

**AMENDMENT NO. 2 TO WORK ORDER CONTRACT NO. HHS000590100001
UNDER SYSTEM AGENCY MASTER CONTRACT NO. 529-17-0117-00002**

Pursuant to **SYSTEM AGENCY MASTER CONTRACT NO. 529-17-0117-00002** (“Contract”), between the **HEALTH AND HUMAN SERVICES COMMISSION** (the “System Agency”) and **DK PARTNERS, PC** (“Contractor”), each a “Party,” and, collectively, “the Parties,” Contractor was authorized to perform certain services under Work Order Contract No. **HHS000590100001**, effective on August 8, 2019 (“Work Order”). This Amendment No. 2 (“Amendment”) extends the performance period of this contract to end on September 30, 2021. Any provision of the Work Order or Contract, as either may have been previously amended, not specifically amended herein shall remain in full force and effect. Capitalized terms used herein, but undefined, shall have the meanings given such terms in the Contract or Work Order.

AMENDED ENGAGEMENT LETTER: Contractor's Amendment 1 Engagement Letter, as Attachment A-1, is hereby amended and replaced with Contractor’s Amended Engagement Letter, attached hereto as Attachment A-2. To the extent this Amendment 2 explicitly provides, Attachment A-2, and the contents thereof, are fully incorporated into this Amendment 2, the Work Order and Contract, as if fully set forth herein and therein.

AMENDED PERFORMANCE PERIOD: This Amendment changes the Performance Period of the Work Order. This Amendment is effective as of October 1, 2020 and the Work Order shall terminate upon completion of the Project, in the sole determination of the System Agency, or on September 30, 2021, whichever occurs first (“Amended Performance Period”).

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

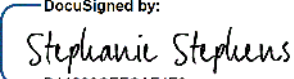
AMENDMENTS TO WORK ORDER: Any changes to this Work Order may be made only by written agreement of the parties. **Notwithstanding the preceding**, the System Agency Project Manager may approve extensions to Deliverable Due Dates within the confines of the Performance Period. Such approvals must be in writing, and may be delivered by email, facsimile, or regular mail; and shall become part of the Project file.

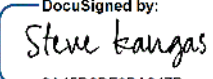
SIGNATURE PAGE FOLLOWS

**SIGNATURE PAGE FOR AMENDMENT NO. 2 TO WORK ORDER NO. HHS000590100001
UNDER HHSC CONTRACT NO. 529-17-0117-00002**

HEALTH AND HUMAN SERVICES COMMISSION

DK PARTNERS, PC

By: 
D11862CEFC4F4F8...
Name: Stephanie Stephens
Title: State Medicaid Director

By: 
9A45D0BF0BA847B...
Name: Steve Kangas
Title: CEO / Managing Partner

Date of execution: September 30, 2020

Date of execution: September 29, 2020

ATTACHMENTS TO THIS WORK ORDER:

**ATTACHMENT A-1 – CONTRACTOR’S AMENDMENT 1 ENGAGEMENT LETTER OF DK PARTNERS,
PC**

ATTACHMENT A-2 - AMENDED ENGAGEMENT LETTER OF DK PARTNERS, PC

**AMENDMENT NO. 2 TO WORK ORDER CONTRACT NO. HHS000590100001
UNDER SYSTEM AGENCY MASTER CONTRACT NO. 529-17-0117-00002**

ATTACHMENT A-1 – CONTRACTOR’S AMENDMENT 1 ENGAGEMENT LETTER OF DK PARTNERS, PC

**AMENDMENT NO. 2 TO WORK ORDER CONTRACT NO. HHS000590100001
UNDER SYSTEM AGENCY MASTER CONTRACT NO. 529-17-0117-00002**

ATTACHMENT A-2 – AMENDED ENGAGEMENT LETTER OF DK PARTNERS, PC



August 15, 2019

Stephanie Muth
Deputy Executive Commissioner
Texas Health and Human Services Commission
4900 North Lamar Blvd.
Austin, Texas 78751

Ms. Muth:

We are pleased to confirm our understanding of the terms of our engagement and the nature and limitations of the services we are to provide for the Texas Health and Human Services Commission (HHSC). These services are covered under:

- HHSC Contract No. 529-17-0117-00002
- Work Order Contract No. HHS000590100001

We will apply the agreed-upon procedures in Attachment A that were specified and agreed to by HHSC on the HHSC Medicaid Electronic Health Record (EHR) incentive payments made during Program Years 2015, 2016 and 2017. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and the standards applicable to attestation engagements contained in Government Auditing Standards (GAGAS), issued by the Comptroller General of the United States. The sufficiency of the procedures performed or to be performed is solely the responsibility of those parties specified in the report and we will require an acknowledgement in writing of that responsibility. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment A either for the purpose for which the agreed-upon procedures report has been requested or for any other purpose. If circumstances occur relating to the condition of your records, the availability of evidence, or the existence of a significant risk of material misstatement of the subject matter caused by error or fraud, which in our professional judgment prevent us from completing the engagement or reporting findings on the subject matter or assertion, we retain the right to take any course of action permitted by professional standards, including declining to report findings or issue a report, or withdrawing from the engagement.

This engagement is solely to assist HHSC with 1) determining the validity of attestations supporting EHR incentive payments made to eligible professionals (EP) related to Program Years 2015, 2016 and 2017 Adopt, Implement or Upgrade (AIU) and Meaningful Use (MU) attestations, based on the criteria set forth by the Centers for Medicare & Medicaid Services (CMS), and 2) assisting with the notification, recoupment and appeal correspondence to EPs.

Because the agreed-upon procedures listed in Attachment A do not constitute an examination or review, we will not express an opinion or conclusion on the HHSC Medicaid EHR incentive payments. In addition, we have no obligation to perform any procedures beyond those listed in Attachment A.

We plan to begin our procedures within thirty (30) days after the execution of this engagement letter, as evidenced by execution of the above-referenced Work Order Contract, and, unless unforeseeable problems are encountered, the engagement will be completed by September 30, 2020, contingent on continued availability of funds.

1301 S. Capital of Texas Hwy., Ste. C-200 • Austin, Texas 78746 • 512-258-6637 • Fax 512-258-7699

We will issue written reports that lists the procedures performed and our findings. Our reports will be addressed to HHSC. If, for any reason, we are unable to complete any of the procedures, we will describe in our reports any restrictions on the performance of the procedures, or not issue any further reports and withdraw from this engagement. You understand that the reports are intended solely for the information and use of HHSC and CMS, and if the report contains findings, for the individual EP, and should not be used by anyone other than these specified parties. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulations outside of the procedures specified in Attachment A; however, we will communicate to you and the EP any known and suspected fraud and noncompliance with laws or regulations affecting the HHSC Medicaid Electronic Health Record (EHR) incentive payments made during Program Years 2015, 2016 and 2017 that come to our attention. In addition, if, in connection with this engagement, matters come to our attention that contradict the HHSC Medicaid Electronic Health Record (EHR) incentive payments made during Program Years 2015, 2016 and 2017, we will disclose those matters in our report.

Each individual EP tested is responsible for the records associated with their individual attestation. HHSC is responsible for the Medicaid EHR incentive payments made during Program Years 2015, 2016 and 2017 in accordance with the AIU and MU attestations, and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for your purposes. You are also responsible for, and agree to provide us with, a written assertion about the Medicaid EHR incentive payments made during Program Years 2015, 2016 and 2017 in accordance with the AIU and MU attestations. We will also request a written assertion about the attestation from each individual EP. If the individual EP refuses to provide a written assertion, we will disclose such refusal in our report. In addition, you are responsible for providing us with (1) access to all information of which you are aware that is relevant to the performance of the agreed-upon procedures on the subject matter, (2) additional information that we may request for the purpose of performing the agreed-upon procedures, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence relating to performing those procedures.

At the conclusion of our engagement, we will require certain written representations in the form of a representation letter from you confirming, among other things, your responsibility for selecting the criteria and for determining such criteria are appropriate for your purposes. We will also request certain written representations from the individual EPs that, among other things, will confirm the EP's responsibility for the attestation in accordance with the AIU and MU attestations made during Program Years 2015, 2016 and 2017.

Brian Simmons, CPA, is the engagement partner and is responsible for supervising the engagement and signing each report or authorizing another individual to sign it.

Total estimated fees in this engagement letter are \$951,011 as detailed in Attachment B. The fee estimate is based on anticipated cooperation from your personnel and the EPs and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month for the completed billable elements specified in Attachment B and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination even if we have not completed our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. Execution of the above-referenced Work Order Contract will constitute acceptance of the terms of our engagement as described in this letter and this engagement letter shall be incorporated by reference into such Work Order Contract. If the need



for additional procedures arises, or the procedures need to be modified or clarified, minor modifications may be agreed-upon through informal written communication which is confirmed by both parties, but without the need for signatures of the parties. For any substantive change, which would require an increase in total payment, substantially change the amount of work, or materially alter the overall nature of the testing contemplated in Attachment A, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we will require that they acknowledge in writing their agreement with the procedures performed or to be performed and their responsibility for the sufficiency of procedures.

Sincerely,

A handwritten signature in blue ink, appearing to read "B.T.S.", with a stylized flourish at the end.

Brian T. Simmons, CPA

RESPONSE:

This letter correctly sets forth the understanding of HHSC.



Attachment A – Agreed-upon Procedures

Program Year 2015, 2016 and 2017 Incentive Payments

For payments to EPs making AIU or MU attestations supporting Program Year 2015, 2016 and 2017 incentive payments, we will perform the following procedures:

1. Obtain a detailed list of all eligible professionals (EPs) who received an EHR incentive payment for Program Years 2015, 2016, and 2017.
2. Identify risk indicators and methodology to assign EPs to a designated risk group of high, medium, or low risk based on risk indicators.
3. Select a defined number of samples of EPs from each risk group based on the population size and a risk weighting factor.
4. Select a random sample from the remaining unselected EPs.
5. Prepare and send an audit notification and questionnaire to all selected EPs. Follow up with non-respondents as appropriate.
6. Determine, through examining the completed questionnaires and submitted supporting documentation, the compliance of the EP with the applicable federal and state-designated EHR incentive payment program eligibility criteria.
7. If issues or trends in inappropriate incentive payments are identified in the samples above, recommend expansion of procedures and/or sample sizes to HHSC to validate the propriety of incentive payments being paid to other EPs with similar characteristics.
8. Perform the Notification, Recoupment and Appeals procedures as outlined in Texas Administrative Code (TAC) Title 1, Part 15, Chapter 356, Subchapter B, §356.202 and Title 1, Part 15, Chapter 354, Subchapter B, §354.1450.
9. Prepare detailed audit reports listing procedures and findings. Findings should be explained in sufficient detail for the provider to understand each deficiency reported, including an explanation of why the provider did or did not meet specific program criteria.
10. Utilize the MI360 audit portal to document the results of audits, notify HHSC of payment recoupment triggers, and for federal reporting.



Attachment B - Fees

The following tables represent the billable elements for this engagement for Program Years 2015, 2016 and 2017. Invoices will be submitted to HHSC upon completion of these elements:

Audit Deliverable	Audit Type	Unit Price
1. Planning	All	\$44,117
2. Audit Notifications	All	\$45
3.a. AIU EP Result Notifications	AIU EPs	\$560
3.b. MU EP Result Notifications	MU EPs	\$1,382
4. Draft AUP Reports (Deficiencies)	All	\$1,000
5. Final AUP Reports (Deficiencies)	All	\$250
6. Remediation Pass Notifications	All	\$500
7. AUP Summarized Report (No/Remediated Deficiencies)	All	\$600

Our fee estimate for Program Year 2015 is based on the following estimated sample sizes:

2015 Audit Deliverable	Estimated Quantity	Unit Price	Fee Estimate
1. Planning	1	\$44,117	\$44,117
2. Audit Notifications	175	\$45	\$7,875
3.a. AIU EP Result Notifications	55	\$560	\$30,800
3.b. MU EP Result Notifications	120	\$1,382	\$165,840
4. Draft AUP Reports (Deficiencies)	53	\$1,000	\$53,000
5. Final AUP Reports (Deficiencies)	53	\$250	\$13,250
6. Remediation Pass Notifications	35	\$500	\$17,500
7. AUP Summarized Report (No/Remediated Deficiencies)	12	\$600	\$7,200
Total			\$339,582

Our fee estimate for Program Year 2016 is based on the following estimated sample sizes:

2016 Audit Deliverable	Estimated Quantity	Unit Price	Fee Estimate
1. Planning	1	\$44,117	\$44,117
2. Audit Notifications	195	\$45	\$8,775
3.a. AIU EP Result Notifications	60	\$560	\$33,600
3.b. MU EP Result Notifications	135	\$1,382	\$186,570
4. Draft AUP Reports (Deficiencies)	59	\$1,000	\$59,000
5. Final AUP Reports (Deficiencies)	59	\$250	\$14,750
6. Remediation Pass Notifications	39	\$500	\$19,500
7. AUP Summarized Report (No/Remediated Deficiencies)	12	\$600	\$7,200
Total			\$373,512



Attachment B - Fees

Our fee estimate for Program Year 2017 is based on the following estimated sample sizes:

2017 Audit Deliverable	Estimated Quantity	Unit Price	Fee Estimate
1. Planning	1	\$44,117	\$44,117
2. Audit Notifications	100	\$45	\$4,500
3.a. AIU EP Result Notifications	-	\$560	\$-
3.b. MU EP Result Notifications	100	\$1,382	\$138,200
4. Draft AUP Reports (Deficiencies)	30	\$1,000	\$30,000
5. Final AUP Reports (Deficiencies)	30	\$250	\$7,500
6. Remediation Pass Notifications	20	\$500	\$10,000
7. AUP Summarized Report (No/Remediated Deficiencies)	6	\$600	\$3,600
Total			\$237,917

Grand Total for all Three Program Years

\$951,011

The fee estimates are based on estimated deficiency rates. Since the total fees cannot be determined until the number of EPs with deficiencies are known, actual billings will be based upon actual deficiency rates and as a result may be higher or lower than these fee estimates. However, the unit price for each deliverable will remain fixed.





April 17, 2020

Stephanie Muth
Deputy Executive Commissioner
Texas Health and Human Services Commission
4900 North Lamar Blvd.
Austin, Texas 78751

Ms. Muth:

We are pleased to confirm our understanding of the terms of our engagement and the nature and limitations of the services we are to provide for the Texas Health and Human Services Commission (HHSC). These services are covered under:

- HHSC Contract No. 529-17-0117-00002
- Work Order Contract No. HHS000590100001

We will apply the agreed-upon procedures in Attachment A that were specified and agreed to by HHSC on the HHSC Medicaid Electronic Health Record (EHR) incentive payments made during Program Years 2015, 2016 and 2017. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and the standards applicable to attestation engagements contained in Government Auditing Standards (GAGAS), issued by the Comptroller General of the United States. The sufficiency of the procedures performed or to be performed is solely the responsibility of those parties specified in the report and we will require an acknowledgement in writing of that responsibility. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment A either for the purpose for which the agreed-upon procedures report has been requested or for any other purpose. If circumstances occur relating to the condition of your records, the availability of evidence, or the existence of a significant risk of material misstatement of the subject matter caused by error or fraud, which in our professional judgment prevent us from completing the engagement or reporting findings on the subject matter or assertion, we retain the right to take any course of action permitted by professional standards, including declining to report findings or issue a report, or withdrawing from the engagement.

This engagement is solely to assist HHSC with 1) determining the validity of attestations supporting EHR incentive payments made to eligible professionals (EP) related to Program Years 2015, 2016 and 2017 Adopt, Implement or Upgrade (AIU) and Meaningful Use (MU) attestations, based on the criteria set forth by the Centers for Medicare & Medicaid Services (CMS), and 2) assisting with the notification, recoupment and appeal correspondence to EPs.

Because the agreed-upon procedures listed in Attachment A do not constitute an examination or review, we will not express an opinion or conclusion on the HHSC Medicaid EHR incentive payments. In addition, we have no obligation to perform any procedures beyond those listed in Attachment A.

Unless unforeseeable problems are encountered, the engagement will be completed by September 30, 2021, contingent on continued availability of funds. This extends our previously estimated completion date due to unanticipated delays resulting from the current COVID-19 pandemic.

We will issue written reports that lists the procedures performed and our findings. Our reports will be addressed to HHSC. If, for any reason, we are unable to complete any of the procedures, we will describe in our reports any restrictions on the performance of the procedures, or not issue any further reports and withdraw from this engagement. You understand that the reports are intended solely for the information and use of HHSC and CMS, and if the report contains findings, for the individual EP, and should not be used by anyone other than these specified parties. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulations outside of the procedures specified in Attachment A; however, we will communicate to you and the EP any known and suspected fraud and noncompliance with laws or regulations affecting the HHSC Medicaid Electronic Health Record (EHR) incentive payments made during Program Years 2015, 2016 and 2017 that come to our attention. In addition, if, in connection with this engagement, matters come to our attention that contradict the HHSC Medicaid Electronic Health Record (EHR) incentive payments made during Program Years 2015, 2016 and 2017, we will disclose those matters in our report.

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At the conclusion of our engagement, we will require certain written representations in the form of a representation letter from you confirming, among other things, your responsibility for selecting the criteria and for determining such criteria are appropriate for your purposes. We will also request certain written representations from the individual EPs that, among other things, will confirm the EP's responsibility for the attestation in accordance with the AIU and MU attestations made during Program Years 2015, 2016 and 2017.

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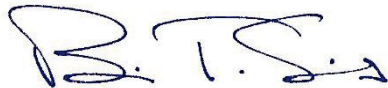
Total estimated fees in this engagement letter are \$951,011 as detailed in Attachment B. The fee estimate is based on anticipated cooperation from your personnel and the EPs and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month for the completed billable elements specified in Attachment B and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination even if we have not completed our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. Execution of the above-referenced Work Order Contract will constitute acceptance of the terms of our engagement as described in this letter and this engagement letter shall be incorporated by reference into such Work Order Contract. If the need for additional procedures arises, or the procedures need to be modified or clarified,



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Sincerely,

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Brian T. Simmons, CPA

RESPONSE:

This letter correctly sets forth the understanding of HHSC.



Attachment A – Agreed-upon Procedures

Program Year 2015, 2016 and 2017 Incentive Payments

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7. If issues or trends in inappropriate incentive payments are identified in the samples above, recommend expansion of procedures and/or sample sizes to HHSC to validate the propriety of incentive payments being paid to other EPs with similar characteristics.
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Attachment B - Fees

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Grand Total for all Three Program Years

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