

HHSC CONTRACT 529-16-0007-00001AA

**AMENDMENT TWENTY-SEVEN
TO HHSC CONTRACT NO. 529-16-0007-00001**

THIS AMENDMENT TWENTY-SEVEN (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 323 Congress Avenue, Suite 150, Austin, TX 78701 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 extend the term of the contract for three years.

WHEREAS, the Parties wish to incorporate the terms and conditions of Amendment Twenty-Seven into the Agreement.

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

1. Pursuant to **Section 3.04 (d) *Optional Extensions of the Agreement***, the Parties agree to exercise three one-year periods (the “Extension Term”) beyond the Initial Term of the contract. For purposes of establishing the appropriate operational contract years beyond the Initial Term of the contract, the parties agree to the following time periods:
 - Operational Contract Year 4: September 1, 2020 - August 31, 2021
 - Operational Contract Year 5: September 1, 2021 - August 31, 2022
 - Operational Contract Year 6: September 1, 2022 - August 31, 2023
2. **Section 3.07 (b) *Written Notice***, the Parties agree to replace Charles Smith, Executive Commissioner, with Phil Wilson, Acting Executive Commissioner.
3. **Section 6.01 (c) *Agreement Amount***, the Parties agree that as of the Effective Date, the total estimated base contract value of the Agreement for the Extension Term is \$655,184,572 but is subject to adjustment based on:
 1. Changes in volumes related to the Variable Fees;
 2. Actual costs incurred for Pass-Through Expenses;
 3. Actual recoveries related to Contingency Fees;
 4. Additional Recurring Activity Charges in accordance with Exhibit “C”;
 5. Systems Maintenance and Modification Fees in accordance with Exhibit “C”.

4. CONTINUATION OF PRICE REDUCTIONS AND ASSOCIATED CHANGES TO SERVICES.

- a. The price reductions set forth in this Amendment are aligned to represent a continuation of the price reductions set forth in Amendment 19 to the Services for Operational Contract Year 4 only. CONTRACTOR will reduce the Fixed Operational Fees for Operational Contract Year 4 per the following chart. CONTRACTOR will apply a reduction of \$363,171.75 from the amounts stated in Amendment 19 to each monthly invoice for Fixed Operational Fees for Operational Contract Year 4.

PRICE REDUCTION COMPONENT	MONTHLY PRICE REDUCTION	FIRST MONTH OF PRICE REDUCTION	OPERATIONAL CONTRACT YEAR 4 TOTAL
Program managers – GOC	\$16,666.67	9/1/2020	\$200,000.00
Program managers – CSHCN, HTW	\$16,666.67	9/1/2020	\$200,000.00
CSHCN requirement change	\$18,000.00	9/1/2020	\$216,000.00
FREW requirement change	\$84,171.75	9/1/2020	\$1,010,061.00
Pyramid refresh savings	\$33,333.33	9/1/2020	\$400,000.00
Systems efficiencies savings	\$16,666.67	9/1/2020	\$200,000.00
Operations efficiencies savings	\$16,666.67	9/1/2020	\$200,000.00
BET reductions	\$84,000.00	9/1/2020	\$1,008,000.00
Facility reduction	\$77,000.00	9/1/2020	\$924,000.00

- b. The price reductions set forth in this Amendment are aligned to the continuation of the changes to the Services for Operational Contract Year 4, which are set forth in Amendment 19.

5. TIER 1 PRODUCTIVITY DISCOUNT.

Exhibit C, Section 7.b.2 (second bullet, which was incorporated via Amendment 19, Section 3) is changed

from:

- *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.

to:

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

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

- *Tier 1 Productivity – Operational Years Five and Six:* For the first 5% of Cost Shortfall, 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 first 5% of 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 the first 5% of 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.

6. Exhibit C, FINANCIAL TERMS, the Parties agree to the following modifications:

- Exhibit C-1, the Common Support Overhead Rate defined in contract requirement FCS - 0011 within Exhibit C-1 is modified from 10.47% for Operational Contract Years 1-3 to 13.47% for Operational Contract Years 4-6.
- Exhibit C-2, Section IV is modified from 10.47% Common Support Overhead Rate for Operational Contract Years 1-3 to 13.47% for Operational Contract Years 4-6.
- Exhibit C-3, Section III is modified from 10.47% Common Support Overhead Rate for Operational Contract Years 1-3 to 13.47% for Operational Contract Years 4-6.
- Exhibit C-3, Section V3e is modified to reflect the current list of Functional Areas as follows:
 - (1) General Operational Requirements (incl PMO)
 - (2) Actuarial Support (ASC)
 - (3) Appeals and Complaints Resolution (ACR)
 - (4) Call Centers (CCC)
 - (5) Claims & Encounters Processing (CPC)
 - (6) Client Eligibility File Maintenance (CEF)
 - (7) Client Services (CSC)
 - (8) Electronic Health Records (EHR)
 - (9) Eligibility Verification System (EVS)
 - (10) Fair Hearings (FHC)
 - (11) Financial Management (FIN)
 - (12) Skip (#12 is not used)
 - (13) Fund Management (FMG)
 - (14) Health Insurance Premium Payment (HIPP) and Insurance Premium Payment Assistance (IPAA)

- (15) Management and Administrative Reporting (MAR)
- (16) Medical and Dental Policy (MDP)
- (17) Medically Needy Program (MNP)
- (18) Office of the Attorney General (OAG)
- (19) Prior Authorization and Referral Management (PAC)
- (20) Provider (PRV)
- (21) Reference Data Management (RDM)
- (22) Reporting – Ongoing and Ad Hoc (AHR)
- (23) Surveillance/Utilization Review (SUR)
- (24) Systems (SYS)
- (25) Third Party Liability (TPL)
- (26) CHIP PE Amendment 1
- (27) COR 17.030 AA & CAT to CRM
- (28) COR 18.003 PE Enhancements
- (29) COR 18.004 TX Source Int Ph III
- (30) COR 18.005 TX Migrate 1915C
- (31) COR 16.025 FQHC Wrap Payment
- (32) Electronic Visit Verification (EVV)
- (33) COR 18.001Tex Med Digital
- (34) COR 18.006 EVV System Restructuring
- (35) COR 19.007 PMES
- (36) COR 19.008 OIG Reporting and Analytics
- (37) COR 19.010 OIG Digital Scanning Support
- (38) COR 19.011 MDS LTCMI Update for RUG Calculation
- (39) COR 19.012 SHARS
- (40) COR 19.014 MFADS Re-platforming

7. **Exhibit C, Section 2, Payments for Operational Services**, the Parties agree to add the following:

g. COR Run Fees for Operational Contract Years 4-6

COR Run Fees are Additional Recurring Activity Charges for Amendments executed during Operational Contract Years 1-3. COR Run Fees for Operational Contract Years 4-6 will be paid in accordance with Exhibit D-07, as may be amended.

8. **Exhibit D, FEE SCHEDULES**, the Parties agree to the following:

- a. Replace Exhibit D-02, Fee Schedule with the following: Exhibit D-02, Version 2.0
- b. Replace Exhibit D-03(a), Fee Schedule with the following: Exhibit D-03(a), Version 2.0
- c. Replace Exhibit D-03(b)(1), Fee Schedule with the following: Exhibit D-03(b)(1), Version 2.0
- d. Replace Exhibit D-03(b)(2), Fee Schedule with the following: Exhibit D-03(b)(2), Version 2.0
- e. Replace Exhibit D-03(b)(3), Fee Schedule with the following: Exhibit D-03(b)(3), Version 2.0

- f. Replace Exhibit D-03(b)(4), Fee Schedule with the following: Exhibit D-03(b)(4), Version 2.0
- g. Replace Exhibit D-03(b)(5), Fee Schedule with the following: Exhibit D-03(b)(5), Version 2.0
- h. Replace Exhibit D-03(b)(6), Fee Schedule with the following: Exhibit D-03(b)(6), Version 2.0
- i. Replace Exhibit D-03(c), Fee Schedule with the following: Exhibit D-03(c), Version 2.0
- j. Replace Exhibit D-04, Fee Schedule with the following: Exhibit D-04, Version 2.0

Each COR/Amendment detailed on Exhibit D-07 may be decreased or terminated prior to August 2023 upon determination that the ongoing resources are no longer needed at the projected levels. Billing for COR Run Fees will be decreased if adjusted or will cease upon termination of the COR/Amendment.

9. **ON-GOING REQUIREMENTS.** CONTRACTOR will be accountable for the following on-going requirements:

RQMT ID	EXHIBIT B ATTACHMENT	SUB-CATEGORY	REQUIREMENT
GOC - 0245	Attachment 20 General (GOC)	General	CONTRACTOR will submit an annual summary of actions taken to support ADA compliance and an overall assessment of compliance.
GOC - 0246	Attachment 20 General (GOC)	Operations	HHSC will notify CONTRACTOR to stop work in the event of suspension, modification, and/or termination of an Amendment due to funding.
GOC - 0247	Attachment 20 General (GOC)	Operations	COR Run Resources for each COR/Amendment will be reviewed quarterly to determine if resources are still needed at the projected level. If the projected levels are adjusted or terminated, CONTRACTOR will adjust billing accordingly.

10. **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.
11. **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.

12. **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.
13. **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.

SIGNATURE PAGE FOLLOWS

**SIGNATURE PAGE FOR
AMENDMENT TWENTY-SEVEN
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

DocuSigned by:
Phil Wilson
By: _____
Phil Wilson
Acting Executive Commissioner

DocuSigned by:
Terrence J. Westropp
By: _____
Terrence J. Westropp
Account Director

July 8, 2020

Signature Date

June 30, 2020

Signature Date

THE FOLLOWING ATTACHMENTS ARE ATTACHED AND INCORPORATED AS PART OF THE AGREEMENT:

ATTACHMENT A – AMENDMENT TWENTY-SEVEN EXHIBIT D, VERSION 2.0