

AMENDMENT VII TO PROFESSIONAL SERVICES CONTRACT

THIS AMENDMENT is made to the Professional Services Contract as of the 3rd day of December, 2014 in the Territory of the Virgin Islands, by and between the **GOVERNMENT OF THE VIRGIN ISLANDS, DEPARTMENT OF PROPERTY AND PROCUREMENT** on behalf of the **DEPARTMENT OF HUMAN SERVICES** whose address is 1303 Hospital Ground, Ste 1, St. Thomas, United States Virgin Islands 00802 (hereinafter "DHS" or "Government") and **MERCER HEALTH AND BENEFITS, LLC**, (hereinafter "Mercer" or "Contractor").

WITNESSETH

WHEREAS, the Virgin Islands Department of Health ("DOH") and Alicia Smith and Associates, LLC ("ASA") entered into Contract for Professional Services Number PC-DH-046-2009 (herein referred to as the "Contract") on January 30, 2009 to provide technical assistance to optimize the Medicaid and CHIP programs by enhancing program benefits and services while leveraging available federal funding;

WHEREAS, pursuant to Contract No. PC-DH-123-2009 approved by the Governor on September 30, 2009, the parties executed Amendment 1 to add services and extended the terms of the contract to expire January 29, 2011; and

WHEREAS, pursuant to Contract No. PC011DOH11 approved by the Governor on November 26, 2010, the parties executed Amendment II to add services and increase the compensation under the contract; and

WHEREAS, pursuant to Contract No. PC064DOH11 approved by the Governor on January 28, 2011, the parties executed Amendment III to add services, increase the compensation under the contract and extend the term of the contract to expire on June 20, 2012; and

WHEREAS, pursuant to Contract No. PC061DOH12 approved by the Governor on April 17, 2012, the parties executed Amendment IV to add services, increase the compensation under the contract and extend the term of the contract to expire on June 20, 2013; and

WHEREAS, the Medical Assistance Program was transferred from the Department of Health to the Department of Human Services ("DHS") on October 1, 2012 pursuant to Act No. 7441 and DHS assumed management and oversight of the work performed by Mercer under the contract and amendments.;

WHEREAS, pursuant to Contract No. PC121DHS13 approved by the Governor on June 24, 2013, the parties executed Amendment V to add services, increase the

compensation under the contract and extend the term of the contract to expire on September 30, 2014.

WHEREAS, pursuant to Contract No. PC099DHS14 approved by the Governor on May 15, 2014, the parties executed Amendment VI to add services, increase the compensation and extend the term of the contract to expire on December 31, 2014.

WHEREAS, the Government continues to need the services of a Contractor to provide strategic planning, contract development, systems support, and policy guidance; to assist in the readiness and implementation of a new Eligibility and Enrollment System, to assist with the reorganization of the clinics and the Federally Qualified Health Centers (FQHCs) to provide care coordination; to assist in the creation of a policy manual on fiscal guidance; to assist in the implementation of the Electronic Health Records (EHR) process; to secure enhanced federal funding to implement ICD-10 and other modifications to the Medicaid Management Information System (MMIS); and to provide General Consultancy and Technical Assistance as requested. These duties and responsibilities are more particularly described in Addendum I (Scope of Services) attached hereto;

Whereas, DHS and Contractor have agreed that the term of the contract needs to be extended, the scope of services need to be expanded and the corresponding compensation for both the existing and the new expanded services and tasks needs to be increased;

WHEREAS, DHS and Contractor agree to perform the functions, duties and obligations as agreed in the contract;

WHEREAS, The Scope of Work described in the Contract and Amendments I, II, III, IV, V and VI is incorporated by reference;

WHEREAS, the Contractor represents that it is willing and capable of providing such services.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and intending to be legally bound by this written instrument, the parties hereto do covenant and agree as follows;

1. The term of the Contract is extended to December 31, 2015.
2. The parties agree to increase the Contractor's rate from three hundred dollars (\$300) per hour to three hundred fifteen dollars (\$315) per hour. The parties agree to increase the compensation by **EIGHT HUNDRED EIGHTY-TWO THOUSAND AND NO/CENTS (\$882,000.00) in consideration of the satisfactory performance of the services performed in this Amendment VII.** In addition, the Government of the United States Virgin Islands agrees to compensate the Contractor

for travel expenses in an amount not to exceed **THIRTY-EIGHT THOUSAND DOLLARS and NO/CENTS (\$38,000.00)** for a total contract value not to exceed **NINE HUNDRED TWENTY THOUSAND DOLLARS and NO/CENTS (920,000.00)**. The total amount paid to Contractor under the original contract and amendments I through VII are not to exceed the sum of **FIVE MILLION FOUR HUNDRED AND TWO THOUSAND, ONE HUNDRED AND TEN DOLLARS and NO CENTS (\$5,402,110)**.

2. Except as expressly amended in this Amendment VII of Professional Services Contract, all terms and provisions of Professional Services Contract PC-DH-046-2009; Amendment 1 PC-DH-123-2009; Amendment II PC011DOH11; Amendment III PC064DOH11; Amendment IV PC061DOH12; Amendment V PC121DHS13 and Amendment VI PC 099DHS14 remain in full force and effect.
3. Contractor shall include Government as an additional named insured in its general liability insurance.
4. This Amendment of Contract for Professional Services is subject to the appropriation and availability of funds and the approval of the Governor of the Virgin Islands.
5. Addendum I – Scope of Services is expanded herein, as follows:

PROJECT MANAGEMENT

For each task, the contractor shall provide technical expertise as part of the development of the deliverables noted below. The tasks to be performed shall address the following priorities:

1. The completion of the procurement of a new integrated Eligibility and Enrollment System. (December 2015)
2. The organization of the clinics operated by the Department of Health and the FQHCs to provide Care Coordination, including opportunities for federal reimbursement. (October 2015)
3. The creation of a policy manual detailing fiscal guidance in accordance with the Centers for Medicare and Medicaid Services (CMS) federal claiming standards and institutionalize the Certified Public Expenditure (CPE) claiming process (whether internally or with a contractor). (January 2015)
4. The implementation of the EHR project. (2015)
5. The continued development of the MMIS through 1) the updates to and implementation of series of CMS-approved Implementation Advanced Planning

- Documents (IAPDs) including the ICD-10 project; and 2) the migration of the MMIS from HealthPas 4.7 to HealthPas 5.0. (October 2015)
6. Hospital rate-setting (November 2014).
 7. Medicaid Expansion (Phase III and IV). (2015)
 8. A revised Medicaid Eligibility Policy Manual. (January 2015)
 9. The development of an Alternative Benefit Plan (ABP) State Plan Amendment to accompany the expansion of Medicaid to the “newly eligible” single adults in Expansion Phase IV. (2015)
 10. The development of enhanced Medicaid claiming for Inpatient Psychiatric services. (October, 2015)
 11. General consulting as directed by DHS including, State Plan development, CPE Claiming, and CMS Compliance. (Ongoing)

1. NEW ELIGIBILITY AND ENROLLMENT SYSTEM (800 hours)

Contractor shall work with the Government, its agencies, and other designated stakeholders on the completion of the procurement activities related to the new eligibility system. The contractor will:

- Assist in the process to procure an integrated replacement eligibility system that will satisfy the CMS Seven Standards and Conditions to access enhanced federal funding (90%);
- Develop Project Management and Independent Verification RFPs and contracts as directed by the DHS;
- Assist in the implementation of the activities described in IAPD;
- Support the Government in negotiations with vendors;
- Support the Government as needed in internal meetings and discussions with CMS.

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The following timeline represents the current plan to acquire a new Eligibility and Enrollment system. This timeline is dependent on the timely performance of required activities by the government of the United States Virgin Islands, the vendor, and CMS to implement the new system by the December 2015 deadline in order to qualify for the 90/10 federal match.

	9/ 14	10/ 14	11/ 14	12/ 14	1/ 15	2/ 15	3/ 15	4/ 15	5/ 15	6/ 15	7/ 15	8/ 15	9/ 15	10/ 15	11/ 15	12/ 15
Phase 1 Release RFPs	X	X														
Phase 2 Evaluate Bidder Responses		X	X													
Phase 3 Negotiate and Award Contracts			x	X												
Phase 4 DDI for Proposed Solution					X	X	X	X	X	X	X					
Phase 5 Implementation												X	X	X	X	X
Contract Modification as needed															X	X

2. CARE COORDINATION (100 hours)

Contractor shall work with the Government, its agencies, and the clinics in the creation of a system of Care Coordination for the Medicaid population. The contractor will:

- Help organize stakeholder communication on the new doctor referral process;
- Assist in responding to questions from hospitals and clinics;
- Assist in determining the policy for member assignment;
- Participate in the configuration of the required MMIS system changes to implement the new model;

- Develop the service agreements as required;
- Determine the per member per month rate to be paid to support care coordination activities; and
- Provide subject matter expertise on issues that could arise from newly organized referral process.

3. FISCAL POLICY MANUAL (50 hours)

Contractor will work with the Government and its agencies on a policy manual that provides guidance on fiscal policy issues in accordance with CMS federal claiming standards. The contractor will:

- Create a policy manual with guidance from the Federal and the government of the United States Virgin Islands and its agencies;
- Provide staff training on federal claiming and reporting.
- Provide technical support for ongoing federal claiming for CPEs and other non-CPE claims;
- Assist in CMS communications, and;
- Document and develop policy and procedures on the CPE claiming process either internally or with the designated Government contractor.

4. Electronic Health Records (EHR) (50 hours)

Contractor will:

- Assistance with the revisions of the State Medicaid HIT Plan (SMHP);
- Support Department for coordination with CMS, the Office of the National Coordinator (ONC), Molina Healthcare, Inc., and the Regional Extension Center for EHR implementation;
- Assist with the creation of the necessary processes for EHR program implementation; and
- Research and consult with the Government on national standards for its Health Information Exchange (HIE) system.

5. MMIS Updates (100 hours)

- Mercer assisted the Department in 2014 in the development of an IAPD to fund the deployment of the new ICD-10 diagnosis codes in the MMIS. Based on action by

Congress, the implementation date was delayed from October 2014 to October 2015.

- The congressionally mandated delay has caused the Department to re-evaluate its strategy for the upgrade of the MMIS. The system is hosted by the partner state – West Virginia. West Virginia is not able to wait until October 2015 to upgrade that system from the Molina-operated HealthPas 4.7 to HealthPas 5.0. Therefore, the United States Virgin Islands MMIS will also migrate to HealthPas 5.0 during calendar year 2015.
- This migration will include the implementation of ICD-10.
- An updated IAPD will need to be prepared to secure the enhanced federal match (90%) for migration to HealthPas 5.0. (October 2015).

6. Hospital Rate-Setting (100 hours)

- Mercer will perform an analysis using the latest 2012 audit cost data to update the interim Medicaid inpatient and outpatient rates at Juan Luis and Roy L. Schneider hospitals and obtain CMS approval to implement the updated interim rates (October 2014)

7. Medicaid Expansion - Phase III and IV (300 hours)

- Mercer has assisted the DHS in two rounds of Medicaid Expansion that have significantly increased the total enrollment in the Medicaid program. The expansions featured an increase in the income limits for children, parents, and pregnant women, express lane eligibility for children, and a new mail-in application process for client outreach based on SNAP data.
- In Phase III Mercer will assist the DHS in securing federal approval for a series of state plan amendments that will move the United States Virgin Islands to compliance with the Modified Adjusted Gross Income (MAGI) methodology based on gross income test and a United States Virgin Islands Poverty Level (USVIPL). (January 2015) In Phase IV Mercer will assist the United States Virgin Islands in the addition of the “newly eligible” single adults.

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8. Medicaid Eligibility Policy Manual (50 hours)

- As Medicaid in the United States Virgin Islands has enjoyed a successful expansion and is moving to MAGI compliance, Mercer has assisted in the preparation of ad-hoc training presentations for the staff in the Medical Assistance Program (MAP).
- However, the current Medicaid Eligibility Policy Manual that provides step-by-step guidance to staff for the determination of Medicaid eligibility is now increasingly out of date. Mercer will work with MAP staff to publish a new comprehensive Eligibility Policy Manual that will capture the entire program changes described to date and present a format that can be easily updated in the future. (November 2015)

9. Alternative Benefit Plan (ABP) (200 hours)

- The Affordable Care Act (ACA) requires each state and territory to prepare a comparative analysis of the coverage to be provided to the “newly eligibles to one of the benchmark standards identified in the ACA. This Alternative Benefit Plan or ABP must be submitted to and approved by CMS prior to the expansion of Medicaid eligibility to the single adults.
- Based on the work that Mercer has already performed for Puerto Rico and other state clients, Mercer will prepare a benefit comparison that will demonstrate to CMS that the United States Virgin Islands Medicaid State Plan will meet the benchmark comparative standards with the options laid out in the ACA. Any services identified in the preliminary gap analysis will be identified and submitted to the Department with the accompanying State Plan Amendments to secure federal approval. (April 2015)

10. Enhanced Claiming for Inpatient Psychiatric Services (50 Hours)

- Mercer will prepare a step-by-step guide to make claiming for these services a routine operation for the medical and financial staff at DHS (October, 2015).

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11. General Consultancy, Rate Setting, Technical Assistance, etc. (1,000 hours)

- The Contractor will be available to provide general consultancy and technical assistance on policy and operational issues related to the Medicaid program as directed by DHS. The Contractor will document the scope of each new activity for DHS approval prior to beginning work.

Total Labor Cost and Hours - 2,800 hours @ \$315/hr. = \$882,000

Please note:

The projected costs and hours required for each of the individual projects listed above may be reallocated depending on the level of effort required for their successful completion. However, any such re-allocation will not result in any additional cost for DHS.

Project Team: Marcia Morgan will provide oversight for all contract related activities. The Contractor's team will also include David Parrella, Jason Coleman, Bill Lasowski, and Monica Adibe. The composition of the team may vary based on the specific expertise required by each task. In some instances additional team members may be added as required, subject to approval by DHS. Any of these potential staffing changes will not require any additional financial commitments by DHS.

On-Site Work and Travel: Contractor shall spend time in the United States Virgin Islands when directed by DHS for the following:

- 1. Eligibility and Enrollment System**
 - a. Planning and strategy discussions with the Government
 - b. Facilitation/support of negotiations with potential vendors/partners
 - c. Bidder's conference/Implementation
- 2. Care Coordination**
 - a. Stakeholder communication on new doctor referral process
 - b. Facilitate new configuration of MMIS system
- 3. Fiscal Policy Manual**
 - a. Staff training on correct processes for federal claiming
 - b. Test audits to assure fiscal accountability
- 4. Electronic Health Records**
 - a. Work with the EHR contractor, DHS staff, and providers to implement the EHR process
- 5. General Consultancy and Technical Assistance**


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- a. Provide general consulting and technical assistance on federal laws, regulations, and policies and program and financial operational issues and procedures.

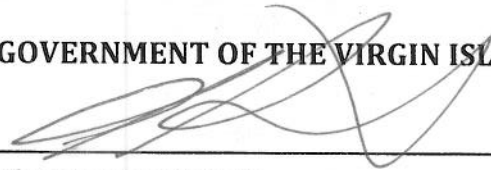
Total Travel Budget - \$38,000

IN WITNESS WHEREOF, the parties have hereunto set their hands on the day and year first above written.

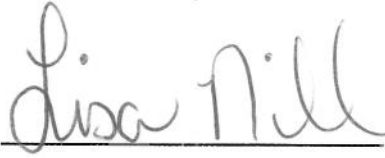
WITNESSES:


 ^{10/29/14}

GOVERNMENT OF THE VIRGIN ISLANDS


Christopher Finch
Commissioner
Department of Human Services

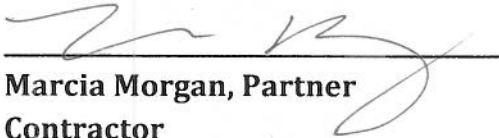
10/29/2014
Date




Lynn A. Millin Maduro
Commissioner
Department of Property & Procurement

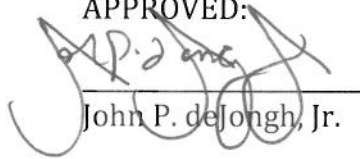
11/12/14
Date




Marcia Morgan, Partner
Contractor
Mercer Health and Benefits, LLC

10-28-14
Date

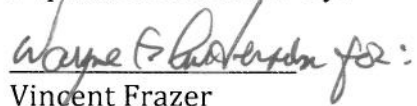
APPROVED:


John P. deJongh, Jr.

12/3/2014
Date

Approved for Legal Sufficiency

Department of Justice By:


Vincent Frazer
Attorney General

12-3-14
Date

Contract No.: _____

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AMENDMENT VI TO PROFESSIONAL SERVICES CONTRACT

THIS AMENDMENT is made to the Professional Services Contract as of the 15th day of May, 2014 in the Territory of the Virgin Islands, by and between the **GOVERNMENT OF THE VIRGIN ISLANDS, DEPARTMENT OF PROPERTY AND PROCUREMENT** on behalf of the **DEPARTMENT OF HUMAN SERVICES** whose address is 1303 Hospital Ground, Ste 1, St. Thomas, United States Virgin Islands 00802 (hereinafter "DHS" or "Government") and **MERCER HEALTH AND BENEFITS, LLC**, (hereinafter "Mercer" or "Contractor").

WITNESSETH

WHEREAS, the Virgin Islands Department of Health ("DOH") and Alicia Smith and Associates, LLC ("ASA") entered into Contract for Professional Services Number PC-DH-046-2009 (herein referred to as the "Contract") on January 30, 2009 to provide technical assistance to optimize the Medicaid and CHIP programs by enhancing program benefits and services while leveraging available federal funding;

WHEREAS, pursuant to Contract No. PC-DH-123-2009 approved by the Governor on September 30, 2009, the parties executed Amendment 1 to add services and extended the terms of the contract to expire January 29, 2011; and

WHEREAS, pursuant to Contract No. PC011DOH11 approved by the Governor on November 26, 2010, the parties executed Amendment II to add services and increase the compensation under the contract; and

WHEREAS, pursuant to Contract No. PC064DOH11 approved by the Governor on January 28, 2011, the parties executed Amendment III to add services, increase the compensation under the contract and extend the term of the contract to expire on June 20, 2012; and

WHEREAS, pursuant to Contract No. PC061DOH12 approved by the Governor on April 17, 2012, the parties executed Amendment IV to add services, increase the compensation under the contract and extend the term of the contract to expire on June 20, 2013; and

WHEREAS, the Medical Assistance Program was transferred from the Department of Health to the Department of Human Services ("DHS") on October 1, 2012 pursuant to Act No. 7441 and DHS assumed management and oversight of the work performed by Mercer under the contract and amendments.;

WHEREAS, pursuant to Contract No. PC121DHS13 approved by the Governor on June 24, 2013, the parties executed Amendment V to add services, increase the

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compensation under the contract and extend the term of the contract to expire on September 30, 2014.

WHEREAS, DHS and Contractor have agreed that the term of the contract needs to be extended, the scope of services need to be expanded and the corresponding compensation for both the existing and the new expanded services and tasks needs to be increased;

WHEREAS, DHS and Contractor agree to perform the functions, duties and obligations as agreed in the contract;

WHEREAS, The Scope of Work described in the Contract and Amendments I, II, III, IV, and V is incorporated by reference;

WHEREAS, the Government is in need of the services of a Contractor to provide strategic planning, contract development, systems support, and policy guidance; to assist in the readiness and implementation of a new Eligibility and Enrollment System, to assist with the reorganization of the clinics and the federally qualified health centers into Medical Homes, to assist in the creation of a policy manual on fiscal guidance, to assist in the implementation of the Electronic Health Records process, and to provide General Consultancy and Technical Assistance as requested. These duties and responsibilities are more particularly described in Addendum I (Scope of Services) attached hereto.

WHEREAS, the Contractor represents that it is willing and capable of providing such services.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and intending to be legally bound by this written instrument, the parties hereto do covenant and agree as follows;

1. The term of the Contract is extended to December 31, 2014.
2. The Contractor shall be paid at a rate of \$300 per hour inclusive of all costs except travel. In no event, shall the additional compensation for the services set forth in this Amendment VI exceed **Seven Hundred Seventy Six Thousand Seven Hundred Dollars and No Cents (\$776,700.00)**. In addition, Government agrees to compensate Contractor for travel costs. Travel costs shall be limited to **Fifty Thousand Dollars and No Cents (\$50,000.00)**. In no event, shall the total compensation paid to Contractor under this Amendment VI exceed **Eight Hundred Twenty Six Thousand Seven Hundred Dollars and No Cents (\$826,700.00)**. Additionally, in no event shall the total amount paid to Contractor under the original contract and amendments I through VI exceed the sum of **Four Million Four Hundred Eighty Two Thousand One Hundred and Ten Dollars and No Cents (\$4,482,110.00)**.

3. Except as expressly amended in this Amendment VI of Professional Services Contract, all terms and provisions of Professional Services Contract PC-DH-046-2009; Amendment 1 PC-DH-123-2009; Amendment II PC011DOH11; Amendment III PC064DOH11; Amendment IV PC061DOH12; and Amendment V PC121DHS13 remain in full force and effect.

4. Contractor shall include Government as an additional named insured in its general liability insurance.

5. This Amendment of Contract for Professional Services is subject to the appropriation and availability of funds and the approval of the Governor of the Virgin Islands.

6. Addendum I - Scope of Services is expanded herein, as follows:

PROJECT MANAGEMENT

The Contractor shall build a *work plan* that lays out the tasks associated with this project, and the time and effort associated with these tasks. Once the "baseline" work plan is fully developed and finalized, updates to the plan and a "dashboard" report - which will include progress and potential risks associated with the project - will be provided to BHIMA on a monthly basis.

For each task, the Contractor shall provide technical expertise as part of the development of the deliverables as noted below. The tasks to be performed shall address **seven main goals**:

1. The procurement (under a state partnership) readiness and implementation of a new Eligibility and Enrollment System for Medicaid enrollees
2. The organization of the clinics operated by the Department of Health and the Federally Qualified Health Centers (FQHCs) under a Medical Home model for patient referrals, including opportunities for federal reimbursement (i.e. Care Coordination Model).
3. The creation of a policy manual detailing fiscal guidance in accordance with CMS federal claiming status and finish the reconciliation process and institutionalize the CPE claiming process (whether initially or with a contractor).
4. The implementation of the Electronic Health Records (EHR) project.
5. The continued development of the Medicaid Management Information System (MMIS) through a series of Implementation Advanced Planning Documents (IAPDs) in response to federal mandates and local initiatives.

6. State Plan development and analysis to support the further expansion of the Medicaid program in the United States Virgin Islands.

7. General consulting as directed by the Department of Human Services.

1. NEW ELIGIBILITY AND ENROLLMENT SYSTEM

Contractor shall work with the Government, its agencies, State Partners, and other designated stakeholders on procurement activities related to the new eligibility system. The contractor will:

- Finalize the strategy for partnering with another state to implement an integrated replacement eligibility system that will satisfy the CMS Seven Standards and Conditions to access enhanced federal funding (90%).
- Develop or amend Memorandums of Understanding (MOUs) with state partners as necessary.
- Develop Project Management and Independent Verification RFPs and contracts as directed by the Department of Human Services
- Develop the Implementation Advanced Planning Document (IAPD)
- Participate in the Design, Development, and Implementation (DDI) of the transfer solution, including the configuration of the preferred solution to meet the needs of the Territory
- Support in government negotiations with vendors/partners
- Assist in modifying contract(s)/agreements as needed
- Support Government as needed in internal meetings and discussions with CMS

The following timeline represents the most expedient way to acquire a new Eligibility and Enrollment system using 90/10 federal matching funds.

TIMELINE WITHOUT A PROCUREMENT																
16 Months to acquire a new system with 90/10 match rate	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Phase 1 Strategy and Planning	X	X														
Phase 2 Develop MOUs			X	X												
Phase 3 Develop RFPs					X	X	X									
Phase 4 Develop IAPDs								X	X	X						
Phase 5 DDI of transfer solution											X	X	X	X	X	X
Contract Modification as needed														X	X	X

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2. **CREATION OF MEDICAL HOMES**

Contractor shall work with the Government, its agencies, and the clinics in the creation of Medical Homes under a Care Coordination Model. The Contractor will:

- Help organize stakeholder communication on the new doctor referral process
- Assist in responding to questions from hospitals and clinics
- Assist in determining the policy for member assignment
- Participate in the configuration of the required MMIS system changes to implement the new model
- Develop the necessary State Plan Amendments
- Determine the per member per month rate to be paid to support care coordination activities
- Provide subject matter expertise on issues that could arise from newly organized referral process

3. **FISCAL POLICY MANUAL**

Contractor will work with the Government and its agencies on a policy manual that provides guidance on fiscal policy issues in accordance with CMS Federal claiming standards. The Contractor will:

- Create a policy manual with guidance from the Government and its agencies
- Provide staff training on the corrected processes to facilitate federal claiming and reporting
- Participate in test audits to assure fiscal accountability
- Provide technical support for the final reconciliation of past federal claiming and certified public expenditures
- Assist in CMS communications
- Complete the reconciliation process and assist in negotiations with CMS
- Document and develop policy and procedures on the CPE claiming process

4. **ELECTRONIC HEALTH RECORDS (EHR)**

Contractor will work with the Government and its agencies to:

- Provide assistance with the creation of the Electronic Health Records, EHR, Implementation Advanced Planning Document (IAPD)
- Provide assistance with the revisions of the State Medicaid Health Information Technology Plan (SMHP)
- Support the Government with coordination with CMS, Office of the National Coordinator and the Regional Extension Center for EHR implementation

- Assist with the creation of the necessary processes for EHR program implementation
- Research and consult with the Government on national standards for its Health Information Exchange (HIE) system

5. **GENERAL CONSULTANCY AND TECHNICAL ASSISTANCE**

The Contractor will be available to provide general consultancy and technical assistance on policy and operational issues related to the Medicaid program as directed by DHS. The Contractor will document the scope of each new activity for DHS approval prior to beginning work.

A distinct task within this category of services is the development of the necessary Implementation Advanced Planning Documents (IAPDs) to bring the USVI Medicaid Management Information System (MMIS) into compliance with federal mandates and local initiatives including but not limited to:

- ICD-10 - International Classification of Diseases – 10th Edition
- TMSIS - Transformed Medicaid Statistical Information System
- CAQH – Council for Affordable Quality Health Care
- Care Coordination Model

Project Team: Marcia Morgan will provide oversight for all contract related activities. The Contractor's team will also include David Parrella, Jason Coleman, Bill Lasowski and Monica Adibe.

On-Site Work and Travel: Contractor shall spend time in the Virgin Islands when directed by DHS for the following:

1. **Eligibility and Enrollment System**
 - a. Planning and strategy discussions with the Government
 - b. Facilitation/support of negotiations with potential vendors/partners
 - c. If procurement option is pursued - bidder's conference, facilitation of bid evaluations, discussions with the Government
2. **Creation of Medical Homes**
 - a. Stakeholder communication on new doctor referral process
 - b. Facilitate new configuration of MMIS system
3. **Fiscal Policy Manual**
 - a. Staff training on correct processes for federal claiming
 - b. Test audits to assure fiscal accountability
4. **Electronic Health Records**
 - a. Work with the EHR Contractor, DHS staff and providers to implement the EHR process
5. **General Consultancy and Technical Assistance**
 - a. Provide general consulting and technical assistance on Federal laws, regulations, policies and program and financial operational issues and procedures.

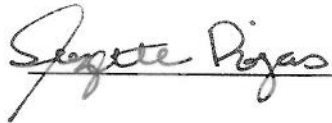
6. **Assistance with Other IAPDs to meet Federal Mandates**

- a. Assist VI staff in the preparation of IAPDs for Federal mandates and local initiatives.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the day and year first above written.

WITNESSES:

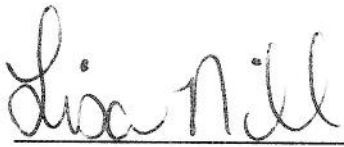
GOVERNMENT OF THE VIRGIN ISLANDS





5/6/2014
Date

Christopher Finch
Commissioner
Department of Human Services

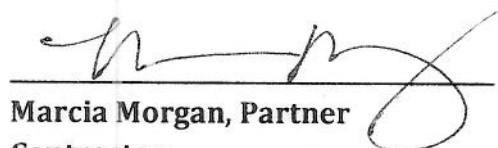




5/2/14
Date

Lynn A. Millin Maduro
Commissioner
Department of Property & Procurement

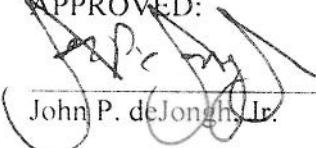




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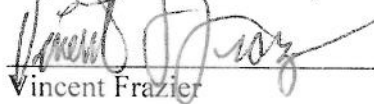
Marcia Morgan, Partner
Contractor
Mercer Health and Benefits, LLC

APPROVED:


John P. deJongh, Jr.

5/15/14
Date

Approved for Legal Sufficiency
Department of Justice By:


Vincent Frazier
Attorney General

5/14/14
Date

Contract No.: _____

AMENDMENT V TO PROFESSIONAL SERVICES CONTRACT

THIS AMENDMENT is made to the Professional Services Contract as of the 24th day of June, 2013 in the Territory of the Virgin Islands, by and between the **GOVERNMENT OF THE VIRGIN ISLANDS, DEPARTMENT OF PROPERTY AND PROCUREMENT** on behalf of the **DEPARTMENT OF HUMAN SERVICES** whose address is 1303 Hospital Ground, STE. 1, St. Thomas, United States Virgin Islands 00802 (hereinafter "DHS" or "Government") and **MERCER HEALTH AND BENEFITS, LLC**, (hereinafter "Mercer" or "Contractor").

WITNESSETH:

WHEREAS, the Virgin Islands Department of Health ("DOH") and Alicia Smith and Associates, LLC ("ASA") entered into Contract for Professional Services Number PC-DH-046-2009 (herein referred to as the "Contract") on January 30, 2009 to provide technical assistance to optimize the Medicaid and CHIP programs by enhancing program benefits and services while leveraging available federal funding;

WHEREAS, pursuant to Contract No. PC-DH-123-2009 approved by the Governor on September 30, 2009, the parties executed Amendment I to add services and extended the terms of the contract to expired January 29, 2011; and

WHEREAS, pursuant to Contract No. PC011DOH11 approved by the Governor on November 26, 2010, the parties executed Amendment II to add services and increase the compensation under the contract; and

WHEREAS, pursuant to Contract No. PC064DOH11 approved by the Governor on January 28, 2011, the parties executed Amendment III to add services, increase the compensation under the contract and extend the term of the contract to expire on June 20, 2012; and

WHEREAS, pursuant to Contract No. PC061DOH12 approved by the Governor on April 17, 2012, the parties executed Amendment IV to add services, increase the compensation under the contract and extend the term of the contract to expire on June 20, 2013; and

WHEREAS, ASA assigned the Contract to Mercer pursuant to an Assignment of Contract.

Whereas, the Medical Assistance Program was transferred from the Department of Health to the Department of Human Services on October 1, 2012 pursuant to Act No. 7441 and DHS assumed management and oversight of the work performed by Mercer under the contract and amendments;

WHEREAS, DHS and Contractor agree to perform the functions, duties and obligations as agreed in the contract; and

WHEREAS, the Scope of Work described in the Contract and Amendments I, II, III and IV is incorporated by reference herein; and

WHEREAS, the Government is in need of the services of a Contractor to provide strategic planning, contract development, procurement support and contract negotiation activities to continue the work on Health Care Reform and the implementation of the Affordable Care Act (ACA); to assist in staff training and the development of office policies and procedures and client education and outreach materials, to develop revised processes to expedite the processing of Medicaid claims; improvements in financial accounting to support federal claiming and compliance; as a subset of the activities to continue retro-claiming activities as warranted to exhaust available Medicaid, CHIP or ARRA allotments; to implement a Medicaid Management Information System (MMIS); to assist in the planning for a new eligibility system; to assist with the management of the Pharmacy Benefits Manager (PBM) and improved administration of the Program's drugs/pharmaceutical benefit, including expanding client eligibility for and payments from the Medicare Part D program; to implement and Electronic Health Records (EHR) program for eligible Medicaid providers; to assist DHS in designing, developing, and operationalizing optimal Medicaid and CHIP programs, by enhancing program benefits and services through the preparation of State Plan Amendments and waivers; to model program expansions by leveraging available federal funding. These duties and responsibilities are more particularly described in Addendum I (Scope of Services) attached hereto; and

WHEREAS, the work to be performed by Contractor under this contract is separate and distinct from the work performed under another contract for the Office of the Governor to develop a Health Information Exchange (HIX); and

WHEREAS, the Contractor represents that it is willing and capable of providing such services.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and intending to be legally bound by this written instrument, the parties hereto do covenant and agree as follows:

1. The term of the Contract is extended to expire on September 30, 2014.
2. This Amendment V of Contract for Professional Services is subject to the approval of the Governor of the Virgin Islands and subject to the availability and appropriation of funds.
3. Except as expressly amended in this Amendment V of Professional Services Contract, all terms and provisions of Professional Services Number PC-DH-046-2009, Amendment I PC-DH-123-2009, Amendment II PC011DOH11; Amendment III PC064DOH11 and Amendment IV PC061DOH12 remain in full force and effect.

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4. Compensation. The Government in consideration of the satisfactory performance of the services described in Professional Services Contract Number PC-DH-046-2009, Amendment I PC-DH-123-2009, Amendment II PC011DOH11; Amendment III PC064DOH11 and Amendment IV PC061DOH12 shall pay the Contractor at the hourly rate of **\$300 per hour** for work performed on and after June 21, 2013. In no event shall the increased hourly payment for the services described in the contract and amendments referenced exceed the total compensation of **ONE MILLION TWO HUNDRED FIFTY THOUSAND SIXTYAND NO/100 DOLLARS (\$1,250,060.00)** set forth in Amendment IV PC061DOHHS12.
5. Limitation of Liability: The aggregate liability of Mercer, its Affiliates and any officer, director or employee of Mercer and its Affiliates ("Mercer Parties") to the Government of the Virgin Islands for any and all Losses arising out of or relating to the provision of any Services at any time by any of the Mercer Parties shall not exceed the greater of one and a half times the Compensation for the Services giving rise to such Loss and \$100,000.00 Mercer shall have no liability for the acts or omissions of any third party (other than their subcontractors).
 - A. In no event shall either Party or its Affiliates be liable in connection with this Agreement or the Services to the other Party, its Affiliates or any third party for any loss of profit or incidental, consequential, special, indirect, punitive or similar damages. The provisions of this Section shall apply to the fullest extent permitted by law. Nothing in this Section limiting the liability of a Party shall apply to any liability that has been finally determined by a court to have been caused by the fraud of such Party or criminal conduct on the part of either party to this agreement, including their Affiliates and any officer, director or employee or any third party (including any benefit plan, its fiduciaries or any plan sponsor. Notwithstanding any term or provision in this contract to the contrary, the limitation on contractor's liability set out in subsection (A) of this section shall not apply in the event of gross negligence, reckless conduct, or willful misconduct on the part of contractor.
 - B. For purposes of this Agreement "Loss" means damages, claims, liabilities, losses, awards, judgments, penalties, third party claims, interest, costs and expenses, including reasonable attorneys' fees, whether arising under any legal theory including, but not limited to claims sounding in tort (such as for negligence, misrepresentation or otherwise), contract (whether express or implied), by statute, or otherwise, claims seeking any kind of damages and claims seeking to apply any standard of liability such as negligence, statutory violation or otherwise..
 - C. Each of the parties acknowledges that the Compensation for the Services to be provided under this Agreement V and the Professional Services Contract Number PC-DH-046-2009, Amendment I PC-DH-123-2009, Amendment II PC011DOH11; Amendment III PC064DOH11 and Amendment IV PC061DOH12 reflects the allocation of risk set forth in this Section.

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IN WITNESS WHEREOF, the parties have hereunto set their hands on the day and year first above written.

WITNESSES:

[Signature]

GOVERNMENT OF THE VIRGIN ISLANDS

[Signature]
Christopher E. Finch
Commissioner

6/18/2013
Date

DEPARTMENT OF HUMAN SERVICES

[Signature]

[Signature]
Lynn A. Millin Maduro
Commissioner

6/20/13
Date

DEPARTMENT OF PROPERTY AND PROCUREMENT

[Signature]

CONTRACTOR
Mercer Health & Benefits, LLC

[Signature]
Marcia R. Morgan, Partner

6-10-13
Date

APPROVED:

[Signature]
John P. deJongh, Jr.

6/24/13
Date

Approved for Legal Sufficiency
Department of Justice By:

[Signature]

6-20-13
Date

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Department Head's Initials / Date

MRM 6-10-13
Contractor's Initials / Date

PC121DHS13

AMENDMENT IV TO PROFESSIONAL SERVICES CONTRACT

THIS AMENDMENT is made to the Professional Services Contract as of the 17th day of April, 2012 in the Territory of the Virgin Islands, by and between the Government of the Virgin Islands, Department of Property & Procurement on behalf of the Department of Health whose address is 1303 Hospital Ground, Suite 10, St. Thomas, United States Virgin Islands 00802 (hereinafter "DOH" or "Government") and Mercer Health & Benefits LLC, (hereinafter "Mercer" or "Contractor").

WITNESSETH:

Whereas, Government and Alicia Smith & Associates, LLC ("ASA") entered into Contract for Professional Services Number PC-DH-046-2009 (herein referred to as the "Contract") on January 30, 2009 to provide technical assistance to optimize the Medicaid and CHIP programs by enhancing program benefits and services while leveraging available federal funding;

Whereas, DOH and ASA, pursuant to Amendment I extended the term of the contract to January 29, 2011 and pursuant to Amendment II expanded the scope of services and corresponding compensation for those expanded services;

Whereas, Amendment III extended the term of the Contract to June 30, 2012;

Whereas, ASA assigned the Contract to Mercer pursuant to an Assignment of Contract.

Whereas, DOH and Contractor have agreed that the term of the contract needs to be extended, the scope of services need to be expanded and the corresponded compensation for those expanded services and tasks needs to be increased;

Whereas, DOH and Contractor agree to perform the functions, duties and obligations as agreed in the contract;

Whereas, The Scope of Work described in the Contract and Amendments I, II, and III is incorporated by reference here;

WHEREAS, the Government is in need of the services of a Contractor to provide strategic planning, contract development, procurement support and contract negotiation activities to continue the work on Health Care Reform and the implementation of the Accountable Care Act (ACA); to assist in staff training and the development of office policies and procedures and client education and outreach materials; to develop revised processes to expedite the processing of Medicaid claims; improvements in financial accounting to support federal claiming and compliance; as a subset of the activities, to continue retro-claiming activities as warranted to exhaust available Medicaid, CHIP, or ARRA allotments; to implement a Medicaid Management Information System (MMIS); to assist in the planning for a new eligibility system; to assist with the management of the Pharmacy Benefits Manager (PBM) and improved administration of the Program's drugs/pharmaceuticals benefit, including expanding client eligibility for and payments from the Medicare Part D program; to implement an Electronic Health Records (EHR) program for eligible Medicaid providers; to assist DOH in designing, developing, and operationalizing optimal Medicaid and CHIP programs, by enhancing program benefits and services through the preparation of State Plan Amendments and waivers; to model program expansions by

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leveraging available federal funding. These duties and responsibilities are more particularly described in Addendum I (Scope of Services) attached hereto; and

Whereas, the work to be performed by Contractor under this contract is separate and distinct from the work performed under another contract for the office of the Governor to develop a Health Information Exchange HIX); and

WHEREAS, the Contractor represents that it is willing and capable of providing such services.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and intending to be legally bound by this written instrument, the parties hereto do covenant and agree as follows:

1. The term of the Contract is extended to June 20, 2013.
2. The Contractor shall be paid at the same rate of pay under Contract No. PC-DH-046-2009 inclusive of all costs except travel. In no event, shall the additional compensation for the services set forth in this Amendment IV exceed ONE MILLION TWO HUNDRED THOUSAND SIXTY AND NO/100 DOLLARS (\$1,200,060.00). In addition, the Government of the United States Virgin Islands agrees to compensate the Contractor for Travel costs. Travel costs shall be limited to Fifty Thousand and NO/100 Dollars (\$50,000.00).
3. In no event, shall the total compensation paid to the Contractor for the Services and Travel set forth in this Amendment IV exceed One Million Two Hundred and Fifty Thousand and Sixty and No/100 Dollars (\$1,250,060.00).
4. Amendment IV – Scope of Services are expanded herein as follows:

SCOPE OF SERVICES TO BE PERFORMED

PROJECT MANAGEMENT

The Contractor shall build a *work plan* that lays out the tasks associated with this project, and the time and effort associated with these tasks.

Once this "baseline" work plan is fully developed and finalized, updates to the plan and a "dashboard" report - which will include progress and potential risks associated with the project - will be provided to BIHMA on a monthly basis.

For each task, the contractor shall provide technical expertise as part of the development of the deliverables noted below. The tasks to be performed shall address three main goals:

1. New Funds for the Territory;
2. Enhanced Medicaid and CHIP Match Rate; and
3. Program Integrity and Revenue Maximization.

Contractor shall utilize all of its resources to meet the Scope of Services contained in the Contract, Amendments I, II, III and IV. Contractor herein warrants, agrees and

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represents that Senior Level Personnel/Partners will be the project leaders and will actively manage the project and take the lead on any CMS or other federal government negotiations, discussions and task as assigned by Government. Research and other staff shall be employed as needed in different phases of this project.

1. NEW FUNDS FOR THE TERRITORY

A. HEALTH REFORM

Contractor shall provide strategic planning, for the re-design of the Medicaid and CHIP programs in the Virgin Islands and the impact on those programs based on the implementation of national Health Reform, including:

- (a) Analysis of the impact of federal legislation on Medicaid eligibility and the potential impact on program expansion and integration resulting from the decisions taken by Government of the United States Virgin Islands with regard to the establishment of a Health Insurance Exchange.
- (b) Opportunities for expanded federal claiming, including the documentation necessary to support federal funding via a Preliminary Advance Planning and Implementation Documents for a new eligibility system funded with a 90/10 federal match.
- (c) This Scope of Work is separate and apart from the Scope of Work undertaken at the direction of the Governor's Office with regard to the establishment of a Health Insurance Exchange. The work to be performed under this scope of work is in support of the Medicaid program and what is necessary as opposed to the planning effort for the Health Insurance Exchange.
- (d) Activities to be completed under this amendment:
 - (i) **PHASE 1: Health Reform Strategy and Planning.** Provide subject matter expertise on the potential issues arising from the integration of Medicaid eligibility with the Health Insurance Exchange if the option to develop a Health Exchange is elected by the Government of the U.S. Virgin Islands. Tasks shall include:
 - The preparation of the impact of the MAGI rules for Medicaid eligibility with an overview and program options;
 - The identification of opportunities for securing additional federal matching funds as part of a Medicaid expansion; and
 - Participation in strategy discussions or developing position statements or other documents as directed by Government for presentation to the Governor's Health Reform Task Force relative to Medicaid
 - (ii) **PHASE 2: New Eligibility System PAPD and IAPD Development.**
 - Working with Government, its agencies and other designated stakeholders to conduct research and define requirements for a new Medicaid eligibility system to incorporate the functionality of eligibility determinations from existing systems;
 - Prepare a Preliminary Advanced Planning Document (PAPD) for enhanced funding to submit to CMS; and

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- Upon the receipt of CMS approval for the PAPD, develop the Implementation Advanced Planning Document (IAPD) to fund the procurement and implementation of the new system
- (iii) **PHASE 3: Procurement Activities Related to the New Eligibility System.**
- Draft applicable procurement document(s): initial RFP and subsequent amendments; evaluation methodology and evaluation tools.
 - Help organize bidder's conference(s); facilitate bidder's conference(s).
 - Assist in responding to questions from prospective bidders.
 - Facilitate review and evaluation of proposals.
 - Support DOH as needed in discussions with the Governor's Office and CMS.
- (iv) **PHASE 4: Vendor/Partner Negotiations.**
- Support Government in negotiations with vendor(s)/partner(s);
 - Assist in modifying contract(s)/agreement(s) as needed; and
 - Support Government as needed in internal meetings and discussions with CMS.

PROPOSED PROJECT TIMELINE WITH MAJOR TASKS

12 Months to begin from the Execution of the Amendment by the Governor.	1	2	3	4	5	6	7	8	9	10	11	12
Phase 1. Strategy and Planning	X	X										
Phase 2. PAPD for New Eligibility System			X	X	X							
Phase 3. Procurement						X	X	X	X			
Phase 3. Vendor Negotiations										X	X	X

TRAVEL AND ON-SITE WORK:

Contractor shall spend time in the Virgin Islands when directed by BIHMA for the following:

- Phase 1: planning and strategy sessions; discussions with Government.
- Phase 3 (if procurement option is pursued): bidder's conference; facilitation of bid evaluations; discussions with Government.
- Phase 4 (if partnership option is pursued): evaluation of possible partnerships; discussions with Government.
- Phase 4: facilitation/support of negotiations with potential vendors/partners; discussions with Government.

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I. Medicaid Management Information System (MMIS)

(a) Activities to be completed under this amendment:

- (i) **PHASE 1:** Submission of an Implementation Advanced Planning Document (IAPD) to CMS to secure federal funding for implementation and ongoing operations as a certified MMIS.
- (ii) **PHASE 2:** Assistance in final contract negotiations with Molina Health Care.
- (iii) **PHASE 3:** Preparation of standard provider enrollment applications to facilitate the enrollment of Medicaid providers into the provider network in cooperation with Molina and local partners.
- (iv) **PHASE 4:** The development of strategies and written policies and procedures for BIHMA to increase client participation in Medicare Part D.
- (v) **PHASE 5:** Maintain the MMIS Project Work plan. Assist in the review of deliverables and progress reports from Molina throughout implementation.

PROPOSED PROJECT TIMELINE WITH MAJOR TASKS

12 Months to begin from the Execution of the Amendment by the Governor.	1	2	3	4	5	6	7	8	9	10	11	12
Phase 1. Submission of the IAPD	X	X										
Phase 2. Contract Negotiation			X	X								
Phase 3. Provider Enrollment									X	X	X	X
Phase 4: Medicare Part D									X	X	X	X
Phase 5. Project Work Plan					X	X	X	X	X	X	X	X

TRAVEL AND ON-SITE WORK:

Contractor shall spend time in the Virgin Islands as deemed appropriate by the BIHMA for the following:

- (a) Phase 2: Contract negotiation
- (b) Phase 3: Provider Enrollment
- (c) Phase 4: Project Work Plan

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ii. Establishing a Medicaid Electronic Health Records Incentive Program

(b) Activities to be completed under this amendment:

- (i) **PHASE 1:** Completion of the initial State Medicaid Health Information Technology Plan and approval by CMS.
- (ii) **PHASE 2:** Submission of an Implementation Advanced Planning Document (IAPD) to CMS to secure federal funding for implementation of the EHR Incentive Program.
- (iii) **PHASE 3:** Implementation and documented policies and procedures of the incentive program for the purchase of electronic health record systems.

PROPOSED PROJECT TIMELINE WITH MAJOR TASKS

12 Months to begin from the Execution of the Amendment by the Governor.	1	2	3	4	5	6	7	8	9	10	11	12
Phase 1. SMHP Approval	X	X	X	X								
Phase 2. IAPD Approval					X	X						
Phase 3. Program Initiation							X	X	X	X	X	X

TRAVEL AND ON-SITE WORK:

Contractor shall spend time in St. Thomas for the following:

- (a) Phase 3: Program Initiation - This will require at least one visit of at least three days.

2. ENHANCED MEDICAID AND CHIP MATCH RATE

iii. Enhancing Medicaid and CHIP coverage and Program Expansion

PROGRAM DESIGN ACTIVITIES:

Contractor shall work with Government to expand coverage to the uninsured and possibly provide a more expansive benefit package based on available funds for individuals participating in the Medicaid program. Contractor shall work with Government personnel to:

- (a) Prepare State Plan Amendments (SPAs) as necessary and, explore waiver options, including but not limited to the following:
 - (i) Assist in securing CMS approval on Medicaid SPA 11-02 to incorporate the changes in the pharmacy benefit as a result of the Pharmacy Benefit Management (PBM) contract and develop policies and procedures.

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- (ii) Assist in preparing and submitting a Medicaid SPA to refine the coverage of Psychiatric Residential Treatment Facilities (PRTFs) for juveniles, both on-island and off-island and develop policies and procedures.
 - (iii) Assist in preparing and submitting a Medicaid SPA to reimbursement the Federally Qualified Health Centers (FQHCs) at the Prospective Payment Service (PPS) rate and develop policies and procedures.
 - (iv) Assist in preparing and submitting a CHIP SPA to expand coverage for children under the age of 19 and pregnant women up to the Categorically Needy income Limit (\$5,500/yr) and develop policies and procedures.
- (b) Work with Government to model potential Medicaid expansions beyond the SPAs mentioned above in anticipation of the availability of additional federal funding under the ACA.
 - (c) Provide technical expertise as necessary to support program design activities including preparation of option papers, decision memorandums, policies and procedures etc.

PROPOSED PROJECT TIMELINE WITH MAJOR TASKS

12 Months to begin from the Execution of the Amendment by the Governor.	1	2	3	4	5	6	7	8	9	10	11	12
Phase 1. Submission of the SPAs	X	X										
Phase 2. Medicaid Expansion Modeling			X	X	X	X						
Phase 3. Technical Assistance							X	X	X	X	X	X

TRAVEL AND ON-SITE WORK:

Contractor may be able to complete all the above tasks off-site, with the exception of meetings in the Virgin Islands with Government staff as requested.

IV. Waiver Development

During the course of the work that we have done in determining the amount that the U.S. Virgin Islands is able to claim under the Medicaid program as Certified Public Expenditures (CPEs), we have demonstrated that under the existing Medicaid program structure the Virgin Islands is *overmatched* in its local match contribution. Due to the historic pattern of significant territorial appropriations to fund a public health care delivery system in the Virgin Islands including hospitals,

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ambulance, clinics, and federally qualified health centers. The heavy investment in public health infrastructure creates an opportunity to:

- (a) Explore and develop a concept paper to submit to CMS exploring an 1115 waiver to buy out the additional appropriations under the ACA to secure match;
- (b) Prepare Special Terms and Conditions in support of the Concept Paper to govern the administration and management of a 1115 waiver, and;
- (c) Assist the Virgin Islands in negotiating the 1115 waiver with CMS.

Program Activities

Working in concert with staff at BIHMA and other designated stakeholders, the contractor shall:

- (a) Review all territorial appropriations to determine the amount available to serve as local match
- (b) Review cost reports and other utilization data to determine the Medicaid penetration rate for each government funded service and provider
- (c) Apply the percentages in (b) to the amounts determined in (a).
- (d) Develop the waiver Concept Paper for negotiations with CMS
- (e) Assist the Territory in negotiating the waiver Terms and Conditions
- (f) Prepare the calculation of budget neutrality

PROPOSED PROJECT TIMELINE WITH MAJOR TASKS

12 Months to begin from the Execution of the Amendment by the Governor.	1	2	3	4	5	6	7	8	9	10	11	12
Phase 1. Determination of the amount of available territorial appropriations	X	X										
Phase 2. Calculation of the Medicaid penetration rate for each category			X	X								
Phase 3. Development of the waiver Concept Paper					X	X	X	X	X			
Phase 4: Negotiation with CMS of the waiver terms and conditions										X	X	X

TRAVEL AND ON-SITE WORK:

Contractor shall spend time in the Virgin Islands for the following:

- (a) Phase 1: Determination of the amount of available territorial appropriations
- (b) Phase 2: Calculation of the Medicaid penetration rate for each service

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- (c) Phase 3: Meetings with Government's staff as requested during the development of the Concept Paper

3. PROGRAM INTEGRITY AND REVENUE MAXIMIZATION

V. Staff Training and Capacity Building

The Contractor will work with USVI staff in preparing and developing policies and procedures, manuals and report formats to support the Medicaid program. Staff training and development will focus on the following subject areas:

- (a) Basic federal Medicaid policies and regulations for staff.
- (b) Policies and procedures for the Pharmacy Benefit Management (PBM) contract.
- (c) Financial management including reconciliation of the CMS-64 and 37 reports along with other reporting processes.
- (d) Newsletters, summary of the state plan, eligibility booklet, and program bulletins to "re-brand" the Bureau of Health Insurance and Medical Assistance ("BHIMA") for clients, providers, and staff. Materials will be available for posting on the DOH's website as deemed appropriate by Government.
- (e) Activities to be completed shall include:
 - (i) Facilitate staff discussions to develop policies and procedures and other program related materials;
 - (ii) Process mapping of existing and development of new operational protocols that will be employed in the program;
 - (iii) Recommend and develop policies and procedures for adoption by Government;
 - (iv) Develop and deliver training for Government personnel and contract partners to ensure effective program oversight and compliance with state and federal laws and regulations; and
 - (v) Preparation of program newsletters and other outreach materials for the staff, recipients, providers, and the general public to help "re-brand" the Medicaid program in the U.S. Virgin Islands.

PROPOSED PROJECT TIMELINE WITH MAJOR TASKS

12 Months to begin from the Execution of the Amendment by the Governor.	1	2	3	4	5	6	7	8	9	10	11	12
Phase 1. Onsite facilitated discussions with staff	X	X										

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Phase 2: Process Mapping			X	X	X								
Phase 3: Policies and Procedures						X	X	X	X				
Phase 4: Training										X	X	X	
Phase 5: Newsletters and "Re-Branding"	X	X	X	X	X	X	X	X	X	X	X	X	X

TRAVEL AND ON-SITE WORK:

Contractor shall spend time in the Virgin Islands for the following:

- (a) Phase 1: Facilitated discussions – 1 to 2 days onsite.
- (b) Phase 4: Training – 5 days onsite

VI. Medicaid and CHIP Accounting and Claiming Procedures

Program Activities

- (a) Contractor will assist Government in designing, developing, and operationalizing a Medicaid and CHIP accounting and financial management processes which will enable the Virgin Islands to maximize the use of all available local and Federal funds for Medicaid reimbursement.

- (b) To do this Contractor will perform the following types of work activities:

(i) **PHASE 1:**

- Document all aspects of the current Virgin Islands Medicaid and CHIP accounting and financial management process, including the development of policies and procedures for:
 - Timely claims payment and reconciliation;
 - Reporting; and
 - Federal claiming.
- Using results obtained, identify the right options for reforming the accounting and financial processes with a focus on the following: automating and streamlining as many of the processes as possible; ensuring that all necessary documentation is produced to support Medicaid and CHIP payments and claims; that the systems produce financial and statistical data and reports that support Federal claiming and reconciliations with Federal reports and Government reports, producing timely management reports BHIMA program managers can use for program and operational oversight and also support managerial decisions about possible program or operational changes, and document the new process in procedural and operational manuals to ensure ongoing continuity and standardization in the performance of all aspects of the process.
- Perform a Medicaid and CHIP revenue maximization analysis of all aspects of Medicaid and CHIP Federal claiming to ensure that

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Government is leveraging all possible local funding for Federal claiming purposes.

- Contractor will review all governmental appropriations going to governmental/public entities in the Virgin Islands to determine the amount of the appropriation they receive and whether they perform any Medicaid or CHIP activities that could be claimed for Federal reimbursement.
- For every governmental/public entity identified collect all available cost and recipient data to enable Contractor to develop options for claiming such costs for Federal reimbursement.

(ii) **PHASE 2:**

- Based upon the results of the revenue maximization review, Contractor will review current Virgin Islands Certification of Public Expenditures ("CPE") State plan and develop all necessary State plan amendments to immediately incorporate all necessary governmental/public entities into CPE claiming and submit such State plan amendments for CMS.
- For all CPE claiming entities which are approved by CMS, Contractor will develop CPE claiming protocols for each governmental/public entity to include an interim rate claiming process and yearly reconciliation to actual costs.

(iii) **PHASE 3:**

- During the CMS review and approval process, assist Government in discussions with CMS and responding to written questions and comments until final approval is achieved.
- Upon approval, work with Government to develop the necessary program guidelines and policies, public notices, operational guidelines, and training manuals to facilitate implementation of coverage and benefit changes throughout the Virgin Islands.
- Work with Government to address outstanding issues identified by joint CMS/ASA review of FYs 2007-2011 Medicaid and CHIP claims.
- Assist Government in developing a comprehensive list of outstanding local obligations for FY 2011 and prior for submission to DOH, Finance and OMB to secure release of necessary local funding to completely pay all prior local obligations so that previous claims to CMS are now fully supported and that ongoing local obligations can be paid correctly with both a local and Federal share component.

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- Assist Government in reviewing all necessary expenditure report adjustments recommended from CMS/ASA review and make adjustments that are necessary to reconcile expenditures, claims, draws, and annual allotments and/or caps.
- Assist Government in reviewing all Virgin Islands governmental/public agencies which provide either indirect or direct administrative support to the Medicaid and CHIP programs to determine the potential costs and/or benefits on Virgin Islands and Federal funding of developing an indirect cost allocation plan to capture all necessary Virgin Islands wide indirect costs for Federal claiming purposes and to develop a comprehensive direct cost claiming methodology for all DOH administrative costs.

(iv) PHASE 4

- Review and prepare a process map for the current practices in provider payment.
- Develop an integrated model for claims payment that combines both federal and local funds, potentially based on the escrow account model employed in reimbursing pharmacy claims under the PBM contract with CIGNA.
- Develop a model to support federal claiming based on the input of data from the MMIS claims processing system.
- Assist in the reconciliation of federal claiming on the CMS-64.
- Assist in the preparation of any retroactive claims for federal reimbursement based on the CPE as appropriate.

PROPOSED PROJECT TIMELINE WITH MAJOR TASKS

Month: 12 Months to begin from the Execution of the Amendment by the Governor for VI	1	2	3	4	5	6	7	8	9	10	11	12
Phase 1. Review of Allotments	X	X										
Phase 2. Development of CPE Protocols			X	X								
Phase 3. Retro Claiming					X	X						
Phase 4: Claims Processing Revisions						X	X	X	X	X	X	X

Contract No.: PC06/DOH/2/Amends
PC06/DOH/II
4-12-12
 Department Head's Initials /Date

ACS 4/4/12
 Contractor's Initials/Date

TRAVEL AND ON-SITE WORK:

Contractor shall spend time in the Virgin Islands for the following:


- (a) Phase 1: Review of allotments. This phase will require one trip to the Virgin Islands of 2 to 3 days;
- (b) Phase 2: Development of CPE protocols. The work during this phase will be conducted off-site with consultation with the staff in the Virgin islands; and
- (c) Phase 3: Retro Claiming. The work during this phase will require at least one trip to the Virgin Islands lasting 2 to 3 days.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the day and year first above written.

WITNESSES:

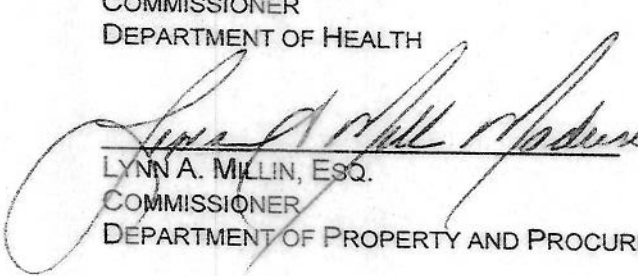
GOVERNMENT OF THE VIRGIN ISLANDS

Maureen Blyden

 4-12-12
DATE

Mercedes K.C. Dullum, MD
COMMISSIONER
DEPARTMENT OF HEALTH

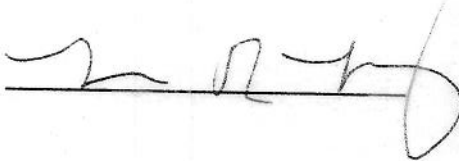
Lisa Mill

 4/13/12
DATE

LYNN A. MILLIN, ESQ.
COMMISSIONER
DEPARTMENT OF PROPERTY AND PROCUREMENT

CONTRACTOR:

Mercer Health & Benefits LLC



Alicia C. Smith 4/4/12
DATE

ALICIA C SMITH, PARTNER

APPROVED:


JOHN P. DEJONGH, JR.
GOVERNOR OF THE VIRGIN ISLANDS

Date: 4/17/12

APPROVED AS TO LEGAL SUFFICIENCY
DEPARTMENT OF JUSTICE BY

 DATE: 4/16/12

Contract No.:

PC06/DH/12/Amend
PC06/DH/12
4-12-12
Department Head's Initials /Date

ACS 4/4/12
Contractor's Initials/Date

AMENDMENT III TO PROFESSIONAL SERVICES CONTRACT

28th This Amendment III to the Professional Services Contract made as of the day of January, 2011, in the Territory of the U.S. Virgin Islands, by and between the Government of the Virgin Islands, Department of Property and Procurement, on the behalf of the Department of Health whose address is 1303 Hospital Ground Suite 10, St. Thomas, U.S. Virgin Islands 00802 (hereinafter "DOH" or "Government") and Alicia Smith & Associates, LLC (hereinafter "ASA" or "Contractor").

Witnesseth:

Whereas, DOH and the Contractor entered into Contract for Professional Services Number PC-DH-046-2009 (hereinafter referred to as "Contract") on January 30, 2009, to provide technical assistance to optimize the Medicaid and SCHIP programs, by enhancing program benefits and services while maximizing available federal funding:

Whereas, DOH and the Contractor, pursuant to Amendment I extended the term of the contract to January 29, 2011 and pursuant to Amendment II expanded the scope of services and corresponding compensation for those expanded services:

Whereas, DOH and the Contractor have agreed that the term of the contract needs to be extended, the scope of services needs to be expanded and the corresponded compensation for those expanded services and tasks needs to be increased:

Whereas, the parties agree to perform the functions, duties and obligations as agreed in the contract; and

Now Therefore, in consideration of the above and intending to be legally bound by this amendment to the original contract, the parties hereby agree as follows:

1. The term of the Contract is extended to June 30, 2012.
2. The Contractor shall be paid at the same rate of pay under Contract No. PC-DH-046-2009 inclusive of all costs except travel. In no event shall the additional compensation for the services set forth in this

Amendment III exceed **Four Hundred Thousand and No/100 Dollars (\$400,000.00)**. Travel shall be limited to **Fifty Thousand and No/100 Dollars (\$50,000.00)**.


2. Amendment III – Scope of Services are expanded herein as follows:
- a. Programming assistance associated with the integration of the VIMS system with the Pharmacy Benefits Management (PBM) program.
 - b. Electronic Health Records (EHR) implementation incentive work.
 - c. Health Information Exchange (HIT) RFP development.

IN WITNESS WHEREOF, the parties have duly executed this Amendment III.

Witnesses:




Government of the Virgin Islands:



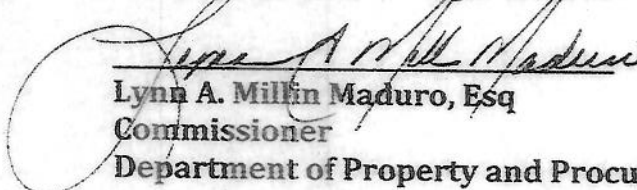
Julia Sheen - Aaron, MPH
Commissioner
Department of Health

1/25/11
Date

Witnesses:



Government of the Virgin Islands:



Lynn A. Millin Maduro, Esq
Commissioner
Department of Property and Procurement

1/26/11
Date

Contractor:

Alicia Smith & Associates, LLC





Alicia Smith Partner


1-25-11
Date

Contract No. PC 064DOH 11 / AMENDS PC 011 DOH 11

QSA 1/25/11
Department Head's Initials Date

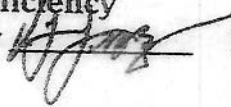
MM, V. Habner 1-25-11
Contractor's Initials Date

Approved:



John P. deJongh, Jr.
Governor of the Virgin Islands

Date 1/28/11

Approved as to legal Sufficiency
Department of Justice By 

Date 3

Contract No. PC064 DOH 11 / AMENDS PC011 DOH 11

QSA _____ 1/25/11
Department Head's Initials Date

MAM PARKNER _____ 1-25-11
Contractor's Initials Date

AMENDMENT II TO PROFESSIONAL SERVICES CONTRACT

THIS AMENDMENT II to the Professional Services Contract made as of the 26th day of November, 2010, in the Territory of the U.S. Virgin Islands, by and between the Government of the Virgin Islands, Department of Property and Procurement, on behalf of the Department of Health whose address is 1303 Hospital Ground Suite 10, St. Thomas, U.S. Virgin Islands 00802 (hereinafter "DOH" or "Government"), and Alicia Smith & Associates, LLC (hereinafter "ASA" or "CONTRACTOR").

WITNESSETH:

WHEREAS, DOH and the Contractor entered into Contract for Professional Services Number PC-DH-046-2009 (hereinafter referred to as the "Contract") on January 30, 2009, to provide technical assistance to optimize the Medicaid and SCHIP programs, by enhancing program benefits and services while leveraging available federal funding;

WHEREAS, DOH and the Contractor pursuant to Amendment I have extended the term of the Contract to end January 29, 2011;

WHEREAS, DOH and the Contractor have agreed to expand Addendum I (Scope of Services) & Addendum II (Compensation) and Amendment I additional services and compensation; and to which there are additional tasks to set forth herein;

WHEREAS, the parties intend to perform the functions, duties and obligations as agreed in the Contract; and

NOW THEREFORE, in consideration of the above, and intending to be legally bound by this written instrument, the parties hereby covenant and agree as follows:

1. The Contractor shall be paid at the same rate of pay under Contract No. PC-DH-046-2009, inclusive of all costs except travel. In no event, shall the additional compensation for the services set forth in this Amendment II exceed **Three Hundred Sixty Four Thousand Five Hundred and NO/100 Dollars (\$364,500.00)**. Travel shall be limited to **Twenty Two Thousand and NO/100 Dollars (\$22,000.00)**.
2. Addendum I and Amendment I – Scope of Services are expanded herein, as follows:
 - o Retroactive claiming of federal Medicaid and CHIP funds based on MAP local fund "overmatch" – completion of these activities in phases beginning with phases I (\$1.3 million, initially submitted in August 2009) and II (estimated at \$11.3 million, focused on hospitals, planned for submission before Oct. 1, 2010).
 - o Implementation of the Pharmacy Benefit Manager (PBM) program – utilizing the current PBM for the Government Employees Health Insurance Program (CIGNA) for this function; planned go-live date of Dec. 1, 2010 subject to resolution of MAP eligibility issues referenced in Item 3, below.
 - o MAP eligibility system – resolution of long-standing system availability and viability issues, and resolution of eligibility data feed functionality needed for PBM implementation.

Contract No.:

2011DOHII/Amendments PC-DH-123-09

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- MAP expansion modeling – tied to availability of retroactively-claimed federal Medicaid and CHIP funds; complete expansion modeling and obtain agreement on a program expansion strategy which will have state plan, organizational and funding implications.
- State plan amendments (SPAs)/phase II – including SPAs which will enable the agreed-to expansion of the MAP.
- MAP organizational and business process changes/improvements – includes supporting the Bureau of Health Insurance and Medical Assistance (BHIMA), the operating unit within DOH that administers the MAP, as it builds the organizational capacity, policy and procedure and technology infrastructure to support a growing MAP with a richer benefit set.
- MAP provider project – complete implementation of new fee schedules, claim preparation and submission protocols, and claims management processes in support of a larger MAP with a more comprehensive, easier to access base of providers.
- Medicare reimbursement project – in partnership with Winston & Strawn and the Territory Hospital Board, pursue changes in Medicare reimbursement methodologies for the two Territory hospitals; these changes would have a significant impact on the need to appropriate local funds to ensure the operation of these hospitals.
- Ongoing participation in and support of the Territory's Health Care Reform Task Force.
- Ad-hoc research, analysis, document preparation, advice and advocacy efforts with regards to federal health care reform and other critical issues as they arise which may impact the design and operation of the MAP.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the day and year first above written.

WITNESSES:

GOVERNMENT OF THE VIRGIN ISLANDS

Maureen Blyden

Julia Sheen - Aaron, MPH
COMMISSIONER
DEPARTMENT OF HEALTH

10/11/2010
DATE

Lynn A. Millin Maduro

Lynn A. Millin Maduro, Esq.
COMMISSIONER
DEPARTMENT OF PROPERTY AND PROCUREMENT

10/15/10
DATE

CONTRACTOR:
ALICIA SMITH & ASSOCIATED, LLC

[Signature]

Marlene Pantner
ALICIA SMITH, PARTNER


8-31-10
DATE

Contract No.: PC 011 DOH 11 / amendments PC-DH-123-09

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Department Head's Initials /Date

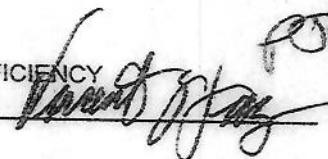
MRM 8-31-10
Contractor's Initials/Date

APPROVED:



JOHN P. DEJONGH, JR.
GOVERNOR OF THE VIRGIN ISLANDS


Date: 11/26/10

APPROVED AS TO LEGAL SUFFICIENCY
DEPARTMENT OF JUSTICE BY: 

DATE: 11/22/10

Contract No.:

PC-DH/DOH/Amendments PC-DH-123-09



Department Head's Initials /Date

MRM 8-31-10
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AMENDMENT NO. 1 TO PROFESSIONAL SERVICES CONTRACT

THIS AMENDMENT to the Professional Services Contract made as of the 30th day of September, 2009, in the Territory of the U.S. Virgin Islands, by and between the Government of the Virgin Islands, Department of Property and Procurement, on behalf of the Department of Health whose address is 1303 Hospital Ground Suite 10, St. Thomas, U.S. Virgin Islands 00802 (hereinafter "DOH" or "Government"), and Alicia Smith & Associates, LLC (hereinafter "ASA" or "CONTRACTOR").

WITNESSETH:

WHEREAS, DOH and the Contractor entered into Contract for Professional Services Number PC-DH-046-2009 (hereinafter referred to as the "Contract") on January 30, 2009, to provide technical assistance to optimize the Medicaid and SCHIP programs, by enhancing program benefits and services while leveraging available federal funding;

WHEREAS, the expiration date of the Contract is January 29, 2010;

WHEREAS, DOH and the Contractor have agreed to extend the term of the Contract to end January 29, 2011;

WHEREAS, DOH and the Contractor have agreed to expand Addendum I (Scope of Services) & II (Compensation); and to which there are additional tasks to set forth herein;

WHEREAS, the parties intend to perform the functions, duties and obligations as agreed in the Contract; and

NOW THEREFORE, in consideration of the above, and intending to be legally bound by this written instrument, the parties hereby covenant and agree as follows:

1. This Contract is amended and its term extended through **January 29, 2011**.
2. The compensation for Contractor's Scope of Services and Travel amended and consolidated herein, shall be the sum of **ONE MILLION THREE HUNDRED EIGHTEEN THOUSAND ONE HUNDRED FIFTY AND NO/100 DOLLARS (\$1,318,150.00)**.
3. Addendum I – Scope of Services is amended and consolidated herein, as follows:

MEDICAID REFORM PROGRAM

Contractor shall assist DOH in designing, developing, and operationalizing an optimal Medicaid program whether the program remains capped or evolves into a "state-like" operation. Contractor shall provide the following statement of work (SOW) components necessary to assist the DOH during this dynamic transition and historic opportunity. Contractor will monitor and analyze legislation and, provide strategic and technical advice while performing work related activities to support the United States Virgin Islands in making policy decisions and preparing for a transition towards "state-like" treatment in the event Congress takes affirmative action and passes health care reform. Examples of work related activities Contractor shall perform include but are not limited to:

- o Update both State Plans, one for Medicaid and one for SCHIP;

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- Explore options for expanding Medicaid services and/or eligibility;
- Explore options for leveraging local funds to maximize available federal funds to support the USVI's Medicaid and SCHIP programs;
- Hold targeted discussions with established workgroups and other key stakeholders to identify and properly rank programmatic and budgetary priorities and potential constraints;
- Identify the right options for revising the territory's Medicaid and SCHIP State Plans. The changes to the State Plans will focus on possible increases in income eligibility criteria and on revitalizing the benefit package offered to Medicaid and SCHIP recipients;
- Work to identify opportunities for maximizing the availability of funds for the Medicaid and SCHIP programs;
- Conduct a thorough review of the existing State Plans;
- Conduct a comprehensive analysis of available data which would be used to assess the financial impact associated with revising the State Plans to include services and/or individuals not covered under the current programs;
- Model various scenarios for program eligibility modifications, service additions or changes and reimbursement changes in order to assess their fiscal impact. The results would be presented to the project team as a formal report with recommendations;
- Facilitate discussions for final decisions on issues related to State Plan Amendments (SPAs);
- Prepare SPAs for submission to CMS; and
- Assist in answering questions from CMS, provide expert testimony regarding the approaches used in other states, and/or prepare responses to objections raised by different communities and/or agencies to the programmatic changes which will be proposed.
- Explore various approaches, along with the relative costs and benefits of each approach, to drawing down the full allotment of federal matching funds for Federal Fiscal Year (FFY) 2008. We will identify expenditures made during the last half FFY 2007 (assuming there is unused federal allotment) and during FFY 2008 for which we can file retroactive claims. It is our understanding that up to \$6.5 million in federal matching funds could be available for draw down for FFY 2008;
- Assist the Government in filing federal match claims for Federal Fiscal Years 2007 and 2008;
- Review data related to eligibility and per-recipient costs under the current programs in order to fully capture program expenditures;
- Examine how public providers are capturing costs and, if needed, recommend and build new reporting mechanisms that include all Medicaid eligible recipients (including those eligible through DHS and DOE);
- Examine methods in which to leverage local dollars to draw down federal funds through, for example, certifying the expenses of publicly funded hospitals and clinics; and
- Model the ramifications of the proposed eligibility and service enhancements on both territorial and federal funding, and discuss the benefits and drawbacks of the proposed enhancements in the context of their impact on both funding sources;

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- o Build a *project management plan* that lays out the tasks associated with the project, and the time and effort associated with these tasks;
- o Provide Monthly Progress Reports.
- o Preparing position papers for United States Virgin Islands officials; and
- o Preparing legislative summaries and analysis to determine probable impact on the Territory.

PHARMACY BENEFITS PROGRAM

- (a) Contractor shall provide strategic planning, contract development, procurement support and contract negotiation activities to establish a Pharmacy Benefits Manager (PBM) and improve the administration of the Program's drugs/pharmaceuticals benefit.
- (b) Contractor shall model several variations of the PBM, and the pros and cons of each, based upon "build" vs. "buy" options, or combinations thereof, as follows:
 - (i) Build an in-house PBM.
 - (ii) Procure the services of a vendor which will perform all PBM functions.
 - (iii) DOH pursues PBM partnership(s) with other Medicaid jurisdictions (states or territories) for all PBM functions.
 - (iv) Some or all PBM functions are incorporated into the *Medicaid Management Information System (MMIS)* scope of services. A procurement for an MMIS or a partnership with a state/territory is pursued - per the *IT Strategic Guidance* project - along with, if applicable, a separate procurement for select PBM functions.
 - (v) Some or all PBM functions are incorporated into the MMIS scope of services. Procurement for an MMIS or a partnership with a state/territory is pursued - per the *IT Strategic Guidance* project - along with, if applicable, PBM partnership(s) with other Medicaid jurisdictions (states or territories) for select PBM functions.
 - (vi) Build an in-house operation that will handle some PBM functions. If remaining PBM functions are not incorporated into the MMIS scope of services, procure a vendor/partner with another Medicaid jurisdiction for remaining PBM functions.

SCOPE OF WORK DETAILS:

PHASE 1. PBM Strategy and Planning

- Provide subject matter expertise on the functions (operational and systems functions) that could be performed by the PBM including but not limited to:
 - (i) Pharmacy network management;
 - (ii) Preferred drug list (PDL) development and administration;

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- (iii) Pharmacy claim intake, processing and adjudication;
 - (iv) Pharmacy claim payment including TPL/COB;
 - (v) Prior authorization of select drug scripts
 - (vi) "Clinical pharmacy": drug script review for potential adverse drug reactions, drug-to-drug interactions, etc.;
 - (vii) Help desk/support services for pharmacies and physicians;
 - (viii) Education/outreach to pharmacies and physicians;
 - (ix) (Retrospective) Drug utilization review;
 - (x) Mail-order pharmacy; and
 - (xi) E-prescribing.
- Explore the various funding options associated with PBM functions
 - Explore the various acquisition options associated with PBM functions
 - Discuss methods for coordinating the implementation and operation of PBM functions and systems with other initiatives such as the MMIS and the *Electronic Health Record (EHR)*.
 - Facilitate deliberation of and agreement on the functions to be performed by the PBM; as part and parcel of this effort, explore the advantages and drawbacks of the six acquisition options based on:
 - a) Maximizing the added value associated with these functions,
 - b) Leveraging available federal funding,
 - c) Possibly leveraging drug maker rebates, "earned considerations" or other cost offsets,
 - d) The GVI's budgetary and resource constraints,
 - e) Expediting implementation of these functions,
 - f) Simplifying management of these functions, and
 - g) The GVI's broader goals for the Medical Assistance Program.
 - Facilitate deliberation of and agreement on the acquisition option to pursue.
 - Draft a high level plan for pursuing the selected PBM scope of functions and acquisition option.
 - Support DOH in discussions with the Governor's Office, the Virgin Islands Legislature and the Centers for Medicare and Medicaid Services (CMS).

PHASE 2. Contracts/Agreements

- Draft PBM contract focusing on scope of services and expected performance/service levels; OR if a partnership acquisition option is pursued for any PBM function, develop inter-agency/inter-governmental arrangements that would accomplish the same purpose as vendor contracts.
- Support DOH in discussions with the Governor's Office and CMS.

PHASE 3. Procurement/Identification and Assessment of Partnership Opportunities

If distinct procurements are required for some or all PBM functions, this phase will include the following tasks:

- a) Draft applicable procurement document(s): initial RFP and subsequent amendments; evaluation methodology and evaluation tools.

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- b) Serve as a consultant to DOH's evaluation committee.
- c) Assist in responding to questions from prospective bidders.
- d) Facilitate review and evaluation of proposals.
- e) Support DOH as needed in discussions with the Governor's Office and CMS.

If the partnership option is pursued for some or all PBM functions, this phase will include the following tasks:

- a) Help DOH identify potential partners.
- b) Develop a methodology for evaluating the advantages and drawbacks of different partners.
- c) Facilitate deliberations regarding potential partners; facilitate selection of partner(s).
- d) Support DOH as needed in discussions with the Governor's Office and CMS.

PHASE 4: Vendor/Partner Negotiations

- Support DOH/GVI in negotiations with vendor(s)/partner(s).
- Modify contract(s)/agreement(s) as needed.
- Support DOH as needed in discussions with the Governor's Office and CMS.

PROJECT MANAGEMENT

Contractor shall build a *work plan* that lays out the tasks associated with this project, and the time and effort associated with these tasks. Contractor shall build a preliminary plan which we will vet with key project stakeholders prior to our first project site visit. Once this "baseline" work plan is fully vetted and finalized, updates to the plan and a "dashboard" report - which will include progress and potential risks associated with the project - will be provided to designated project stakeholders on a monthly basis. Additionally, Contractor shall conduct a project status and issue management meeting every week during the life of the project.

PROPOSED PROJECT TIMELINE WITH MAJOR TASKS

The following timeline is fairly aggressive and requires GVI resource allocation in key decision and strategic planning areas.

Month:	1	2	3	4	5	6	7	8	9	10
Phase 1. Planning	X	X								
Phase 2. Contracts/Agreements			X	X						
Phase 3. Option: Procurements					X	X	X	X	X	
Phase 3. Option: Partnerships					X	X	X			
Phase 4. Option: Procurements										X

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- o Provider data management,
- o Service authorization/utilization management and associated business rules, including authorization and management of pharmacy benefits,
- o Claims management and associated business rules,
- o Encounter data management,
- o Program integrity,
- o Financial/funds management, and
- o Program reporting and analysis.

All of these functions can be part of a *Medicaid Management Information System (MMIS)* - MMIS, as defined by the federal government, can encompass the applications, technology infrastructure and the operational resources associated with these and other functions.

- B. Decisions regarding the optimal mix of information systems functionality and/or third-party operational capabilities in support of Goals #2 and #3, particularly improving access to information on the health of U.S.V.I. residents and their interactions with DOH health care providers, and streamlining the operation of these providers. These goals can be achieved through an *Electronic Health Record (EHR)* - an EHR, as envisioned by DOH and as defined by the federal government, could possess functionality that would help DOH meet Goals #2 and #3.
- C. Decisions regarding the optimal approach to interfacing MMIS functionality and related processes with the EHR.
- D. Recommendations regarding acquisition strategies - sole sourcing, competitive procurement, partnerships with states/territories, internal development - for MMIS and EHR functions and related operational resources.
- E. Recommendations regarding the optimal sequencing of MMIS and EHR-related acquisitions and implementations.
- F. Four Advance Planning Documents (APDs) - two for MMIS-specific functions and operational resources and support, and two for EHR-specific functions and operational support - as required for the Centers for Medicare and Medicaid Services (CMS). APDs are a pre-requisite for obtaining federal approval and subsequent enhanced funding for the acquisition, implementation and operation of federally-funded MMIS and EHR solutions.

Items A through E will require the following activities:

- Contractor shall conduct research into best practices pursued by other Medicaid jurisdictions which will be relevant to deliberation on MMIS and EHR capabilities, as well as MMIS-to-EHR interfaces, resource requirements, acquisition strategies and the timing of implementation of said systems,

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- Contractor shall team up with DOH staff and others to conduct at least one site visit of a state's MMIS and associated operation,
- Contractor shall facilitate and document the identification and prioritization of the desired strengths and features of the systems functionality and operational capabilities being sought,
- Contractor shall facilitate the identification of feasible approaches to acquiring the desired systems functionality and operational capabilities, e.g.
 - o Stand-alone applications for managing eligibility data and claims vs. an integrated solution which encompasses multiple interrelated MA program functions
 - o Competitive procurement of an integrated solution vs. sole-sourcing individual solutions for eligibility data management and claims management
 - o A stand-alone EHR solution vs. a Web-accessible solution operated by an "application service provider".
 - o Partnering with a state/territory with an established integrated solution for MA program functions (a formal MMIS as construed by the federal government), or with several states/territories where each partner has a unique strength in a particular function.
- In concert with designated DOH and other GVI resources, Contractor shall conduct cost-benefit analyses (CBAs) of the feasible approaches to acquiring the desired systems functionality and operational capabilities. We will then facilitate discussions with designated DOH and other GVI resources to arrive at the optimal mix of information systems and/or vendors that will result in the desired systems functionality and operational capabilities, based on the CBAs. The CBAs will account for multiple considerations including but not limited to:
 - o The cost and effort associated with interfacing multiple systems;
 - o The cost of competitive solicitations for certain systems vs. pursuing partnerships with other states/territories or developing certain systems functionality in-house;
 - o The feasibility and practicality of sole-sourcing the acquisition of certain systems and/or vendors given federal and GVI laws and regulations;
 - o The potential advantages and drawbacks of "bundling" multiple systems functions into a single product/solution, or multiple operational capabilities under one vendor contract or partnership agreement with a state/territory;
 - o The ability to access enhanced federal funding if certain systems functionality and operational capabilities are acquired in accordance with federal laws and regulations, primarily those governing planning, design, implementation and operation of an MMIS (for instance, processing of pharmacy claims by a third-party Pharmacy Benefits Manager would only be subject to the standard fifty percent administrative match, whereas incorporating this function into an MMIS would make it eligible for seventy-five percent match); and
 - o The ability of resources from DOH and other impacted agencies to implement operate and oversee the operation of multiple systems.

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Department Head's Initials/Date fe

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- Contractor shall facilitate deliberation and agreement on the optimal sequencing of acquisition and implementation activities based on criteria including but not limited to:
 - o The availability of staff to participate in acquisition and implementation activities,
 - o The priority attached to acquiring certain system capabilities,
 - o The availability of GVI and federal funding,
 - o The extent to which the federal government has established standards that govern the design of certain systems, and procedures for managing the use of federal funds for system design, acquisition and operation, and
 - o Interface requirements associated with certain systems which may dictate that certain systems be deployed concurrently or in a particular order.

At the conclusion of these planning activities Contractor shall produce a **Strategic IT Plan** for DOH (A 20-25 page document including implementation plan and cost-benefit analysis attachments) which will capture all of the following:

- Summarize the planning process described on the previous page,
- Summarize the proposed operational capabilities, systems functionality and associated interfaces in narrative and graphical form (e.g. "architectural diagrams"),
- Summarize the proposed acquisition strategies for the proposed systems functionality and operational capabilities, and
- In the form of an annotated schedule, outline the recommended timing and sequencing of acquisition and implementation activities.

The Strategic IT Plan represents one of four distinct deliverables associated with this project. The remaining four deliverables are the APDs discussed previously. In partnership with DOH, Contractor shall draft and submit two different types of APDs for each major initiative (MMIS, EHR):

- A *Planning Advance Planning Document (PAPD)*, which is required to obtain enhanced federal funding (minimum 90 percent) for all planning activities associated with these activities – PAPDs spell out how the planning effort will be conducted, not the outcomes of said effort or any subsequent steps.
- An *Implementation Advance Planning Document (IAPD)*, which will detail the approach to implementing the MMIS and EHR, the key features of the solutions to be pursued, and the cost-benefit analyses (CBAs) that will support the selected solutions and acquisition strategies.

Contractor shall work with the Government of the Virgin Islands to draft and submit the PAPDs for both initiatives prior to starting the formal planning effort described earlier. Contractor warrants and represents that in so doing, the Government of the Virgin Islands shall be able to claim enhanced federal funding for the majority of the planning effort contemplated in this scope of work (some of this claiming may be retroactive, pending additional CMS guidance).

Contractor shall draft and submit IAPDs at the conclusion of the planning effort since, by design; they will draw heavily on the Strategic IT Plan for content.

Contract No.: Pe-DH-123-2009
MMIS: Pe-DH-046-2009

QSA 9/23/09
Department Head's Initials / Date fe

AS by MRM 9-18-09
Contractor's Initials / Date

HEALTH CARE REFORM:

Contractor shall assist DOH in designing, developing, and operationalizing an optimal Medicaid program whether the program remains capped or evolves into a "state-like" operation. Contractor shall provide the following statement of work (SOW) components necessary to assist the DOH during this dynamic transition and historic opportunity. Contractor will monitor and analyze legislation and, provide strategic and technical advice while performing work related activities to support the United States Virgin Islands in making policy decisions and preparing for a transition towards "state-like" treatment in the event Congress takes affirmative action and passes health care reform. Examples of work related activities Contractor shall perform include but are not limited to:

- o Participating in strategy discussions with Government's personnel including the Governor's Office and the United States Virgin Islands lawyers and lobbyists;
- o Participating in meetings with congressional staff and members of Congress; and
- o Drafting and reviewing legislative language, as directed.

PROGRAM DESIGN ACTIVITIES:

Contractor shall work with Government to expand coverage to the uninsured and provide a more expansive benefit package for individuals participating in the Medicaid program. Contractor shall revise the state plan and various waiver options will be considered and analyzed during this contract period. Contractor shall work with Government personnel to:

- o Prepare State Plan Amendments (SPAs) as necessary and, explore waiver options;
- o Work with Government and CMS personnel on program design options; and
- o Provide technical expertise as necessary to support program design activities including preparation of option papers, decision memorandums, etc.

EXAMINE AND REVIEW ORGANIZATIONAL MODELS FOR DOH's ADOPTION:

Contractor shall:

- o Perform organizational analysis to determine optimal management support functions and organizational alignment and design to support a transformed Medicaid program;
- o Perform Staffing Analysis;
- o Perform Gap Analysis based on "as-is" program versus "to-be" program requirements;
- o Recommend management structure to support "build" versus "buy" components to support Medicaid program and to align organizational structure for maximum efficiency;
- o Medicaid Management Information System (MMIS)
- o Pharmacy Benefit Manager (PBM)
- o Third Party Administrator (TPA)
- o Evaluate and recommend if a TPA is necessary to support the Medicaid program if the program moves and/or transitions towards "state-like" treatment;
- o Perform cost benefit analysis of contracting for a TPA and additional staff if determined appropriate; and,
- o Develop and deliver training based on organizational structure adopted to ensure that individuals and contract partners understand roles and responsibilities.

Contract No.: PC-DH-123-2009
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ASSIST IN DEVELOPING PROGRAM POLICIES AND PROCEDURES, MANUALS AND REPORTS:

We will work with USVI staff in preparing and developing policies and procedures, manuals and report formats to support the Medicaid program. Activities will include:

- o Facilitate staff discussions to develop policies and procedures and other program related materials;
- o Process mapping of existing and development of new operational protocols that will be employed in the program;
- o Recommend and develop policies and procedures for adoption by the USVI; and
- o Develop and deliver training for USVI personnel and contract partners to ensure effective program oversight and compliance with state and federal laws and regulations.

PROJECT MANAGEMENT:

Contractor shall build a preliminary master project management plan and timeline for DOH and Medicaid leadership to review and approve. The components of the project management plan will be discussed and will take into consideration all SOWs described in this contract and addendum to ensure coordination and effective project management. DOH shall designate a project manager and team to support the reform efforts.

ASA PROJECT TEAM:

ASA will utilize all of its resources to meet the SOW contained in this contract and addendum. Contractor herein warrants, agrees and represents that Marcia Morgan, Partner and Alicia Smith, Partner will be the project leads and will actively manage the project and take the lead on any CMS or other federal government negotiations and discussions as assigned by Government.

Contractor further warrants and agrees to have at least one (1) person per month spend one (1) business week in providing operational and technical assistance relative to the over-all SOW at the Virgin Islands Department of Health's Bureau of Health Insurance and Medical Assistance ("BHIMA") office. The SOW contemplates multiple projects with parallel program development paths which will require a strong project presence. When the project requires such and requested by DOH, Contractor shall provide two (2) ASA consultants to be on-site to support the SOW. All trips will be coordinated with DOH and on-site agendas will be developed and approved by DOH in advance of the trips. DOH leadership in conjunction with ASA will develop the agendas and work deliverables to support the on-site activity.

Scope of Services Hereby
Affirmed and Acknowledged:

ALICIA SMITH & ASSOCIATES, LLC

Alicia Smith by Marcia Morgan
Authorized Representative

9-18-09
Date

Contract No.: 16-DH-123-2009
AMENDS: RC-DH-016-2009

QBA 9/22/09
Department Head's Initials /Date fe

AS by MRM 9-18-09
Contractor's Initials/Date

IN WITNESS WHEREOF, the parties have hereunto set their hands on the day and year first above written.

WITNESSES:

GOVERNMENT OF THE VIRGIN ISLANDS

[Signature]

[Signature]
JULIA SHEEN, MPH
COMMISSIONER
DEPARTMENT OF HEALTH

9/22/09
DATE

[Signature]

[Signature]
LYNN A. MILLIN MADURO, ESQ.
COMMISSIONER
DEPARTMENT OF PROPERTY AND PROCUREMENT

9/29/09
DATE

CONTRACTOR:
ALICIA SMITH & ASSOCIATED, LLC

[Signature] 9-18-09

[Signature] by MRM
ALICIA SMITH, PARTNER

9-18-09
DATE

APPROVED: -

[Signature]
for JOHN P. DEJONGH, JR.
GOVERNOR OF THE VIRGIN ISLANDS

Date: 9/30/09

APPROVED AS TO LEGAL SUFFICIENCY:

DEPARTMENT OF JUSTICE BY: [Signature]

DATE: 9/30/09

PC-DH-123-2009
Contract No.: AMENDS: PC-DH-046-2009
[Signature] 9/22/09
Department Head's Initials/Date

[Signature] by MRM 9-18-09
Contractor's Initials/Date

PROFESSIONAL SERVICES CONTRACT

THIS AGREEMENT is made this 30th day of January 2007 in the Territory of the Virgin Islands, by and between the Government of the Virgin Islands, Department of Property & Procurement on behalf of the DEPARTMENT OF HEALTH (hereinafter referred to as "Government") and ALICIA SMITH & ASSOCIATES, LLC. (hereinafter referred to as "Contractor").

WITNESSETH:

WHEREAS, the Government is in need of the services of a Contractor to provide technical assistance in optimizing its Medicaid and SCHIP programs, by enhancing program benefits and services while leveraging available federal funding; and

WHEREAS, Contractor understands the primary goals of the Government which are to update both State Plans, one for Medicaid and one for SCHIP; explore options for expanding Medicaid services and/or eligibility; and explore options for leveraging local funds to maximize available federal funds to support the United States Virgin Islands' Medicaid and SCHIP programs, and commits to assist the Government in accomplishing these goals by providing the services set forth herein, which duties and responsibilities are more particularly described in Addendum I (Scope of Services) attached hereto, and made a part of this Contract; and

WHEREAS, the Contractor represents that it is willing and capable of providing such services.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and intending to be legally bound by this written instrument, the parties hereto do covenant and agree as follows:

1. **SERVICES.** Contractor will provide the services described in Addendum I (Scope of Services) attached hereto and made a part of this Contract.
2. **TERM.** This Contract shall commence upon the execution of this Contract by the Governor of the Virgin Islands ("Anniversary Date") and shall terminate twelve (12) months therefrom. This contract may be extended for an additional period of twelve (12) months by mutual agreement of the parties.
3. **COMPENSATION.** The Government, in consideration of the satisfactory performance of the services described in Addendum I (Scope of Services), agrees to pay Contractor at the hourly rate of **\$270 per hour** not to exceed **Two Hundred Seventy Two Thousand Seven Hundred and NO/100 Dollars (\$272,700.00)**, in accordance with the provisions set forth in Addendum II (Compensation) attached hereto and made a part of this Contract, as compensation for its services performed pursuant to this agreement.
4. **TRAVEL EXPENSES.** In addition to the compensation for services as specified in Paragraph 3 (Compensation) above, the Government agrees to pay documented transportation, subsistence, lodging and other travel expenses, while in travel status, for trips which have been authorized in writing, in advance, by the Government. These costs shall be advanced or reimbursed on the same basis as is applicable to employees of the Government; however, said costs and expenses shall not exceed **Twenty Five Thousand**

R-24 040-2009

[Handwritten signature and date]
1/30/07

and NO/100 Dollars (\$25,000.00).

5. **RECORDS.** The Contractor, when applicable, will present monthly invoices documented, precise records of time and/or money expended under this Contract. The Contractor shall provide monthly progress reports directly to the Governor's Office, Commissioner of Health and the Executive Director of the Bureau of Health Insurance and Medical Assistance Program, detailing the activities and services completed with associated outcomes in advancing the Medicaid Reform Project's goals and objectives.
6. **PROFESSIONAL STANDARDS.** The Contractor agrees to maintain the professional standards applicable to its profession and to consultants doing business in the United States Virgin Islands. Contractor further agrees to adhere to local and federal laws and rules and regulations, to include the requirements of the Health Insurance Portability and Accountability Act (HIPAA) of 1996.
7. **DOCUMENTS, PRINTOUTS, ETC.** All documents, books, records, instructional materials, programs, printouts, and memoranda of every description derived therefrom and pertaining to this Contract shall become the property of the Government and shall be turned over to it at the termination of this Contract. The above described materials shall not be used by Contractor or by any other person or entity except upon the written permission of the Government.
8. **LIABILITY OF OTHERS.** Nothing in this Contract shall be construed to impose any liability upon the Government to persons, firms, associations, or corporations engaged by Contractor as servants, agents, or independent contractors, or in any other capacity whatsoever, or make Government liable to any such persons, firms, associations or corporations for the acts, omissions, liabilities, obligations and taxes of Contractor of whatsoever nature, including but not limited to unemployment insurance and social security taxes for Contractor, its servants, agents or independent contractors.
9. **ASSIGNMENT.** The Contractor shall not subcontract or assign any part of the services under this Contract without the prior written consent of the Government.
10. **INDEMNIFICATION.** Contractor agrees to investigate, defend and hold harmless Government from and against any and all loss, damage, liability, claims, demands, detriments, cost, charges and expense (including attorney's fees) and causes of action of whatsoever character which Government may incur, sustain or be subjected to, arising out of or in any way connected to the services to be performed by Contractor under this Contract and arising from any cause, except the sole negligence of Government.
11. **INDEPENDENT CONTRACTOR.** Except as otherwise expressly set forth herein, no agency, partnership, joint venture, or employment relationship shall be created or inferred by the

Contract No. PH-04-046-2009 Page 2 of 10

Department Head's Initials W. H. W. Date 1/26/09

Contractor's Initials AS Date 1/23/09

**Contract For Professional Services
Between GVI and Alicia Smith & Associates, LLC**

existence or performance of this Contract, and neither Party shall have any authority to bind the other in any respect whatsoever. The Contractor shall perform this Contract as an independent Contractor and nothing herein contained shall be construed to be inconsistent with this relationship or status.

12. **GOVERNING LAW.** This Contract shall be governed by the laws of the United States Virgin Islands and jurisdiction shall remain in any Court of competent jurisdiction in the United States Virgin Islands.
13. **WAIVERS AND AMENDMENTS.** No waiver, modification or amendment of any term, condition or provision of this contract shall be valid or of any force or effect unless made in writing, signed by the parties hereto or their duly authorized representatives, and specifying with particularity the nature and extent of such waiver, modification or amendment. Any such waiver, modification or amendment in any instance or instances shall in no event be construed to be a general waiver, modification or amendment of any of the terms, conditions or provisions of this Contract but the same shall be strictly limited and restricted to the extent and occasion specified in such signed writing or writings.
14. **ENTIRE AGREEMENT.** This Contract constitutes the entire agreement between the parties hereto and all prior understanding or communications, written or oral, with respect to the Project which is the subject matter of this Contract, are merged herein.
15. **RIGHT TO WITHHOLD.** If work under this Contract is not performed in accordance with the terms hereof, Government will have the right to withhold out of any payment due to Contractor such sums as Government may deem ample to protect it against loss or to assure payment of claims arising therefrom, and at its option, Government may apply such sums in such manner as Government may deem proper to secure itself or to satisfy such claims. Government will immediately notify the Contractor in writing in the event that it elects to exercise its right to withhold.
- No such withholding or application shall be made by Government if and while Contractor gives satisfactory assurance to Government that such claims will be paid by Contractor or its insurance carrier, if applicable, in the event that such contest is not successful.
16. **CONDITION PRECEDENT.** This Contract shall be subject to the availability and appropriation of funds and to the approval of the Governor.
17. **TERMINATION.** Either party will have the right to terminate this Contract with or without cause on thirty (30) days written notice to the other party specifying the date of termination.

Contract No. 10-24-046-3009

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Department Head's Initials AS Date 1/26/09

Contractor's Initials AS Date 1/23/09

Contract For Professional Services
Between GVI and Alicia Smith & Associates, LLC

18. **PARTIAL TERMINATION.** The performance of work under this Contract may be terminated by the Government in part, whenever the Government shall deem such termination advisable. This partial termination shall be effected by delivering to the Contractor a Notice of Partial Termination specifying the extent to which the term and/or duties under this Contract are terminated and the date upon which such termination becomes effective. The Contractor shall be entitled to receive payment for services provided to the date of termination, including payment for the period of the thirty (30) day notice.
19. **NON-DISCRIMINATION.** No person shall be excluded from participating in, be denied the proceeds of, or be subject to discrimination in the performance of this Contract on account of race, creed, color, sex, religion, disability or national origin.
20. **CONFLICT OF INTEREST.**
- (a) Contractor covenant that it has no interest and will not acquire any interest direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Contract.
- (b) Contractor further covenants that it is:
- (1) not a territorial officer or employee (i.e., the Governor, Lieutenant Governor, member of the Legislature or any other elected territorial official; or an officer or employee of the legislative, executive or judicial branch of the Government or any agency, board, commission or independent instrumentality of the Government, whether compensated on a salary, fee or contractual basis); or
- (2) a territorial officer or employee and, as such, has:
- (i) familiarized itself with the provisions of Title 3, Chapter 37, of the Virgin Islands Code, pertaining to conflicts of interest, including the penalties provision set forth in section 1108 thereof;
- (ii) not made, negotiated or influenced this contract, in its official capacity;
- (iii) no financial interest in the contract as that term is defined in section 1101 (1) of said Code chapter.
21. **EFFECTIVE DATE.** The effective date of this contract shall be the day of execution of the contract by the Governor.
22. **NOTICE.** Any notice required to be given by the Terms of this Contract shall be deemed to have been given when the same is sent by certified mail, postage prepaid or personally delivered, addressed to the parties as follows:

Contract No. CSA-046-2009

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Department Head's Initials AS Date 1/26/09

Contractor's Initials AS Date 1/23/09

Contract For Professional Services
Between GVI and Alicia Smith & Associates, LLC

GOVERNMENT:

Lynn A. Millin Maduro, Esq.
Commissioner
Department of Property and Procurement
Sub Base, Building #1, Third Floor
St. Thomas, Virgin Islands 00802
340.774.0828;

Vivian I. Ebbesen - Fludd, RN, BSN, MS
Commissioner
Virgin Islands Department of Health
1303 Hospital Ground, Ste. 10
St. Thomas, Virgin Islands 00802
340.774.0117; and

CONTRACTOR:

Alicia Smith, Partner
900 2nd Street, NE
Washington, DC 20002

23. **LICENSURE.** Contractor covenants that it has:
- (a) obtained all of the applicable licenses or permits, permanent, temporary or otherwise, as required by Title 27 of the Virgin Islands Code; and
 - (b) familiarized itself with the applicable provisions of Title 27 of the Virgin Islands Code pertaining to professions and occupations.
24. **FALSE CLAIMS.** Contractor warrants that it shall not, with respect to this Contract, make or present any claim upon or against the Government of the Virgin Islands, or any officer, department, board, commission, or other agency thereof, knowing such claim to be false, fictitious, or fraudulent. Contractor acknowledges that making such a false, fictitious, or fraudulent claim is an offense under Virgin Islands law.
25. **NOTICE OF FEDERAL FUNDING.** Contractor acknowledges that this Contract is funded, in whole or in part, by federal funds. Contractor warrants that it shall not, with respect to this Contract, make, or present any claim knowing such claim to be false, fictitious, or fraudulent. Contractor acknowledges that making such a false, fictitious, or fraudulent claim is a federal offense.
26. **DEBARMENT CERTIFICATION.** By execution of this Contract, and the Debarment Certification set forth in Addendum III, and incorporated herein by this reference, the

Contract No.:

P-44546-5009

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Department Head's Initials Date

[Signature] 1/26/09

Contractor's Initials Date

[Signature] 1/23/09

Contract For Professional Services
Between GVI and Alicia Smith & Associates, LLC

Contractor certifies that it is eligible to receive contract awards using federally appropriated funds and that it has not been suspended or debarred from entering into contracts with any federal agency. The Contractor shall include this provision in each of its subcontracts hereunder and shall furnish its subcontractors with the current "LIST OF PARTIES EXCLUDED FROM FEDERAL PROCUREMENT OR NON PROCUREMENT". In the event the Contractor or any subcontractor misrepresents its eligibility to receive contract awards using federal funds, the Contractor or subcontractor agrees that it shall not be entitled to payment for any work performed under this contract or any subcontract and that the Contractor or subcontractor shall promptly reimburse the Government of the Virgin Islands for any progress payments heretofore made.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the day and year first above written.

WITNESSES:

GOVERNMENT OF THE VIRGIN ISLANDS

J. F. Cook

Vivian I. Ebbesen-Fludd
Vivian I. Ebbesen-Fludd, RN, BSN, MSN
Commissioner
Virgin Islands Department of Health

1/20/09
Date

Lynn A. Millin Maduro

Lynn A. Millin Maduro, Esq.
Commissioner
Department of Property and Procurement

1/27/09
Date

CONTRACTOR

Alicia Smith & Associates, LLC

Alicia Smith

Alicia Smith
Alicia Smith, Partner

1/23/09
Date

Contract For Professional Services
Between GVI and Alicia Smith & Associates, LLC

APPROVED:

JOHN P. de JONGH, JR.
GOVERNOR OF THE VIRGIN ISLANDS

Date

APPROVED AS TO LEGAL SUFFICIENCY
DEPARTMENT OF JUSTICE BY:

Vincent F. Frazer

Vincent F. Frazer
Attorney General

Date: 1-30-09

MED. NO.

ACCOUNT CODE NO.

A. CERTIFICATE OF APPROVAL

I hereby certify that this is a true and exact copy of
Contract No. _____ entered into
between The Department of Property and
Procurement and
_____.

Lynn A. Millin Maduro, Commissioner
Department of Property and Procurement

Contract No.: PC-04-046-2009
V. Millin

Department Head's Initials Date

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AS 1/23/09

Contractor's Initials/Date

ADDENDUM I
SCOPE OF SERVICES

(This Addendum should contain a detailed and specific description of the scope of the services and tasks to be performed by the Contractor, including time period for completion of tasks, submission of deliverables, certification of satisfactory completion of services, etc.)

SCOPE OF WORK TO BE PERFORMED

Under the terms of this Agreement, and in fulfilling Contractor's Duties and Responsibilities, Contractor Shall:

- ▶ Update both State Plans, one for Medicaid and one for SCHIP;
- ▶ Explore options for expanding Medicaid services and/or eligibility;
- ▶ Explore options for leveraging local funds to maximize available federal funds to support the USVI's Medicaid and SCHIP programs;
- ▶ Hold targeted discussions with established workgroups and other key stakeholders to identify and properly rank programmatic and budgetary priorities and potential constraints;
- ▶ Identify the right options for revising the territory's Medicaid and SCHIP State Plans. The changes to the State Plans will focus on possible increases in income eligibility criteria and on revitalizing the benefit package offered to Medicaid and SCHIP recipients;
- ▶ Work to identify opportunities for maximizing the availability of funds for the Medicaid and SCHIP programs;
- ▶ Conduct a thorough review of the existing State Plans;
- ▶ Conduct a comprehensive analysis of available data which would be used to assess the financial impact associated with revising the State Plans to include services and/or individuals not covered under the current programs;
- ▶ Model various scenarios for program eligibility modifications, service additions or changes and reimbursement changes in order to assess their fiscal impact. The results would be presented to the project team as a formal report with recommendations;
- ▶ Facilitate discussions for final decisions on issues related to State Plan Amendments (SPAs);
- ▶ Prepare SPAs for submission to CMS; and
- ▶ Assist in answering questions from CMS, provide expert testimony regarding the approaches used in other states, and/or prepare responses to objections raised by

Contract No. P-04-045-2009

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Department Head's Initials [Signature] Date 1/26/09

Contractor's Initials AS Date 1/23/09

different communities and/or agencies to the programmatic changes which will be proposed.

- ▶ Explore various approaches, along with the relative costs and benefits of each approach, to drawing down the full allotment of federal matching funds for Federal Fiscal Year (FFY) 2008. We will identify expenditures made during the last half FFY 2007 (assuming there is unused federal allotment) and during FFY 2008 for which we can file retroactive claims. It is our understanding that up to \$6.5 million in federal matching funds could be available for draw down for FFY 2008;
- ▶ Assist the Government in filing federal match claims for Federal Fiscal Years 2007 and 2008;
- ▶ Review data related to eligibility and per-recipient costs under the current programs in order to fully capture program expenditures;
- ▶ Examine how public providers are capturing costs and, if needed, recommend and build new reporting mechanisms that include all Medicaid eligible recipients (including those eligible through DHS and DOE);
- ▶ Examine methods in which to leverage local dollars to draw down federal funds through, for example, certifying the expenses of publicly funded hospitals and clinics; and
- ▶ Model the ramifications of the proposed eligibility and service enhancements on both territorial and federal funding, and discuss the benefits and drawbacks of the proposed enhancements in the context of their impact on both funding sources;
- ▶ Build a *project management plan* that lays out the tasks associated with the project, and the time and effort associated with these tasks;
- ▶ Provide Monthly Progress Reports.

Contract No. PC-04-0462009

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Department Head's Initials AS Date 11/26/09

Contractor's Initials AS Date 11/23/09

ADDENDUM II
COMPENSATION

In consideration of the Contractor's satisfactory performance of the services described in Addendum I to this Contract, the Government shall compensate the Contractor as follows:

I. Amount of Compensation:

\$272,700.00 in the aggregate for the Medicaid Reform Project.

II. Method of Payment:

The Government shall pay Contractor at the **hourly rate of \$270** for each hour of service provided. Contractor shall invoice the Government at the end of every month for services provided. The Government herein commits to utilize its best efforts to ensure the timely payment of all submitted invoices within fifteen (15) days of their receipt. Contractor shall not bill in excess of **165 hours monthly** or **\$45,000 per month** unless authorized in writing by the Government. The projected completion of the Medicaid Reform Project is six (6) months and shall cost the Government in the aggregate **no more than \$272,700.00**.

III. Travel Expenses:

The Government agrees to pay the Contractor for travel expenses, in an amount not to exceed **Twenty Five Thousand and NO/100 Dollars (\$25,000.00)**, and in accordance with paragraph 4 of this Contract.

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Department Head's Initials [Signature] Date 1/26/09

Contractor's Initials AS Date 1/23/09