

**WORK ORDER CONTRACT NO. HHS000986500001  
UNDER SYSTEM AGENCY MASTER CONTRACT NO. 529-17-0117-00002**

Pursuant to **HEALTH AND HUMAN SERVICES COMMISSION MASTER CONTRACT NO. 529-17-0117-00002** (“Contract”) between **HEALTH AND HUMAN SERVICES COMMISSION (“HHSC” OR “SYSTEM AGENCY”)** and **DK PARTNERS, PC** (“Contractor”), each a “Party” and collectively “the Parties,” Contractor is authorized to perform the services including but not limited to the following: (i) Scope of Services; (ii) Special Conditions; (iii) Tasks; (iv) Deliverables; (v) Deliverable Due Dates; (vi) Budget; and (vii) all other terms of the Work Order Request attached hereto as Attachment A. This Work Order modifies and amends the Contract, all provisions of which not specifically amended herein shall remain in full force and effect.

**SCOPE OF SERVICES**

Contractor shall perform, or cause to be performed, **Financial Audit** services (“the Project”). Contractor shall perform all work in accordance with the following: (i) Contract and all attachments thereto; (ii) System Agency RFQ No. 52900-6-2000140069 (“Solicitation”); and (iii) this Work Order Contract and all attachments, including the Work Order Request, Contractor’s Proposal dated April 10, 2020 and Contractor’s Engagement Letter, attached hereto and incorporated herein for all purposes in their entirety as **Attachments A, B, C, respectively.**

**SPECIAL CONDITIONS**

Contractor is subject to the following Special Conditions:

Notwithstanding Article V, Contract Representatives of the Signature Document of the Contract, the following is the program point of contact for the management of the tasks under this Work Order.

Deborah Norris, M.P.Aff.,PMP  
Medicaid EHR Incentive / Promoting Interoperability Program  
512-491-5588  
Deborah.Norris@hhsc.state.tx.us

**COMPENSATION**

The total compensation due to Contractor for services performed or provided pursuant to this Work Order Contract is not to exceed **THREE HUNDRED EIGHTY-FIVE THOUSAND, ONE HUNDRED DOLLARS (\$385,100.00)**. Expenditures shall conform to the Work Order Contract

**PERFORMANCE PERIOD:** Notwithstanding the date of the last signature below, the Parties hereto expressly agree this Work Order Contract shall be effective on the date it is signed by both parties

below and shall terminate upon completion of the Project, in the sole determination of the System Agency, or on September 30, 2023, whichever occurs first (“Performance Period”).

**TERMINATION OR INTERRUPTION OF WORK:** The System Agency reserves the right to, at any time during the Performance Period, terminate, halt, or defer all or any portion of the work included in the Scope of Services of this Work Order. If such an event occurs: (1) Contractor must follow all directions included in the System Agency’s notice; and (2) the Parties agree that the Work Order may require revision by written Amendment.

**AMENDMENTS TO WORK ORDER:** Material changes to this Work Order may be made only by written amendment by the Parties. Notwithstanding the preceding, the System Agency's Project Manager may approve extensions to Deliverable Due Dates within the Performance Period. Such approvals must be in writing, and may be delivered by regular mail, electronic mail, or facsimile transmission; and shall become part of the System Agency’s Project file.

**SIGNATURE PAGE FOLLOWS**

**SIGNATURE PAGE FOR WORK ORDER CONTRACT NO. HHS000986500001  
UNDER SYSTEM AGENCY MASTER CONTRACT NO. 529-17-0117-00002**

**SYSTEM AGENCY**

**DK PARTNERS PC**

DocuSigned by:  
*Dana L. Collins*  
7686F69C7CE54BB...

DocuSigned by:  
*Steve Kangas*  
9A45D0BF0BA847B...

Name: Dana L. Collins

Name: Steve Kangas

Title: Director, Contract Administration and Provider Monitoring

Title: CEO / Managing Partner

Date of execution: February 25, 2021

Date of execution: February 25, 2021

**ATTACHMENTS TO THIS WORK ORDER:**

**ATTACHMENT A- WORK ORDER REQUEST**

**ATTACHMENT B- CONTRACTOR'S PROPOSAL**

**ATTACHMENT C- CONTRACTOR'S ENGAGEMENT LETTER**

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**ATTACHMENT A- WORK ORDER REQUEST**

**RFQ No. 529-6-2000140069 Medicaid/CHIP Multiple-Audit Pool Services**  
**Contract #: \_\_\_\_\_**

**WORK ORDER REQUEST FOR AUDIT WORK NEEDED**

**AUDIT REQUEST NAME: AUPS ON PROVIDERS FOR MEDICAID ELECTRONIC  
HEALTH RECORD (EHR) INCENTIVE/PROMOTING INTEROPERABILITY (PI)  
PAYMENTS IN PROGRAM YEARS 2020-2021**

**A. AUDIT TIMELINE:**

ANTICIPATED START DATE:	ANTICIPATED END DATE:
January 15, 2021	September 30, 2023

**B. AUDIT ASSIGNMENT:**

**Audit Description**

The Vendor(s) shall provide auditing services to the Health and Human Services Commission (HHSC) regarding payments made to Medicaid eligible professionals (EPs) who received EHR incentive/PI payments in Program Years 2020 and 2021.

The American Recovery and Reinvestment Act of 2009 (ARRA), via the Health Information Technology for Economic and Clinical Health (HITECH) Act, provides incentive payments to EPs for adopting, implementing, upgrading and the subsequent meaningful use of certified electronic health record technology (CEHRT). The federal Centers for Medicare & Medicaid Services (CMS) and HHSC provide oversight of the EHR Incentive/PI Program, as directed in ARRA/HITECH. The Texas State Medicaid Health Information Technology Plan (SMHP) serves as Texas' strategic plan for implementing the Program.

EPs submit eligibility attestations for Texas Medicaid EHR/PI incentives using the attestation portal, Medicaid Incentive 360 (MI360), operated by CGI, a subcontractor to Accenture (a Texas state contractor). Attestations undergo a review process for basic Program requirements prior to release of incentive payments. The Program follows federal guidelines with respect to disbursing incentive payments for ongoing stages of meaningful use (MU), from adoption of a certified EHR through MU Stages 1, 2, and 3. CMS requires states to conduct post-payment audits of incentive payments to ensure that all Program requirements have been met by the attesting EP.

EPs may receive up to six (6) incentive payments (one payment per Program Year). HHSC is issuing this Scope of Work (SOW) for an audit Vendor to conduct post-payment audits of incentive payments made to EPs for Program Years 2020 and 2021. Additional information about the Program can be found at:

<https://www.cms.gov/Regulations-and-Guidance/Legislation/EHRIncentivePrograms/>

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HHSC seeks one Auditor to perform an Agreed Upon Procedures (AUP) engagement in the most efficient and cost-effective manner possible. The Auditor who best demonstrates the knowledge and ability to successfully perform the AUP engagement services described in this SOW and offers a proactive approach in performing the audit services in the most efficient and effective manner will be selected.

HHSC Project Manager: Deborah Norris  
 HHSC Contract Manager: Kevin Tooley

**C. SCOPE OF SERVICES:**

**Audit Scope of Services**

HHSC's primary objectives in this procurement are:

- To obtain qualified professional audit services to expeditiously conduct and complete AUP audits of Program payments made to EPs in Program Years 2020 and 2021.
- To ensure the payments made were compliant with federal and state Program requirements related to eligibility, MU, and payment amount.
- To conduct the necessary notifications to audited providers for audit initiation and notice of findings.
- To notify HHSC of improper payments if they occur.
- To conduct the reporting of audit findings to CMS through HHSC's established electronic audit reporting interface, per HHSC instructions and requirements.

The selected Vendor will create and update, as necessary, an audit work plan, including a detailed audit methodology and risk-based sampling plan, for audits of payments to EPs issued in Program Years 2020 and 2021; conduct audits on a rolling basis for each Program Year as payments are issued; report audit findings to providers, HHSC, and CMS in a format approved by HHSC; provide requested audit documentation to HHSC in the event of a provider appeal and, as needed, assist with updates to the Texas Audit Strategy documents submitted to the CMS for approval.

This Work Order Request or SOW is a referenced document to be incorporated into an executed contractual agreement between HHSC and the selected Vendor. As such, it serves to provide a general agreement of details regarding specific tasks as detailed in the attached AUP document which HHSC expects to be performed by the selected Vendor.

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The AUPs are meant to be a “working document,” and as such, they may be modified in small ways informally by mutual consent of HHSC and the Auditor via email or other such written agreement which need not require signature of the parties. Any substantive change, which would require an alteration in total payment, substantially change the amount of work, or materially change the overall nature of the testing herein, would require a signed amendment to the above-referenced contractual agreement.

HHSC expects the selected Vendor to not only follow the detailed AUPs but also employ industry best practices that would promote the discovery of problems and/or issues not specifically covered by the AUPs and confer with HHSC staff to determine how any potential issues should be addressed, including possibly expanding the AUPs.

HHSC expects the Vendor to:

- cooperate in discussions of finalizing the AUPs before the start of the AUP engagements;
- bring to HHSC’s attention delays that may limit the Vendor’s ability to meet certain deliverable deadlines;
- conduct monthly status update meetings and reports or as necessary at the discretion of HHSC;
- provide at least two points of contact with the Vendor;
- cooperate with the State Auditor’s Office (SAO), Inspector General’s office (IG), and Attorney General’s office (AG) as necessary including providing access to work papers if requested;
- provide audit reports to HHSC and/or the EPs which are professional, correctly formatted, detailed in the reporting of specific deficiencies/findings related to each individual audit; and free of grammatical and/or spelling errors. HHSC may suggest non-substantive changes to the wording of the reports. The intent of those changes would not be to alter the content and findings of the reports but rather to help ensure the reports can be understood by its various potential audiences;
- write reports with the mindset that they may be read by the SAO, IG, AG, Legislature, Governor’s Office, and the public if obtained through an open records request;
- provide a summary of findings matrix;
- cooperate with any HHSC requests for brief commentaries or descriptions of the detailed work done by the Vendor to accomplish the AUPs during the course of the engagements;
- to advise HHSC with details of any issues/findings that might be particularly complicated and/or contentious and consult with HHSC on how to address the findings;
- maintain secure storage and utilize secure methods of transmission of confidential information and protected health information (PHI);
- understand that issuance of this SOW in no way constitutes a commitment by HHSC to award a contract or to pay any costs incurred by a Vendor in the preparation of a response to this SOW. HHSC is not liable for any costs incurred by a Vendor prior to the award of or execution of any formal agreement, contract, or purchase order. Costs of developing proposals, preparing for oral presentations, and participating in site visits to

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customer locations or Vendor headquarters or any other similar expenses incurred by a Vendor are entirely the responsibility of the Vendor and will not be reimbursed in any manner by the State of Texas.

**D. COMPENSATION METHOD:**

**AUDIT COMPENSATION METHOD**

Compensation is deliverables-based, with Vendor paid 100% of an agreed upon fixed price for delivery to HHSC for each approved deliverable listed in Section F below.

**E. HUB SUBCONTRACTING PLAN:**

**Audit Subcontractor(s)**

The HHSC HUB Program Office has determined that there is a probability for subcontracting and a HUB Subcontracting Plan is required.

<https://www.comptroller.texas.gov/purchasing/vendor/hub/forms.php>

**F. RESPONDENTS:**

**Audit Respondents**

Each respondent should provide at a minimum:

- An “About Us” section covering the history of the firm and areas of expertise including the following:
  - Executive, Partner, & Senior staff at the firm and their qualifications; and
  - History of working on projects similar to this one.
- Staff resumes and experience for those designated to work on this project;
- A timeline with benchmarks for meeting each AUP;
- An overview of how the tasks detailed in this SOW will be accomplished;



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- Explain the proposed audit sampling method and factors used to determine sample sizes and risk groups; and
- Address all points in Section C of this SOW.
- Proposed deliverable fixed fee structure based on deliverables described below;
- Any additional information believed to be of importance towards the consideration of the respondent;
- A list of potential conflicts or a statement acknowledging that no conflict currently exists with respect to the performance of services solicited under this SOW;
- The successful Vendor will be under a continuing duty to notify HHSC of any potential conflicts of interest that may develop during the course of the contract awarded under this SOW; and
- Vendors responding to this SOW may not have any personal or business interest that would present an actual, potential, or apparent conflict of interest with the performance of the contract to be awarded, and the successful Vendor will not reasonably create an appearance of impropriety.

**G. DELIVERABLES:**

Audit Deliverables	Audit Deliverable Due Dates
1. Planning activities (including determination of risk categories and sampling) - One-time deliverable	February 15, 2021
2. Notice of audit letters sent to selected EPs	Initial notices: March 15, 2021 Ongoing notices on a rolling basis as incentive payments are issued
3. Initial result notification letters sent to EPs	As completed
4. Draft Reports sent to EPs (for deficiencies)	As completed
5. Final Reports sent to EPs (for deficiencies)	As completed
6. Remediation Pass letters to EPs (for deficiencies remediated after initial results notification)	As completed
7. Pass/Remediation Pass Memos to HHSC (summary notice of EPs with no deficiencies or remediated deficiencies) - <i>single fee per report</i>	As completed
8. Monthly written status reports and meetings (non-billable)	Monthly

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9. Reporting of audits in established HHSC-CMS interface, including initiation, findings, completion, and action needed (recoupment, etc.) (non-billable)	As completed
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**H. DELIVERABLE BASED EXTENSIONS**

<b>Audit Deliverable Based Extensions</b>
<p><b>Extensions will require an amendment to the executed Work Order Contract.</b></p> <p>Extensions for deliverables will be considered on a case by case basis and must be requested at least <b>45 calendar days</b> prior to the date the deliverable is due to HHSC. Requests should include the reason(s) for the extension and recommended deliverable date for Program’s consideration. An Amended Engagement Letter is required for each Work Order Request Extension. All request(s) should be submitted via email to HHSC’s designated contact(s) in Section B.</p>

**I. VENDOR TASK LIST AND SCHEDULE:** (Add rows as necessary to list all tasks/timelines.)

<b>Vendor Must Complete the Following Task Schedule</b>		
<b>Task</b>	<b>Assigned Staff</b>	<b>Timeline (Include deadlines, if determined)</b>
1.		
2.		
3.		
4.		
5.		

**J. Please provide under separate coversheet your cost proposal. Please submit a fixed price proposal, including the hourly breakdown of the position types and the cost proposed per deliverable, total by Program Year, and grand total, inclusive of any other factors for consideration. For cost estimating purposes, respondents should assume a sample size of 50 EP audits per Program Year. The total number of audits will be finalized based on provider participation and sampling percentages.**

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**ATTACHMENT B- CONTRACTOR'S PROPOSAL**