

STATE OF NEW MEXICO

**HUMAN SERVICES DEPARTMENT
PROFESSIONAL SERVICES CONTRACT
AMENDMENT NO. 2**

THIS AMENDMENT No. 2 to Professional Services Contract (PSC) PSC 15-630-8000-0016 is made and entered into by and between the State of New Mexico **Human Services Department**, hereinafter referred to as the "HSD," and **Deloitte Consulting LLP**, hereinafter referred to as the "Contractor".

The Purpose of this Amendment is to extend services for another year through December 31, 2017, with Exhibit A, Amended Scope of Work, restated in its entirety, attached hereto and referenced herein.

UNLESS OTHERWISE SET OUT BELOW, ALL OTHER PROVISIONS OF THE ABOVE REFERENCED AGREEMENT REMAIN IN FULL EFFECT AND IT IS MUTUALLY AGREED BETWEEN THE PARTIES THAT THE FOLLOWING PROVISIONS OF THAT AGREEMENT ARE AMENDED AS FOLLOWS:

Section 1, Amended Scope of Work is amended to read as follows:

1. Scope of Work.

The Contractor shall perform all services detailed in Exhibit A, Amended Scope of Work, attached hereto and incorporated in this Agreement by reference.

Section 2, Compensation, Paragraph A, is amended to read as follows:

2. Compensation.

A. The HSD shall pay to the Contractor in full payment compensation (fixed fees) not to exceed \$551,420 including gross receipts tax, and expenses, for services satisfactorily performed as set forth in Exhibit A, Amended Scope of Work.

This amount is a maximum and not a guarantee that the work assigned to be performed by Contractor under this Agreement shall equal the amount stated herein. The New Mexico gross receipts tax, if applicable, levied on the amounts payable under this PSC shall be paid by the Contractor. The parties do not intend for the Contractor to continue to provide services without compensation when the total compensation amount is reached. The Contractor is responsible for notifying the HSD when the services provided under this Agreement reach the total compensation amount. In no event will the Contractor be paid for services provided in excess of the total compensation amount without this Agreement being amended in writing prior to those services in excess of the total compensation amount being provided.

The total amount payable to the Contractor under this PSC, including gross receipts tax and expenses, shall not exceed \$40,860 in FY15.

The total amount payable to the Contractor under this PSC, including gross receipts tax and expenses, shall not exceed \$215,050 in FY16.

The total amount payable to the Contractor under this PSC, including gross receipts tax and expenses, shall not exceed \$190,850 in FY17.

The total amount payable to the Contractor under this PSC, including gross receipts tax and expenses, shall not exceed \$104,660 in FY18.

Section 3, Term, is amended to read as follows:

3. Term.

THIS AGREEMENT SHALL NOT BECOME EFFECTIVE UNTIL APPROVED BY THE HSD. This Agreement shall terminate on December 31, 2017, except for the requirement to provide a final evaluation report pursuant to Exhibit A, Scope of Work; unless terminated pursuant to paragraph 4 (Termination), or paragraph 5 (Appropriations).

Exhibit A, Amended Scope of Work, is replaced in its entirety, attached hereto and incorporated in this Agreement by reference.

All other Sections and Deliverables of PSC 15-630-8000-0016, as amended, remain the same.

The remainder of this page intentionally left blank.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of signature by the HSD below:

By: 

HSD Cabinet Secretary

Date: 11/21/16

By: 

HSD Office of General Counsel

Date: 11/16/16

By: 

HSD Chief Financial Officer

Date: 11/16/16

By: 

Contractor (MIKE ANELON,
DELTA CONSULTING LLC)

Date: 15 NOV 2016

The records of the Taxation and Revenue Department reflect that the Contractor is registered with the Taxation and Revenue Department of the State of New Mexico to pay gross receipts and compensating taxes.

ID Number: 03-011368-00-7

By: 

Taxation and Revenue Department

Date: 11/22/16

**EXHIBIT A
AMENDED SCOPE OF WORK**

The Contractor shall conduct the work detailed in this Scope of Work for FY15, FY16, FY17, and FY18, and may conduct the work through February 24, 2019, pursuant to the optional year process in RFP 14-630-8000-0006, to provide an evaluation of Centennial Care — using the CMS-approved Evaluation Design Plan as a guideline — to help determine if Centennial Care is meeting its goals.

A. Oversight

1. Evaluation Design Requirements

The Contractor shall:

- a. Develop a project plan and implementation plan with milestones within two (2) weeks of the signed contract.
- b. Follow CMS regulations required in the design plan that include the following elements (42 C.F.R. §431.424):
 - i. Discussion of the demonstration hypotheses;
 - ii. Description of the data that will be used and the baseline value for each measure;
 - iii. Description of the methods of data collection;
 - iv. Description of how the effects of the demonstration will be isolated from other changes occurring in the state;
 - v. Proposed date by which a final report on findings from activities conducted under the evaluation plan must be submitted to CMS; and
 - vi. Any other information pertinent to the state's research.
- c. The special terms and conditions of the Centennial Care waiver further specify that the design plan include descriptions of the following components:
 - i. Research questions and hypotheses;
 - ii. Study design;
 - iii. Study population;
 - iv. Outcome measures;
 - v. Data collection
 - vi. Data analysis;
 - vii. Timeline; and
 - viii. Evaluator.

2. Goals and Guiding Principles - Centennial Care is driven by the following goals, which will guide the evaluation plan.

The Contractor shall, in performing its services, take into consideration the following stated goals and guiding principles:

- a. Ensure that Medicaid recipients in the program receive the appropriate amount of care, delivered at the appropriate time, in the appropriate setting
- b. Ensure that expenditures for care and services provided are measured in terms of quality as well as quantity.
- c. Slow the growth rate of costs, or “bending the cost curve,” over time without cutting benefits or services, changing eligibility, or reducing provider rates

d. Streamline and modernizing the Medicaid program in the State

New Mexico further articulated the following four guiding principles for the program:

- a. Develop a comprehensive service delivery system that provides the full array of benefits and services offered through the State's Medicaid program
- b. Encourage more personal responsibility so that recipients more actively participate in their own health and use the health care system more efficiently
- c. Increase the emphasis on payment reforms that pay for performance rather than for the quantity of services delivered
- d. Simplify the administration of the program for the State, providers, and recipients where possible

B. Measures

The contractor shall provide reports as described in the Evaluation Design Plan Section IV:

Research Questions and Hypotheses that include:

1. Measures largely drawn from National standards; and
2. Analytic techniques that will isolate the effects of the Centennial Care demonstration from other external influences.

C. Data Sources and Collections

1. The Contractor shall review, analyze, and organize these data, which are to be stored in a format that may be transferred to HSD as described in the Evaluation Design Plan Section IV: Data Sources and Collection. HSD will provide the Contractor with data from the following sources in a format to be agreed by the parties:
 - a. **The New Mexico Medicaid Management Information System (MMIS).** The MMIS contains information about enrollment, providers, and claims/encounters for health services. HSD will provide the Contractor with summarized data from the MMIS to perform the measures described in the Evaluation Design Plan. The Contractor will not be expected to process raw MMIS data.
 - b. **Healthcare Effectiveness Data and Information Set (HEDIS).** HEDIS is a nationally recognized system for measuring and reporting health plan performance. HSD contracts with an External Quality Review Organization (EQRO) to review results from data obtained from HEDIS and HEDIS-like measures. HSD will provide the Contractor with these results.
 - c. **Consumer Assessment of Health Plans Survey (CAHPS).** CAHPS is a national, standard survey instrument that will be administered to representative samples of the Centennial Care population to measure patient access and plan satisfaction. HSD contracts with a vendor to perform the CAHPS survey. HSD will provide the Contractor with the CAHPS survey results.
 - d. **CMS 416 Report.** The CMS 416 is the state's annual report to CMS on Medicaid children's utilization of Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) services. This report includes the number of children who receive health screening services, referrals for corrective treatment, and dental services. These data are used to calculate the state's screening ratio by age group. HSD will provide these reports to the Contractor.
 - e. **MCO-Specific Reports.** HSD's contracts with the MCOs require the plans to submit extensive reports on multiple aspects of plan operations, including but not limited to,

participant and health care provider activity, specialized services, care coordination, utilization management, quality, systems availability, claims management, and financial management. Many of these reports will supply information that answers research questions and provides or supplements the measures used to test research hypotheses. HSD will provide the Contractor with the MCO reports.

- f. **Census and Other Publicly Available Data.** The Contractor may be required to analyze Census or other publicly available survey data to evaluate certain measures and analytic techniques.
- g. **Other.** HSD will consider other data sources proposed by the Contractor.

D. Reports

The Contractor shall deliver the following to HSD:

1. **Quarterly Reports for CMS.** The Contractor must report quarterly on the progress of evaluation activities, including key milestones accomplished, as well as challenges encountered and how they were addressed. The Contractor must include interim findings when available. The Contractor shall submit the first quarterly report draft to HSD for review at least one month prior to the CMS deadline. The Contractor shall submit subsequent quarterly report drafts to HSD at least two weeks prior to the CMS deadline.
2. **Annual Reports for CMS.** The Contractor must report annually on the progress of evaluation activities, including key milestones accomplished, as well as challenges encountered and how they were addressed. The Contractor must include interim findings when available. The Contractor shall submit a draft of the annual report to HSD at least one month prior to the CMS deadline.
3. **Interim Evaluation Report for CMS.** If the state submits a request for a renewal of the Centennial Care demonstration, the Contractor must develop an interim evaluation report. The Contractor's report must follow the Evaluation Design Plan and must include an executive summary, a description of the demonstration, a discussion of the study design, a discussion of findings and conclusions, and a description of policy implications. The interim evaluation report is due to CMS at the time of the renewal application. CMS determines the deadline for the renewal application, and this deadline is typically twelve (12) months prior to the waiver expiration date. The Contractor may be required to submit a detailed outline of this report at least six months prior to the CMS deadline. The Contractor may submit the first draft of the report at least four months prior to the CMS deadline.
4. **Final Evaluation Report for CMS.** The Contractor must develop a final evaluation report that follows the Evaluation Design Plan and includes an executive summary, a description of the demonstration, a discussion of the study design, a discussion of findings and conclusions, and a description of policy implications. The final evaluation report is due to CMS on or before April 20, 2019 (or one hundred twenty (120) days following the expiration date of the demonstration). The Contractor may be required to submit a detailed outline of this report at least six months prior to the CMS deadline. The Contractor may submit the first draft of the report at least four months prior to the CMS deadline.
5. **Analytic and Summary Data Files.** The Contractor shall provide HSD with its summary and analytic data files used to conduct the evaluation upon request. These files must be organized, clearly labeled, and accompanied by a data dictionary.

6. **Monthly Progress Reports.** The Contractor shall provide written monthly progress reports to HSD during the contract period. These reports must describe the tasks, deliverables, and key milestones performed under the contract during the month. These must also indicate the staff members working on each activity

E. Standard Activities

1. The Contractor shall:
 - a. See Appendix A for the Evaluation Design Plan: This section summarizes the services that will be required of the Contractor, which may change depending on CMS requirements. Any required changes that impact the services to be performed by Contractor will be discussed by the parties and mutually agreed upon; including any impacts such change in services may have on timing and Contractor's professional fees.
 - b. Provide all administrative and programmatic support necessary for the proper and efficient administration of Contractor

F. General Provisions

The Contractor shall:

- a. Adhere to the condition that primary contact for all Medicaid programs with CMS shall be through HSD.
- b. Provide routine and ad hoc reports as requested by HSD and/or those required by state or federal law or regulation, including those requested by the legislature or its committees and those described in this Agreement.
- c. Meet quarterly, by phone or in person, with HSD Representatives to maintain communication related to the scope of work and to provide opportunities for technical assistance from MAD.

G. Deliverables:

The following sections describe the required tasks and subtasks to be performed by the Contractor for each Deliverable under the terms of this Agreement. The Contractor must perform each task and/or subtask, but is not limited to performing only the identified task or subtasks in a given project area. The Parties hereby agree that the Deliverable(s) are the controlling items and that the Contractor's obligation is to perform and provide the Deliverables as described in the following sections.

Deliverable 1: Monthly Progress Reports

<u>Deliverable</u>	<u>Due Date</u>	<u>Compensation</u>
Monthly Progress Reports	<p>Upon completion of each month of contract period *Specific date TBD</p>	<p>\$840.00 per Report for March, 2015, through February, 2016, or 12 Reports. Total at this rate for this period is \$10,080.00, plus</p> <p>\$870.00 per Report for March, 2016, through February, 2017 or 12 Reports. Total at this rate for this period is \$10,440.00, plus</p> <p>\$910.00 per Report for March, 2017 through December 2017, or 10 Reports. Total at this rate for this period is \$9,100.00</p> <p>Deliverable 1 Total for March, 2015 through December, 2017 \$29,620.00 (all amounts include GRT)</p>

Task Item	Sub Tasks	Description
Monthly Progress Reports	Report Development and Delivery	The Contractor shall provide written monthly progress reports to HSD during the contract period. These reports must describe the tasks, deliverables and key milestones performed under the contract and the status of deliverables during the month. These must also identify the staff members working on each activity.
	Project Issues & Risk Logs	Contractor will maintain a Project Issues Log that documents project issues and the Project Risk Log that documents project risks. These logs will include open items, resolutions, dates and involved parties. Contractor will present the Project Issues Log and Risk Log to HSD in the Monthly Progress Reports.

Deliverable 2: Quarterly CMS Reports

<u>Deliverable</u>	<u>Due Date</u>	<u>Compensation</u>
Quarterly CMS Reports	Upon completion of each Quarter of contract period *Specific date TBD	<p>\$37,500.00 per Report for March, 2015, through February, 2016, or Four (4) Reports. Total at this rate for this period is \$150,000.00, plus</p> <p>\$43,550.00 per Report for March, 2015, through December, 2017, or Four (4) Reports. Total at this rate for this period is \$174,200.00, plus</p> <p>\$49,600.00 per Report for March, 2016, through December, 2017. Three (3) Reports. Total at this rate for this period is \$148,800.00.</p> <p>Deliverable 2 Total for March, 2015 through December, 2017 \$473,000.00 (all amounts include GRT)</p>

<u>Task Item</u>	<u>Sub Tasks</u>	<u>Description</u>
Quarterly CMS Reports	Report Development and Delivery	The Contractor will report quarterly on the progress of evaluation activities, including key milestones accomplished, as well as challenges encountered and how they were addressed. The Contractor must include interim findings when available. The Contractor shall submit the first quarterly report draft on evaluation activities to HSD for review at least one month prior to the CMS deadline. The CMS deadline shall be communicated to the Contractor no less than thirty (30) days before the quarterly report draft is due to HSD. The Contractor shall submit subsequent quarterly report drafts to HSD at least two weeks prior to the CMS deadline.

Deliverable 3: Annual CMS Report

<u>Deliverable</u>	<u>Due Date</u>	<u>Compensation</u>
Annual CMS Report	March 3, 2017	\$48,800 for March, 2015, through February, 2016. (Includes GRT)

Task Item	Sub Tasks	Description
Annual CMS Reports	Report Development and Delivery	The Contractor must report annually on the progress of evaluation activities, including key milestones accomplished, as well as challenges encountered and how they were addressed. The Contractor must include interim findings when available. The Contractor shall submit a draft of the annual report to HSD at least one month prior to the CMS deadline.

Deliverable 4: Executive Summary

<u>Deliverable</u>	<u>Due Date</u>	<u>Compensation</u>
Executive Summary (brief and comprehensive)	On or before May 20, 2016	\$0

Task Item	Sub Tasks	Description
Executive Summary	Final report of development and delivery	The Contractor will provide an Executive Summary fo the final evaluation report that follows the Evaluation Design Plan.

Deliverable 5: Interim CMS Evaluation Report(s) to be provided within the option years of this Agreement.

<u>Deliverable</u>	<u>Due Date</u>	<u>Compensation</u>
Interim CMS Evaluation Report(s)	September 18, 2017	\$0

Task Item	Sub Tasks	Description
Interim CMS Evaluation Report(s)	Report Development and Delivery	If the state submits a request for a renewal of the Centennial Care demonstration while the contractor is under contract, the Contractor must develop an interim evaluation report. The Contractor's report must follow the Evaluation Design Plan and must include an executive summary, a description of the demonstration, a discussion of the study design, a discussion of findings and conclusions, and a description of policy implications. The discussion of conclusions and policy implications should support the request for the demonstration renewal. The interim evaluation report is due to CMS at the time of the renewal application. CMS determines the deadline for the renewal application, and this deadline is typically twelve (12) months prior to the waiver expiration date. The Contractor will be required to submit a detailed outline of this report to HSD at least six (6) months prior to the CMS deadline. The Contractor shall submit the first draft of the report to HSD at least four months prior to the CMS deadline.

Deliverable 6: Analytic & Summary Data Files

<u>Deliverable</u>		<u>Due Date</u>	<u>Compensation</u>
Analytic & Summary Data Files		As required and mutually agreed upon by HSD and the Contractor	\$0
Analytic & Summary Data Files	File Organization and Delivery	The Contractor shall provide HSD with its summary and analytic data files used to conduct the evaluation upon request. These files must be organized, clearly labeled, and accompanied by a data dictionary.	