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COLORADO
Financial Services
Department of Human Services
Division of Contracts and Procurement

CONTRACT AMENDMENT #1

SIGNATURE AND COVER PAGE

State Agency Colorado Department of Human Services Office of Children, Youth and Families Division of Youth Services 4131 S Julian Way Denver CO 80236-3101	**Original Contract Number** 22 IKAA 168767
Contractor Correctional Health Partners LLC 1125 17th St, Suite 1010 Denver CO 80202	**Amendment Contract Number** 23 IKAA 175421
Current Contract Maximum Amount Initial Term State Fiscal Year 2022 $4,031,038 Extension Terms State Fiscal Year 2023 $4,111,659 State Fiscal Year 2024 $4,111,659 State Fiscal Year 2025 $4,111,659 State Fiscal Year 2026 $4,111,659 Total for All State Fiscal Years $20,477,674	**Contract Performance Beginning Date** July 1, 2021 **Current Contract Expiration Date** June 30, 2023

THE PARTIES HERETO HAVE EXECUTED THIS AMENDMENT

Each person signing this Amendment represents and warrants that he or she is duly authorized to execute this Amendment and to bind the Party authorizing his or her signature.

CONTRACTOR Correctional Health Partners LLC DocuSigned by: Kellie Wasko 99F00516DD79459... By: Kellie Wasko, President & CEO Date: 5/11/2022	**STATE OF COLORADO** Jared Polis, Governor Department of Human Services Michelle Barnes, Executive Director DocuSigned by: Anders Jacobson D5D76102015A4F4... By: Anders Jacobson, Director, Division of Youth Services Date: 5/11/2022

In accordance with §24-30-202 C.R.S., this Amendment is not valid until signed and dated below by the State Controller or an authorized delegate.

STATE CONTROLLER
Robert Jaros, CPA, MBA, JD

DocuSigned by:
Toni Williamson
D2A31DEB619C416...
By: _____
Andrea Eurich / Janet Miks / Toni Williamson

Amendment Effective Date: 5/12/2022

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1. PARTIES

This Amendment (the "Amendment") to the Original Contract shown on the Signature and Cover Page for this Amendment (the "Contract") is entered into by and between the Contractor, and the State.

2. TERMINOLOGY

Except as specifically modified by this Amendment, all terms used in this Amendment that are defined in the Contract shall be construed and interpreted in accordance with the Contract.

3. AMENDMENT EFFECTIVE DATE AND TERM

A. Amendment Effective Date

This Amendment shall not be valid or enforceable until the Amendment Effective Date shown on the Signature and Cover Page for this Amendment. The State shall not be bound by any provision of this Amendment before that Amendment Effective Date, and shall have no obligation to pay Contractor for any Work performed or expense incurred under this Amendment either before or after of the Amendment term shown in **§3.B** of this Amendment.

B. Amendment Term

The Parties' respective performances under this Amendment and the changes to the Contract contained herein shall commence on the Amendment Effective Date shown on the Signature and Cover Page for this Amendment July 1, 2022, whichever is later and shall terminate on the termination of the Contract.

4. PURPOSE

The purpose of this amendment is to establish FY23 Services, increase vendor rates by approved 2% COLA, and update Exhibits A and B.

5. MODIFICATIONS

The Contract and all prior amendments thereto, if any, are modified as follows:

A. The Contract Initial Contract Expiration Date on the Contract's Signature and Cover Page is hereby deleted and replaced with the Current Contract Expiration Date shown on the Signature and Cover Page for this Amendment.

B. The Contract Maximum Amount table on the Contract's Signature and Cover Page is hereby deleted and replaced with the Current Contract Maximum Amount table shown on the Signature and Cover Page for this Amendment. In accordance with Exhibit A, Section IV.F of the original contract, the State hereby increases the Contract rates per HB22-1329 2% COLA Increase.

C. Exhibit A is hereby deleted and replaced with Exhibit A-1, attached and incorporated herein.

D. Exhibit B is hereby deleted and replaced with Exhibit B-1, attached and incorporated herein.

6. LIMITS OF EFFECT AND ORDER OF PRECEDENCE

This Amendment is incorporated by reference into the Contract, and the Contract and all prior amendments or other modifications to the Contract, if any, remain in full force and effect except as specifically modified in this Amendment. Except for the Special Provisions contained in the Contract, in the event of any conflict, inconsistency, variance, or contradiction between the provisions of this Amendment and any of the provisions of the Contract or any prior modification to the Contract, the provisions of this Amendment shall in all respects supersede, govern, and

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control. The provisions of this Amendment shall only supersede, govern, and control over the Special Provisions contained in the Contract to the extent that this Amendment specifically modifies those Special Provisions.

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Exhibit A-1
Statement of Work

I. Terminology

The following terms used in this exhibit shall be construed and interpreted as follows:

A. Appointed Facility Medical Provider (AFMP): A physician, nurse practitioner, or physician's assistant assigned to a specific DYS facility (the list of facilities are provided in **Exhibit D**) who is responsible for the day to day care of DYS youth at that facility, and under the oversight of a supervising physician.
B. Business Day: any day except Saturday, Sunday, or Colorado State Holidays (published on the Colorado Secretary of State website)
C. Contractor: Correctional Health Partners, LLC
D. DUR: Drug Utilization Review
E. DYS Facility: Any and all facilities listed in **Exhibit D**.
F. DYS Youth: Youth 10-21 years old who have been charged with a criminal offense and are awaiting disposition, have been adjudicated a delinquent, or have been committed for a period of time to the legal custody of the Division of Youth Services and are eligible to receive medical care.
C. State: the State Department of Human Services, Division of Youth Services
D. DYS: Division of Youth Services
F. IBNR: Incurred But Not Received. Refers to financial obligations the Contractor has incurred, but not yet requested reimbursement for from the State.
G. UM: Utilization Management

II. General Requirements

A. <u>Scope of Services</u>
The Contractor shall manage health care services for DYS youth that are not already provided by State DYS providers. The applicable services the Contractor provides consist of:
1. External ancillary services,
2. External specialty care and services,
3. Hospital services,
4. Outpatient Hospital Services,
5. External Dental Services, and
6. Prescription drug services (pharmacy services), including maintaining a medication formulary (including a prior authorization review process) and the parameters for the use of psychotropics medications in adolescents.
7. Physician Services
8. Psychiatric Services
9. Services related to Quality Assurance and Oversight
10. Physician on-call services – Physician on call evenings (5pm-8am), weekends, and holidays for emergency call back within 15 minutes for facilities. Physician on call Monday-Friday 8am-5pm for non-emergency call back by COB for the Medical Clinic Staff.
11. Nursing Services, including quality review services

B. <u>Record-Keeping</u>

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1. The Contractor shall maintain an individual file for each DYS youth receiving the Contractor's services and shall allow the State to review all information, data, and reports relating to any DYS youth when requested to do so.
2. The Contractor shall maintain in each of its employee's files a copy of the current job description and a description of the position's minimum qualifications related to this Contract. These files shall be open to inspection by the State at all times.

C. Eligibility:

1. The State shall have the sole responsibility for determining the eligibility of DYS youth for State funded services. An eligible DYS youth under this Contract must reside at a State youth correctional facility or at a designated contract youth correctional facility outlined in **Exhibit D** within the State of Colorado. The State retains the authority to make final decisions on eligibility dates.
2. DYS youth become eligible for State Funded Services at 12:00 a.m. Mountain Time (as adjusted for Daylight Savings Time) of the Effective Date shown on the eligibility file and shall terminate 12:00 a.m. Mountain Time (as adjusted for Daylight Savings Time) of the Termination Date shown on the eligibility file transmitted to the Contractor. DYS youth may have more than one (1) Effective Date and more than one (1) Service Termination Date.
3. For the term of the Contract, the State shall electronically transmit daily, or on an otherwise mutually agreed upon timeline, an eligibility file to the Contractor. The Contractor shall use these eligibility files as the basis of determining the eligibility.

D. DYS Policies

The Contractor shall comply with applicable DYS policies, standards, and procedures. DYS may modify the policies, standards, and procedures at any time. The State shall provide advanced notice of the modification and determine a reasonable time for the Contractor to comply. The State shall provide the most current DYS policies, standards, and procedures as they are updated. The Contractor shall acknowledge receipt.

E. Clinical Review Process

The services provided under this Contract are subject to review by the Office of Children Youth and Families (OCYF) Medical Director. Based on criteria determined by the OCYF Medical Director and the DYS Director of Behavioral Health & Medical Services, the Contractor shall maintain a robust clinical review process of medical and psychiatric services to ensure high quality services are provided.

F. Medical Authority

The Contractor shall provide a physician who acts as the appointed Medical Authority who is responsible for clinical oversight of DYS providers directly or through a designee physician. In addition to other duties as specified in this document, the appointed Medical Authority, through the contract, shall:

1. Provide consultation, collaboration, and continuing education to DYS medical clinic staff.
2. The medical authority or designee to be on site to consult with each facility at least monthly, for case collaboration.
3. Review a sample of all DYS Mid-Level Providers charts and provide written performance reviews on all Mid-Level Providers twice a year to be included in the required Performance

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Management Plan. This also includes performance feedback on the DYS Medical Operations Coordinator positions (currently Nurse Vs).

4. Provide oversight of Nurse Practitioners and Physician Assistants, which may include signature authority on Department of Regulatory Agencies (DORA) supervision documents, if required.

G. Service Provider Network:

The Contractor shall have an established service provider network that can provide medical care to DYS youth located throughout the State. The Contractor shall work with existing network service providers who are established partners in the provision of quality care to DYS youth.

1. In regards to the service provider network, the Contractor shall:
   (a) Negotiate the most competitive rates on behalf of the State and shall fully disclose to the State all provider rates negotiated and provide copies of provider contracts for services provided to DYS youth.

   (b) Establish coverage of all or most needed types of medical care services and specialties.

   (c) Establish geographically accessible specialty medical care providers and institutions throughout all or most of the State, in order to minimize logistic considerations for the agencies.

   (d) Have a credentialing process of network providers.

   (e) Set up on-site "clinics" for outside specialty medical care, so that care can be provided more economically.

   (f) The Contractor shall partner with an on-site eye care services provider, and an off-site dental clinic provider.

2. The Contractor shall provide the State with a complete list of service providers in network by name, address and phone number within 30 days of contract execution, annually, within 30 days of any amendments or changes and at any time upon request of Agency.

3. The Contractor shall provide in writing the Contractor's credentialing process and timelines for adding new providers to its network including training of new providers to serve DYS's diverse youth. Additionally, the Contractor will notify the State of providers in the service network who have lost credentials or privileges on a monthly basis.

4. The Contractor is responsible for ensuring that all persons doing work on behalf of the State are not excluded from participation in any state or federal reimbursement program and are cleared through the federal Health and Human Services (HHS), Office of the Inspector General (OIG) Exclusion List on a monthly basis.

5. The Contractor shall provide and maintain pharmacy provider(s) capable of serving DYS youth statewide. The management of prescriptions and pharmaceuticals shall be included and a competitive pricing strategy will be left to the discretion of the Contractor.
   (a) The Contractor shall negotiate pricing arrangements to optimize cost discounts while assuring adequate access.

6. The Contractor shall guarantee on-site delivery of medication to the facility requesting the prescription within 48 hours of placing the order, and stat orders as needed to be filled within

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four hours. The Contractor shall include pharmacy reviews quarterly by a licensed pharmacist, and monthly clinical reviews of chronic diseases and psychiatric care as outlined by DYS and the OCYF Medical Director as applicable.

7. The Contractor shall manage and control the costs of all medications and specifically, psychotropic medications, in line with a standard generic formulary. The Contractor shall establish a prior authorization process when non-formulary psychotropic medication is indicated.

8. The State shall keep the Contractor informed of any new youth correctional facilities in Colorado, transfers to/from out-of-state youth correctional facilities, and any other significant movement of DYS youth that may alter the requirements of the Contractor's network of providers. The Contractor is required to modify/expand their network to meet these changes.

H. Referrals/Authorizations

1. The Contractor shall provide a written referral, authorization, and notification process that is readily accessible by the State, up-to-date and user-friendly.

2. Non-emergency services will be initiated by referrals from the Appointed Facility Medical Provider (AFMP, and also known as the midlevel provider) and will include medical health care, optometric, audiometric and dental (oral surgery) health care from specialists and outside institutions. Whether by telephone contact or other technology, the AFMP shall be able to readily communicate his/her referral to the Contractor, including any subsequent dialogue as necessary for the Contractor to make a determination of whether it is appropriate to authorize or to deny the referral.

3. The Contractor shall inform the AFMP of authorization or denial of the referral based on policies, procedures, and time frames established by the Contractor.

4. If the referral is approved and the outside specialty medical care provider is available locally within the Contractor's established service provider network, the Contractor shall direct the authorization to said provider, and automatically notify said provider of the authorization. The Contractor shall prioritize the use of its provider care network.

5. The Contractor shall have a method of "flagging" all authorizations for outside specialty medical care not directed to a specific provider within the Contractor's established service provider network. The Contractor shall promptly confirm any authorizations with the State, which are not directed to specific providers within its service provider network, as needed.

6. The Contractor shall negotiate for and establish a discounted reimbursement rate for providers not in the service provider network.

7. The Contractor shall notify a designated State contact of all authorizations, preferably on a daily Monday-Friday basis, and provide relevant information thereto.

8. The State will not be responsible for authorizations issued for non-eligible parties.

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9. The State reserves the right to conduct a secondary review of any/all authorizations, and to deny or override such authorizations, as the State deems to be appropriate. The Contractor shall notify its AFMP of any denials or overrides resulting from the review process.

10. The State reserves the right to direct or redirect any authorizations for outside specialty medical care to or from the Contractor's provider network, for logistic or other reasons.

11. Due to security and logistical concerns regarding the transport of juveniles, State DYS facilities will be responsible for scheduling all services/appointments. The AFMP will refer all authorizations to the scheduling person at the facility in which the DYS youth resides.

I. Service Delivery: Both parties shall make their best effort to ensure that the following minimum standards are met in regards to the delivery of medical services:

1. Wait time should not on average exceed 30 minutes after the scheduled appointment time in a participating provider's office. At no time shall wait times exceed two (2) hours after the scheduled appointment time.

2. For routine appointments for specialty care, the amount of time from the day an appointment is requested to the day the appointment occurs shall not exceed the community standard.

3. For urgent appointments, the amount of time from the day an appointment is requested to the day an appointment occurs shall not exceed 48 hours.

4. The response time for the Contractor physician responsible for on-call coverage for the medical clinics shall not exceed 15 minutes from the time the physician receives the request.

5. Contractor physician signature approval for documentation shall not exceed seven (7) days.

J. Utilization Management and Review

1. The Contractor shall use nationally accepted criteria as the basis for utilization management decisions and processes. The Contractor shall provide inpatient prospective, concurrent, and retrospective Drug Utilization Review (DUR) as a part of the Contractor's Utilization Management services.

2. The Contractor will provide utilization management services to DYS Youth; understanding that such services may or may not be discontinued once a patient is admitted as an inpatient or if the State is no longer fiscally responsible for medical care for the patient.

3. Upon request by the State, Contractor shall conduct inpatient concurrent reviews to include hospitalized patients on observation or inpatient status, as well as retrospective reviews. The timeline for concurrent reviews shall be the first business day and every day thereafter the UM Nurse will conduct visitation and provide the State a verbal update. This may include reviews on patients for whom the State is not fiscally responsible.

4. The State reserves the right to conduct its own concurrent reviews and make scheduling and discharge decisions accordingly.

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5. As requested by the State, the Contractor shall obtain records and provide oral and/or written reports to assist the State in conducting its own concurrent reviews.

6. The Contractor shall maintain and have available for review by the State the following:
   a) Policies and Procedures used for authorizations, prior authorizations, claims administration and utilization review services.
   b) Eligibility verification system.
   c) Communication plan for how findings are presented to each affected party.

7. The Contractor shall provide a qualified psychiatrist who shall:
   a) Review current psychiatric practices,
   b) Provide supervision to any psychiatric nurse practitioners,
   c) Participate in emergency and involuntary medications reviews when requested,
   d) Assist with all required meetings to review quality of care and clinical reviews, and
   e) Establish a system for consulting with treating psychiatrists as needed.

8. Whenever necessary, based on the State's identification of problems that warrant investigation, the State shall evaluate the effectiveness of the Contractor's Utilization Management Program in assuring appropriate levels of care provided to DYS youth. The State shall coordinate review efforts as appropriate with review activities conducted by other agencies under applicable Colorado statutes.

K. <u>Administrative & Reporting Services:</u>

1. DYS expects a full range of administrative and reporting services to be provided by the Contractor. The Contractor shall be responsible for all claims determinations, timely filing guidelines, claims reviews, and appeals, in accordance with the Contractor's Policies and Procedures (P & P). Said P & P are subject to the approval of the State and shall be reported upon monthly. The State will designate a contact person for the Contractor to request approval to override denied claims. P & P include, but are not limited to:
   (a) technology requirements,
   (b) hours of operation,
   (c) prompt authorization or denial of PCP referrals,
   (d) prompt payment to providers,
   (e) claims adjudication,
   (f) standardized reporting and ad hoc reports.

2. The Contractor shall develop a set of financial and clinically based performance reports that serve to identify areas for improvement throughout the contractual term.

3. The Contractor shall assure that outside specialty and/or facility medical care service providers submit claims in a timely manner consistent with industry standards to allow for timely reimbursement by the State.

4. The Contractor shall conduct audits of paid claims at a minimum of every 6 months to ensure that claims to providers were paid accurately according to the terms of the provider contract. The Contractor shall provide a report to the State as to the outcome of the audit and

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a corrective action plan if there are payment errors. If the Contractor has paid the outside provider in excess of the contracted rates, the Contractor must recoup the overpayment from the provider and ensure the agency receives the credit within 60 days of the discovery of the overpayment. If the Contractor fails to recoup any overpayment within the 60 days, the State will withhold payment from the Contractor until such errors are corrected.

5. The Contractor shall provide information requested by the State including claim files, referrals, appeal files, previous correspondence, and canceled checks within five (5) business days following a request for information.

L. Reporting Requirements

The Contractor shall provide the State with a standardized reporting package, due by the 14th of the following month unless otherwise specified, including but not limited to:

1. Monthly profiles of individual DYS facilities, including referrals and utilization.

2. Monthly cost projections of all medical care and pharmacy costs by DYS facility and for DYS that have been authorized by the Contractor but for which funds have not yet been requested by the Contractor (IBNR analysis) due by the 5th of each month reporting.

3. Monthly cost summary and cost projections applied to the contract broken down by DYS facility.

4. A monthly data analysis report showing trends and recommendations to lower costs.

5. A monthly pharmacy report sorted by physician and/or advanced practice providers.

6. A monthly cumulative summary report of medical expenditures. A final year-end report is due to the agency no later than October 1 following the close of the State's fiscal year on June 30th.

7. Quarterly Cost Analysis Report demonstrating any savings related to the Covered Healthcare Services referenced in Exhibit G.

8. An annual trend analysis report comparing historical clinical data from previous years.

9. Other specific reporting may be requested from the Contractor by the State to be provided with short timelines. The Contractor shall produce ad hoc reports within 24 – 72 hours from the receipt of said request, unless otherwise negotiated between the Contractor and the State.

M. Auditing Requirements:

1. The Contractor shall provide robust clinical review on care provided to youth in DYS based on established parameters.
2. The Contractor will conduct a random Quality of Service Survey, to a pool of no less than 20 providers, to include State-employed AFMP's, on an annual basis and report results to the State at a date/time agreed upon by both parties.

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N. Contractor Performance Review: The annual review of Contractor performance shall include evaluation of the effectiveness of the Contractor in overseeing all services and addressing adverse events that were found in the course of care provided to DYS youth under the Contractors' scope of responsibility.

III. Additional Provisions

A. Insurance Requirements: In addition to the General Provisions, paragraph H., the Contractor shall provide insurance for licensed professionals providing services in their professional capacity, professional liability insurance in an amount not less than $150,000 for any injury to one person in any single occurrence, and no less than $600,000 for an injury to two or more persons in any single occurrence.

B. Accounting: The Contractor shall maintain a formal accounting system for all funds related to this contract. The Contractor shall:
1. Maintain a log of all returned funds to ensure timely processing of credits to the State and to facilitate the analysis of returned checks to determine any developing reasons or trends for the return of the checks.
2. Maintain appropriate controls to ensure the separation of functions of claims adjudication and accounting, including receipts and control of returned funds.
3. Adjust claims that will result in funds being returned to the State shall be accomplished through adjustment of future claims submitted by providers, except at end of the fiscal year, adjustments will be returned to the State.
4. Keep appropriate written documentation of all adjustments and the reasons for those adjustments. In addition, the Contractor shall ensure
5. Update the DYS youth's history in a timely manner (at least monthly).

D. External Review: The State will use criteria specified in this Contract, to develop specific areas of examination and criteria of the Contractor's work for review by a third party external reviewer. The State will provide notification to the Contractor 30 days prior to examination and criteria review. However, audits required under special circumstances of Executive/legislative over sight authority may not allow for set notice and the Contractor shall waive 30 days' notice requirement for the State Controller's Office, State Auditor's Office, Office of State Planning & Budgeting, and/or the Joint Budget Committee.

Review activities shall include but are not limited to:
1. Examination of medical services to assess appropriateness of services and compliance with standards for access and quality of care.
2. Examination of Administrative Services to assess compliance with standards.
3. Examination of clinical records and particular types of cases related to potential quality of care issues as determined by the State.
4. Interviews with Contractor staff related to this Contract.
5. Assessment of data reporting systems and data accuracy.

E. Remedial Actions: The State may exercise the following remedial actions in addition to any

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actions already allowed under this Contract or by law, should the Contractor substantially fail to perform its obligations. These remedial actions include, but are not limited to:

1. Written identification of the problem shall be sent by the State to the Contractor.
2. The Contractor shall have fifteen (15) days from receipt of this written problem notification to develop a corrective action plan and submit it in writing to the State.
3. The State shall have five (5) days from receipt of the Contractor's proposed corrective action plan to approve or reject the action plan in writing to The Contractor.
4. The Contractor shall have thirty days (30) from receipt of written approval of the corrective action plan to satisfactorily address the problem.
5. If the identified problem is not adequately addressed following the steps and time line outlined above, the State shall then withhold payment to the Contractor until the necessary services or corrections in performance are satisfactorily completed.

F. Contract Termination: If the Contract is terminated pursuant the General Provisions, paragraph Y.,

1. The Parties shall:
   a) Meet and develop a transition plan that ensures and minimizes disruption to each other's operation and those of Participating Providers
   b) Implement the transition plan in good faith and resolve any disputes promptly and fairly.
2. Contractor shall:
   a) For Administrative Services- assign all Professional Service Agreements with network providers to the State effective with the date of termination and provide all related files or records.
   b) For Covered Services authorized but not yet rendered as of the Termination Date- the Contractor shall promptly supply all information and/or records necessary for the subsequent administration of these Covered Services, e.g. utilization management, claim adjudication, etc.
   c) For Covered Services rendered in months for which Contractor has received an Administrative Fee, the Contractor shall continue to provide all Administrative Services for three (3) months beyond the Termination Date, unless otherwise agreed to by the State. At the end of these three (3) months, the Contractor shall promptly supply all information necessary, in a format mutually agreeable, for the adjudication of any outstanding State claims for Covered Services after the Termination Date.
   d) Provide a means, acceptable to the State, of transferring all historical data and files to the State or other Contractor should this Contract be terminated

IV. Payment and Terms

A. Payment of Adjudicated Claims: The Contractor is responsible for claims adjudication and making all payments to outside specialty medical care and pharmacy providers. To obtain reimbursement for these liabilities, the Contractor shall:

   a. Submit to the State a weekly statement of financial obligations, which the Contractor intends to pay to outside providers for approved services that were provided to DYS youth.

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b. The state will review the statement and make an Electronic Fund Transfer (EFT) to the Contractor for all approved services, upon receipt of supporting documentation required in the funds transfer process.
c. The Contractor releases payment to the service providers after receiving the funds from the State.
d. Payment is made on a pass-through basis (with no "mark-up").

B. The Contractor shall provide the State with a periodic statement (at a minimum monthly for medical and weekly for pharmacy) requesting funds for payment of invoices for outside specialty and/or facility medical care that has been provided to DYS youth. The periodic statement shall contain sufficient information to facilitate the State's ability to verify that the medical care was authorized and provided. The data must be reported with a breakout by DYS facility.

C. Third Party Reimbursement: If an injury or illness is caused by any third party and the DYS youth has the right to recover damages from that third party, the State shall provide payment for Covered Services related to any such illness or injury and the Contractor shall process claims for Covered Services for said illness or injury. Subject to relevant due process considerations, the State shall have a lien on all funds recovered by the DYS youth up to the actual cost incurred by the State for the services and supplies provided to the DYS youth. The State may give notice of that lien to any party who may have contributed to the loss. The State has the right to be subrogated to the DYS youth's rights to the extent of the Covered Services administered under this Contract. This includes the State's right to bring suit against the third party in the DYS client's name. All funds recovered from third parties shall become the property of the State.

D. The State may increase or decrease the quantity of goods/services based upon the rates established in the Contract. If the State exercises the option, it will provide written notice to the Contractor at least 30 days prior to the end of the current contract term in an Option Letter. Delivery/performance of the goods/services shall continue at the same rates and terms. If exercised, the provisions of the Option Letter shall become part of and be incorporated into the original contract.

E. The State may require continued performance for a period of 12 months at the same rates and same terms specified in the Contract. If the state exercises the option, it will provide written notice to the Contractor at least 30 days prior to the end of the current contract term in an Option Letter. If exercised, the provision of the Option Letter shall become part of and be incorporated into the original contract. The total duration of this Contract, including the exercise of any options under this clause shall not exceed 5 years.

F. The Contractor agrees to provide all contractual services herein, at the unit/budget prices established in the contract. In the event that a cost-of-living adjustment (COLA) is approved by the State, the Contractor may be eligible for an adjustment to the unit/budget contract price(s). Subject to the availability of funds, the State may increase the level of funding for the scope of work established in the contract by making changes to the unit/budget prices for cost-of-living adjustments. The State may exercise this option by issuing an Option Letter to the Contractor within 30 days before the change in the level of funding occurs. This option is not valid until signed by the State Controller or his designee.

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G. Other bilateral modifications to this contract not within the terms of this Contract must be executed by formal amendment to the contract, approved in accordance with State law.

H. The Contractor may request, in writing, any proposed rate adjustments to the fees referenced in **Exhibit B**, based on the CPI – All Urban Consumers for Medical Services, not to exceed amount of 4%, no less than 90 days prior to the contract expiration date for increases to be applied to the next State fiscal year, and no more than one (1) request within a State fiscal year. Requests must be submitted to the State DYS, Director of Clinical Services.

   a. Any such request is subject to evaluation, negotiation, and approval by the State. The final decision of the State as to any such request, shall be final and binding upon the parties.

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Exhibit B1 - Budget
CHP - Managed Medical/Physician Services

Services	Annual Rate	Monthly Rate
General Administrative Fees	$ 174,734.13	$ 14,561.18
Psychiatry Administrative Fees	$ 114,603.08	$ 9,550.26
Physician/Nursing Services Costs	$ 391,783.34	$ 32,648.61
Pharmacy - Case Review Services	$ 186,699.79	$ 15,558.32
Psychiatry Costs	$ 1,154,904.14	$ 96,242.01
Medical Staffing at Marler	$ 351,934.90	$ 29,327.91
Physician/Psychiatry Services at Marler	$ 154,773.78	$ 12,897.82
Profit	$ 266,931.51	$ 22,244.29
TOTAL SERVICES	**$ 2,796,364.66**	**$ 233,030.39**
Managed Care/Claims	$ 786,477.27	N/A
Managed Care/Pharmacy	$ 528,817.07	N/A
TOTAL MANAGED CARE	**$ 1,315,294.34**	
TOTAL CORRECTIONAL HEALTH PARTNERS	**$ 4,111,659.00**	