

AMENDMENT TO
AGREEMENT BETWEEN STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

Amendment #: 3

CFMS #: 670519

DOA # 205-900394

DHH #: 052356

Original Contract Amt \$ 4,188,860.00

Original Contract Begin Date 09-02-2008

Original Contract End Date 09-01-2011

(Regional/ Program/
Facility)

Medical Vendor Administration

AND

MAXIMUS, Inc.

Contractor Name

AMENDMENT PROVISIONS

Change Contract From:

Maximum Amount: \$ 4,648,172.00

CF-1

14) Terms of Payment

Payments to be based on delivered and DHH approval monthly status reports in the monthly amounts of \$30,222.22

Change To:

Maximum Amount: \$ 4,648,172.00

Allow for a reduction in the three full time onsite staff to one full time onsite Project Manager; with additional staff reporting onsite within two days of notice from DHH and/or when specified dates have been finalized with the approval of the MMIS Replacement SFP. Reduction in the \$30,222.22 per month management fee to \$10,074.07 per month for the onsite project manager. If the other two staff are needed onsite, DHH will prorate the monthly management fee for each business day staff are onsite. See attachment

Justification:

Due to unforeseen delays in the project, DHH has been at a standstill in the project. The contractor is unable to move forward on some major deliverables, therefore, there is not a need for the three staff to perform tasks and/or to be onsite. Some of the delays were based on changes in DHH administration and a requirement to release the SFP for public comment prior to completion.

This Amendment Becomes Effective: 09-17-2010

This amendment contains or has attached hereto all revised terms and conditions agreed upon by contracting parties.

IN WITNESS THEREOF, this amendment is signed and entered into on the date indicated below.

CONTRACTOR

MAXIMUS, Inc.

CONTRACTOR SIGNATURE

2/4/11
DATE

PRINT
NAME

Frank Mirkow

CONTRACTOR
TITLE

Director of Contacts

**STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS**

Secretary, Department of Health and Hospital or Designee

SIGNATURE

Don Gregory
DATE

2-14-11
DATE

NAME

Don Gregory

TITLE

Medicaid Director

OFFICE

Medical Vendor Administration

PROGRAM SIGNATURE

Janith Miller
DATE

2/8/11
DATE

NAME

Janith Miller, Medicaid Program Manager 3

APPROVED
Office of the Governor
Office of Contractual Review

MAR 09 2011

Goal:

The contractor will serve as project management consultants to plan, design and develop the Solicitation for Proposal (SFP) for the DHH MMIS system replacement procurement for fiscal Intermediary (FI) services. The contractor will assist DHH in the evaluation of the SFP and provide project management for the implementation of the resulting procurement(s)/contract(s) award.

Deliverables:

MMIS Replacement System General Requirements:

- The IV&V Contractor must provide Independent Verification and Validation Services for the MMIS Replacement Project through development, implementation and certification. Although DHH will provide oversight for the project work, the IV&V Contractor must provide overall project management for the project tasks and deliverables.
- Deliverables as to the specific methods that will be utilized for the MMIS replacement system (ie; SFP, RFP, multiple SFP;s, etc.) will be determined after the planning stage (Phase 1). Contractor will be responsible for providing project management to all methods that may be utilized.
- Throughout the project, the IV&V Contractor must apply ongoing management techniques to ensure a comprehensive project work plan is developed, executed, monitored, reported and maintained.
- Each task is required to have an associated Task Accomplishment Plan (TAP) that identifies the approach, resources, and schedule required to successfully complete each task.

CMS Certification General Requirements

- The contractor will be responsible for the identification of and tracking the completion of all requirements necessary for CMS review and certification of the selected MMIS replacement system.
- Deliverables to be added as a result of this Amendment #1: Workflow Mapping Deliverables in the Proposal will be renamed "To-Be" MITA Documentation and will include facilitation and documentation of the JAD (Joint Application Design) sessions for the following processes:
 - "To-Be" Concept of Operations
 - "To-Be" MITA Maturity Matrix
 - "To-Be" Business Process Model
 - "To-Be" Business Capability Matrix, and workflow mapping and compiled State self assessment.

These sessions are held with DHH stakeholders for each of the eight MITA Business processes. This will include at least 32 additional JAD sessions. These shall be completed either as 32 individual sessions or as an extension of each of the existing scheduled meetings. Meetings and discussion shall be initiated between the contractor and DHH until all of the "To-Be" areas above are completed, approved by DHH and ready to send to CMS.

CMS Certification General Requirements

- The contractor will be responsible for the identification of and tracking the completion of all requirements necessary for CMS review and certification of the selected MMIS replacement system.

A. Phase I – Planning/Pre-Implementation

1. Task Order I-1: Needs Assessment

- i. Subtask: I-1.1: TAP submitted to DHH Project Manager for approval.
- ii. Subtask: I-1.2: MITA State Self-Assessment: The IV&V Contractor shall review DHH's MITA assessment to ensure both current and future Medicaid related business needs have been defined and map to the MITA business process model.
- iii. Subtask: I-1.3: Gap Analysis: The IV&V Contractor will conduct an in-depth assessment of the current system's technical architecture and infrastructure, capabilities and business processes. These critical first steps identify those planning activities necessary to prepare for procurement and implementation of a new MMIS. This involves establishing a common understanding of DHH's rationale for replacing its MMIS, developing a project work plan, and assessment of the current system architecture, and requirements necessary for replacing that architecture with new technology in anticipation of future business and technology needs and services. The IV&V Contractor shall begin the process of familiarization with, and planning the work to be accomplished during the planning phase of this MMIS Replacement Project. At a minimum the IV&V Contractor shall examine and gain an understanding of the following:
 - MMIS Procurement and Replacement Project intent and scope of work;
 - MMIS Replacement Project plan/schedule;
 - Identify the steps necessary to complete each task, deliverable and milestones;
 - Program policy/procedures manuals;
 - Medicaid system overview;
 - HIPAA;
 - Certification of Medicaid system regulations;
 - DHH organizational structures;
 - Medicaid program statistical information such as caseloads, claims; (paper/electronic), prior authorization requests;
 - Internal/external data sources;
 - MITA;
- iv. Subtask: I-1.4: Alternatives Consideration: This task is an assessment of the current MMIS system processes, business processes. As a result, the IV&V Contractor shall deliver a report that shall include recommendations as to which business and/or system processes should be preserved or eliminated, the impact if they are stopped, and a recommended plan of action to be taken on each. Include rationale for all recommendations.
- v. Subtask: I-1.5: Cost Benefit Analysis: The IV&V Contractor shall conduct and deliver a formula determining cost/benefit and a format for that formula. The cost/benefit formula must take into account all the factors described in the recommendation (e.g., technology platforms, implementation, staffing requirements resulting from process changes, interface changes, and conversion).
- vi. Subtask I-1.6: Solution Assessment: The IV&V Contractor shall identify all MMIS solutions and assist DHH in selection of the best solution, or combination of solutions. The IV&V Contractor shall identify all cost/benefits and efficiencies for each proposed solution (claims backlog, and data entry efficiencies, etc.). The following identifies the solutions to consider:
 - Build a custom system versus acquire and modify a system;
 - Outsourcing of MMIS, either in whole or part;
 - Transfer a system from another entity and modify to meet requirements and business processes identified;
 - Partner with another state for MMIS operations;
 - Any other industry solution; and
 - Assessment for meeting CMS Certification.
- vii. Subtask I-1.7: Transition Plan: The IV&V Contractor must submit a transition / change management plan to DHH detailing all required functions for transition.

2. Task Order I-2: Requirements Definition

- i. Subtask I-2.1: TAP submitted to DHH Project Manager for approval.
- ii. Subtask I-2.2: Organizational Structure: The IV&V Contractor must show that the organizational structure supports all functions critical to project success.
- iii. Subtask I-2.3: ~~Work Flow Mapping~~: "To-Be" MITA Documentation:
 - Conduct Visioning Sessions with Medicaid Executives to develop vision statements for a "To-Be" Medicaid Enterprise and use in developing MITA mission and goals statements.
 - Document vision statements developed from those sessions and distribute for review and input at the Medicaid and DHH executive levels.
 - Develop a "To-Be" Concept of Operations (COO) and MITA Maturity Matrix to be including the "To-Be" MITA Documentation (formally known as the Workflow Mapping Deliverable) including MITA "To-Be" mission goals.
 - The following group of requirements defines the characteristics and functionality to coordinate, manage and track work transactions through the new MMIS. This functionality includes the ability to assign, approve and track the status of transactions, assign alerts and produce reports for each defined unit area. Contractor should have a fully functional workflow management system that can be integrated with the new MMIS to control work activities.
- iv. Subtask I-2.4: Interface Definition: The IV&V Contractor must evaluate interface test plans and procedures and verify that such plans meet industry standards and confirm that all required functions are in place for internal and external interfaces.
- v. Subtask I-2.5: Business Process Reengineering: The IV&V Contractor must demonstrate the approach that was taken to develop the business requirements and to re-engineer key processes. The IV&V Contractor must also document Louisiana Medicaid's covered programs, policies, operations and expectations regarding the replacement system.
- vi. Subtask I-2.6: HIPAA Compliance & Federal Requirements: The IV&V Contractor shall review and monitor DHH and FI's compliance with all federal, state, and Department requirements. Any reports or documents prepared by the IV & V Contractor must be reviewed and approved by DHH prior to any releases to outside parties. The Contractor will review the MMIS controls to ensure the controls allow for provision of accurate, complete, timely, and secure information for the MMIS Section and other users of the MMIS system, and that controls are effective and will meet all state and federal program requirements.
- vii. Subtask I-2.7: MMIS Functional Requirements: The purpose of this step is to document the MMIS existing business processes and future requirements in preparation for a SFP for Design, Development and Implementation of a MMIS Replacement. The IV&V Contractor is required to provide a scribe to document meeting minutes. Meeting minutes are to be approved by DHH. Derived from these meetings, the IV&V Contractor shall compile the functional requirements list which shall include at a minimum, changes to existing requirements and newly defined requirements.
- viii. Subtask I-2.8: Other Requirements (i.e. DW/DSS, RxPOS, etc.): The Contractor will be responsible for providing requirements-based independent integration testing services covering all application systems under test (MMIS, DW/DSS, POS and interfaces to other LA systems). Derived from these meetings, the IV&V Contractor shall compile the functional requirements list which shall include at a minimum, changes to existing requirements and newly defined requirements.

3. Task Order I-3: Procurement Support

- i. Subtask I-3.1: TAP submitted to DHH Project Manager for approval.
- i. Subtask I-3.2: Design, Development and Implementation (DDI) APD: The IV&V Contractor must develop and produce the APD needed to obtain 90/10 enhanced Federal Funding for the MMIS Replacement Project. The APD document must be approved by DHH.
- ii. Subtask I-3.3: DDI Solicitation for Proposal (SFP): The IV&V Contractor must develop and prepare a detailed Solicitation for Proposal (SFP) for the Design,

Development and Implementation Phase for the chosen MMIS solution. This task must be completed no less than six months from negotiated signed contract and an approved SFP must be ready for issuance within six months after the start date of the contract. Development of the SFP shall require the IV&V Contractor to:

- Prepare draft SFP for chosen MMIS solution;
 - Ensure correct format, language and content of draft SFP;
 - Submit draft SFP to DHH for review and comments;
 - Discuss suggested comments and changes with DHH;
 - Submit revisions of SFP until final is approved by DHH;
 - Prepare DHH approved final version of SFP for submission to the appropriate governing entities for approval to release;
 - Include all items required by CMS and Division of Administration for approval; and
- iii. Subtask I-3.4: Proposal Evaluation/Evaluation Tools (Criteria & Report): The IV&V Contractor will be required to assist DHH in the evaluation of the proposals in an advisory capacity. The IV&V Contractor will prepare a detailed evaluation tool for use in the evaluation of the Vendor proposals received for the SFP procurement. The proposal evaluation methodology shall include at a minimum, a process for establishing the proposal evaluation criteria and importance; a process for evaluating the proposals; and a tool to record proposal evaluations.
- iv. Subtask I-3.5: Contract Review & Negotiations: The IV&V Contractor will assist Department staff and may be required by DHH to participate in actual contract negotiation sessions with selected Fiscal Intermediary and/or chosen MMIS solution.
4. Task Order I-4: Project Management Support
- i. Subtask: I-4.1: TAP submitted to DHH Project Manager for approval.
 - ii. Subtask I-1.4.2: Evaluate FI Contractor's DDI Project Work Plan: The IV&V Contractor will assist DHH in review of the FI Contractor's DDI Project Work Plan to verify that all key functions have been addressed to increase the likelihood for a successfully completed project.
 - iii. Subtask I-1.4.3: Quality Assurance (QA) of FI Contractor's DDI System Development Life Cycle (SDLC) Processes: The IV&V Contractor will provide quality assurance analysis of FI Contractor's DDI SDLC processes to verify that all key functions have been addressed to increase the likelihood for a successfully completed project.
 - iv. Subtask I-1.4.4: Establish Project Risk/Issues Tracking: The IV&V Contractor shall review the progress of the project and identify any risks, issues, or deficiencies that might affect a successful, efficiently completed project using a project tracking tool approved by DHH. The IV&V Contractor shall produce a Risk Management Plan for this task.
 - v. Subtask I.4.5: Monitor FI Contractor's DDI Progress: The IV&V Contractor shall be responsible for monitoring the performance of the selected FI along with DHH and the requirements set forth in the MMIS procurement SFP and the selected FI's proposal. The IV&V Contractor shall monitor and evaluate the project progress and shall identify and report any deficiencies or issues needing to be resolved along with recommended solutions in the form of weekly project status reporting. The IV&V Contractor shall meet with DHH on a regular basis, as determined by mutual agreement between the MMIS Project Manager, and the IV&V Contractor. The IV&V Contractor shall continuously monitor all facets of the project including, but not limited to: work plans, implementation plans, general system design, detail system design, system testing, system interfaces, conversion, acceptance testing phase, pilot operations, and statewide implementation plan. The IV&V Contractor shall be responsible for assessing each deliverable and recommending corrective action when activities or deliverables fail to achieve the standards or timelines established in the MMIS SFP, the Fiscal Intermediary's proposal, and the FI Contract.

B. 4.1.2 Phase II – Design and Development

1. Task Order II-1: Design & Development QA
 - i. Subtask II-1.1: TAP submitted to DHH Project Manager for approval.
 - ii. Subtask II-1.2: Definition of Design Milestones: The IV&V Contractor will assist DHH in defining design milestones to be met.
 - iii. Subtask II-1.3: Quality Assurance of Design Documents and Artifacts: The IV&V Contractor shall verify system documentation is being generated and maintained and complete, accurate and meeting SFP requirements.
 - iv. Subtask II-1.4: Preliminary Design Review: Preliminary Design Review (PDR): PDR is conducted after preliminary design efforts, but before start of detail design. This review is the first opportunity for DHH to closely observe the DDI Contractor's hardware and software design and is to include the DDI Contractor's description of all design changes made with respect to the original design disclosed in the technical proposal and to provide rationale for the changes. The IV&V Contractor will assist DHH in this review.
 - v. Subtask II-1.5: Critical Design Review: The Critical Design Review (CDR) is a multidisciplinary product and process assessment to ensure the system under review can proceed into system fabrication, demonstration, and test, and can meet the stated performance requirements within cost (program budget), schedule (program schedule), risk, and other system constraints. Generally this review assesses the system final design as captured in product specifications for each configuration item in the system (product baseline), and ensures that each product in the product baseline has been captured in the detailed design documentation. MMIS is a complex system, where as the CDR may need to be conducted for each subsystem or configuration item. The IV&V Contractor will assist DHH in these incremental reviews which would lead up to an overall system CDR and provide recommendations to move forward or not move forward with reasoning.
 - vi. Subtask II-1.6: Monitor Change Requests: The IV&V Contractor will implement a change request process to manage the project scope. The objective of the change request process is to ensure that:
 - Requests for changes to the scope, schedule, or budget of the project are documented and approved by the DHH Executive Steering Committee.
 - Requests for change are effectively tracked and managed from initiation through resolution.
 - The impact of a proposed change is thoroughly analyzed and documented before the decision to approve or deny it is made.
 - The project adheres to the MMIS's rules governing changes to approved information technology projects. Change requests will be required whenever there is a request for a significant change to the project scope, schedule, budget, or requirements as stated in 1) the Feasibility Study Report for the Project, 2) the requirements as listed in the Project SFP, or 3) baselined versions of the project schedule. Using this policy as a guideline, the MMIS Project Manager will be responsible for determining which requested changes require a formal change request.
 - vii. Subtask II-1.7: Requirements Traceability: The IV&V Contractor shall conduct an initial assessment of requirements and associated business processes and develop a Requirements Traceability Matrix for managing the requirements and processes throughout the project life cycle. This task will verify that design modules trace back to the requirements and vice versa.
 - viii. Subtask II-1.8: Unit Test Results: The IV&V Contractor is required to conduct System Development in accordance with the approved System Design deliverables. The IV&V Contractor must verify and validate unit test results of all program modules and processes before they are integrated and system tested and ensure results of the unit tests are fully documented.
 - ix. Subtask II-1.9: Evaluation of Integration/System Test Environments: Testing of the system is a critical step in the overall development of any system. In many development projects, system testing is coupled with the development tasks. The State of Louisiana is placing major emphasis on the testing of the system prior to acceptance testing and implementation activities and for this reason has broken out testing to be conducted by the IV&V Contractor. In-

depth, process-driven, and fully documented testing is required for the MMIS Replacement Project. The IV&V Contractor must certify and demonstrate, as required, the system is free from defects; functions per the approved system design; has validated requirements; and is ready for User Acceptance Testing prior to the completion of the Integration and System Testing Tasks.

- x. Subtask II-1.10: Assessment of Data Conversion Plan: The IV&V Contractor will conduct an initial assessment of data conversion plans, procedures and software including:
 - relevant data conversion deliverables, giving particular attention to parallel testing
 - procedures for reviewing converted data for completeness and accuracy
 - monitoring errors
 - contingency plans

C. 4.1.3 Phase III – Testing and Implementation

1. Task Order III-1: Independent Verification and Validation of LAMMIS

- i. Subtask: III-1.1: TAP submitted to DHH Project Manager for approval.
- ii. Subtask III-1.2: Analysis of Data Conversion Results: The IV&V Contractor shall analyze all Data Conversion results documentation to ensure concerns, issues, risks, and recommendations have met the requirements of Data Conversion Plan and to ensure data integrity is maintained.
- iii. Subtask III-1.3: Analysis of Integration/System Test Results: The IV&V Contractor shall analyze all Integration/System results documentation to ensure concerns, issues, risks, and recommendations have met the requirements of Integration/System Test Plan.
- iv. Subtask III-1.4: Assessment of Readiness for UAT: The IV&V Contractor shall document and report concerns, issues and risks and recommendations as to the readiness for User Acceptance Testing. The intent of this task is to verify that the Test Plan was followed and the criteria used to test the scenarios for each deliverable has been reviewed and documented according to the processes developed.
- v. Subtask III-1.5: Preparation of UAT Plan: The IV&V Contractor shall prepare a User Acceptance Test (UAT) Validation Strategy to ensure that the new technology meets the current and planned business needs of Louisiana MMIS.
- vi. Subtask III-1.6: Execution of UAT: The IV&V Contractor shall participate in the implementation process and execution of UAT test artifacts.

D. 4.1.4 Phase IV – Post Implementation

2. Task Order IV-1: Preparation for CMS Certification

- i. Subtask: IV-1.1: TAP submitted to DHH Project Manager for approval.
- ii. Subtask IV-1.2: Post Implementation Review: The IV&V Contractor shall prepare a post implementation report that provides information regarding the benefit and success of the system and suggestions for improvement in areas that can be applied directly to the ongoing program.
- iii. Subtask IV-1.3: CMS Certification: The IV&V Contractor shall be knowledgeable of the new CMS Certification Protocol and propose a System Development Life Cycle (SDLC) methodology from conception through Certification. The IV&V Contractor shall provide a work plan outlining tools, information gathering processes and documentation protocols throughout the project life cycle for CMS observation visit.

E. Personnel/Staffing

1. Contractor shall supply the following personnel:

- IV and V Project Manager with a minimum of 3 years experience in MMIS and who is a certified Project Management Professional (PMP).
- Sr. Analyst with a minimum of 2 years of MMIS implementation experience.
- One Full Time On Site Subject Matter Expert with a minimum of 2 years of MMIS project experience.
- Other Subject Matter Experts as needed for project requirements.

2. Off-site commuting key staff assigned to this project are required to work a full 40 hour, Monday through Friday 8:00 – 5:00 p.m. work week except for holidays and leave agreed upon between MAXIMUS, Inc and DHH.
3. The Contractor's key personnel assigned to this contract may not be replaced without the written consent of the Department. Such consent shall not be unreasonably withheld or delayed provided an equally qualified replacement is offered. Key personnel for this contract are: Dan Sisco (Project Manager), Tamara Nash (Senior Analyst) and Eric Zimmerman (Subject Matter Expert).
4. The IV&V Contractor shall provide a presence in Baton Rouge throughout the project, in order to provide effective research, analysis and development services.
5. Note: DHH reserves the right to approve all individuals assigned to this project and no substitution of personnel shall be made without the prior written approval of DHH. DHH agrees to reasonably review substitution requests.
6. DHH will provide work space for 6 FTE and meeting space during the contract.

The following terms will only address the three staff for the Project Management Team:

- **Reduction in staff from three staff onsite to the one staff onsite being the Project Manager, with the exception of the following conditions:**
 - **During periods of DHH need of the staff, including but not limited to:**
 - **Revision of the SFP as required by CMS, Division of Administration, new DHH Secretary, or any changes required after the Q & A period after the release of the SFP**
 - **Evaluation of the SFP**
- **Staff will be available onsite within five (5) business days of notice and/or when specified dates have been finalized with the approval of the SFP release.**
- **Full-time staff on the project will work onsite.**
- **DHH will consider allowing staff, who are not full-time, to work off-site during the Q & A period only.**

- F. Emergency Preparedness Plan - Contractor is required to submit an Emergency Preparedness Plan to the Bureau of Health Services Financing for review in accordance with:

National Security Presidential Directive #51 & Homeland Security Presidential Directive #20 Implementation Actions (10): COOP plans should be integrated with the emergency plans and capabilities of the state, local, territorial, tribal governments, and private sector owners and operators, as appropriate, in order to promote interoperability and to prevent redundancies and conflicting lines of authority. State government shall coordinate the integration of continuity plans with local and private sector owners and operators in order to provide for the delivery of essential services during an emergency. 44 CFR 300.1 (b) Disaster assistance plans identify tasks needed to deliver disaster assistance and to avoid, reduce, or mitigate natural hazards; make assignments to execute those tasks; reflect state authorities for executing disaster assignments; and provide for adequate training of personnel in their disaster or mitigation assignments; and 44 CFR 206.3 (b) Encourages the development of a comprehensive disaster preparedness and assistance plan, program, capability, and organization with the state and local governments.

Performance Measures:

- Contractor will submit all required task plan and reports required for approval with each phase of the project.
- Contractor Project Manager will submit progress reports on a regular basis regarding the overall status of the project.
- Contractor will be responsible to provide official minutes of all scheduled meetings related to the IV&V meetings and activities.

Monitoring:

1. DHH will review MAXIMUS deliverables and will make all reasonable efforts to respond in one consolidated document. However, DHH reserves the right to provide follow-up comments when deemed necessary. No assumptions shall be made related to approval of deliverables. DHH will provide written approval/denial for each deliverable.
2. The DHH Project Manager will be working directly on the project to oversee the work of the contractor.
3. The DHH Project Manager will have regularly scheduled meetings to discuss progress and accomplishment of objectives with DHH staff personnel and contractor personnel.

Payment Schedule

~~Monthly payment for Ongoing Project Management and the DHH approved Monthly Project Status Report of \$30,222.22 per month.~~

Reduction in the monthly management fee will be reduced by two thirds from \$30,222.22 to \$10,074.07.

- **If the staff are needed onsite, we will prorate per the fee for each business day they are onsite (i.e. if they are onsite for two days out of the week, we will increase the monthly fee based on the \$10,074.04 divided by the number of business days in that month, and if only one person is activated, that amount will be multiplied by two).**

DHH will pay for the deliverables as identified in the DHH approved Work Plan. A preliminary Work Plan with deliverables identified is located in the Cost and Pricing Analysis of the Contractor's Proposal – 5.3 Cost and Pricing Analysis. ~~However the overall cost of the three-year contract will not change.~~

The cost of the overall contract shall change to \$4,648,172.00

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