CONTRACT

BETWEEN THE

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF MEDICAID AND LONG-TERM CARE
AND

Truven Health Analytics Inc

This contract is entered into by and between the Nebraska Department of Health and Human Services, **DIVISION OF MEDICAID AND LONG-TERM CARE** (hereinafter "DHHS"), and **Truven Health Analytics Inc** (hereinafter "Contractor").

PURPOSE. The purpose of this contract is to expand the current Nebraska Medicaid data repository and file submission to comply with federal Transformed Medicaid Statistical Information System (TMSIS) requirements.

I. TERM AND TERMINATION

A. TERM. This contract is in effect from October 1, 2015 until September 30, 2016.

B. TERMINATION. This contract may be terminated at any time upon mutual written consent or by either party for any reason upon submission of written notice to the other party at least Thirty (30) days prior to the effective date of termination. DHHS may also terminate this contract in accord with the provisions designated "FUNDING AVAILABILITY" and "BREACH OF CONTRACT." In the event either party terminates this contract, the Contractor shall provide to DHHS all work in progress, work completed, and materials provided to it by DHHS in connection with this contract immediately.

II. CONSIDERATION

A. TOTAL PAYMENT. DHHS shall pay the Contractor a total amount not to exceed $426,346.00 (four hundred twenty-six thousand, three hundred and forty-six dollars) for the services specified herein.

B. PAYMENT STRUCTURE. Payment shall be structured as follows:

Payment for deliverables listed and described in Exhibit 1. Payment is made after successful completion of deliverable as determined by state staff involved in the project and receipt of invoice by provider.

C. PROMPT PAYMENT AND DISCOUNT.
1. Payment shall be made in compliance with the Nebraska Prompt Payment Act, NEB. REV. STAT. §81-2401 through 81-2408 with a discount for early payment as

provided in this section. Unless otherwise provided herein, payment shall be made by electronic means.

2. DHHS shall be entitled to a two percent (2%) discount of the amount requested in a bill if payment for delivered and accepted goods and/or services is made within ten (10) days after receipt of the bill.
3. For purposes of determining whether payment was made in accordance with this section, payment by DHHS shall be considered to be made on the date the warrant or check for such payment was mailed or payment was otherwise transmitted.
4. Bill shall mean a proper billing, invoice, report or other written document which requests a payment and which is supplemented by all necessary verification and forms required to process payments pursuant to this contract and agency regulations.
5. The ten (10) day discount period will be computed from the date of receipt of a properly executed bill or the date of completion of delivery of all goods and services in a satisfactory condition, whichever is later. When the last day of the discount period falls on a Saturday, Sunday, or legal state holiday, payment may be made on the following business day.

D. Automated Clearing House (ACH) Enrollment Form Requirements for Payment.
The vendor shall complete and sign the State of Nebraska ACH Enrollment Form and obtain the necessary information and signatures from their financial institution. The completed form must be submitted before payments to the vendor can be made. Download ACH Form:
http://www.das.state.ne.us/accounting/nis/address_book_info.htm

III. SCOPE OF SERVICES

A. The Contractor shall do the following:

Provide the services as described in Exhibit 2 (T-MSIS Extract Statement of Work) dated August 10, 2015.

IV. GENERAL PROVISIONS

A. ACCESS TO RECORDS AND AUDIT RESPONSIBILITIES.

1. All Contractor books, records, and documents regardless of physical form, including data maintained in computer files or on magnetic, optical or other media, relating to work performed or monies received under this contract shall be subject to audit at any reasonable time upon the provision of reasonable notice by DHHS. Contractor shall maintain all records for five (5) years from the date of final payment, except that records that fall under the provisions of Health Insurance Portability and Accountability Act (HIPAA) shall be maintained for six (6) full years from the date of final payment. In addition to the foregoing retention periods, all records shall be maintained until all issues related to an audit, litigation or other action are resolved to the satisfaction of DHHS. All records shall be maintained in accordance with generally accepted business practices.

2. The Contractor shall provide DHHS any and all written communications received by the Contractor from an auditor related to Contractor's internal control over financial reporting requirements and communication with those charged with governance including those in compliance with or related to Statement of Auditing Standards (SAS) 112 *Communicating Internal Control related Matters Identified in an Audit* and SAS 114 *The Auditor's Communication with Those Charged With Governance.* The Contractor agrees to provide DHHS with a copy of all such written communications immediately upon receipt or instruct any auditor it employs to deliver copies of such written communications to DHHS at the same time copies are delivered to the Contractor, in which case the Contractor agrees to verify that DHHS has received a copy.

3. The Contractor shall immediately correct any material weakness or condition reported to DHHS in the course of an audit and notify DHHS that the corrections have been made.

4. In addition to, and in no way in limitation of any obligation in this contract, the Contractor shall be liable for audit exceptions, and shall return to DHHS all payments made under this contract for which an exception has been taken or which has been disallowed because of such an exception, upon demand from DHHS.

5. The above provisions shall survive termination of the contract.

B. AMENDMENT. This contract may be modified only by written amendment, executed by both parties. No alteration or variation of the terms and conditions of this contract shall be valid unless made in writing and signed by the parties.

C. ANTI-DISCRIMINATION. The Contractor shall comply with all applicable local, state and federal statutes and regulations regarding civil rights and equal opportunity employment, including Title VI of the Civil Rights Act of 1964; the Rehabilitation Act of 1973, Public Law 93-112; the Americans With Disabilities Act of 1990, Public Law 101-336; and the Nebraska Fair Employment Practice Act, NEB. REV. STAT. §§ 48-1101 to 48-1125. Violation of said statutes and regulations will constitute a material breach of contract. The Contractor shall insert this provision in all subcontracts.

D. ASSIGNMENT. The Contractor shall not assign or transfer any interest, rights, or duties under this contract to any person, firm, or corporation without prior written consent of DHHS. In the absence of such written consent, any assignment or attempt to assign shall constitute a breach of this contract.

E. ASSURANCE. If DHHS, in good faith, has reason to believe that the Contractor does not intend to, is unable to, or has refused to perform or continue to perform all material obligations under this contract, DHHS may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written

assurance within the number of days specified in the demand may, at DHHS's option, be the basis for terminating this contract.

F. BREACH OF CONTRACT. DHHS may terminate the contract, in whole or in part, if the Contractor fails to perform its obligations under the contract in a timely and proper manner. DHHS may, by providing a written notice of default to the Contractor, allow the Contractor to cure a failure or breach of contract within a period of thirty (30) days or longer at DHHS's discretion considering the gravity and nature of the default. Said notice shall be delivered by Certified Mail, Return Receipt Requested or in person with proof of delivery. Allowing the Contractor time to cure a failure or breach of contract does not waive DHHS's right to immediately terminate the contract for the same or different contract breach which may occur at a different time. DHHS may, at its discretion, contract for any services required to complete this contract and hold the Contractor liable for any excess cost caused by Contractor's default. This provision shall not preclude the pursuit of other remedies for breach of contract as allowed by law.

G. CONFIDENTIALITY. Any and all information gathered in the performance of this contract, either independently or through DHHS, shall be held in the strictest confidence and shall be released to no one other than DHHS without the prior written authorization of DHHS, provided, that contrary contract provisions set forth herein shall be deemed to be authorized exceptions to this general confidentiality provision. This provision shall survive termination of this contract.

H. CONFLICTS OF INTEREST. In the performance of this contract, the Contractor shall avoid all conflicts of interest and all appearances of conflicts of interest. The Contractor shall immediately notify DHHS of any such instances encountered so that other arrangements can be made to complete the work.

I. DATA OWNERSHIP AND COPYRIGHT. All data collected as a result of this project shall be the property of DHHS. The Contractor shall not copyright any of the copyrightable material produced in conjunction with the performance required under this contract without written consent from DHHS. DHHS hereby reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the copyrightable material for state government purposes. This provision shall survive termination of this contract.

J. DEBARMENT, SUSPENSION OR DECLARED INELIGIBLE. The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

K. DOCUMENTS INCORPORATED BY REFERENCE. All references in this contract to laws, rules, regulations, guidelines, directives, and attachments which set forth standards and procedures to be followed by the Contractor in discharging its obligations under this contract shall be deemed incorporated by reference and made

a part of this contract with the same force and effect as if set forth in full text, herein.

L. DRUG-FREE WORKPLACE. Contractor certifies that it maintains a drug-free workplace environment to ensure worker safety and workplace integrity. Contractor shall provide a copy of its drug-free workplace policy at any time upon request by DHHS.

M. FEDERAL FINANCIAL ASSISTANCE. The Contractor will comply with all applicable provisions of 45 C.F.R. §§ 87.1-87.2. The Contractor shall not use direct federal financial assistance to engage in inherently religious activities, such as worship, religious instruction, and/or proselytization.

N. FORCE MAJEURE. Neither party shall be liable for any costs or damages resulting from its inability to perform any of its obligations under this contract due to a natural disaster, or other similar event outside the control and not the fault of the affected party ("Force Majeure Event"). A Force Majeure Event shall not constitute a breach of this contract. The party so affected shall immediately give notice to the other party of the Force Majeure Event. Upon such notice, all obligations of the affected party under this contract which are reasonably related to the Force Majeure Event shall be suspended, and the affected party shall do everything reasonably necessary to resume performance as soon as possible. Labor disputes with the impacted party's own employees will not be considered a Force Majeure Event and will not suspend performance requirements under this contract.

O. FUNDING AVAILABILITY. DHHS may terminate the contract, in whole or in part, in the event funding is no longer available. Should funds not be appropriated, DHHS may terminate the contract with respect to those payments for the fiscal years for which such funds are not appropriated. DHHS shall give the Contractor written notice thirty (30) days prior to the effective date of any termination. The Contractor shall be entitled to receive just and equitable compensation for any authorized work which has been satisfactorily completed as of the termination date. In no event shall the Contractor be paid for a loss of anticipated profit.

P. GOVERNING LAW. The contract shall be governed in all respects by the laws and statutes of the State of Nebraska. Any legal proceedings against DHHS or the State of Nebraska regarding this contract shall be brought in Nebraska administrative or judicial forums as defined by Nebraska State law. The Contractor shall comply with all Nebraska statutory and regulatory law.

Q. HOLD HARMLESS.

1. The Contractor shall defend, indemnify, hold, and save harmless the State of Nebraska and its employees, volunteers, agents, and its elected and appointed officials ("the indemnified parties") from and against any and all claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses ("the claims"), sustained or

asserted against the State of Nebraska, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the Contractor, its employees, subcontractors, consultants, representatives, and agents, except to the extent such Contractor liability is attenuated by any action of the State of Nebraska which directly and proximately contributed to the claims.

2. DHHS's liability is limited to the extent provided by the Nebraska Tort Claims Act, the Nebraska Contract Claims Act, the Nebraska Miscellaneous Claims Act, and any other applicable provisions of law. DHHS does not assume liability for the action of its Contractors.

3. The above provisions shall survive termination of the contract.

R. INDEPENDENT CONTRACTOR. The Contractor is an Independent Contractor and neither it nor any of its employees shall for any purpose be deemed employees of DHHS. The Contractor shall employ and direct such personnel as it requires to perform its obligations under this contract, exercise full authority over its personnel, and comply with all workers' compensation, employer's liability and other federal, state, county, and municipal laws, ordinances, rules and regulations required of an employer providing services as contemplated by this contract.

S. INVOICES: Invoices for payments submitted by the Contractor shall contain sufficient detail to support payment. Any terms and conditions included in the Contractor's invoice shall be deemed to be solely for the convenience of the parties.

T. INTEGRATION. This written contract represents the entire agreement between the parties, and any prior or contemporaneous representations, promises, or statements by the parties, that are not incorporated herein, shall not serve to vary or contradict the terms set forth in this contract.

U. LOBBYING.

1. No Federal appropriated funds shall be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract or (a) the awarding of any Federal agreement; (b) the making of any Federal grant; (c) the entering into of any cooperative agreement; and (d) the extension, continuation, renewal, amendment, or modification of any Federal agreement, grant, loan, or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, the Contractor shall complete and submit Federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

V. NEBRASKA NONRESIDENT INCOME TAX WITHHOLDING. Contractor acknowledges that Nebraska law requires DHHS to withhold Nebraska income tax if payments for personal services are made in excess of six hundred dollars ($600) to any contractor who is not domiciled in Nebraska or has not maintained a permanent place of business or residence in Nebraska for a period of at least six months. This provision applies to individuals, to a corporation if 80% or more of the voting stock of the corporation is held by the shareholders who are performing personal services, and to a partnership or limited liability company if 80% or more of the capital interest or profits interest of the partnership or limited liability company is held by the partners or members who are performing personal services.

The parties agree, when applicable, to properly complete the Nebraska Department of Revenue Nebraska Withholding Certificate for Nonresident Individuals Form W-4NA or its successor. The form is available at:
http://www.revenue.ne.gov/tax/current/f_w-4na.pdf or
http://www.revenue.ne.gov/tax/current/fill-in/f_w-4na.pdf

W. NEBRASKA TECHNOLOGY ACCESS STANDARDS.
The Contractor shall review the Nebraska Technology Access Standards, found at http://www.nitc.nebraska.gov/standards/ and ensure that products and/or services provided under the Contract comply with the applicable standards. In the event such standards change during the Contractor's performance, the State may create an amendment to the Contract to request that Contract comply with the changed standard at a cost mutually acceptable to the parties.

X. NEW EMPLOYEE WORK ELIGIBILITY STATUS. The Contractor shall use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. § 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee.

If the Contractor is an individual or sole proprietorship, the following applies:

1. The Contractor must complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at www.das.state.ne.us.

2. If the Contractor indicates on such attestation form that he or she is a qualified alien, the Contractor agrees to provide the US Citizenship and Immigration Services documentation required to verify the Contractor's lawful presence in the

United States using the Systematic Alien Verification for Entitlements (SAVE) Program.

3. The Contractor understands and agrees that lawful presence in the United States is required and the Contractor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by NEB. REV. STAT. § 4-108.

Y. PUBLIC COUNSEL. In the event Contractor provides health and human services to individuals on behalf of DHHS under the terms of this contract, Contractor shall submit to the jurisdiction of the Public Counsel under NEB. REV. STAT. §§ 81-8,240 through 81-8,254 with respect to the provision of services under this contract. This provision shall not apply to contracts between DHHS and long-term care facilities subject to the jurisdiction of the state long-term care ombudsman pursuant to the Long-Term Care Ombudsman Act. This provision shall survive termination of the contract.

Z. RESEARCH. The Contractor shall not engage in research utilizing the information obtained through the performance of this contract without the express written consent of DHHS. The term "research" shall mean the investigation, analysis, or review of information, other than aggregate statistical information, which is used for purposes unconnected with this contract. This provision shall survive termination of the contract.

AA. SEVERABILITY. If any term or condition of this contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this contract did not contain the particular provision held to be invalid.

BB. SUBCONTRACTORS. The Contractor shall not subcontract any portion of this contract without prior written consent of DHHS. The Contractor shall ensure that all subcontractors comply with all requirements of this contract and applicable federal, state, county and municipal laws, ordinances, rules and regulations.

CC. TIME IS OF THE ESSENCE. Time is of the essence in this contract. The acceptance of late performance with or without objection or reservation by DHHS shall not waive any rights of DHHS nor constitute a waiver of the requirement of timely performance of any obligations on the part of the Contractor remaining to be performed.

V. BUSINESS ASSOCIATE PROVISIONS

A. Business Associate. "Business Associate" shall generally have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the party to this contract, shall mean Contractor.

B. Covered Entity. "Covered Entity" shall generally have the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this contract, shall mean DHHS.

C. HIPAA Rules. "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

D. Other Terms. The following terms shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

E. The Contractor shall do the following:

1. Not use or disclose protected health information other than as permitted or required by this Contract, consistent with DHHS' minimum necessary policies and procedures, or as required by law.

2. Implement and maintain appropriate administrative, physical, and technical safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information, to prevent access to, use, or disclosure of protected health information other than as provided for by the Contract and assess potential risks and vulnerabilities to the individual health data in its care and custody and develop, implement, and maintain reasonable security measures.

3. Report to DHHS, within fifteen (15) days, any use or disclosure of protected health information not provided for by this Contract of which it becomes aware, including breaches of unsecured protected health information as required by 45 CFR 164.410, and any security incident of which it becomes aware. Contractor shall, as instructed by DHHS, take immediate steps to mitigate any harmful effect of such unauthorized disclosure of protected health information pursuant to the conditions of this Contract through the preparation and completion of a written Corrective Action Plan subject to the review and approval by the DHHS. The Contractor shall report any breach to the individuals affected and to the HHS Office of Civil Rights, and if warranted the media, on behalf of the covered entity, as required by the HIPAA regulations.

4. In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any subcontractors that create, receive, maintain, or transmit protected health information on behalf of the Contractor agree to the same restrictions, conditions, and requirements that apply to the Contractor with respect to such information;

5. Within fifteen (15) days:

    a. make available protected health information in a designated record set to DHHS as necessary to satisfy DHHS' obligations under 45 CFR 164.524;

b. Make any amendment(s) to protected health information in a designated record set as directed or agreed to by DHHS pursuant to 45 CFR 164.526, or take other measures as necessary to satisfy DHHS' obligations under 45 CFR 164.526;

c. Maintain and make available the information required to provide an accounting of disclosures to DHHS as necessary to satisfy DHHS' obligations under 45 CFR 164.528;

6. To the extent the Contractor is to carry out one or more of DHHS' obligation(s) under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to DHHS in the performance of such obligation(s); and

7. Make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules.

F. The Contractor is permitted to use and disclose protected health information:

1. As necessary to perform the services set forth in this Contract;

2. As required by law; and

3. Consistent with DHHS' minimum necessary policies and procedures.

G. The Contractor may not use or disclose protected health information in a manner that would violate Subpart E of 45 CFR Part 164 if done by DHHS.

NOTICES. Notices shall be in writing and shall be effective upon receipt. Written notices, including all reports and other written communications required by this contract shall be sent to the following addresses:

FOR DHHS:

Calder Lynch
DHHS Medicaid & Long-Term Care
P.O. Box 95026
Lincoln, NE 68509-5026
402-471-2135

FOR CONTRACTOR:

Truven Health Analytics Inc

IN WITNESS THEREOF, the parties have duly executed this contract hereto, and each party acknowledges the receipt of a duly executed copy of this contract with original signatures.

FOR DHHS:	FOR CONTRACTOR:
_____	_____
Courtney N. Phillips Chief Executive Officer Department of Health and Human Services	Truven Health Analytics Inc.
DATE: _____	DATE: _____

EXHIBIT 1 - Deliverables for TMSIS Contract

Deliverable/ Milestone	Phase	Description	Payment
9	1	Initial TMSIS Production Files to CMS Completed	$77,495.13
17	1	ICD Testing (115 hours)	$17,037.25
18	1	PORT Testing (632 hours)	$93,630.80
10	2	SDLC T-MSIS Requirements Phase 2 Completed	$23,248.54
11	2	SDLC T-MSIS Design Phase 2 Completed	$23,248.54
12	2	SDLC T-MSIS Development Phase 2 Completed	$23,248.54
13	2	SDLC End-to-End Integration Testing Phase 2 Completed	$23,248.54
14	2	Data Mapping for All Eight Files Completed and Based Lined with CMS (Cross-file Approval) Phase 2	$23,248.54
15	2	Successful Validation of all Data Files per Business Rules Phase 2	$23,248.54
16	2	Final Phase 2 T-MSIS Production files to CMS Completed	$54,246.58
19	2	Additional Data Elements in Advantage Suite for T-MSIS (72 elements) (300 hours)	$44,445.00
			$426,346.00

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES

T-MSIS EXTRACT STATEMENT OF WORK

SUBMITTED: August 10th , 2015

Submitted by:
Keith Gall
Truven Health Analytics Inc.
1750 Creekside Oaks
Sacramento, CA 95833
(602) 803-7932
Keith.Gall@TruvenHealth.Com

EXHIBIT 2

TRUVEN
HEALTH ANALYTICS

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As of 8/7/2015, the implementation of TMSIS has been delayed due to circumstances outside the control of Truven and NE DHHS. The causes are documented herein and are entirely comprised of CMS mandated work efforts that include additional test cycles, delays created by the introduction of T-MSIS Version 2.0 and an added Beta Cycle. These factors necessitated revisions to the scope of work in order to complete the implementation, and have thereby increased the cost of the implementation. This document has been revised to reflect these revisions.

BACKGROUND AND OBJECTIVES

Truven Health Analytics is pleased to present this statement of work to support Nebraska Department of Health and Human Services' (NE DHHS) goal of submitting data extracts for the T-MSIS project. T-MSIS, which stands for Transformed Medicaid Statistical Information System, is an expansion of the existing Centers for Medicare and Medicaid (CMS) MSIS extract process. This statement of work for T-MSIS, a project mandated by CMS, is a natural extension of our current Decision Support System (DSS) solution we currently support for NE DHHS today. As such, licenses and intellectual property considerations are addressed in the current DSS contract.

As part of CMS's plans to improve and expand upon their Medicaid data repository, states will be required to augment the current MSIS data extracts. This statement of work provides an overview of our extract solution, assumptions and fees associated with the T-MSIS project. We look forward to assisting NE DHHS in achieving this federal requirement.

CURRENT SOLUTION

Currently NE DHHS submits five MSIS extracts to CMS on a quarterly basis. Truven Health has supported NE DHHS in providing these extracts for over 10 years. These data are used by CMS to assist in federal reporting for the Medicaid and Children's Health Insurance Program (CHIP) programs, however, data completeness and timeliness issues have prompted CMS to re-evaluate this process and move towards a streamlined delivery as well as an updated and enhanced data repository.

PROPOSED SOLUTION

As noted above, several reasons culminated in CMS mission to improve and expand their current Medicaid data repository including incomplete data, questionable results, multiple data collections from states, multiple federal data platforms, and analytic difficulties in interpreting and presenting the results. The new T-MSIS extract format and frequency will further CMS's goals for improved timeliness, reliability and robustness through updating monthly and increasing the data elements requested.

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Truven Health's experience and expertise with current NE DHHS MSIS submissions will allow NE DHHS to meet the T-MSIS federal requirements efficiently as well as allow for ad-hoc modifications as needed. As mentioned, we have direct experience over the last 10 years in working with NE DHHS with the existing MSIS quarterly submission process, including verifying error tolerances and distributions of valid values. Additionally, the Truven Health experience with MSIS expands beyond the individual state level. Over the years we have completed a number of MSIS projects for CMS, including projects to help CMS improve the quality of managed care encounter data submitted by the states. Our staff also analyzes the MSIS data in our role as a MIC Provider Audit Contractor, and made recommendations to improve the robustness of MSIS to support fraud and abuse detection. Currently, Truven works with 6 of our customers with projects underway for the new T-MSIS submissions. All are in flight in various stages of completion. This experience, coupled with over 10 years of experience with NE DHHS and their data will provide some economies of scale in effort and timing of delivery.

Truven Health proposes to support NE DHHS in delivering the new T-MSIS extracts by:

- ***Delivering outbound files to CMS***. We will work with CMS (or their designated vendors) to validate and document file transmission requirements. We will update and maintain the specifications over the life of the contract. Additionally, we will develop and apply data quality and validity checks for the output file, incorporating the appropriate business rules. We will establish processes for submission that build in control totals and checks to assure complete delivery.

- ***Expanding the data set to include eight files and additional data elements.*** The T-MSIS extracts will increase from five to eight files. Truven Health will provide extracts for eligibility, claims (including inpatient, long term care, outpatient, and pharmacy), third party liability (new) provider (new) and managed care plan (new). The current expanded field list contains over 1,000 fields, up from 400+ fields, to support more comprehensive and robust reporting. CMS is continuing to modify the T-MSIS data dictionary. Truven Health will work with NDHHS to evaluate any new or missing data elements once the data dictionary is finalized.

- ***Attending CMS-sponsored teleconferences.*** Truven Health will attend CMS teleconferences, as available, to understand requirements, assist in defining submission criteria, and identify questions and/or issues.

- ***Validating mapping documents.*** The data dictionary outlines data elements that will be standardized across all states for submission. Mapping documents are needed to align NE DHHS specific data elements to these fields for complete and accurate data extract submission. We will work with NE DHHS and CMS to validate and refine the mapping documents that NE DHHS has compiled to capture the data accurately and meet CMS requirements to support consistent reporting across states.

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- ***Working with NE DHHS to adjust process to align with future changes***. To accommodate future requirements and modifications, Truven Health will work with NDHHS to determine the scope of work associated with these changes under the change management processes.

- ***Helping NE DHHS respond to T-MSIS related federal mandates***. We will work with NDHHS to respond to T-MSIS related federal mandates as appropriate. For example, a sample of existing T-MSIS related mandates and how we can assist NDHHS are briefly described below.

T-MSIS Related Requirements	Description	Truven Health Support
BBA Section 4753(a)	Requires states to submit electronic claims data transmission consistent with the MSIS as of 1/1/1999.	Truven Health will deliver the T-MSIS extracts electronically.
ACA Section 6402(c)	Provides for withholding federal matching payments for medical assistance to States that fail to report enrollee encounter data in the Medicaid Statistical Information System (MSIS) in a timely manner.	Truven Health will deliver the T-MSIS extracts in a timely manner. We will report all managed care encounter data provided by the MCOs and passed to the DSS. We will continue to work with NDHHS, the MMIS contractor (if needed), and the MCOs to make continued improvements in encounter data quality and completeness.
ACA Section 6504(a)	Data submitted to CMS after 1/1/2010 must include elements CMS determines necessary for program integrity, program oversight, and administration to receive Federal Financial Participation (FFP).	Truven Health will meet the current T-MSIS requirements and work with NDHHS to meet future requirements as needed.
ACA Section 6504(b)	Mandates a service entity provide sufficient patient encounter data to the State to identify the physician who delivers services to patients, and that the provision of such data to the State is at a frequency and level of detail to be specified by CMS.	The T-MSIS extracts will provide sufficient patient encounter data as defined in the requirements.

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T-MSIS Related Requirements	Description	Truven Health Support
ACA Section 402(c)	Provides for improvement to the timeliness of reporting and analyzing data related to the enrollment and eligibility of children under Medicaid and the Children's Health Insurance Program (CHIP).	The T-MSIS extracts will be delivered in a timely manner, consistent with federal requirements
ACA Section 4302	Identifying, collecting, and evaluating health disparities data under Medicaid and CHIP on the bases of race, ethnicity, sex, primary language, and disability status.	The T-MSIS extracts will contain all available data. Truven will work with NDHHS to obtain any data elements not currently available to support T-MSIS requirements. See also Assumptions below.
ACA Section 2602	Supporting the office which was specifically established under ACA for providing Federal coverage and payment coordination for dual eligible beneficiaries.	Duals will be included in the T-MSIS extracts as defined in the requirements.

Deliverables

To meet the T-MSIS objectives, Truven Health proposes the following deliverables. Additionally, Truven Health will employ the CMS Implementation Toolkit document to provide guidance and best practices throughout the T-MISIS project to ensure the required deliverables and processes are met.

Deliverable	Description	Deliverable Format
CMS Teleconferences	Truven Health will attend the CMS/New Wave-sponsored teleconferences as scheduled.	Teleconference Attendance
Project Management Deliverables	Truven Health will provide the required project management documents including communication plan, project work plan, change management plan, risk plan and testing strategy within 30-60 days of contract execution.	PDF Documents

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Deliverable	Description	Deliverable Format
CMS Data Dictionary Review	Truven Health will review the most recent available CMS T-MSIS data dictionary.	Email Confirmation/ Meeting Discussions
Mapping Documents Validation	Truven Health will work with NDHHS to develop mapping documents for all eight files and provide to NDHHS for review and approval.	PDF or Excel Document
Test Files	Truven Health will submit test files to CMS for approval prior to initial production file. Due to needed modifications, there may be multiple test file submissions. (Modifications costs are covered as optional, see Appendix A).	Email Confirmation
Production Files	Truven Health will submit eight monthly production files to CMS.	Email Confirmation

Implementation & Milestone Schedule

Truven Health proposes the following high-level schedule for the T-MSIS project. This schedule assumes an April 4th, 2014 start date. A detailed project plan will be provided within 30 days of contract execution. Truven proposes a phased approach that would allow for an initial release of T-MSIS by February 2016 using the current M-92 and other current data sources and a subsequent release that would incorporate enhanced M-92 and other data sources to further refine and address know gaps. The project end date shall be August 31st, 2016.

Category	Description	Target Date
Meetings	Bi-weekly Status Call	Begin April 2014
	Weekly Internal Truven Calls	Begin April 2014
	Ad-hoc Conferences	Begin April 2014
Project Management Deliverables	Communication Plan	April-May2014
	Project Work Plan	April-May 2014
	Risk Plan	April-May 2014
	Change Management Plan	April-May 2014

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Category	Description	Target Date
	Testing Strategy	April-May 2014
Mapping/ Specification Documents Finalization *Note: As some mapping documents may be used across multiple file types, the mapping documents deliverables may overlap between the file types. The file types include eligibility, inpatient claims, long term care, outpatient, pharmacy, third party liability, provider, and managed care plan.	T-MSIS Data Dictionary Review	May 2014– November 2014
	Mapping Document Eligibility	May 2014– November 2014
	Mapping Document Claims Inpatient	May 2014– November 2014
	Mapping Document Claims Outpatient	May 2014– November 2014
	Mapping Document Claims Pharmacy	May 2014– November 2014
	Mapping Document Claims LTC	May 2014– November 2014
	Mapping Document Managed Care	May 2014– November 2014
	Mapping Document Provider	May 2014– November 2014
	Mapping Document TPL	April 2014 May 2014– November 2014
	Create Phase 1 Jobs	Start July 2014
	Run and Test Jobs	November 2014
Implementation File Submission	EDT Setup and Pre-work	December 2014
	Submit Test File	January 2015
	Corrections and Resubmission	January 2015 – December 2015
	Submit Initial Production File	January 2016

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Category	Description	Target Date
Operational File Submission	Submit Ongoing Monthly Production File	February 2016
Phase 2 Activities	Receive updated M-92 and other updates files	February 2016
	Update deliverables with new information	March 2016
	Create phase 2 jobs	April 2016 – May 2016
	Run and Test Jobs	May 2016
	Submit Test File	June 2016
	Corrections and Resubmission	June 2016
	Submit Phase 2 Production File	June 2016
Operational File Submission	Submit Ongoing Monthly Production File	August 31st, 2016

The project tasks are defined as follows:

- **Meetings** – Regular and ad-hoc meetings will be established with NE DHHS and Truven Health T-MSIS team members to provide regular status updates, any project plan/deliverable schedule changes, data quality summaries and questions, and pose any mapping, data dictionary, or CMS-specific questions. NE DHHS and Truven Health will determine if other stakeholders (e.g., CMS or MMIS representatives or other NE DHHS personnel) are needed for the discussion.
- **Project Management Deliverables** – The Project Management deliverables will be developed and delivered within 30-60 days of contract execution. These deliverables will include a Project Work Plan, Communication Plan, Risk Plan, Change Management Process, and Testing strategy. These deliverables will follow guidelines and best practices as defined in the CMS Implementation Toolkit.
- **Mapping Documents Validation** – Data mapping is the first of the detailed project steps and most critical. This time intensive activity will begin with a review of the CMS Data Dictionary and will culminate with the development of mapping/specification documents. The mapping documents will entail a review of each required data element, how it will be derived (e.g., available as is or mapping is needed), any data elements that are not available or will be available at a future date, and any data elements with different field lengths from the MMIS layout. Any data elements that are not available will be identified in these documents to support discussions and with CMS for exemption (if needed).

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- **Implementation File Submission Process** –Activities included in file submission process are file naming convention determination, header record file creation, file layout conventions, transmission coordination, and the file transmission process (e.g., data volume considerations, zip files, FTP server connections).
- **Operational File Submission Process** – Once the initial test and production files have been submitted and approved, the 2014 production files will be delivered to CMS in accordance with the deliverable schedule set forth by the federal requirements. The first operational file submission will be in late January 2016 and be comprised of creating and testing the extract file and the file submission process.

Included in mapping/specification documents and the file submission process (implementation and operational) are activities for testing. As with our DSS database build process, Truven Health employs data management techniques to validate, transform and test to yield analytically ready data. The testing activities will include validation and verification during the data mapping, job creation and file creation.

Additionally, we assumed changes for T-MSIS extracts will be mandated by CMS and have included adjustments to our process in our level of effort estimates outlined below. Additionally, support and input will be needed from NEHHS to review and implement these modifications.

Staffing – Hours by Role by Month for the Implementation

Truven Health will bring to this important project for NE DHHS a team of highly qualified and experienced personnel. Based on this experience, we have developed a staffing plan to meet NE DHHS objectives. At least five Truven Health employees will be directly involved in performing the T-MSIS implementation for NE DHHS.

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Role	Task	April - June 2014	July - Sept 2014	Oct - Dec 2014	Jan - Mar 2015	April - June 2015	July - Sept 2015	Oct - Dec 2015	Jan - Mar 2016	April - June 2016	Total
Bus. Analytic Consultant	Mapping, deliverables	140	140	140	140	140	140	120	90	40	1090
T-MSIS Practice Lead	T-MSIS COE	75	75	75	75	75	75	75	50	20	595
Senior DataProbe DM	Build DataProbe DB	140	140	140	140	140	140	0	0	0	840
Service Center Support	Install Dataprobe	50	0	0	0	0	0	0	0	0	50
Database Architects	Develop Extracts	0	140	140	140	140	140	140	100	100	1040
Database Architects	Test and Submit	0	140	140	140	110	110	110	75	75	900
DM Team Lead	SME NE Data	10	10	10	10	10	10	10	10	10	90
DM Support	SME NE Data	15	15	15	15	15	15	15	15	15	135
Implementation PM	PM	120	120	120	120	120	120	120	120	120	1080
Client Manager		10	10	10	10	10	10	10	10	10	90
Security and Compliance Mgr		10	10	10	0	0	0	0	0	0	30
Data Integration Programmer	SAS Validation Engine	0	0	0	20	22	28	28	28	28	154
Total		570	800	800	810	782	788	628	498	418	6094

Details for major roles in the implementation are as follows:

- **Implementation Project Manager –** The Implementation Project Manager assists the T-MSIS Practice Lead in the day-to-day management of the implementation project. The duties include developing the detailed Project Work Plan, the Communications Plan, the Risk Plan, Change Management Process and the Testing Strategy. Once developed, the Project Manager will administer the detail tasks within the Project Work Plan, manage deliverables, schedule project resources and closely monitor their performance. The Implementation Project Manager ensures that detailed work plans are maintained, that project activities are properly documented, and that project dependencies are closely monitored and brought to the Client Manager's and NE DHHS' attention for action if necessary.

- **Client Manager** – The Client Manager will have general oversight responsibility for the Truven Health relationship with NDHHS and will work closely with the Project Manager to ensure that NE DHHS needs related to the T-MSIS project are met.

- **T-MSIS Practice Lead –** The T-MSIS Practice Lead works closely with NE DHHS and the rest of the Truven Health team to design, develop, code, test, deliver, and maintain the T-MSIS extracts to meet NE DHHS and CMS requirements. The Practice Lead manages all aspects of the extract development process, including the data dictionary review and mapping document development, and takes overall responsibility for team quality control and process improvement. The Practice Lead leads investigations into data quality issues, develops and maintains data supplier relationships, and recommends strategies for data quality improvement.

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- **Database Architects –** The Database Architects' responsibilities include: developing, documenting, and maintaining the extract design and mapping document specifications; performing data investigations; designing, coding, testing, and debugging data transformation processes; performing system tests and ensuring data transfer.

- **Analytic Consultant –** The Analytic Consultant provides analytic support and expertise for both data investigations and mapping documents. The Analytic Consultant works with NE DHHS throughout the life of the contract. During Implementation, the Analytic Consultant actively participates in the identification of business needs, as well as the design of the extracts to support those needs. During Operations, the Analytic Consultant provides ongoing support for production extracts as needed, as well as modifications needed due to CMS requirement changes.

Staffing – Hours by Role by Month for Planning Activities for the Implementation

As a subset of the overall implementation effort and hours provided above, Truven will provide the following in terms of efforts in planning activities supporting this implementation. The table below depicts hours by role for planning efforts that are non-development in nature. 2,335 hours of the 6,094 total project hours are estimated as planning support for this project.

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Planning Effort by Role	Bus. Analytic Consultant	T-MSIS Practice Lead	Senior DataProbe DM	Service Center Support	Database Architects	Database Architects	DM Team Lead	DM Support	Implementation Project Manager	Client Manager	Security and Compliance Manager	Data Integration Programmer	Total
Communication Plan	100	30	0	0	0	0	0	0	10	6	0	0	146
Project Work Plan	50	35	0	0	0	0	0	0	80	6	0	0	171
Risk Plan	20	40	0	0	0	0	0	0	15	6	0	0	81
Change Management Plan	20	30	0	0	0	0	0	0	15	6	0	0	71
Testing Strategy	40	20	0	0	0	0	0	0	20	6	0	0	86
T-MSIS Data Dictionary Review	100	40	0	0	0	0	0	0	20	6	0	0	166
Mapping Document Eligibility	95	75	0	0	0	0	0	0	25	7	0	0	202
Mapping Document Claims Inpatient	95	75	0	0	0	0	0	0	25	7	0	0	202
Mapping Document Claims Outpatient	95	75	0	0	0	0	0	0	25	7	0	0	202
Mapping Document Claims Pharmacy	95	75	0	0	0	0	0	0	25	7	0	0	202
Mapping Document Claims LTC	95	75	0	0	0	0	0	0	25	7	0	0	202
Mapping Document Managed Care	95	75	0	0	0	0	0	0	25	7	0	0	202
Mapping Document Provider	95	75	0	0	0	0	0	0	25	6	0	0	201
Mapping Document TPL	95	75	0	0	0	0	0	0	25	6	0	0	201
Total	1090	795	0	0	0	0	0	0	360	90	0	0	2335

This SOW contains additional information pertaining to project changes dictated or mandated by CMS. These hours are included in the overall 6,094 presented in the hours by role table listed above.

- **115 hours** to cover changes and additional project oversight for ICD-10 testing.

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Parameterize Cutoff Date for 4 claims type files	16	hours
Create new DB for ICD-10 testing	4	hours
Rerun scripts and debug problems	40	hours
Create files to send to CMS; Review ESR/ERF;		
Make corrections; Resubmit files	40	hours
PM Oversight and Additional Meetings	15	hours
	115	hours

- 632 hours to account for Pre-ORT Testing

Task Name	Effort (hrs)
Pre-ORT Testing	
Eligibility	
Develop "Create" Data Files	2
Review ACK, ESR & ERF	24
Populate Addendum B - Table 2 from ESR/ERF	8
Review Addendum B - Table 2 with State	1
Perform Corrective Action	100
Add Exclusion Logic	6
Submit and Review Addendum B - Table 2 with Maggie	1
Inpatient Claims	
Develop "Create" Data Files	2
Review ACK, ESR & ERF	16
Populate Addendum B - Table 2 from ESR/ERF	8

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Review Addendum B - Table 2 with State	1
Perform Corrective Action	16
Add Exclusion Logic	6
Submit and Review Addendum B - Table 2 with Maggie	1
Other Claims	
Develop "Create" Data Files	2
Review ACK, ESR & ERF	16
Populate Addendum B - Table 2 from ESR/ERF	16
Review Addendum B - Table 2 with State	1
Perform Corrective Action	60
Add Exclusion Logic	6
Submit and Review Addendum B - Table 2 with Maggie	1
Pharmacy Claims	
Develop "Create" Data Files	2
Review ACK, ESR & ERF	8
Populate Addendum B - Table 2 from ESR/ERF	8
Review Addendum B - Table 2 with State	1
Perform Corrective Action	8
Add Exclusion Logic	6
Submit and Review Addendum B - Table 2 with Maggie	1
LTC Claims	
Develop "Create" Data Files	2
Review ACK, ESR & ERF	4
Populate Addendum B - Table 2 from ESR/ERF	4
Review Addendum B - Table 2 with State	1
Perform Corrective Action	8
Add Exclusion Logic	6
Submit and Review Addendum B - Table 2 with Maggie	1
Managed Care	

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Develop "Create" Data Files	2
Review ACK, ESR & ERF	4
Populate Addendum B - Table 2 from ESR/ERF	4
Review Addendum B - Table 2 with State	1
Perform Corrective Action	8
Add Exclusion Logic	6
Submit and Review Addendum B - Table 2 with Maggie	1
Provider	
Develop "Create" Data Files	2
Review ACK, ESR & ERF	8
Populate Addendum B - Table 2 from ESR/ERF	8
Review Addendum B - Table 2 with State	1
Perform Corrective Action	16
Add Exclusion Logic	6
Submit and Review Addendum B - Table 2 with Maggie	1
TPL	
Develop "Create" Data Files	2
Review ACK, ESR & ERF	8
Populate Addendum B - Table 2 from ESR/ERF	8
Review Addendum B - Table 2 with State	1
Perform Corrective Action	16
Add Exclusion Logic	6
Submit and Review Addendum B - Table 2 with Maggie	1

Other Changes	
Release Note Changes (42 changes)	168
Total Hours:	632

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- 99 hours are included for additional project oversight.
- 300 hours are included for design, integration and testing for work related to adding 72 new T-MSIS related data elements to the current Advantage Suite solution. The state will supply the data in an agreed upon format and will provide reasonable testing and assurances that the data are correct. Additional change hours may be required if the data are found to be incorrect due to no fault of Truven Health.

System Changes

Do to the size and complexity of the T-MSIS project, Truven will need to procure additional hardware for development and ongoing operations. Server and software cost are $50,000. We will deploy a Truven tool called DataProbe to complete the transformation and extract process from the expanded M-92 and other extracts used by the DSS that Truven receives and will receive from the state.

Assumptions

We have estimated this effort based on a 26 month implementation. This effort also includes map creation, testing, file submission, and data quality review/corrections. We assumed discussion and modification time with CMS and NEHHS as T-MSIS requirements are finalized.

We will utilize the expanded M-92 and other extracts used by the DSS that Truven receives and will receive from the state. M-92 in conjunction with the Truven tool, DataProbe® to generate the T-MSIS extracts for CMS submission.

Our estimate is based on data available today, however, we recognize additional elements may be needed. If additional data sources are needed, we will do all we can to work within the project scope to obtain needed data. Upon project approval and kick-off, we will conduct a high-level review of the current data dictionary and provide an assessment of gaps along with options for sourcing and potential added costs, if any. It is important to note that this will initially be a high-level summary and subject to change as the data dictionary is updated, more discussions are conducted with CMS, and as a thorough data investigation is conducted during the duration of the project.

Lastly, we will provide our programming specifications used to develop the T-MSIS extracts to NE DHHS as well as meet with NE DHHS to review (if needed) as part of Turnover at the time of contract expiration.

State Involvement

For successful completion of this task, NE DHHS staff will need to be available for questions and meetings, including but not limited to a data elements review, requirements gathering sessions attendance, mapping documents assistance and review. NE DHHS staff would include, but is

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not limited to, project manager, subject matter experts, technical staff, and program area analysts. Additionally, NE DHHS staff will need to facilitate communications with CMS and the CMS vendors as needed.

Fees

We estimate fees of $902,826 for the implementation based on the projected hours at the $148.15 contractual change rate.

CLOSING REMARKS

Truven Health Analytics is well positioned to perform the T-MSIS extract work for NE DHHS. We are intimately familiar with the NE DHHS Medicaid data and how data flows within the environment. We can efficiently perform this work as we will leverage our knowledge and experience producing MSIS and T-MSIS extracts for other state Medicaid agencies. We will utilize the NE DHHS extracts as the source of the data. Lastly, we will serve as a partner with NE DHHS and CMS to ensure the extracts are of the highest quality and meet the CMS requirements.

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