

**HHSC CONTRACT No. 529-18-0077-00001
AMENDMENT No. 2**

The Health and Human Services Commission ("*HHSC*") and LogistiCare Solutions, LLC ("*Contractor*") having its principal office at 12234 N. Interstate Hwy 35, Bldg. B, Suite 175, Austin, Texas 78753 (each a "*Party*" and collectively "*Parties*") desire to further amend the Non-Emergency Medical Transportation Managed Transportation Organizations ("*MTOs*") Services in MTO Region 10 agreement, which was effective on August 31, 2017, and Amendment No. 1 as of September 1, 2018 (collectively the "*Agreement*"), with the terms and conditions contained herein ("*Amendment No. 2*" or the "*Amendment*").

RECITALS

WHEREAS, HHSC entered into a Non-Emergency Medical Transportation services contract with Contractor under Request for Proposals No. 529-15-0002 (the "*RFP*") for the administration of non-emergency medical transportation in MTO Region 10;

WHEREAS, the Parties desire to modify Agreement EXHIBIT F, RFP, as described herein;

WHEREAS, the Parties desire to modify Agreement EXHIBIT H, COST PRINCIPLES FOR EXPENSES, as described herein;

WHEREAS, the Parties desire to modify Agreement EXHIBIT K, REVISED PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES, as described herein;

AGREEMENT

NOW, THEREFORE, the parties hereby amend and modify the agreement as follows in accordance with the requirements and modifications specified below:

1. **Exhibit F, RFP, Section 2.7.6, Inquiries, Complaints, Grievances and Appeals**, is amended by adding the following sections.

2.7.6.6 The MTO must use the Health and Human Services Enterprise Administrative Report and Tracking (HEART) system to register and respond to complaints when functionality becomes available.

2.7.6.7 The MTO must have written policies and procedures in place to ensure system and HEART security including ensuring the confidentiality of HEART passwords and that there is no sharing of access to any HHSC electronic management system with Performing Providers or any person or entity outside the MTO's organization.

2.7.6.8 The MTO must designate a sufficient number of staff to attend training at HHSC that will be responsible for managing complaints and resolution in HEART.

2.7.6.9 The MTO shall provide complaint information, to include the MTO's detailed

response, to HHSC in a prescribed file format no later than the 15th calendar day following the end of the subsequent month until the HEART functionality becomes available.

2. **Exhibit F, RFP, Section 2.7.6.2** is amended by adding the following:

The MTO shall handle calls to register complaints received in writing or orally from clients, advocates, Performing Providers, and health care providers. The MTO shall develop a process to investigate thoroughly and resolve complaints within contract specified time frames as revised for Key Performance Requirement MTO 16.

3. **Exhibit F, RFP, Section 2.12, Insurance**, is amended by adding the following:

The MTO is required to furnish a Client injured during Transportation Services a copy of the MTO's and the Performing Provider insurance information. Insurance information must be provided upon Client request in the instance the MTO or the Performing Provider is determined at-fault or at-fault has not been determined at the time of request, or the at-fault party is not the MTO; however, the at-fault party is absent insurance. The MTO is required to furnish insurance information upon Client request in the event injury is alleged or confirmed. This information may be furnished on request by mail to the Client's address on file.

4. **Exhibit F, RFP, Section 2.28, Encounter Data**, is amended by adding the following sections:

2.28.2 The MTO must:

A. Use the HCPCS, provider identifiers, and other codes as directed by HHSC.

B. In addition, the MTO must:

- Implement and maintain policies and procedures to support Encounter Data reporting and submission and provide copies to HHSC for review, when requested;
- Establish quality control procedures and edits to allow for the detection and correction of errors prior to submission of Encounter Data to HHSC or its designee;
- Ensure the paid amount on Encounter Data is the amount paid to the Performing Provider of the NEMT Service, which must also include payment on MTO fleet-owned service;
- Ensure the paid amount on Encounter Data is made to Performing Providers that have a signed agreement and rate sheet on file pursuant to RFP Section 2.8.1.3.1;
- Have a system in place for verifying and ensuring that only authorized NEMT Services are rendered and, as applicable, paid to Performing Providers;
- Review its quality control procedures on a quarterly basis to mitigate issues with the submission of Encounter Data; and
- Have a computer processing and reporting system that is capable of following or tracking the Encounter record within its system using the unique authorization number or another designation by the MTO assigned to each

NEMT Service. FSR reported costs that do not have encounter data within +/- 2.0% of the specific FSR cost type may be deemed unallowable by HHSC.

2.28.3 Encounter Data Variance Analysis

2.28.3.1 The MTO must conduct a variance analysis at the Encounter Data and FSR level. The MTO must submit to HHSC a quarterly report by the 30th calendar day following the end of the reporting quarter, when the variance between the Encounter data and the quarterly FSR is +/- two (2) percent in variance. The quarterly report must identify all variances between the Encounter Data and the FSR and provide a detailed written explanation for each identified variance.

2.28.3.2 The MTO is required to submit a certification by the 30th calendar day following the end of the reporting quarter, when the Encounter data and quarterly FSR is within two (2) percent in variance.

2.28.4 Encounter Matching

The MTO is responsible for maintaining all documentation to validate NEMT services rendered. No later than 100 days after each state fiscal year quarter, HHSC shall provide the MTO with the Encounter matching report results. The MTO must:

- Provide validation to each Encounter record that did not have a corresponding health care claim, Managed Care Encounter, pharmacy claim, or other insurance indicator;
- Obtain validation that the client attended a Covered Health Care Service from the rendering physician or facility; and
- Update the Encounter record submitted to HHSC or its designee to include results of validation no later than 30 days from receipt of the Encounter matching report from HHSC, when the Encounter record indicator becomes functional.

5. **Exhibit H, COST PRINCIPLES FOR EXPENSES**, is amended by adding the following to Section VII. Other Cost, item “j.”

Documentation extends to submission and HHSC acceptance of encounter data for operational expenses. FSR reported costs that do not have encounter data within +/- 2.0% of the specific FSR cost type may be deemed unallowable by HHSC.

6. **Exhibit K, REVISED PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES**, is amended by deleting the exhibit in its entirety and replacing it with **EXHIBIT K.1 - KEY PERFORMANCE REQUIREMENTS**, which is attached to this Amendment and incorporated into the Contract as if fully set forth therein.

7. This Amendment shall be effective as of May 1, 2019 or upon the signature date of the latter of the Parties to sign the Amendment, whichever occurs later.

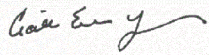
8. Except as amended and modified by this Amendment, all terms and conditions of the Agreement as amended, shall remain in full force and effect.
9. Any further revisions to the Agreement shall be by written agreement of the Parties.

SIGNATURE PAGE FOLLOWS.

**SIGNATURE PAGE FOR AMENDMENT NO. 2
HHSC CONTRACT NO. 529-18-0077-00001**

The Parties have executed this Agreement in their capacities as stated below with authority to bind their organizations on the dates set forth by their signatures.

**HEALTH AND HUMAN SERVICES
COMMISSION**

DocuSigned by:

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Cecile Young

Chief Deputy Executive Commissioner

Date of Execution: June 6, 2019

LOGISTICARE SOLUTIONS LLC

DocuSigned by:

By: _____
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Name: William C. Echols

Title: EVP of Contracts and Pricing

Date of Execution: June 6, 2019

EXHIBIT K
Nonemergency Medical Transportation
Managed Transportation Organizations (MTOs)
Key Performance Requirements
HHSC CONTRACT NO. 529-18-0077-00001
AMENDMENT NO. 2

Performance measures are applicable at all times and may be monitored accordingly. Accelerated monitoring may occur as needed. Performance standard will be applied to regular monitoring visits or any other follow-up or occurrence as deemed necessary by HHSC. Performance Measures may not be subject to more than one Performance Standard and associated Liquidated Damage assessment.

Ref. No.	Contract Ref. ¹	Performance Standard ²	Measurement Period ³	Measurement Assessment ⁴	Liquidated Damages ⁵
MTO 1	\$1.09(d), and Exhibit G, Attachment J	A. 100% of motor vehicle operators (drivers) performing Demand Response must be fully credentialed/screened and listed on the quarterly rosters submitted to HHSC. B. Quarterly rosters are due 10 calendar days following the end of each SFY quarter.	Measured quarterly during the operations period	Each incident of noncompliance per MTO Region	HHSC may assess A. Per MTO Region, up to \$2,500 for each incident where the MTO used a driver that was not credentialed/screened or listed on the quarterly roster. B. Per MTO Region, assess up to \$250 per day the report is not submitted, is late, inaccurate, or incomplete.
MTO 2	Exhibit G, RFP Exhibit G.1.9, \$2.8.1.3.2, \$2.9, and Attachment J	A. 100% of motor vehicle operators (drivers) used to deliver Demand Response services must comply with all applicable state and federal laws, including ADA Accessibility Guidelines for Transportation Vehicles (36 C.F.R. 1192), Federal Motor Vehicle Safety Standards (49 C.F.R. 571), Chapter 547 of the Texas Transportation Code, and The MTO must obtain and maintain insurance coverage consistent with contract	Measured quarterly during the operations period	Each incident of noncompliance per MTO Region	HHSC may assess A. Per MTO Region, up to \$2,500 for each incident where the MTO used a vehicle that was not credentialed or listed on the quarterly roster. B. Per MTO Region, assess up to \$250 per day the report is not submitted, is late, inaccurate, or incomplete.
MTO 3	Exhibit G, RFP \$2.12, 2.13	A. The MTO must obtain and maintain insurance coverage consistent with contract	Operations	Each incident of noncompliance per MTO Region	HHSC may assess A. Per MTO Region, up to \$10,000 for each incident

¹ Derived from the resulting contract between HHSC and the MTO.

² Refers to the specific, desired or required outcome or result of the MTO's performance.

³ Period during HHSC will evaluate service for purposes of tailored remedies.

⁴ Measure against which HHSC will apply remedies.

⁵ The monetary value HHSC may apply to each unit or instance of noncompliance with a performance standard.

Ref. No.	Contract Ref. ¹	Performance Standard ²	Measurement Period ³	Measurement Assessment ⁴	Liquidated Damages ⁵
MTO 4	Exhibit G, RFP \$2.3.10.1, \$2.3.10.7, and \$2.3.10.11	<p>requirements at all times during the operations period.</p> <p>B. The MTO must ensure that Performing Providers obtain and maintain insurance coverage consistent with local and state statutes at all times during the operations period.</p>	Operations and Turnover	<p>A. Each incident of noncompliance per MTO Region</p> <p>B. Each percentage point below the standard for 1 and each percentage point above the standard for 2 per MTO Region</p> <p>C. Per month, for each 30 second time increment, or portion of it, by which the average maximum monthly wait exceeds the maximum acceptable hold time</p>	<p>where the MTO fails to provide HHSC with complete copies of all insurance policies applicable to the contract.</p> <p>B. Per MTO Region, up to \$10,000 for each incident where the MTO fails to provide HHSC with complete copies of Performing Provider insurance policies applicable to the contract.</p> <p>HHSC may assess:</p> <p>A. Per MTO Region, up to \$100 for each hour or portion thereof that appropriately staffed toll-free lines are not operational. If the MTO's failure to meet the performance standard is caused by a force majeure event, HHSC will not assess liquidated damages unless the MTO fails to implement its Disaster Recovery Plan.</p> <p>B. Up to \$100 per MTO Region for each percentage point for each standard that the MTO fails to meet the requirements for a monthly reporting period for the MTO call center toll-free line.</p> <p>C. Up to \$100 may be assessed for each 30 second time increment, or portion thereof, by which the MTO's average maximum monthly wait exceeds the maximum acceptable hold time.</p>
MTO 5	Exhibit G, RFP §2.6	The MTO must meet all marketing and Client materials policy requirements and may not engage in prohibited marketing practices.	Transition, measured quarterly during the operations period	Per incident of noncompliance	HHSC may assess up to \$1,000 per incident of noncompliance.
MTO 6	Exhibit G, RFP \$2.7.6	The MTO must resolve Client Complaints received by HHSC and referred to the MTOs no later than the due date indicated on HHSC's notification form unless an extension is granted by HHSC. The MTO response must be submitted according to the time	Measured quarterly during the operations period	Each incident of noncompliance per MTO Region	HHSC may assess up to \$250 per day for each day beyond the due date specified within the MTO Notification Correspondence.

Ref. No.	Contract Ref. ¹	Performance Standard ²	Measurement Period ³	Measurement Assessment ⁴	Liquidated Damages ⁵
MTO 7	Exhibit G, RFP \$2.5.2.5	frames and requirements stated within the MTO Notification Correspondence (letter, email, etc.). The MTO must submit or comply with the requirements of the HHSC-approved Fraud, Waste, and Abuse Compliance Plan.	Transition, measured quarterly during the operations period, and Turnover	Each incident of noncompliance per MTO Region	HHSC may assess up to \$1,000 per day for each incident of noncompliance, per MTO Region.
MTO 8	Exhibit G, RFP \$2.14	The MTO must report all Accidents, injuries, and incidents on the prescribed HHSC form (or using HEART when system functionality becomes available) within the time frames specified.	Measured quarterly during the operations period	Each incident of noncompliance per MTO Region	HHSC may assess up to \$2,500 per day if the report is not submitted, is late, inaccurate, or incomplete.
MTO 9	Exhibit G, RFP \$2.33	All reports and deliverables as specified in Contract and Exhibits must be submitted according to the time frames and requirements stated in the Contract.	Transition Period, measured quarterly during the operations period	Each day of noncompliance per MTO Region	HHSC may assess up to \$250 per day if the report/deliverable is not submitted, is late, inaccurate, or incomplete.
MTO 10	Exhibit G, RFP \$2.26.3.1	The MTO must submit to HHSC the following plans for review annually by September 1: <input type="checkbox"/> Joint Interface Plan; <input type="checkbox"/> Disaster Recovery Plan; <input type="checkbox"/> Business Continuity Plan; <input type="checkbox"/> Risk Management Plan; <input type="checkbox"/> Systems Quality Assurance Plan; and <input type="checkbox"/> Security Plan.	Transition Period, measured annually during the operations period, and Turnover	Each day of noncompliance per MTO Region	HHSC may assess up to \$1,000 per day for each day a deliverable is not submitted, is late, inaccurate, or incomplete.
MTO 11	Section 1.09 (h)(i)(ii) Exhibit G, RFP \$2.28.1, and Exhibit I-FSR	A. The MTO must submit complete and accurate Encounter Data and Encounter Data adjustments processed by the MTO monthly to the Claims Administrator by the 30 th day of the following month or otherwise instructed by HHSC. B. Additionally, the MTO will be subject to liquidated damages if the quarterly Encounter variance, which reconciles the Encounter Data with the Financial Statistical Reports (FSRs), which are submitted 30 days following the end of quarters 1, 2, and 3, and 45 days after the 4 th quarter, with the final FSR due 120 days after the end of the state fiscal year, includes more than a 2% variance.	Transition Period, measured quarterly during operation period.	Per incident of noncompliance, per MTO Region	Failure to submit Encounter Data: A. For the initial quarter: HHSC may assess up to \$2,500 per month, per MTO Region, if the MTO fails to submit monthly encounter data in a quarter. B. For each subsequent quarter: HHSC may assess up to \$5,000 per month, per MTO Region for each month in any subsequent quarter that the MTO fails to submit monthly Encounter Data. C. For each day: HHSC may assess up to \$500 per day, per MTO Region, when the variance between the FSR and Encounter Data is more than a 2% variance. The LD will continue to be applied daily until either the variance is corrected via encounter data submission or allowed

Ref. No.	Contract Ref. ¹	Performance Standard ²	Measurement Period ³	Measurement Assessment ⁴	Liquidated Damages ⁵
MTO 12	Exhibit G, RFP \$2.7.8.3	The MTO must ensure that the appropriate staff members who have firsthand knowledge of the Client's appeal in order to be able to speak and provide relevant information on the case attend all State Fair Hearings as scheduled.	Transition period, measured quarterly during the operations period	Per incident of noncompliance	resubmission of the FSR, or until the dollar amount of the accrued LD is equal to the amount needed to bring the variance within the 2% variance. HHSC may assess up to \$1,000 for each State Fair Hearing that the MTO fails to attend as required by HHSC.
MTO 13	Exhibit G, RFP \$2.18.6.1.6, and \$2.32	The MTO must transfer all data regarding the provision of NEMT Services to Clients to HHSC or a new MTO, at the sole discretion of HHSC and as directed by HHSC. All transferred data must comply with the Contract requirements, including HIPAA.	Measured at time of transfer of data and ongoing after the transfer of data until satisfactorily completed	Per incident of noncompliance (failure to provide data and/or failure to provide data in required format), per MTO Region.	HHSC may assess up to \$10,000 per day the data is not submitted, is late, inaccurate, or incomplete.
MTO 14	Exhibit G, RFP \$2.18.6.1.5	Twelve months prior to the end of the Contract Period or any extension thereof, unless otherwise specified by HHSC, the MTO must propose a Transition Plan covering the possible turnover of the records and information maintained to either the State (HHSC) or a successor MTO.	Measured at twelve months prior to the end of the Contract period or any extension thereof and ongoing until satisfactorily completed	Each day of noncompliance, per MCO Program, per SA.	HHSC may assess up to \$1,000 per day the plan is not submitted, is late, inaccurate, or incomplete.
MTO 15	Exhibit G, RFP \$2.32	The MTO must provide the State (HHSC) with a Transition results report documenting the completion and results of each step of the Transition Plan 30 days after the Transition of Operations.	Measured 30 days after the Transition of operations	Each day of noncompliance per MTO Region	HHSC may assess up to \$250 per day the report is not submitted, is late, inaccurate, or incomplete.
MTO 16	Exhibit G, RFP \$2.14	Service Complaints. The MTO must respond to Client service delivery Complaints within ten (10) business days, legislative Complaints within twenty-four (24) hours, access to care within one (1) business day, urgent/HHSC expedited within one (1) to five (5) business days and all other complaints no later than the due date specified on the HHSC notification form. An extension may be granted by HHSC if the MTO demonstrates good cause.	Transition, Operations	Each day of noncompliance per MTO Region	HHSC may assess up to \$1,000 per day, per MTO Region, when complaint time frames are not, inaccurate, or incomplete.

Ref. No.	Contract Ref. ¹	Performance Standard ²	Measurement Period ³	Measurement Assessment ⁴	Liquidated Damages ⁵
MTO 17	Exhibit G, RFP \$2.21.5, and 6.1.2	The MTO must submit monthly, Report of Subcontractor Payments, to HHSC by MTO Region, by the 15 th day of the month following the end of the preceding month.	Operations period	Per day of noncompliance per MTO Region	HHSC may assess up to \$1,000 per day, per MTO Region, when the report is not submitted, is late, inaccurate, or incomplete.
MTO 18	Exhibit G, RFP \$2.25, \$6.2.1.1, and \$6.2.1.7	Audit Reports: comply with Contract requirements regarding notification or submission of audit reports.	Transition, Operations	Per day of non-compliance	HHSC may assess up to \$1,000 per day the report is not submitted, is late, inaccurate, or incomplete.
MTO 19	Exhibit G, RFP \$6.2.1.2	Affiliate Report: comply with Contract requirements regarding submission of the report to HHSC annually by September 1 of each year.	Transition, Operations	Per day of non-compliance	HHSC may assess up to \$1,000 per day the report is not submitted, is late, inaccurate, or incomplete.
MTO 20	Exhibit G, RFP \$6.2.1.4, Attachments M and N	Disclosure Statement/Disclosure Statement-Change Notification: comply with Contract requirements regarding submission of the reports to HHSC annually by September 1 of each year or interim changes since the last annual filing as changes occur.	Transition, Operations	Per day of noncompliance per MTO Region	HHSC may assess up to \$1,000 per Day the report is not submitted, is late, inaccurate, or incomplete.
MTO 21	Exhibit G, RFP \$6.2.1.6	Report of Legal and Other Proceedings and Related Events: comply with Contract requirements regarding the disclosure of certain matters involving the MTO, its Affiliates, or its Material Subcontractors, as specified. This requirement is both on an as-occurs basis and an annual report due annually on August 31. The as-occurs report is due no later than 30 Days after the event that triggered the notification requirement.	Transition, Operations	Per day of non-compliance	HHSC may assess up to \$1,000 per day the report is not submitted, is late, inaccurate, or incomplete.
MTO 22	Exhibit G, RFP \$2.22.3.3 and \$6.2.1.3	Employee Bonus and/or Incentive Payment Plan: must be submitted no later than 30 days after the effective date of the Contract and any Contract renewal. If the MTO substantively revises the Employee Bonus and/or Incentive Payment Plan during the Operations period, the MTO must submit the revised plan to HHSC at least thirty (30) days in advance of its effective date.	Operations	Per day of non-compliance	HHSC may assess up to \$500 per day the report is not submitted, is late, inaccurate, or incomplete.
MTO 23	Exhibit G, RFP \$6.2.1.5	Financial Statistical Reports (FSR): The MTO must submit which FSRs 30 days following the end of quarters 1, 2, and 3, and 45 days after the 4 th quarter, with the final FSR due 120 days after the end of the state fiscal year.	Measured quarterly during the operations period	Per day of noncompliance per MTO Region	HHSC may assess up to \$1,000 per day a quarterly or annual report is not submitted, is late, inaccurate, or incomplete.

Ref. No.	Contract Ref. ¹	Performance Standard ²	Measurement Period ³	Measurement Assessment ⁴	Liquidated Damages ⁵
MTO 24	Exhibit D, and Exhibit G, RFP 2.16, 2.26.4, §2.27, 2.30	The MTO must meet all privacy and security standards under applicable state or federal law, rule, regulation and HHSC Contract requirement.	Transition period, measured quarterly during the operations period	Per violation per MTO Region	<p>Privacy: HHSC may assess up to \$5,000 per reporting period for each privacy violation of applicable federal or state law or the HHSC privacy standards in the Contract.</p> <p>Security: HHSC may assess up to \$1,000 per reporting period for each security violation of security requirements under federal or state law or the HHSC security standard in the Contract.</p>
MTO 25	Contract and Exhibit G	The MTO fails to timely perform an MTO Administrative Service that is not otherwise associated with a performance standard in this matrix and, in the determination of HHSC, such failure either: (1) results in actual harm to a Client or places a Client at risk of imminent harm, (2) materially affects HHSC's ability to administer the Program(s), or (3) fails to submit complete and accurate responses to HHSC directives, inquires, desk reviews, technical assistance reports, audits, and operational reviews .	Operations period	Each incident of noncompliance per MTO Region	HHSC may assess up to \$5,000 per day for each incident of noncompliance per MTO Region.