performance after the Term of the Agreement, the State shall pay the Contractor at mutually agreed rates for personnel used in providing such training and/or services unless services delivered are already defined herein and rates established then such rates shall apply for such period. Should any missing data, materials, documents, etc., be discovered after expiration or termination, a grace period of one hundred and twenty (120) days shall be in effect during which the data, materials, documents, etc., is to be provided at a predetermined cost or at no additional cost if the Contractor caused the loss. Lost data shall be provided to the State in form acceptable to the State.

PAR. 9. ACCESSIBILITY AND RETENTION OF RECORDS

The Contractor agrees to make accessible and to maintain all fiscal and activity records relating to this Agreement to state and/or federal officials, or their designated representatives, necessary to verify the accuracy of Contractor invoices or compliance with this Agreement. This accessibility requirement shall include the right to review and copy such records. This requirement is also intended to include any auditing, monitoring, and evaluation procedures, including on-site visits, performed individually or jointly, by state or federal officials or their agents necessary to verify the accuracy of Contractor invoices or compliance with this Agreement. If such records are maintained out of the State of Rhode Island, such records shall be made accessible by the Contractor at a Rhode Island location. Fiscal records, and narrative records pertaining to activities performed will be retained for audit purposes for a period of at least three (3) years following the submission of the final expenditure report for this Agreement or if audit findings have not been resolved at the end of the three (3) years, the records shall be retained for an additional three (3) years after the resolution of the audit findings are made or as otherwise required by law.

The Contractor and its subcontractors, if subcontractors are permitted within the scope of this Agreement, will provide and maintain a quality assurance system acceptable to the State covering

deliverables and services under this Agreement and will tender to the State only those deliverables that have been inspected and found to conform to this Agreement's requirements. The Contractor will keep records evidencing inspections and their result and will make these records available to the state during Agreement performance and for three (3) years after final payment.

Further, the Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement.

PAR. 10. SECURITY AND CONFIDENTIALITY

10.1. Definitions

The following definitions shall apply:

1. "Breach" as defined pursuant to the Health Insurance Portability and Accountability Act ("HIPAA") guidelines as well as those found in the Health Information Technology for Economic and Clinical Health Act ("HITECH") means an acquisition, access, use or disclosure or suspected acquisition, access, use or disclosure of Protected Health Information ("PHI") in violation of HIPAA privacy rules that compromise Personally Identifiable Information ("PII") security or privacy. Additionally, a Breach or suspected Breach means an acquisition, access, use or disclosure or suspected acquisition, access, use or disclosure of PII or Sensitive Information ("SI").
2. "Incident" is defined by OMB Memorandum M-17-12, "Preparing for and Responding to a Breach of Personally Identifiable Information" (January 3, 2017), as an occurrence that (1) actually or imminently jeopardizes, without lawful authority, the integrity, confidentiality, or availability of information or an information system; or (2) constitutes a violation or imminent threat of violation of law, security policies, security procedures, or acceptable use policies.
3. "Confidential Information" means information that Contractor receives or has access to under this Agreement, including but not limited to; PII; SI; PHI; Return Information; other information (including electronically stored information) or records sufficient to identify an applicant for or recipient of government benefits; preliminary draft, notes, impressions, memoranda, working papers and work product of State employees; any other records, reports, opinions, information, and statements required to be kept confidential by State or federal law or regulation, or rule of court; any statistical, personal, technical and other data and information relating to the State's data; or other such data protected by State and federal laws, regulations.
4. "Personally Identifiable Information" or "PII" means any information about an individual maintained by an agency, including, but not limited to, education, financial transactions, medical history, and criminal or employment history and information which can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual, such as their name, social security number, date and place of birth, mother's maiden name, biometric records, etc. (As defined in 45 CFR § 75.2 and as defined in OMB Memorandum M-06-19, "Reporting Incidents Involving Personally Identifiable Information and Incorporating the Cost for Security in Agency Information Technology Investments"). PII shall also include individual's first name or first initial and last name in combination with any one or more of types of information, including, but not limited to, social security number, passport number, credit card numbers, clearances, bank numbers, biometrics, date and place of birth, mother's maiden name, criminal, medical and financial records, educational transcripts (as defined in 45 CFR § 75.2 Protected Personally Identifiable Information).

5. “Protected Health Information” or “PHI” means individually identifiable information relating to the past, present, or future health status of an individual that is created, collected, or transmitted, or maintained by a HIPAA-covered entity in relation to the provision of healthcare, payment for healthcare services, or use in healthcare operations. Health information such as diagnoses, treatment information, medical test results, and prescription information are considered protected health information under HIPAA, as are national identification numbers and demographic information such as birth dates, gender, ethnicity, and contact and emergency contact information. PHI relates to physical records, while ePHI is any PHI that is created, stored, transmitted, or received electronically. PHI does not include information contained in educational and employment records, that includes health information maintained by a HIPAA covered entity in its capacity as an employer.

6. “Return Information” is defined under 26 USC § 6103(b)(2) and has the same meaning as “Federal Tax Information” or “FTI” as used in IRS Publication 1075.

7. “Sensitive Information” or “SI” means information that could be expected to have a serious, severe, or catastrophic adverse effect on organizational operations, organizational assets, or individuals if the confidentiality, integrity, or availability is lost. Further, the loss of Sensitive Information confidentiality, integrity, or availability might: (i) cause a significant or severe degradation in mission capability to an extent and duration that the organization is unable to perform its primary functions; (ii) result in significant or major damage to organizational assets; (iii) result in significant or major financial loss; or (iv) result in significant, severe or catastrophic harm to individuals that may involve loss of life or serious life threatening injuries. (Defined in HHS Memorandum ISP-2007-005, "Departmental Standard for the Definition of Sensitive Information" as amended).

10.2. General

The Contractor shall take security measures to protect against the improper use, loss, access of and disclosure of any Confidential Information it may receive or have access to under this Agreement as required by this Agreement, the RFP and proposal, or which becomes available to the Contractor in carrying out this Agreement and the RFP and the proposal and agrees to comply with State requirements for safeguarding Confidential Information. All such information shall be held in strict confidence and protected by the Contractor from unauthorized use and disclosure utilizing same or more effective procedural requirements as are applicable to the State.

10.3. Privacy and Security Safeguards and Obligations

For all Confidential Information under this Agreement, the Contractor must comply with the following privacy and security requirements and obligations:

a. Ensure that its employees, contractors, and agents implement the appropriate administrative, physical, and technical safeguards to protect Confidential Information received by Contractor under this Agreement from loss, theft, or inadvertent disclosure.

i. Administrative Safeguards. Contractor will advise all users who will have access to the Confidential Information of its confidential nature, the safeguards required to protect the Confidential Information, and the civil and criminal sanctions for noncompliance contained in applicable Federal laws.

- ii. Physical Security/Storage: Contractor will store the Confidential Information in an area that is physically and technologically secure from access by unauthorized persons during duty hours, as well as non-duty hours or when not in use (e.g., door locks, card keys, biometric identifiers, etc.). Only authorized personnel will transport the Confidential Information. Contractor will establish appropriate safeguards for such Confidential Information, as determined by a risk-based assessment of the circumstances involved.
- iii. Technical Safeguards: Contractor agrees that the Confidential Information exchanged under this Agreement will be processed under the immediate supervision and control of authorized personnel to protect the confidentiality of the Confidential Information in such a way that unauthorized persons cannot retrieve any such Confidential Information by means of computer, remote terminal, or other means. Contractor personnel must enter personal identification information when accessing Confidential Information on the State's systems. Contractor will strictly limit authorization to those electronic Confidential Information areas necessary for authorized persons to perform his or her official duties.
- iv. Understand that they are responsible for safeguarding this information at all times, regardless of whether or not the Contractor employee, subcontractor, or agent is at his or her regular duty station.
- v. Ensure that laptops and other electronic devices/media containing Confidential Information that constitutes PII are encrypted and/or password protected.
- vi. Send E-mails containing Confidential Information that constitutes PII only if encrypted and being sent to and received by email addresses of persons authorized to receive such information. In the case of FTI, Contractor employees, subcontractors, and agents must comply with Internal Revenue Service ("IRS") Publication 1075's rules and restrictions on emailing return information.
- vii. Restrict access to the Confidential Information only to those authorized Contractor employees, subcontractors, and agents who need such Confidential Information to perform their official duties in connection with purposes identified in this Agreement; such restrictions shall include, at a minimum, role-based access that limits access to those individuals who need it to perform their official duties in connection with the uses of Confidential Information authorized in this Agreement ("authorized users"). Contractor shall not use or access Confidential Data for independent projects unrelated to the purposes identified in this Agreement. Further, the Contractor shall advise all users who will have access to the Confidential Information provided under this Agreement of the confidential nature of the Confidential Information, the safeguards required to protect the Confidential Information, and the civil and criminal sanctions for noncompliance contained in the applicable Federal laws. The Contractor shall require its contractors, agents, and all employees of such contractors or agents with authorized access to the Confidential Information disclosed under this Agreement, to comply with the terms and conditions set forth in this Agreement, and not to duplicate, disseminate, or disclose such Confidential Information unless authorized under this Agreement.
- viii. For receipt of FTI, the Contractor agrees to maintain all return information sourced from the IRS in accordance with IRC section 6103(p)(4) and comply with the safeguards requirements set forth in Publication 1075, "Tax Information Security Guidelines for Federal, State and Local Agencies", which is the IRS published guidance for security guidelines and other safeguards

for protecting return information pursuant to 26 CFR § 301.6103(p)(4)-1. In addition, the Contractor shall:

- (1) Establish a central point of control for all requests for and receipt of Return Information and maintain a log to account for all subsequent disseminations and products made with/from that information, and movement of the information until destroyed, in accordance with Publication 1075.
- (2) Establish procedures for secure storage of return information consistently maintaining two barriers of protection to prevent unauthorized access to the information, including when in transit, in accordance with Publication 1075.
- (3) Consistently label return information obtained under this Agreement to make it clearly identifiable and to restrict access by unauthorized individuals. Any duplication or transcription of return information creates new records which must also be properly accounted for and safeguarded. Return information should not be commingled with other records unless the entire file is safeguarded in the same manner as required for return information and the FTI within is clearly labeled in accordance with Publication 1075.
- (4) Restrict access to return information solely to officers, employees, agents, and subcontractors of the Contractor whose duties require access for the purposes of carrying out this Agreement. Prior to access, the Contractor must evaluate which personnel require such access on a need-to-know basis. Authorized individuals may only access return information to the extent necessary to perform services related to this Agreement, in accordance with Publication 1075.
- (5) Prior to initial access to FTI and annually thereafter, the Contractor will ensure that employees, officers agents, and subcontractors that will have access to return information receive awareness training regarding the confidentiality restrictions applicable to the return information and certify acknowledgement in writing that they are informed of the criminal penalties and civil liability provided by sections 7213, 7213A, and 7431 of the Internal Revenue Code for any willful disclosure or inspection of return information that is not authorized by the Internal Revenue Code, in accordance with Publication 1075.
- (6) Contractor must ensure information systems processing return information are compliant with Section 3544(a)(1)(A)(ii) of the Federal Information Security Management Act of 2002 (FISMA).

10.4. Ownership of Confidential Information

The Contractor expressly agrees and acknowledges that Confidential Information provided to and/or transferred by the State or to which the Contractor has access to for the performance of this Agreement is the sole property of the State and shall not be disclosed and/or used or misused and/or provided and/or accessed by any other individual(s), entity(ies) and/or party(ies) without the express written consent of the State. Further, the Contractor expressly agrees to forthwith return to the State any and all said Confidential Information and/or information and/or Confidential Information and/or database upon the State's written request and/or cancellation and/or termination of this Agreement.

10.5. Compliance with Applicable Laws, Regulations, Policies and Standards

The Contractor agrees to abide by all applicable, current and as amended Federal and State laws, regulations, policies, guidance and standards governing the confidentiality of information to which it may have access to under this Agreement, including to but not limited to the Business Associate requirements of HIPAA (www.hhs.gov/ocr/hipaa) and 45 CFR § 155.260. In addition, the Contractor agrees to comply with the State confidentiality policy recognizing a person's basic right to privacy and confidentiality of personal information.

The Contractor agrees to adhere to any and all applicable State and federal statutes and regulations relating to confidential health care and substance abuse treatment including but not limited to the Federal Regulation 42 CFR, Part 2; Rhode Island Mental Health Law, R.I. General Laws Chapter 40.1-5-26; Confidentiality of Health Care Communications and Information Act, R.I. General Laws Chapter 5- 37.3-1 et seq; Identity Theft Protection Act of 2015, R.I. General Laws Chapter 11-49.3 and HIPAA and its implementing regulations. The Contractor acknowledges that failure to comply with the provisions of this Paragraph will result in the termination of this Agreement.

In connection with all PII that Contractor receives or has access to under this Agreement, the Contractor must comply with Minimum Acceptable Risk Standards for Exchanges (“MARS-E:), version 2.0 dated November 15, 2015 which includes the following suite of documents: Volume I: Harmonized Security and Privacy Framework; Volume II: Minimum Acceptable Risk Standards for Exchanges; Volume III: Catalog of Minimum Acceptable Risk Security and Privacy Controls for Exchanges; and Volume IV: ACA Administering Entity System Security Plan.

Notwithstanding any other requirement set out in this Agreement, the Contractor acknowledges and agrees that the HITECH Act and its implementing regulations impose requirements with respect to privacy, security and Breach notification and contemplates that such requirements shall be implemented by regulations to be adopted by the U.S. State of Health and Human Services. The HITECH requirements, regulations and provisions are hereby incorporated by reference into this Agreement as if set forth in this Agreement in their entirety. Notwithstanding anything to the contrary or any provision that may be more restrictive within this Agreement, all requirements and provisions of HITECH, and its implementing regulations currently in effect and promulgated and/or implemented after the date of this Agreement, are automatically effective and incorporated herein. Where this Agreement requires stricter guidelines, the stricter guidelines must be adhered to.

10.6. Breach/Incident Reporting

Upon notice of a suspected or confirmed Incident or Breach the State and Contractor will meet to jointly develop an Incident investigation and remediation plan. Depending on the nature and severity of the confirmed Breach, the plan may include the use of an independent third-party security firm to perform an objective security audit in accordance with recognized cyber security industry commercially reasonable practices. The Parties will consider the scope, severity and impact of the Incident to determine the scope and duration of the third-party audit. If the Parties cannot agree on either the need for or the scope of such audit, then the matter shall be escalated to senior officials of each organization for resolution. The Contractor will pay the costs of all such audits. Depending on the nature and scope of the Incident, remedies may include, among other things, information to individuals on obtaining credit reports and notification to applicable credit card companies, notification to the local office of the Secret Service, and or affected users and other applicable Parties, utilization of a call center and the offering of credit monitoring services on a selected basis.

10.7. Other

Failure to abide by the State's confidentiality policy or the required signed Business Associate Agreement (“BAA”) will result in termination remedies, including but not limited to, termination of this Agreement. A BAA shall be signed by the Contractor, simultaneously or as soon thereafter as possible, from the signing of this Agreement, as required by the State. The Contractor agrees that no findings, listing, or information derived from information obtained through performance of this Agreement may be released or publicly disclosed in any form for any purpose if such findings, listing, or information contains any combination of data elements that might allow an individual to determine a beneficiary’s identification without first obtaining written authorization from the State’s Contract Manager. Examples of such data elements include, but are not limited to geographic indicators, age, sex, diagnosis, procedure, date of birth, or admission/discharge date(s). The Contractor agrees further that the State shall be the sole judge as to whether any finding, listing, information, or any combination of data extracted or derived from the State’s files identify or would, with reasonable effort, permit one to identify an individual, or to deduce the identifying of an individual to a reasonable degree of certainty. The Contractor agrees that the conditions set forth herein apply to any materials presented or submitted review and/or publication that contain individual identifying elements in the information obtained, as stated above, unless such information is presented in the aggregate. Under no circumstance, shall the Contractor publicly disclose or present or submit any materials for review and/or publication that contains an individual’s social security number, in part or in whole. The Contractor is hereby notified that all initial data received from DHS is considered confidential by the State.

Contractor will inform the State of any change in its administrative, technical, or operational environment that would impact compliance with the terms of this Agreement, including but not limited to compliance with 45 CFR § 155.260.

The Contractor shall monitor, periodically assess, and update its security controls and related system risks to ensure the continued effectiveness of those controls in accordance with 45 CFR § 155.260(a)(5).

The Contractor shall not be required under the provisions of this Paragraph 23 to keep confidential any Confidential Information or information, which is or becomes legitimately publicly available or is rightfully obtained from third Parties under no obligation of confidentiality.

Contractor shall establish and maintain, throughout the term of this Agreement, policies and procedures to ensure the safekeeping of Confidential Information and prevent unauthorized access to or use of such Confidential Information in compliance with ISO 27001 and ISO 27002 (or any replacement standard relating to information security), applicable regulatory requirements, and consistent with industry standards. In addition to its other obligations set forth in this Agreement, whenever Contractor possesses, stores, processes or has access to the State’s Confidential Information, Contractor shall comply with those information security policies and procedures reasonably required by the State from time to time.

Nothing herein shall limit the State’s ability to seek injunctive relief or any and all damages resulting from the Contractor’s negligent or intentional disclosure of Confidential Information.

PAR. 11. NONDISCRIMINATION IN EMPLOYMENT AND SERVICES

By signing this Agreement, the Contractor agrees to comply with the requirements of Title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq.); Section 504 of the Rehabilitation Act of 1973, as amended (29 USC 794); Americans with Disabilities Act of 1990 (42 USC 12101 et.

seq.); Title IX of the Education Amendments of 1972 (20 USC 1681 et. seq.); The Age Discrimination Act of 1975, The United States Department of Health and Human Services (hereinafter DHHS) Regulations found in 45 CFR, Parts 80 and 84; the United States Department of Education Implementing regulations (34 CFR, Parts 104 and 106); and BHDDH, Directive 1124, which prohibit discrimination on the basis of race, color, national origin (limited English proficiency persons), age, sex (including gender identity, transgender status, sexual orientation, and pregnancy), disability, genetic information, marital/parental status, religion, political beliefs, or retaliation for opposing discriminatory practices or for participating in the discrimination-complaint process. in acceptance for or provision of services, employment, or treatment in educational or other programs or activities, or as any of the Acts are amended from time to time.

The Contractor must submit, within thirty-five (35) days of the date of a request by DHHS or BHDDH full and complete information on Title VI and/or Section 504 compliance and/or self-assessments, as referenced above, by the Contractor and/or any subcontractor or vendor of the Contractor.

The Contractor further agrees to comply with all other provisions applicable to law, including the Americans with Disabilities Act of 1990; the Governor's Executive Order No. 05-01, Promotion of Equal Opportunity and the Prevention of Sexual Harassment in State Government.

The Contractor also agrees to comply with the requirements of the State for safeguarding of client information as such requirements are made known to the Contractor at the time of this contract. Changes to any of the requirements contained herein shall constitute a change and be handled in accordance with 220-RICR-30-00-13.4(C)(1)(c).

Failure to comply with this Paragraph may be the basis for cancellation of this Agreement.

PAR. 12. MODIFICATION OF AGREEMENT

All modifications to the Agreement are subject to 220-RICR-30-00-13.4(C)(1)(c).

PAR. 13. INTEREST OF CONTRACTOR

The Contractor covenants that it presently has no pecuniary interest and shall not acquire any such interest, direct or indirect, without first disclosing to the State in writing and then subsequently obtaining approval, in writing, from the State, that would conflict in any manner or degree with the performance of services required under this Agreement. The Contractor further covenants that no person having any such interest shall be employed by the Contractor for the performance of any work associated with this Agreement.

PAR. 14. OWNERSHIP

Any and all data, technical information, information systems, materials gathered, originated, developed, prepared, modified, used or obtained by the Contractor in performance of the Agreement, including but not limited to, all hardware, software computer programs, data files, application programs, intellectual property, source code, documentation and manuals, regardless of state of completion shall be deemed to be owned and remain owned by the State ("State Property"). However, each party will retain all rights in any software, ideas, concepts, know-how, development tools, techniques or any other proprietary material or information that it owned or developed prior to the date of this Agreement or acquired or developed after the date of this Agreement without reference

to or use of the intellectual property of the other party. All software that is licensed by a party from a third-party vendor will be and remain the property of such vendor.

PAR. 15. NOTICES

No notice, approval or consent permitted or required to be given by this Agreement will be effective unless the same is in writing and sent postage prepaid, certified mail or registered mail, return receipt requested, or by reputable overnight delivery service to the other party at the address set forth below, or such other address as either party may direct by notice given to the other as provided, and shall be deemed to be given when received by the addressee.

Contractor:
Kelly Johnson
Chief Administrative Officer
Health Management Associates
120 North Washington Square, Suite 705
Lansing, MI 48933
kjohnson@healthmanagement.com
517-482-9236

State: Department of Behavioral Healthcare, Developmental Disabilities, & Hospitals
Anne LeClerc
6 Harrington Rd.
Cranston, RI 02920
Anne.LeClerc@bhddh.ri.gov
401-462-0192

PAR. 16. GOVERNING LAW

This Agreement is deemed executed and delivered in the City of Cranston, State of Rhode Island, and all questions arising out of or under this Agreement shall be governed by the laws of the State of Rhode Island.

PAR. 17. INSURANCE

Throughout the term of the Agreement and any extended periods Insurance Requirements – Professional Services, attached hereto and made a part hereof, the Contractor and any subcontractor shall procure and maintain, at its own cost and expense, insurance as required by Addendum A, General Conditions of Insurance

IN WITNESS WHEREOF, the parties hereto have hereunder set their hands as of the date first above written and this Agreement made legally binding upon the issuance of a valid Purchase Order by the State of Rhode Island as follows:

**State of Rhode Island, Department of
Behavioral Healthcare, Developmental
Disabilities and Hospitals**

Health Management Associates

Director

Title of Authorized Agent

Richard Charest

Printed Name of Authorized Agent



Signature of Authorized Agent

Date

1/19/22

Chief Administrative Officer

Title of Authorized Agent

Kelly Johnson

Printed Name of Authorized Agent

Signature of Authorized Agent

Date

EXHIBIT A SCOPE OF WORK

The purpose of this contract is to evaluate, recommend, and help implement new rates and payment methodologies that will support improved long-term outcomes for adults with I/DD receiving services from BHDDH. BHDDH seeks to shift towards a system of community-based supports that promote individual self-determination, choice, and control. While in practice the system has been moving in that direction, the current rate structure and payment methodology are rooted in more facility-based congregate care not fully aligned with that direction.

A common theme with stakeholders has been that the assumptions and elements of the legacy system should be re-examined if the system is to be able to move forward. Core questions for Rhode Island include how state leaders envision the life possibilities and outcomes for people with I/DD, what the system should look like next, what steps to take to get there, how much needs to be changed, and how much should be built on the current platform. Many factors will need to be taken into consideration in this effort to undertake a comprehensive restructuring of provider reimbursement rates and payment methodology.

This contract will improve the system structure and performance with the following outcomes:

- Increasing supports in community settings. Any recommended new rates, payment methodologies, and service structures will promote, engage, and use flexible and responsive community resources in the least restrictive environment to assist individuals to build and maintain relationships, supports, and independence.
- With this contract, BHDDH aims to facilitate innovation and flexibility, add new services to the array available with appropriate rates for each service, generate greater value for taxpayers, and ensure transparency and accountability.

The Vendor will assist with the transformation from the current system that provides services and supports in a modality rooted in congregate settings, and payments based on units and volume, to one where the supports and services foster self-determination, choice, independence, and economic self-sufficiency, where payments are based on value and outcomes.

The Vendor will explore, model, and recommend actuarially sound options, including Alternative Payment Methods (APM) and/or Value-Based Payment (VBP) models, that offer financial flexibility, expand access, promote value, quality, and cost-effectiveness, foster continued development of community-based supports, including nonmedical interventions that address social determinants of health.

HMA will assist Rhode Island within the Rate and Payment Methodology Change effort through evaluation, stakeholder engagement, analysis including cost analysis, modeling, rate-setting, and policy recommendations that will encompass the following activities.

Task 1. Establish Core Definitions, State of the State, and Framework for the Project.

This HCBS rate-setting study will begin with a thorough review of existing requirements and a discussion of the impetuses behind and goals for the project. These critical tasks lay the foundation for the study, ensuring the ultimate results are aligned with the needs of the system.

Task 1.a. Review and update service definitions, including new service parameters, to align with direction of DDD, HCBS requirements, Consent Decree mandates, and community input.

Service requirements should drive payment rates. To develop a comprehensive understanding of service requirements in Rhode Island, the HMA-Burns project team will review the state's 1115 waiver, applicable state and federal regulations and policies, service and billing manuals, the consent decree mandates, and other program materials. The State and the project team will review proposed changes to existing services and plans for new services.

Specific areas of focus will include:

- *Cost drivers.* HMA-Burns will identify factors that directly impact provider expenses, such as DSP qualifications and staffing levels.
- *Service design elements that will influence the appropriate rate structure.* For example, shared or group services such as residential group homes have fixed costs that remain unchanged regardless of whether a given individual is absent, so the rate structure needs to allow providers to bill for reasonable absences either directly (for example, through a weekly or monthly payment rate) or indirectly (for example, through an absence factor included in a payment rate model).
- *Rate differentials based on participant and service characteristics.* HMA-Burns will consider the extent to which rates should and do take into account characteristics that can impact provider costs, such as individual acuity (which could require more intensive staffing and/or staff with greater qualifications) and service setting (as there are often greater costs for community-based services compared to center-based services).
- *Value-based approaches.* HMA-Burns will evaluate any existing value-based payment approaches as well as opportunities for such models.

DELIVERABLE: As materials are reviewed, HMA-Burns will develop a detailed discussion outline summarizing its understanding of the requirements and rate structures for each service as well as suggestions for potential changes based innovative and effective practices across the country. This outline will provide the foundation for a meeting with BHDDH during which HMA-Burns will seek any necessary clarifications regarding program standards as well as the state's goals for each service.

HMA-Burns will also meet with the stakeholder advisory group to discuss their perspectives on the strengths and weaknesses of existing rate structures. HMA-Burns will gather input directly from individuals receiving services and their families. Although they will not be asked to provide detailed cost data as providers are, they can offer valuable insights into their priorities, which could inform rate model development.

The findings from this task will inform subsequent data collection and rate development tasks.

Task 1.b. Review Changes to Federal or State Policies to Evaluate Potential Impacts to Rates

As part of the document review and subsequent discussion with BHDDH staff discussed in Task 1.a, the HMA-Burns project team will consider the extent to which changes to federal or state policies have been incorporated in payment rates. For example, HMA-Burns will work with BHDDH and stakeholders to determine whether payment rates are adequate to comply with requirements such as CMS' final rule on community integration,

electronic visit verification, and the consent decree with the U.S. Department of Justice. HMA-Burns will identify and analyze data that will inform estimates of the cost of these and other policies through the provider survey and other data collection discussed in the tasks below. Additionally, HMA-Burns will model the estimated impact of the recently enacted increase in the state's minimum wage to \$15 per hour in 2025. This has been one of HMA-Burns areas of focus in recent years as numerous states have enacted their own higher minimum wage. HMA-Burns has developed a formula intended to account for the real-world spillover and compression effects that occur as the minimum wage increases so a reasonable premium remains to attract workers willing to perform the challenging work of direct care.

DELIVERABLE: Final recommendations will note how the rates were impacted by these policies.

Task 1.c. Evaluate the Existing 1115 Waiver and Suggest Any Needed Changes

As noted in Task 1.a, the HMA-Burns project team will begin the project by thoroughly reviewing all materials governing the program and individual services, including the 1115 waiver and its level of care definitions, the current service definitions, and the evidentiary review guidance for HCBS .

HMA-Burns will update a recent comprehensive scan of other states' waiver programs to identify innovative services that BHDDH may wish to replicate.

DELIVERABLES: HMA-Burns will incorporate preliminary suggestions for changes to the waiver in the discussion outline mentioned in Task 1.a. Final recommendations will be reported with overall project findings and conclusions.

Task 1.d. Conduct a cost analysis of current provider services, including fiscal intermediaries. Provide a report detailing costs within the current system, showing differences among current providers, and including an analysis of the impact of the COVID-19 pandemic.

Provider cost surveys represent a key source of information for understanding provider costs as well as service designs, such as caseloads and staffing ratios, staff productivity, and encounter lengths. Accordingly, HMA-Burns will design, administer, and evaluate the results of a provider cost survey that will be open to all BHDDH providers.

The Excel-based provider survey tool successfully utilized by HMA-Burns in dozens of rate studies is comprised of a series of forms covering topics such as agency revenues from I/DD services and all other sources; DSP wages, benefits, and productivity; administrative and program support costs; and other factors pertinent to each service (such as common staffing ratios, mileage driven to deliver services, and related factors). HMA-Burns' recent surveys also include a form to report COVID-related impacts on costs and operations.

Once vetted by the stakeholder advisory group and approved by BHDDH, HMA-Burns will email the provider survey to all providers using contact information provided by BHDDH. The survey will be in the field for approximately four weeks. HMA-Burns will employ several strategies to offer technical assistance to providers during the survey period, including a detailed instruction manual, embedded instructions within the survey, a recorded webinar that walks through each form of the survey and can be accessed at any time by providers, a help desk phone number and email address providers can contact for assistance with all or portions of the survey, and a desk review of submitted surveys.

DELIVERABLE: At the conclusion of the survey administration period, HMA-Burns will aggregate individual surveys into a consolidated database and perform a detailed analysis of the surveys, reporting both the range of responses and systemwide averages.

Task 1.e. Benchmark costs of current system against other providers outside of the Rhode Island DD network, including but not limited to what other provider cost models look like. Factor in the impact of the COVID-19 pandemic and lessons learned to analyze short-term and long-term variables affecting costs and address how costs, rates, and payments could be approached in any such future disruptive events.

After collecting current cost data through the provider survey, the HMA-Burns project team will identify benchmark cost data from other provider groups. Within the state, examples of benchmark groups could include Medicaid providers required to submit cost reports such as nursing homes and home health agencies that submit Medicare cost reports. These other providers are not entirely comparable to HCBS providers, but key cost drivers—such as frontline paraprofessional staff wages and indirect rates—can reasonably be compared. To provide perspective on how Rhode Island provider costs compare to other HCBS providers, HMA-Burns will draw on the data collected as part of its previous 12 rates studies. Again, the focus will be on the major cost drivers such as DSP wages and benefits and agency indirect rates.

The provider survey will include a specific schedule for reporting COVID-related impacts. HMA-Burns will analyze data reported through this form to understand how the pandemic affected providers and facilitate a deeper understanding of providers' cost structures. For example, HMA-Burns analyze overall cost structures such as the relative proportions of staffing and facility costs. These insights can be used to develop contingency plans to effectively support providers in any future disruptive events.

DELIVERABLE: Benchmark reports

Task 1.f. Conduct a Cost Analysis of Proposed Service Changes

At the onset of the project, HMA-Burns will request claims data from the three most recent fiscal years. HMA-Burns will use this data to construct a fiscal impact model that will be used to test the financial impact of potential changes to the program.

HMA-Burns will use this model to estimate the impacts of potential changes to services such as changes to existing service requirements, bundling or unbundling of services, and/or the addition of new services. To develop estimates for each change, HMA-Burns will rely on its experience working with other systems, input from BHDDH and the stakeholder advisory group, and a review of utilization in comparable states.

DELIVERABLES: Fiscal impact model and report on impacts of proposed changes. HMA-Burns will document all assumptions so they may be revised to model the sensitivity of potential changes and/or to accommodate new data.

Task 1.g. Consider potential differences that might be addressed in new rates, such as but not limited to geographical region, level of supports provided, agency or staff certification/accreditation.

The HMA-Burns project team will identify potential differentiators, such as:

- *Geographic region.* HMA-Burns has established geographically differentiated rates in several states. These rates typically consider differences in prevailing wages and travel burdens, which HMA-Burns measures by determining the driving time and distance between every individual and provider pairing in the claims data.
- *Staff qualifications.* Rates that vary based on staff qualifications can be either narrowly or broadly focused. For instance, separate rate models can be built for specialized group homes staffed by certified

nursing assistants overseen by a nurse to meet the needs of individuals with significant medical conditions. Or higher rates can be developed for staff that meet certain training or certification standards. Any individual can receive services from these more qualified staff based on the premise that all individuals can benefit from better-trained staff.

- *Service-specific factors.* Some services may have features that support differentiated rates.

HMA-Burns will consider opportunities for differentiated rates during the additional review of program materials discussed in Task 1.a and throughout the duration of the project.

DELIVERABLE: Proposal of factors that RI should consider for differentiated rates that includes feasibility of implementation, such as ease of administration, data collection, and monitoring.

Task 1.h. Identify Data Needs to Inform Rate Model Cost Assumptions

The information gained from the provider survey will provide significant insights into providers' current cost structures. These costs, though, are often a function of current rates so HMA-Burns will also consider information from other sources. HMA-Burns will collect independent data from secondary sources to inform rate model assumptions.

HMA-Burns will collect other market cost data, including state-specific health insurance take-up rates and average premiums; workers' compensation premiums and state unemployment insurance tax rates; commercial real estate costs, including differences in such costs across the state; and the Internal Revenue Service's standard mileage rate.

DELIVERABLE: Data collected during this task will inform assumptions in the rate models discussed in Task 3.

Task 1.i. Identify Appropriate Procedure Codes and Billing Rules

Once the rate and payment models discussed in Task 3 are finalized, HMA-Burns will identify any requisite changes to billing rules or codes. In particular, HMA-Burns will consider the following:

- *Billing units.* Based on BHDDH's policy goals, changes to billing units may be considered. If any such changes are contemplated, HMA-Burns will identify any billing requirements.
- *Billing limits.* HMA-Burns will work with BHDDH to determine any appropriate billing limits within the selected model.
- *Procedure codes and modifiers.* For any proposed changes to the service array or the number of rate variants for a given service, or to offer greater insight into the types of supports being provided, HMA-Burns will assist BHDDH in identifying new or changed procedure codes or modifiers.

DELIVERABLES: HMA-Burns will incorporate this task with other tasks as appropriate. For example, if changes to the service array are suggested, recommendations will consider appropriate procedure codes. Similarly, a detailed listing of needed changes to billing rules and codes will accompany the delivery of rate models.

Task 2. Assist in Developing Individual Budgets for Participants

The HMA-Burns project team will consider all aspects of what constitutes an individual budget, including the criteria used to assign levels of need, the potential inclusion of other elements to inform budgets, the assumptions that underlie the budgets, and the individual's ability to design their own flexible annual budget.

DELIVERABLE: Analysis and recommendations for individualized, flexible alternatives to the current budget categories.

Task 2.a. Align results of defined assessments and other variables to contribute to development of individual budgets/funding allocation.

The HMA-Burns project team will consider both the assessment criteria used to assign support levels and the potential inclusion of other factors in the determination of individual budgets.

HMA-Burns will first evaluate the criteria used to translate SIS results to tier assignments. Based on discussions with BHDDH and stakeholders as well as an evaluation of utilization data and exceptions, the HMA-Burns team will identify opportunities for potential changes to the level framework. In addition to the criteria in the SIS itself, this evaluation will consider the supplemental questions and verification process.

Other factors will also be considered to account for unique circumstances in each individual's life and may be applied systematically to adjust a person's individual budget. Building on discussions with BHDDH and stakeholders, the HMA-Burns project team will explore options for including other factors into the individual budget amounts.

DELIVERABLE: Report on options for determining individual budgets.

Task 2.b. Evaluate Current Service Packages and the Methodology for Allocating Funds to Individuals

The HMA-Burns project team will work with BHDDH and stakeholders to evaluate the adequacy of the service packages used to establish the individual budgets as defined by BHDDH. This evaluation will incorporate the following:

- Discussions with BHDDH and stakeholders regarding their perceptions of the individual budgets HMA-Burns will also request any quantitative or qualitative reviews of the individual budgets that BHDDH has undertaken.
- A review of historical service use and spending by level to understand how the current service package assumptions compare to actual service use.
- A review of requests for exceptions and exception approval rates by level.

This evaluation will provide a comprehensive perspective on the effectiveness of the current funding model and may suggest potential changes to the development of individualized budgets. Potential changes resulting from this evaluation will be considered in tandem with broader changes considered as part of other tasks, including potential changes to level criteria.

DELIVERABLE: Report on options to replace the existing cohort-structured funding allocations with more individualized budgets.

Task 2.c. Benchmark proposed methodology to methodologies used by other similar states, including New England states, and to similar programs for other populations within Rhode Island.

The HMA-Burns project team will benchmark the proposed new individual budget framework to those in other states as well as any relevant frameworks in place in other programs in Rhode Island (benchmarking costs and rates are discussed in Tasks 1.e and 3.i, respectively).

DELIVERABLE: Benchmark reports.

Task 2.d. Benchmark Regional Wage Categories for Workforce

DELIVERABLE: HMA-Burns will evaluate regional wage data, including planned changes in minimum wages that will put upward pressure on DSP wages.

Task 2.e. Conduct an analysis of how self-directed individuals develop and manage their budgets and compare to agency-based individuals.

The HMA-Burns project team will evaluate the differences and similarities in how self-directed and agency-based participants develop and manage their budgets. Input from BHDDH and stakeholders will guide specific analyses, but could include:

- Review program requirements (agency and self-direction) to determine how individual budgets can best support participants.
- Compare service utilization between individuals who do and do not self-direct.
- Review how other states with individual budget frameworks address differences between self-direction and agency-based services, and how to guarantee flexibility in budgeting regardless of which service model an individual chooses.

DELIVERABLE: Develop recommendations for individual decision-making regarding budgeting in self-direction, agency-based, and hybrid models of service.

Task 3. Assist in Developing and Maintaining Provider Payment Rates and Models

Based on the research, analysis, and community discussions in Task 1, HMA-Burns will work with BHDDH to develop provider payment models and rates for each service. HMA-Burns will design these models to reflect the reasonable costs providers incur to deliver services consistent with the state's requirements and individuals' service plans. Additionally, HMA-Burns will design payment approaches to effectively support programmatic goals.

Task 3.a. Detail options for rates and payment methodology with pros and cons of each option, including but not limited to the following criteria: person-centeredness, integrated community-based service delivery, HCBS policy, and achievement of Consent Decree benchmarks.

Building on the priorities articulated by BHDDH and the stakeholder advisory group, the HMA-Burns project team will develop payment methodology options, which could include but not be limited to maintaining/modifying existing structures, adding models, changing billing units, bundling, or unbundling services, performance-based contracts, and adopting value-based approaches.

To evaluate the options, HMA-Burns will work with BHDDH to establish criteria. In addition to the criteria identified above—supporting person-centeredness, integrated community-based service delivery, HCBS policy, and compliance with the consent decree—other considerations will include flexibility for individuals and providers, predictability in revenue generation, financial accountability, administrative burdens on the state, providers and individuals receiving services, equity, and transparency.

DELIVERABLE: HMA-Burns will construct a matrix that lists each identified payment option and scores them against each of the defined criteria using a simple approach (for example, assigning a rate of low, medium, or high for how well each option achieves each criterion). HMA-Burns will use this matrix to guide internal and external discussions and to support decision-making.

Task 3.b. Prepare Short- and Long-Term Budget Modeling

HMA-Burns will develop a fiscal impact model that works by modeling changes at the individual claim level. HMA-Burns will design the model to account for changes to both payment rates and individual budgets. As such, it will be a valuable tool to evaluate the various options that will be developed throughout the project.

DELIVERABLES: Base functionality will measure changes to payment rates and individual budget amounts. Additional functionality will be added as other options are considered. For example, if changes to billing units are contemplated, HMA-Burns will revise the model to include the assumed conversions. The model will be designed to cover a five-year period incorporating assumed caseload growth based on historic trends and BHDDH's input. Utilization changes will be assumed based on potential changes to rates and budgets. HMA-Burns will run each option considered as part of this project through the model to determine the short- and long-term fiscal impacts. Since the model is based on claims-level analysis, outputs can be stratified based on level of need, region, provider, service, etc. All estimates will be accompanied by detailed documentation of the underlying assumptions.

Task 3.c. Document Methodology for Reviews and evaluations, including defining the variables used.

HMA-Burns' rate models will detail the cost factors, data sources, and calculations used to derive the total rates.

DELIVERABLE: The rate model packet, typically a Microsoft Excel workbook, will include a separate model for each service variant, as well as supporting appendices that detail the sources of major cost elements, such as wage assumptions, benefit levels, productivity assumptions, and staffing models for congregate living services. At the conclusion of the project, HMA-Burns will deliver this file with accompanying instructions for BHDDH to make future updates if it wishes.

In addition to updating the models themselves, HMA-Burns will work with BHDDH to determine whether to establish any provider reporting requirements in order to assure the ongoing validity of the rate model assumptions.

Task 3.d. Develop a clear model for rate-setting with separate individual elements, with a final product that gives the State the ability to perform simulations to assess the impact of changes to different elements for future use, and to establish new rates and payments for any new services to be implemented in the future.

Based on the review of service requirements, input from BHDDH and external stakeholders, and the evaluation of the benefits and drawbacks of various payment options, the HMA-Burns project team will construct rate-setting models, including performance-based models.

The construction of the models will vary based on issues such as the unit of service and what supports may be bundled into a rate, considerations that may vary across services. All rate models will consider five key factors: 1) DSP wages; 2) DSP benefits; 3) DSP productivity; 4) program support costs; 5) administrative expenses; 6) outcomes. Other factors will vary by service and could include how to address shared services, differences in staff qualifications, or transportation-related expenses.

DELIVERABLES: The rate models will be constructed in a Microsoft Excel workbook, which will be delivered upon its completion to BHDDH, allowing the Department to model potential changes and providing a framework for establishing rates for new services.

Task 3.e. Establish Payment Classifications and Payment Rates Corresponding to the Desired Service Delivery Model

DELIVERABLES: HMA-Burns will develop payment models for each service delivery model to reflect programmatic goals. These models will cover the unit of service, billable activities, billing limits, and similar features. As discussed in Tasks 3.d and 3.g, each service will have detailed and transparent rate models for every rate variant, reflecting the current or revised service specifications while thoroughly integrating all necessary costs and performance requirements. As described previously, rate variances may include tiered rates and rates that vary by staffing level, region, setting, staff qualification, or other factors.

Task 3.f. Provide an in-depth review of indirect cost allocation for the delivery of services and propose revisions as needed.

DELIVERABLES: HMA-Burns' analysis will report the range of indirect cost rates reported by providers as well as the systemwide average. Additionally, the indirect cost rates reported by Rhode Island providers will be compared to the rates reported by other states.

Task 3.g. Develop transparent rate models that outline the key cost drivers and cost assumptions for each service.

This task is the culmination of preceding tasks to define services, collect cost data, and build a rate-setting model.

DELIVERABLES: Based on the results of the provider cost survey and research of other market-based cost data, HMA-Burns will populate the rate models constructed in Task 3.d.

The appendices to the rate models will incorporate additional supporting detail, such as the exact wage composition for each DSP, the specific elements of the DSP benefit rate, productivity calculations, residential staffing patterns, and other details.

Task 3.h. Align service requirements and reimbursement rates and make recommendations for changes as appropriate.

DELIVERABLE: HMA-Burns will consult with BHDDH and external stakeholders to ensure all relevant provider responsibilities are incorporated in the rate models.

Task 3.i. Benchmark proposed rates and methodologies to those used by other similar states, including New England states, and to similar programs for other populations within Rhode Island. The report will detail where necessary the flaws or inability to make direct comparisons due to disparities among systems.

The HMA-Burns project team will identify benchmark payment rates and methodologies for similar services in at least five other states. The comparison states will be selected in consultation with the BHDDH project team. This benchmarking exercise will also consider similar services provided by other programs Rhode Island, including services for the elderly and physically disabled, behavioral health services, and vocational rehabilitation services.

To provide meaningful comparisons across programs, the benchmarking exercise will extend beyond a simple compilation of payment rates. HMA-Burns will take steps to explore potential differences in the service specifications in the benchmark programs.

DELIVERABLE: The draft and final rate models will note how the resultant rates and methodologies compare to the identified benchmarks.

Task 3.j. Ensure all options include a mechanism to ensure proper financial controls consistent with Medicaid processes, including audits. This should include an examination of how the State provides oversight to ensure a financially sustainable and effective system of care that meets population’s needs and promotes accountability.

DELIVERABLE: In collaboration with the auditing team, HMA-Burns will demonstrate that the proposed models align with the State’s financial oversight standards.

Task 3.k. Manage a statewide public comment process to gather input from providers and other stakeholders.

DELIVERABLES: HMA-Burns will develop and disseminate an explanation of the proposed rate models and supporting materials, in various formats accessible to people with intellectual and developmental disabilities and their families, including online, recorded webinar, and other formats to be determined with the stakeholder group. Participants, providers, and other stakeholders will be notified and will be asked to submit comments to a dedicated email account. HMA-Burns will prepare a draft response for every comment, incorporating recommended changes to the rate models as appropriate, for BHDDH to consider adopting. Once BHDDH approves the responses to comments and revisions to the rate models, the document will be finalized and publicly released.

Task 3.l. Assist in developing specifications for changes to state computer systems to implement the new rate model.

The HMA-Burns project team will collaborate closely with BHDDH’s and the Medicaid information systems divisions to identify system changes that may be necessary to implement study recommendations.

DELIVERABLES: HMA-Burns will document the needed changes and facilitate discussions with information systems staff and contractors to present the business case for the changes so they can design the most effective and efficient solution.

Task 4. Assist in implementing changes to payment rates

Task 4.a. Work with the state stakeholder advisory group on implementation

The stakeholder advisory group will serve as a sounding board as implementation option and approaches are developed. HMA-Burns will engage the stakeholder advisory group early in the process and throughout the project so that they may shape the implementation of the ultimate results of the study. The stakeholder group will be asked to articulate priorities to be considered when developing an implementation plan, provide feedback on draft implementation approaches to identify potential detriments or unforeseen consequences, and review materials developed to communicate the results of the project and the implementation plan. Subgroups may be established to discuss specialized topics. To ensure ongoing progress, the HMA-Burns project team will distribute minutes to group members after each meeting, summarizing any consensus reached by the group as well as any outstanding issues.

DELIVERABLES: Meeting agendas, meeting materials, meeting minutes

Task 4.b. Estimate fiscal impact of changes to payment rates or policies at both the system level and for individual providers.

HMA-Burns will estimate fiscal impacts by repricing of claims from the most recently completed year as if the recommended rates had been in effect. When adjustments to baseline spending data are required, HMA-Burns will thoroughly document the assumptions.

DELIVERABLES: Each iteration of draft rate models will be run through the financial model to determine the expected impact. HMA-Burns will adjust the model to reflect the final implementation plan.

Task 4.c. Estimate the impact of changes to service definitions and payment rates on participant access to services, quantity of services that can be purchased, and potential service utilization. Detail any differences in impact across different participant demographics, such as assessed level of need.

DELIVERABLES: HMA-Burns will provide a report on the impact of proposed models on participants.

Task 4.d. Develop options and timelines to implement new models, services, and rates.

DELIVERABLES: For each option, HMA-Burns will detail the technical requirements (for example, the need to maintain two fee schedules during a phased approach) as well as the benefits and drawbacks of each approach. HMA-Burns will present the options to BHDDH to identify any that are infeasible from either a technical or programmatic perspective. Viable approaches will be shared with the stakeholder advisory groups to collect community perspectives, which will be discussed with BHDDH before the Department determines its preferred approach.

Task 4.e. Update individual budgets to reflect any changes to the provider fee schedule.

DELIVERABLE: A model to calculate how individual budgets are impacted by changes in the rate model.

Task 4.f. Present the implementation plan to providers, legislators, and other stakeholders including the caseload estimating conferees. The presentation format (in-person, virtual, community meetings, etc.) may vary with the audience.

DELIVERABLES: The HMA-Burns project team will develop a presentation to summarize the rate study process, results of the study, and final approved implementation plan. The presentation will emphasize the policy goals driving the proposed changes to payment rates and individual budgets and describe anticipated outcomes. Projected impacts in terms of utilization, costs, and programmatic outcomes will be summarized at the individual, provider, and systems levels. The presentation will also discuss strategies to achieve desired benefits and mitigate adverse impacts.

This presentation will be adapted to meet the needs of different groups, including state finance staff, providers, legislators, CMS, and other stakeholders. The presentation will be delivered to key groups in a format and setting suitable to the needs of the specific group.

Task 4.g. Provide support with amendments to the Medicaid waiver and in discussions with RI State Medicaid Office, and, if necessary, CMS.

DELIVERABLES: HMA-Burns will support BHDDH in making any necessary changes to the state's 1115 waiver. This support may include drafting waiver amendment language, explaining changes to state and federal Medicaid authorities, and drafting responses to CMS' requests for additional information. All of HMA-Burns' efforts will be conducted in coordination with BHDDH.

Task 4.h. Provide support in the state budget process and caseload estimating conference, including creating options for DDD consideration, developing written justification and supporting materials, and briefing legislators and staff.

DELIVERABLES: HMA-Burns will support BHDDH with any needed changes to the 1115 waiver.

Task 4.i. Provide technical implementation support to the state and providers in the implementation of the new model.

DELIVERABLES: HMA-Burns will support BHDDH with implementation of the new model at both the State and provider levels.

Other Requirements

1. HMA-Burns shall assign a project manager for this contract who will be responsible for all project deliverables.
 - a. HMA-Burns shall provide to BHDDH the project manager's email address, office phone number, and cellular phone number.
 - b. HMA-Burns' project manager shall also provide to BHDDH the names and contact information for other staff who will be assigned to this contract.
2. HMA-Burns shall provide a detailed project plan and timeline within 30 days after the start of this contract. The project plan should provide clear goals and objectives with sufficient detail on the processes to be used and tasks to be completed. The project plan shall include due dates for the provision of deliverables including but not limited to the reports and analyses outlined above. The project plan should be updated as needed throughout the course of the project.
3. Unless otherwise specified, all materials shall be provided in Microsoft Word, Excel, Access or a searchable pdf transmitted electronically, which may occur via email to and from HMA-Burns' project manager or via a secure FTP site or other secure means for sharing protected information.
4. HMA-Burns shall not publicly present any materials until they have been reviewed and approved by BHDDH and the stakeholder group.
5. Fiscal analyses shall be presented in a format approved by BHDDH and the State Office of Management and Budget.
6. BHDDH and HMA-Burns shall share data and decisions in a timely manner. Timelines established for HMA-Burns in this scope of work are dependent upon timely sharing of data and decisions.
7. The State shall own any models developed and used in this project. The State will have all models, methodology, and simulations in a format that allows the State to fully use them on State computers with all functionality without relying on a Vendor for access, development, or reporting.

**EXHIBIT B
BUDGET**

Name/Position	Hourly Rate	Hours	Cost
Stephen Pawlowski, Managing Director	\$240.00	425	\$102,000.00
Alisher Abdullaev, Data Analyst	\$210.00	175	\$36,750.00
Derek Barber, Data Analyst	\$210.00	250	\$52,500.00
Research Associate	\$100.00	1,375	\$137,500.00
John Agosta, HSRI	\$250.00	200	\$50,000.00
Jami Petner-Arrey, HSRI	\$195.00	225	\$43,875.00
Colleen Kidney, HSRI	\$195.00	225	\$43,875.00
Yoshiko Kardell, HSRI	\$195.00	125	\$24,375.00
TOTAL		3,000	\$490,875.00

**EXHIBIT C
PAYMENTS AND REPORTS SCHEDULE**

Funding Breakdown

Name of Funder	Type of Funds	Total
State of Rhode Island	General Revenue-2490103.01.651230	\$245,437.50
State of Rhode Island	General Revenue-2495102.02.651230	\$245,437.50
Total Amount Funded		\$490,875.00

• **Payments**

- Payments will be made monthly upon receipt of a properly formatted invoice that is reviewed and approved by the project manager.
 - Invoices must include
 - Monthly attestation worksheet
 - Payroll reconciliation (quarterly)
 - All appropriate backup for any line items not covered in the attestation.
- Invoices must be based upon the approved budget in Addendum II
 - Remittance of invoices will be dispersed on a reimbursement basis. The contractor will only invoices for expenses it has paid and seeking reimbursement from The Department.
- The Department currently operates on a “NET 30” basis for payments, meaning payment cannot be made until 30 days after the end of the billing period or 30 days from the date the invoice is received by the Department. (Example, if an invoice is submitted on March 15th for February services, it cannot be paid until April 15th. That is assuming that all backup is correct, and the contract monitor is able to approve the invoice)
- At any time, the department reserves the right to request backup to any submitted invoice prior to payment. Failure to provide this invoice in a timely manner may result in non-payment.
- Invoicing for the final month of this contract must be done within 10 days of the end of the service period.

• **Audited Financial statements**

- The Contractor will provide The Department with audited financial statements within 6 months of the end of this contract. Any requests for extension must be done in writing and approved by The Department.
- Audited statements will be review at the Department level along with a risk assessment. The determination of the risk assessment can determine the level of financial review of this contract is conducted.
- Failure to provide audited financial statements can affect funding for future contracts.

EXHIBIT D
OIG-HHS EXCLUSION LIST

Pursuant to the Social Security Act 1128, 1128B (f) (1), 42 CFR- Public Health, Chapter V, OIG, HHS, Part 1000, The State of Rhode Island is obligated to direct Medicaid providers to screen their own employees and contractors for excluded persons based on the authority contained in various sections of the Social Security Act. When HHS-OIG has excluded a provider, Federal health care programs (Medicaid, and SCHIP) are prohibited from paying for any items or services furnished, ordered or prescribed by excluded individuals or entities. This payment ban applies to any items or services reimbursable under a Medicaid program that are furnished by an excluded individual or entity.

All providers in the Medicaid program must take the following steps to determine whether their employees and contractors are excluded individuals or entities:

1. Prior to employment, screen all employees and noncontractors to determine whether any of them have been excluded.
2. Search the HHS-OIG website by the names of any individuals or entity (HHS-OIG maintains the LEIE, a database accessible to the general public that provides information about parties excluded from participation in Medicare, Medicaid, and all other Federal health care programs. The LEIE website is located at <http://www.oig.hhs.gov/fraud/exclusions.asp>.
3. Search the HHS-OIG website quarterly to capture exclusions and reinstatements that could have occurred since the last search.
4. Search the Excluded Parties List System (EPLS) website by the names of an individual or entity. The EPLS website includes information regarding entities debarred, suspended, proposed for debarment, excluded, or disqualified under the non-procurement common rule, or otherwise declared ineligible from receiving Federal contracts, certain subcontracts, and certain Federal assistance and benefits. The EPLS website is located <https://www.epls.gov/>.
5. Immediately report to the Rhode Island Executive Office of Health and Human Services any exclusion information discovered.

Civil monetary penalties may be imposed against Medicaid providers who employ or enter into contracts with excluded individuals or entities to provide items or services to Medicaid recipients.