

HHSC CONTRACT 529-16-0007-00001S**AMENDMENT NINETEEN
To HHSC CONTRACT No. 529-16-0007-00001**

THIS AMENDMENT NINETEEN (the “**Amendment**”) to HHSC Contract No. 529-16-0007-00001 (the “**Agreement**”) is entered into between the HEALTH AND HUMAN SERVICES COMMISSION (“**HHSC**” or the “**State**”), an administrative agency within the executive department of the State of Texas and having its principal office at 4900 North Lamar Boulevard, Austin Texas 78751, and Accenture State Healthcare Services LLC (“**CONTRACTOR**”), a limited liability corporation organized under the laws of the State of Delaware and having its principal place of business at 1501 S. MoPac Expressway, Austin, TX 78746. HHSC and the CONTRACTOR may be referred to in this Amendment individually as a “Party” and collectively as the “Parties.”

WHEREAS, in accordance with Article 9 of the Agreement, the Parties wish to amend the Agreement in order to discount the monthly Fixed Operational Fees, modify the Services to be performed by CONTRACTOR reflecting the discount, and adjust the Tier 1 Productivity discount approach, effective 9/1/2019. The discounts are needed to account for the shortfall for strategy B 1.1.1 from the 2020-21 General Appropriations bill passed during the 86th legislative session that did not fully fund Exceptional Item 15a under B 1.1.1.

WHEREAS, the Parties wish to incorporate the terms and conditions of Amendment Nineteen into the Agreement.

NOW, THEREFORE, the Parties hereby amend and modify the Agreement as follows:

1. PRICING DISCOUNT.

a. CONTRACTOR will discount the Fixed Operational Fees per the following chart.

DISCOUNT COMPONENT	MONTHLY DISCOUNT	FIRST MONTH OF DISCOUNT	OPERATIONAL CONTRACT YEAR 3 TOTAL
Program managers – GOC	\$16,666.67	9/1/2019	\$200,000.00
Program managers – CSCHN, HTW	\$16,666.67	9/1/2019	\$200,000.00
CSHCN requirement change	\$18,000.00	9/1/2019	\$216,000.00
FREW requirement change	\$84,171.75	9/1/2019	\$1,010,061.00
Pyramid refresh savings	\$33,333.33	9/1/2019	\$400,000.00
Systems efficiencies savings	\$16,666.67	9/1/2019	\$200,000.00
Operations efficiencies savings	\$16,666.67	9/1/2019	\$200,000.00
BET reductions	\$84,000.00	9/1/2019	\$1,008,000.00
Facility reduction	\$77,000.00	11/1/2019	\$770,000.00

b. CONTRACTOR will apply discounts to the monthly invoices for Fixed Operational Fees according to the following chart.

INVOICE DISCOUNT	SEPTEMBER - OCTOBER 2019	AFTER OCTOBER 2019
Discount to Fixed Operational Fees	\$286,171.75	\$363,171.75

2. **CHANGES TO SERVICES.** The discounts set forth in this Amendment are aligned to the following changes to the Services.

- a. CONTRACTOR will consolidate responsibilities allowing for the elimination of some of the program manager costs. Implementation of this change will begin 9/1/2019.
- b. The Parties will eliminate the breakout of measurements related to CSHCN and non-CSHCN for the following Key Measures:
 - CPC - 0055 Claims Processing Accuracy
 - PAC - 0093 Prior Authorization Medical Necessity Accuracy
 - PAC - 0101 Prior Authorization Processing Accuracy
 - PRV - 0088 Provider Enrollment Application Processing Accuracy
 This change is effective 9/1/2019.
- c. The Parties agree to change the calculation of max delay for the Statewide Medicaid Hotline to be based on average time for a call, rather than the longest call during the day. CONTRACTOR will reduce contact center staff by thirteen (13) full time contact center agents. This change relates to CCC - 0060 Monthly Maximum Average Response and is effective 9/1/2019.
- d. CONTRACTOR will pursue efficiencies across both technology and operations, as well as adjust personnel, to achieve additional cost reductions. HHSC will support CONTRACTOR efforts to find these efficiencies. This effort begins 9/1/2019.
- e. Exhibit C, Section 2, Payments for Operational Services is amended to include the following: Beginning with Operational Contract Year Three, CONTRACTOR will reduce the hours to perform technology modifications (“base enhancement team”) as directed by HHSC staff for modifications to the TMMIS by 9,600 hours. This results in a total of 105,600 hours to perform these technology modifications per Operational Contract Year. Accordingly, the Parties acknowledge and agree that any hours less than 5% of 105,600 hours not provided in the year may be performed in a subsequent year and will be in addition to previously allocated 105,600 hours. The Fees for the hours performed in addition to the required 105,600 hours in a subsequent year due to this provision will increase the RCS Ceiling for purposes of the RCS and Productivity Share Determination process.

Contract Requirement SYS – 0235 from Exhibit B is changed

from:

Maintain sixty (60) Acute Care Base Enhancement Team full-time equivalents to plan, develop and implement HHSC projects. Assign a dedicated Portfolio Lead to serve as a technology liaison for HHSC.

to:

Maintain fifty-five (55) Acute Care Base Enhancement Team full-time equivalents to plan, develop and implement HHSC projects. Assign a dedicated Portfolio Lead to serve as a technology liaison for HHSC.

Contract Requirement SYS – 0236 from Exhibit B is changed

from:

Schedule and prioritize work for the sixty (60) technical Base Enhancement Team full time equivalents (FTE) according to system enhancement priorities determined by HHSC for Acute Care projects.

to:

Schedule and prioritize work for the fifty-five (55) technical Base Enhancement Team full time equivalents (FTE) according to system enhancement priorities determined by HHSC for Acute Care projects.

- f. CONTRACTOR will reduce the amount of facilities used to perform Services by 10% starting 11/1/2019 (“Facility Reduction”). The Facility Reduction represents \$77,000 of the Fixed Operational Fees per month. Should HHSC request CONTRACTOR to increase the scope of Services in a manner that requires CONTRACTOR to need to utilize the space reduced by the Facility Reduction, CONTRACTOR must provide facilities for the same \$77,000 per month until the need for additional facilities is satisfied. CONTRACTOR may use any facility for these Services, as long as CONTRACTOR meets quality and security obligations as set forth in the Agreement and CONTRACTOR limits the costs to \$77,000 per month. Should HHSC request CONTRACTOR to increase the scope of Services in a manner that requires CONTRACTOR to utilize more space than was included in the Facility Reduction, CONTRACTOR will provide the space equivalent to the Facility Reduction for \$77,000 per month, and the Parties will agree to the cost of additional facility requirements.

3. **TIER 1 PRODUCTIVITY DISCOUNT.**

Exhibit C, Section 7.b.2 (first bullet) is changed

from:

- *Tier 1 Productivity*: For the first 5% of Cost Shortfall, HHSC will receive 61% of the savings, while CONTRACTOR will retain 39% of the savings.

to:

- *Tier 1 Productivity – Operational Years One and Two*: For the first 5% of Cost Shortfall, HHSC will receive 61% of the savings, while CONTRACTOR will retain 39% of the savings.

Exhibit C, Section 7.b.2 is further modified to include the following:

- *Tier 1 Productivity – Operational Year Three*: For the first 2.5% of Cost Shortfall, HHSC will receive 0% of the savings, while CONTRACTOR will retain 100% of the savings.

In the event savings exceed 2.5% up to a level not to exceed 5% (“2.5-5% Savings”), HHSC will receive 61% of the savings, while CONTRACTOR will retain 39% of the savings. The specific steps for sharing are:

- The Cost Shortfall that represents the 2.5-5% Savings will be multiplied by 61% resulting in the HHSC Tier 1 (“Productivity Discount”).
- The sum of the HHSC Tier 1 Productivity Discount and all costs determined to be unallowable as a result of the cost review will be paid by check to HHSC within 60 calendar days of such determination.
- The Cost Shortfall that represents 2.5-5% Savings will be multiplied by 39% resulting in the CONTRACTOR Tier 1 (“Productivity Benefit”).
- The CONTRACTOR Tier 1 Productivity Benefit is not used for any further transactions, calculations, payments, or adjustments; it is merely the acknowledgement of CONTRACTOR’s portion of the productivity share for a given Operational Contract Year which CONTRACTOR retains.

4. **CHANGE TO COMMON SUPPORT OVERHEAD RATE.** In the event the Parties execute an extension to the Agreement, per Section 3.04(d), the Common Support Overhead Rate defined in contract requirement FCS - 0011 within Exhibit C-1 is modified to 13.47% for the period following Operational Contract Year 3 through the term of the Agreement.
5. **RETROSPECTIVE COST SETTLEMENT.** Notwithstanding any term in the Agreement to the contrary, the costs incurred under this Amendment will be subject to the Retrospective Cost Settlement provisions included in Section 6.03 and Exhibit C of the Agreement.
6. **EFFECTIVE DATE.** This Amendment is effective upon the last signature date below and will continue in full force and effect through the remainder of the Term of the Agreement unless subsequently amended or modified by the Parties.

7. **CAPITALIZED TERMS.** All capitalized terms in this Amendment shall have the meaning as set forth in Section 3.03 of the Agreement unless modified herein.
8. **INCORPORATION BY AMENDMENT.** The Parties agree that the terms and conditions set forth in this Amendment apply to the Services and Deliverables to be provided by the CONTRACTOR under the Agreement in consideration of certain payments to be made by HHSC. By signing this Amendment, the Parties expressly understand and agree that this Amendment is made a part of the Agreement as though it were set out word for word in the Agreement.
9. **ENTIRE AGREEMENT.** The Parties agree that the terms of the Agreement will remain in effect and continue to govern except to the extent modified in this Amendment. The Services and Deliverables under this Amendment are subject to all other terms and requirements of the Agreement as if set forth fully herein.

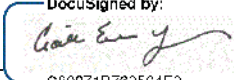
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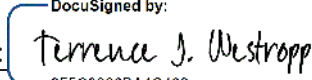
**SIGNATURE PAGE FOR
AMENDMENT NINETEEN
To HHSC CONTRACT NO. 529-16-0007-00001**

IN WITNESS HEREOF, HHSC and CONTRACTOR have each caused this Amendment to be signed and delivered by its duly authorized representative.

Health and Human Services Commission

Accenture State Healthcare Services, LLC

By: 
C80071B7695C4E9...
Cecile Young

By: 
055C0886BA4C483...
Terrence J. Westropp

Chief Deputy Executive Commissioner
November 11, 2019

Signature Date

Managing Director
November 7, 2019

Signature Date