

CONSULTANT SERVICES AGREEMENT

This Services Agreement (the "Agreement") is between The Stephen Group ("TSG"), located at 814 Elm Street, Ste. 309, Manchester, New Hampshire, 03101, and the Bureau of Legislative Research ("BLR"), located in the State Capitol Building, Room 315, 500 Woodlane Street, Little Rock, Arkansas 72201. TSG provides Health Care Program Reform/Medicaid Consulting Services. The BLR desires to hire TSG to assist the Health Reform Legislative Task Force (the "Task Force") and the members of the Arkansas General Assembly during the process of implementation of recommendations of the Task Force and others for reform and modernization of the Arkansas Medicaid program and other public health care programs in the State of Arkansas.

TSG and the BLR hereby agree as follows:

1. **Services to be performed.** The BLR hereby retains TSG to perform the Services as set forth in the Statement of Work ("SOW"), which is attached hereto and incorporated into this agreement by reference as Attachment A.
2. **Data Required by TSG.** In order to perform the Services, TSG requires information that is held by various entities other than the BLR, including without limitation the Arkansas Department of Human Services, the Arkansas Department of Health, the Arkansas Insurance Department, and various private entities and providers. The parties acknowledge that such data and information is in the possession of third parties; that TSG must rely on these third parties to cooperate in providing this data and information; and that the data and information may be subject to laws restraining or preventing their release or dissemination. BLR authorizes TSG to contact the various entities holding the information that TSG requires in order to perform the Services under this Agreement. BLR Staff will be available to help to facilitate the contact with these entities upon request from TSG.

TSG will keep and hold the Medicaid recipient data and any other information confidential in accordance with certain obligations in connection with Protected Health Information ("PHI") as required under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

3. **Deliverables.** In connection with the services to be provided under the SOW, TSG will prepare various documents, including without limitation reports and draft legislation (the "Deliverables") to be provided to the BLR for use by the Task Force and other committees of the Arkansas General Assembly. Except for the following, the BLR will own the Deliverables: (a) working papers of TSG; (b) pre-existing TSG materials or studies used in the provision of the Services and the Deliverables; (c) TSG know-how and processes used in the provision of the Services and Deliverables as well as any and all intellectual property owned by TSG that may be employed in providing the Services and Deliverables. TSG is providing the Services and Deliverables for the use and benefit of the Task Force and the Arkansas General Assembly. The Services and Deliverables are not for a third party's use, benefit or reliance, other than members of the General Assembly and as authorized by the Task Force Chairs. Except as described in Section 10 of this Agreement, TSG shall not discuss the Services or disclose the Deliverables until such time that the BLR provides TSG notice that the BLR has disclosed the Services and Deliverables to third parties.

4. **Term and Termination.** The term of this Agreement will commence on October 16, 2015, and terminate on December 31, 2016, with an option to renew for an additional six (6) month period upon mutual agreement of the parties if the need of the Task Force or the Arkansas General Assembly merits an extension.

Either party may terminate the Agreement by giving ten (10) days prior written notice.

5. **Fees and Expenses.** The Fees and Expenses related to this Agreement are outlined in the Fee Schedule that is incorporated in this Agreement by reference as Attachment B. The maximum amount BLR will pay to TSG for the provision of the Services is One Million Eighty Seven Thousand Seven Hundred Fifty Dollars (\$1,087,750.00). This total maximum contract amount includes the time spent in the completion of the Services as set forth in the SOW, as well as other administrative costs including without limitation secretarial, bookkeeping, budget preparation, monitoring and auditing services. The total maximum contract amount will cover any and all expenses for travel related to performing the Services under this Agreement. On a monthly basis (*e.g.* November 15, 2015, December 15, 2015, January 15, 2016) TSG shall submit itemized invoices to the BLR, based upon the per hour pricing set forth in the Fee Schedule. The monthly invoices will include reimbursements for travel related to the field work being performed by TSG. All mileage amounts will be calculated per Mapquest and copies of the Mapquest routes will be provided to the BLR with the monthly invoices, as well as copies of receipts for reimbursement of actual travel expenses.

Upon receipt of the invoices from TSG, BLR will transmit the invoices and any accompanying documentation to DHS along with fifty percent (50%) of the amount of the invoice per the terms of the Memorandum of Understanding entered by and between DHS and the BLR, and attached hereto as Attachment C.

6. **Governing Law.** This Agreement shall be governed by the laws of the State of Arkansas, without regard to Arkansas's conflict of law principles. TSG agrees that any claims against the BLR whether arising in tort or in contract, shall be brought before the Arkansas Claims Commission as provided by Arkansas law, and shall be governed accordingly. Nothing in this Agreement shall be construed as a waiver of sovereign immunity of the BLR, the Task Force, or the Arkansas General Assembly.
7. **Assignment.** This Agreement may not be assigned without the prior written consent of both parties, which either party may withhold for any reason. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.
8. **Subcontractors.** If at any point during the contract term TSG finds it is necessary to use a subcontractor in performing any of the Services described in the SOW, TSG shall seek prior approval of the Task Force before subcontracting any part of the SOW. The Task Force shall have the right to require replacement of any subcontractor found to be unacceptable by the Task Force.
9. **Amendment.** This Agreement may be amended upon agreement of both parties to the Agreement and the approval of the Task Force. Any amendment to this Agreement must be in writing and signed by both parties.
10. **Confidentiality.** "Confidential Information" under this Agreement means non-public information that a party marks as "confidential" or "proprietary" or that otherwise should be understood by a reasonable person to be

confidential in nature. Confidential information does not include any information which is (a) rightfully known to the recipient prior to its disclosure; (b) released to any other person or entity (including governmental agencies) without restriction; (c) independently developed by the recipient without use of or reliance on Confidential Information; or (d) or later becomes publicly available without violation of this Agreement or may be lawfully obtained by a party from a non-party.

Each party will protect the confidentiality of Confidential Information that it receives under the Agreement except as required by applicable law, rule, regulation, or professional standard, without the other party's prior written consent. Due to the BLR being a public entity within the State of Arkansas, all terms of this Agreement, including but not limited to fee and expense structure, are subject to disclosure under the Freedom of Information Act of 1967, Ark. Code Ann. § 25-19-101, *et seq.*

If disclosure of TSG's Confidential Information is required by law, rule, regulation, or professional standard, (including any subpoena or other similar form of process), the BLR shall provide TSG with prior prompt written notice thereof.

In consideration of TSG's and BLR's agreement to provide one another with access to their respective Confidential Information, TSG and BLR each agrees to maintain in confidence all Confidential Information of the other. Except as provided in this Agreement, neither TSG nor BLR shall in any manner disclose any Confidential Information of the other to any person, entity, firm or company whatsoever, without the express written consent of the other. TSG and BLR shall each take all steps necessary to ensure that their respective affiliates, officers, employees, independent contractors, agents and other representatives (collectively "Representatives") maintain the Confidential Information in confidence.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, TSG and BLR have executed this Agreement this 16th day of October, 2015.

The Stephen Group:

John Stephen, Managing Partner

Printed Name

Title

Date

**BUREAU OF LEGISLATIVE
RESEARCH:**

Marty Garrity, Director

Printed Name

Title

Date

ATTACHMENT A – Statement of Work

Arkansas Medicaid Transformation Implementation Plan October 2016 – December 2016

The Stephen Group (“TSG”) will focus on the priorities defined by the Health Reform Legislative Task Force (the “Task Force”) to implement Health Care Reform. TSG will work for the Task Force and act much like an independent validation and verification firm to monitor the success of the State of Arkansas in making the necessary changes. TSG will also regularly attend Task Force meetings, conduct additional research, assist in facilitation, oversight, and monitoring activities of the Arkansas Department of Human Services and related agencies in implementing legislation and Medicaid reform.

Key areas of focus will include the following:

- **Support Legislative Decision Making**, including without limitation:
 - Performing additional analysis;
 - Developing a decision-making matrix;
 - Developing decision briefs for key decision points;
 - Identifying necessary statutory, regulatory or policy requirements, and drafting the needed legislation;
 - Assisting in the drafting of the Task Force report, which the Task Force is required under Act 46 of 2015 to submit to the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Arkansas Senate on or before December 31, 2015; and
 - Supporting other legislative committees, if needed and approved by the Task Force chairs.
- **Facilitate Stakeholder Engagement**, including without limitation:
 - Development of a comprehensive communication plan;
 - Supporting stakeholder focus groups;
 - Facilitating stakeholder town hall meetings; or
 - Other options as requested by the Task Force and approved by the Task Force chairs.
- **Provide Oversight**, on behalf of the Task Force and the Arkansas General Assembly, over all aspects of the reforms recommended by the Task Force including without limitation:
 - Reorganization of the Medicaid functions, vendor management, vendor re-negotiations and procurements;
 - Development of all program eligibility assessment plans, of care, levels of care changes, individual plan of care cost methodology;
 - Business development of the home and community based services industry; and
 - Development of model Medicaid Care Management and related contracts with a stakeholder process.

- **Provide Legislative Guidance on the development of an overall Project Management Plan** for comprehensive project design, content, timelines, and deliverables.
- **Monitor progress** on the overall Project Management Plan on behalf of the Task Force including without limitation:
 - Any related RFP's, contract revisions, procurement processes, progress against milestones, and quality of the deliverables;
 - Development of a comprehensive Medicaid Program Integrity strategy, building on the current Arkansas system and the development of an Enterprise Solution; and
 - Development of all CMS waivers and related State Plan Amendment changes.
- **Report to the Task Force:**
 - Monthly updates on all implementation activities; and
 - A comprehensive report and recommendations at the end of each monitored project period.
- **Design legislative dashboards** and work with DHS and private vendors/carriers to obtain performance data in a manner sufficient for the TF to determine outcomes of modernization efforts and legislation.
- **Provide additional support** as directed by the Task Force, including without limitation:
 - Identify and recommend agenda topics for Task Force meetings, research and prepare updates for Task Force review prior to meetings, and assist in following up with individual providers, Department of Human Services, and Task Force member requests related to topic areas and issues discussed at meetings;
 - Assist Bureau of Legislative Research in the drafting of the final Task Force report, due on or before December 30, 2016;
 - Support Task Force subcommittees, if established;
 - Assist Bureau of Legislative Research with drafting needed legislation;
 - Assist the Task Force in monitoring the development of a comprehensive Medicaid Program Integrity strategy building on current Arkansas system and the development of an Enterprise Solution;
 - Act as a liaison on behalf of the Task Force, as directed by the Task Force and Bureau of Legislative Research; and
 - Any follow up research or requests related to TSG's October 1, 2015 report provided to the Task Force under its previous Consultant Services Agreement entered by and between TSG and the Bureau of Legislative Research on May 15, 2015, and as amended on September 25, 2015.

ATTACHMENT B – FEE SCHEDULE

The Stephen Group Staff:

<u>DESCRIPTION</u>	<u>PRICE PER HOUR</u>	<u>NUMBER OF POSITIONS</u>
Supervisor/Project Manager	\$290	1
Senior Consultants	\$250	8
Support Staff	\$75	1
Research Analysts	\$75	4
Data Analysts	\$75	4
Actuary	\$200	1

ATTACHMENT C

**Memorandum of Understanding
Between
Arkansas Department of Human Services, Division of Medical Services
And
Bureau of Legislative Research
For
Health Reform Legislative Task Force Consultant Services Agreement
October 16, 2015 to December 31, 2016
And As Extended**

This Memorandum of Understanding ("MOU") between the Arkansas Department of Human Services, Division of Medical Services ("DHS") and the Bureau of Legislative Research ("BLR") (also referred to as "the parties") addresses the Consultant Services Agreement executed on October 16, 2015, by and between the BLR and The Stephen Group for the benefit of the Health Reform Legislative Task Force, which was established by Act 46 of 2015 (the "Agreement").

BLR agrees to reimburse DHS for expenses incurred under the Agreement at the 50% state match rate under the Arkansas State Medicaid Plan and Federal and State Laws in accordance with the applicable Medicaid contract agreements.

BLR agrees to pay DHS the required 50% match amount on all approved and submitted monthly invoices received by BLR from The Stephen Group. This amount is recognized as an intergovernmental transfer (IGT) associated with Medicaid payments. The total amount of the related expenditures shall not exceed One Million Eighty Seven Thousand and Seven Hundred Fifty Dollars (\$1,087,750.00).

BLR agrees to reimburse DHS any funds paid to it under this agreement that are disallowed or otherwise recouped or recovered by the federal government.

Changes made during the period will be added as formal amendments that all parties must acknowledge by signature.

This MOU will continue in effect until completion of all transactions required by the Agreement.

The parties hereto entered into a previous IGT agreement dated May 15, 2015 for payments and transfers described in paragraph 2, above, in relation to a Consultant Services Agreement by and between the BLR and The Stephen Group, which was executed on May 15, 2015 and amended on June 24, 2015. The terms of this MOU do not supersede or repeal any other such IGT agreement between BLR and DHS. The terms of the June 24, 2015 Amendment to the previous MOU shall continue in full force and effect through December 31, 2016.

All of the terms and provisions of any agreement or State plan between the State of Arkansas and the Secretary of Health and Human Services entered into on the date of execution of this MOU by both parties, pursuant to §1864 or §1902, respectively, of the Social Security Act, as amended, which are applicable to DHS also shall be applicable to the BLR in its performance on behalf of DHS of the functions herein enumerated.

This MOU is effective for the period October 16, 2015 through December 31, 2016. It may be extended upon written agreement of both parties. The number of extensions is not limited.

Any changes or amendments to this agreement must be made in writing acknowledged by the signature of both parties.

This constitutes the entire agreement between the parties.

Signature	Date
Dawn Stehle Medicaid Director, Division of Medical Services 7 th & Main Street, P.O. Box 1437 Little Rock, AR 72203	

Signature	Date
Marty Garrity Director Bureau of Legislative Research 500 Woodlane Street State Capitol Building, Rm. 315 Little Rock, AR 72201	