



DIVISION OF HEALTH CARE ACCESS AND ACCOUNTABILITY

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Scott Walker
Governor

Dennis G. Smith
Secretary

State of Wisconsin

Department of Health Services

**CONTRACT FOR SERVICES
BETWEEN THE
DEPARTMENT OF HEALTH SERVICES (DHS) /
DIVISION OF HEALTH CARE ACCESS AND ACCOUNTABILITY (DHCAA)
AND
CSG GOVERNMENT SOLUTIONS**

This Contract is entered into for the period January 1, 2013 through October 31, 2014, by and between the State of Wisconsin, represented by its Department of Health Services, Division of Health Care Access and Accountability, whose principal business address is 1 West Wilson Street, P.O. Box 309, Madison, Wisconsin 53707-0309, hereinafter referred to as “the Department”, and CSG Government Solutions whose principal business address is 180 North Stetson Avenue, Suite 3200, Chicago, IL 60601, hereinafter referred to as the “Contractor”.

The Department’s Contract Administrator is Andre Small, whose principal business address is 1 West Wilson Street, P.O. Box 309, Madison, Wisconsin 53701-0309. In the event that the Contract Administrator is unable to administer this Contract, the Department will notify the Contractor and designate a new Contract Administrator.

The Contractor’s Contract Administrator is Tim Lenning EVP, whose principal business address is 180 North Stetson Avenue, Suite 3200, Chicago, IL 60601, telephone (312) 444-2760. In the event that the Contract Administrator is unable to administer this Contract, the Contractor will contact the Department and designate a new Contract Administrator.

WHEREAS the Department wishes to purchase services from the Contractor as it is authorized to do so by Wisconsin law; and

WHEREAS the Contractor is engaged in furnishing the desired services;

NOW, WHEREFORE, in consideration of the mutual undertaking and contracts hereinafter set forth, the parties agree as follows:

I. SERVICES TO BE PROVIDED BY CONTRACTOR

The Contractor shall meet the requirements described in Section 4 and Section 5, as amended, of RFB 3016-DHCAA-JH (“RFB”) and in accordance with Contractor’s response unless components of that response are not accepted by the Department.

In addition, all other requirements of the RFB are incorporated into this Contract and binding on the Contractor.

II. SERVICES TO BE PROVIDED BY DEPARTMENT

- The Department will provide reasonable accommodations, including the provision of informational material in an alternative format, for qualified individuals with disabilities upon request.
- To the best of its abilities, the Department will supply an equivalent of 25 to 30 full time staff to the ICD-10 project. This will include subject matter experts from each of the different business areas, policy experts, clinical staff, User Acceptance testers, project management staff as well as administrative support staff in order to effectively meet the needs of the project. The Contractor is not relieved of any responsibilities solely because the Department is unable to provide an equivalent of 25 to 30 full time staff.
- The Department retains the right to request changes in the contract staff for any project-related reason. If positions become vacant, the Contractor agrees to fill the vacancies with qualified candidates at the earliest available opportunity. Replacement of personnel who have terminated employment shall be with person of substantially equal or better ability and qualifications. The Department reserves the right to conduct separate interviews of proposed replacements of personnel and accept or reject the Contractor's personnel assignments provided, however, that such right shall not be unreasonably or unlawfully invoked. Should the Department make a determination that any personnel is demonstrating behavior that is in direct violation of Department, Project, or Contractor's corporate policies in the fulfillment of their assigned duties, it will provide the Contractor with written documentation detailing the unacceptable activity. The Department and Contractor will negotiate and agree upon the steps to be taken by the Contractor to correct and/or resolve the situation(s) and/or problem(s). If the Contractor is unable to provide suitable replacement personnel within two (2) weeks of vacancy, the Department shall have the right to terminate the agreement and move on to the next lowest qualified bidder.

III. COST OF SERVICES

- A. The Department will reimburse the Contractor for its costs up to a maximum of \$1,639,590 and only for those costs that are consistent with the state and federal allowable cost policies.
- B. Payment of funds to the Contractor is contingent upon receipt of sufficient funds by the Department.
- C. The Contractor understands that this Contract does not bind the Department to purchase a minimum amount of work hours or services.
- D. The Department will not reimburse the Contractor for costs in excess of the amount stated above. The Department will not reimburse the Contractor for costs

incurred outside the Contract period, as defined on page one (1) of this Contract. Further, the Department will not reimburse the Contractor for costs that are inconsistent with applicable state and federal allowable cost policies. For further information on state and federal allowable cost policies, please refer to the Department's Allowable Cost Policy Manual that is available online at: <http://www.dhs.state.wi.us/grants/Administration/ACPM.HTM>.

The Contractor may alternatively request a hard copy of the above manual from the Department's Contract Administrator or from the Office of Program Review and Audit, Department of Health Services, 1 West Wilson Street, P.O. Box 7850, Madison, WI 53707-7850. The stipulations of the Allowable Cost Policy Manual are incorporated into this Contract by reference.

- E. Any additional costs to those stated in the Cost of Services Section will not be reimbursed, unless the Contractor requests and the Department submits prior written approval of such expenditures.
- F. The Contractor agrees not to use any funds supplied under this Contract to engage in any of the following activities: (i) propagandizing, lobbying, or other attempts to influence legislation, within the meaning of Section 501(c)(3) of the Internal Revenue Code, (ii) participation or intervention in, including the publication or distribution of statements, any political campaign on behalf of any candidate for public office, within the meaning of Section 501(c)(3) of the Internal Revenue Code.
- G. The Contractor agrees not to use any funds provided under this Contract to subsidize any individual for costs of his or her health care, to support clinical trials of unapproved drugs or devices, or to construct or renovate facilities. Further, the Contractor agrees not to use these funds as a substitute for funds currently being used to support similar activities.

III. CONFIDENTIALITY

- A. Throughout the course of conducting ICD-10 Project Management and for providing staffing for the project and the Department, the Contractor may not use either personal or demographic member data for any purpose that is not directly related to the fulfillment of the Contractor's responsibilities under the terms of this Contract.
- B. The Contractor shall not use confidential information for any purpose other than the limited purposes set forth in this Contract, and all related and necessary actions taken in fulfillment of the obligations there under. The Contractor shall hold all confidential information in confidence, and shall not disclose such confidential information to any persons other than those directors, officers, employees, and agents ("Representatives") who have a business-related need to have access to such confidential information in furtherance of the limited

purposes of this Contract and who have been apprised of, and agree to maintain, the confidential nature of such information in accordance with the terms of this Contract.

The Contractor shall institute and maintain such security procedures as are commercially reasonable to maintain the confidentiality of the confidential information while in its possession or control including transportation, whether physically or electronically.

The Contractor shall ensure that all indications of confidentiality contained on or included in any item of confidential information shall be reproduced by the Contractor on any reproduction, modification, or translation of such confidential information. If requested by the Department, the Contractor shall make a reasonable effort to add a proprietary notice or indication of confidentiality to any tangible materials within its possession that contain confidential information of the Department, as directed.

Unauthorized Use, Disclosure, or Loss

If the Contractor becomes aware of any threatened or actual use or disclosure of any confidential information that is not specifically authorized by this Contract, or if any confidential information is lost or cannot be accounted for, the Contractor shall notify the Contract Administrator within the same business day the Contractor becomes aware of such use, disclosure, or loss. Such notice shall include, to the best of the Contractor's knowledge at that time, the persons affected, their identities, and the confidential information disclosed.

The Contractor shall take immediate steps to mitigate any harmful effects of the unauthorized use, disclosure, or loss. The Contractor shall reasonably cooperate with the Department's efforts to seek appropriate injunctive relief or otherwise prevent or curtail such threatened or actual breach, or to recover its confidential information, including complying with a reasonable Corrective Action Plan.

If requested by the Department, the Contractor shall return or destroy all Individually Identifiable Health Information and Personally Identifiable Information it holds upon termination of this Contract.

Definitions used herein:

“*Confidential Information*” means all tangible and intangible information and materials accessed or disclosed in connection with this Contract, in any form or medium (and without regard to whether the information is owned by the Department or by a third party), that satisfy at least one (1) of the following criteria: (i) Personally Identifiable Information; (ii) Individually Identifiable Health Information; (iii) non-public information related to the State’s employees, customers, technology (including data bases, data processing and communications networking systems), schematics, specifications, and all information or materials

derived there from or based thereon; or (iv) information designated as confidential in writing by the Department.

“Individually Identifiable Health Information” means information that relates to the past, present, or future physical or mental health or condition of the individual, or that relates to the provision of health care in the past, present or future, and that is combined with or linked to any information that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

“Personally Identifiable Information” means an individual's last name and the individual's first name or first initial, in combination with and linked to any of the following elements, if the element is not publicly available information and is not encrypted, redacted, or altered in any manner that renders the element unreadable: (a) the individual's Social Security Number; (b) the individual's driver's license number or state identification number; (c) the number of the individual's financial account, including a credit or debit card account number, or any security code, access code, or password that would permit access to the individual's financial account; (d) the individual's DNA profile; or (e) the individual's unique biometric data, including fingerprint, voice print, retina or iris image, or any other unique physical representation, and any other information protected by state or federal law.

IV. PAYMENT FOR SERVICES

- A. Payment to the Contractor shall be initialized upon receipt of a monthly invoice from the Contractor itemizing expenditures. Expenditures **MUST** be split out by each individual and contractor.
- B. Expenditure reports related to Contractor invoiced services shall be assembled by Contractor and forwarded to the Department at the following address for payment:

Wisconsin Department of Health Services
Division of Health Care Access and Accountability
Bureau of Operational Coordination
Attn: Rita Miller
P.O. Box 309
Madison, WI 53701-0309

V. PROGRAM ACTIVITY REPORTING

- A. The Contractor must comply with the Department's program activity reporting requirements on contract and subcontract activities. The contents of the reporting required will be those requested by Department staff and agreed to by the Contractor staff. All required activity reports must be forwarded to the Department's Contract Administrator or designee according to the schedule

established by the Department. The Contractor agrees to forward the required reports to a third party, if requested by the Department to do so.

- B. The Contractor must provide a summary report to the Department no later than November 30, 2014. The summary report must describe in detail the accomplishments of the Contractor's relevant goals of this Contract.
- C. At the request of the Department, the Contractor will appear in person to clarify required reports or to answer any questions at any time during the contract period or within three (3) years of termination of this Contract.
- D. Failure to submit the program reports specified herein or in any subsequent relevant communications may result in the enforcement of sanctions against the Contractor, as allowed by and described in Noncompliance, Sanctions, and Remedial Measures Section of this Contract.

VI. COMPLIANCE WITH STATE AND FEDERAL RULES AND REGULATIONS

- A. Contractor agrees to comply with the Department's policies as well as with state and federal laws, rules and regulations applicable to the programs and services provided under this Contract.
- B. Affirmative Action Plan (AA) and Civil Rights Compliance (CRC)

All recipients of federal and/or state funding to administer programs, services and activities through the Wisconsin Department of Health Services must comply with the Department's CRC Plan requirements. Information about these requirements can be found at <http://dhs.wisconsin.gov/civilrights/Index.HTM>.

The Affirmative Action Plan is NOT part of the CRC Plan.

- 1. Affirmative Action Plan
 - a) For agreements where the Contractor has 25 employees or more and will receive \$25,000 or more, the Contractor shall complete the AA Plan. The Contractor with an annual work force of less than 25 employees or less than \$25,000 may be exempt from submitting the AA Plan.

The AA Plan is written in detail and explains the Contractor's program. To obtain instructions regarding the AA Plan requirements go to :

<http://vendornet.state.wi.us/vendornet/contract/contcomp/asp>.

- b) The Contractor must file its AA Plan within 15 days after the award of a contract and includes all programs. The Plan must be submitted to:

Department of Health Services
Division of Enterprise Services
Bureau of Intergovernmental & Contract
Management (BIRCM)
1 West Wilson Street, Room 618
P.O. Box 7850
Madison, WI 53707

Compliance with the requirements of the AA Plan will be monitored by the DHS Office of Affirmative Action and Civil Rights Compliance.

2. Civil Rights Compliance (CRC) Plan

- a) Contractors receiving federal and/or state funding to administer programs, services and activities through DHS must file a Civil Rights Compliance Letter of Assurance (CRC LOA) for the compliance period of 2010-2013 regardless of the number of employees and the amount of funding received. All Contractors must complete a Civil Rights Compliance (CRC) Plan; however, it is not required that Contractors submit a copy of their CRC Plan. The CRC Plan is to be kept on file and made available upon request to any representative of the Department of Health Services. Specific guidance about the requirements for the CRC Plan can be found at <http://dhs.wisconsin.gov/civilrights/Index.HTM>.

For technical assistance on all aspects of the Civil Rights Compliance, the Contractor is to contact the Department's AA/CRC Office at:

The Department of Health Services
1 West Wilson Street, Room 555
P.O. Box 7850
Madison, WI 53707
(608) 266-9372 (voice)
(888) 701-1251 (TTY)

- b) Contractors subcontracting federal or state funding to other entities must obtain a CRC LOA from their subcontractors. The CRC LOA must be kept on file and produced upon request or at the time that an on-site-monitoring visit is conducted. Subcontractors with 25 or more employees AND who receive over \$25,000 in funding

must complete a CRC Plan. The CRC Plan is to be kept on file and produced upon request by the DHS AA/CRC Office, a representative of the DHS or at the time the Contractor conducts and on-site monitoring.

- c) The Contractor agrees to not discriminate in the provision of services or benefits on the basis of age, color, disability, national origin, race, religion or sex/gender. This policy covers enrollment, access to services, facilities, and treatment for all programs and activities. All employees of the Contractor are expected to support goals and programmatic activities relating to nondiscrimination in service delivery.
- d) The Contractor agrees to not exclude qualified persons from employment or otherwise subject them to discrimination in employment in any manner or term or condition of employment on the basis of age (over 40), arrest record, conviction record, color, creed/religion, disability, genetic testing, honesty testing, marital status, military service, pregnancy or childbirth, race/ethnicity, national origin or ancestry, sex, or sexual orientation, use of legal products during non-work hours outside of employer's premises except as otherwise authorized by applicable statutes. All Contractor employees are expected to support goals and programmatic activities to non-discrimination and non-retaliation in employment.
- e) The Contractor agrees to comply with all the requirements in the revised Department CRC Plan and to ensure that their subcontractors comply during this Contract period. Specific guidance about the requirements for the CRC Plan can be found at: <http://dhs.wisconsin.gov/civilrights/Index.HTM>.
- f) The Department will monitor the Civil Rights and Affirmative Action compliance with the Contractor. The Department will conduct reviews to ensure that the Contractor is ensuring compliance by its subcontractors or grantees. The Contractor agrees to comply with Civil Rights monitoring reviews, including the examination of records and relevant files maintained by the Contractor, interview with staff, clients, and applicants for services, subcontractors, grantees, and referral agencies. The reviews will be conducted according to Department procedures. The Department will also conduct reviews to address immediate concerns of complainants.

- g) The Contractor agrees to cooperate with the Department in developing, implementing and monitoring corrective action plans that result from complaint investigations or monitoring efforts.

VII. SUBCONTRACTS

- A. Upon written approval of the Department, the Contractor may subcontract part of this Contract. When the Contractor enters into a sub contractual relationship, the Department reserves the right of approval of the following:

1. The process used by the Contractor to solicit proposals or bids.
2. The criteria used by the Contractor in choosing a subcontractor.
3. The terms and conditions of the subcontract(s).
4. The subcontractor(s) selected.

Approval of the processes used by the Contractor to select a subcontractor and of the subcontractor(s) chosen by the Contractor will not be unreasonably withheld, nor will the Contractor invoke its approval right in order to reject procedures or subcontractors on unlawful grounds.

- B. The Contractor retains responsibility for fulfillment of all terms and conditions of this Contract when it enters into any subcontracts. The Contractor continues to be subject to the enforcement of all terms and conditions of this Contract, even when issues of noncompliance are attributable to the Contractor's subcontractor rather than the Contractor.
- C. If a state public official or an organization in which a state public official holds at least a 10 percent interest is or becomes a party to this Contract, the Contractor must disclose the potential conflict of interest to the State of Wisconsin Ethics Board. The State of Wisconsin Ethics Board can be contacted at 44 East Mifflin Street, Suite 601, Madison, Wisconsin 53703, telephone (608) 266-8123. For additional information on requirements governing the disclosure of a potential conflict of interest, refer to Wis. Stats., s.19.41-19.49. If the Contractor fails to make proper disclosure of a potential conflict of interest held by any parties to this Contract, the Department may, and its discretion, void this Contract.
- D. If a foreign corporation, which is defined as any corporation that does not originate in the State of Wisconsin, is or becomes a party to this Contract, it must demonstrate the following: 1) possession of a certificate of authority from the Wisconsin Secretary of State, 2) maintenance of a registered resident agent. In addition to demonstrating fulfillment of the above-named points, foreign corporations must conform to all requirements of Wis. Stats., Chapter 180, Subchapter XV.

- E. The Contractor agrees that funds provided under this Contract will be used to supplement and expand Contractor's efforts, not to replace or to allow the release for alternative uses of available local Contractor funds.
- F. The Contractor may not issue news releases or other public statements pertaining to any services provided under this Contract without prior written approval of the Department.

VIII. ACCOUNTING REQUIREMENTS

- A. Contractors who enter into a contract with the Department valued at \$25,000 or more must maintain a uniform double-entry, full-accrual accounting system and a financial management information system that complies with generally accepted accounting principles. For more information on compliance with generally accepted accounting principles, refer to the Department's *Allowable Cost Policy Manual*.
- B. Contractors who enter into contracts with the Department valued at less than \$25,000 must, at a minimum, maintain a simplified double-entry bookkeeping system, as defined in the Department's Allowable Cost Policy Manual.
- C. Under the accounting system used by the Contractor, they must be able to account for individual grants as well as prepare and submit expense reports in a timely manner, as described above in the Payment for Services Section of this Contract.
- D. All costs reported to the Department for reimbursement must be reconciled with the expenses recorded in the Contractor's accounting or simplified bookkeeping system on an ongoing and periodic basis. The Contractor agrees to complete a reconciliation and to document the completion of such reconciliation at least quarterly. The Contractor further agrees to supply the Department, upon request, with either or both of the following: 1) documentation indicating that the quarterly reconciliation has been completed, or 2) the results of such reconciliation. The Contractor must retain the results of each quarterly reconciliation in accordance with the records retention requirements specified in Records Section of this Contract.

X. CHANGES IN ACCOUNTING PERIOD

The Contractor's accounting records must be maintained on a fiscal year basis, beginning on the date indicated on page one (1) of this Contract. During the contract period, the accounting period may be changed only with prior written approval from the Department. The Department may approve a change in accounting period if the Contractor can document the existence of a substantial, verifiable business need to change the accounting period, and if the Contractor further agrees to submit a close-out audit, as

defined in the Audit Requirements Section of this Contract, within 90-days after the first day of the new accounting period.

- A. If the Contractor can submit proof of approval from the Internal Revenue Service to change its accounting period, such proof will be accepted as evidence of the Contractor's substantial, verifiable business need to change its accounting period.
- B. A change in accounting period will not relieve the Contractor of the reporting or audit requirements of this Contract. An audit of the original accounting period that meets the requirements of this Contract, as described in the Audit Requirements Section, must be submitted within 90-days of the first day of the start of the new accounting period. An audit of the new accounting period that meets the requirements of this Contract, as described in the Audit Requirements Section, must be submitted within 180-days of the close of the new accounting period. For purposes of determining the specific audit requirements that apply to the Contractor's type of organization expenses and revenues incurred during the short accounting period will be annualized.

IX. AUDIT REQUIREMENTS

- A. Requirement to Have an Audit: Unless waived by the Department, the Contractor shall submit an annual audit to the Department if the total amount of annual funding provided by the Department (from any and all of its Divisions taken collectively) through this and other contracts is \$25,000 or more. In determining the amount of annual funding provided by the Department the Contractor shall consider both: (a) funds provided through direct contracts with the Department; and (b) funds from the Department passed through another agency which has one (1) or more contracts with the Contractor.
- B. Audit Requirements: The audit shall be performed in accordance with auditing standards generally accepted in the United States of America, Wis. Stats., s. 46.036, *Government Auditing Standards*, and other provisions in this Contract. In addition, the Contractor is responsible for ensuring that the audit complies with other standards that may be applicable depending on the Contractor and the nature and amount of financial assistance received from all sources, including the following state audit requirements:
 - The *State Single Audit Guidelines (SSAG)*, which are applicable to local governments having audits in accordance with OMB Circular A-133 "Audits of States, Local Governments and Nonprofit Organizations".
 - The *Provider Agency Audit Guide (PAAG)*, which are applicable to all other organizations.
- C. Reporting Package: The Contractor shall submit to the Department a reporting package which includes the following:

1. Financial statements and other audit schedules and reports required for the type of audit applicable to the Contractor.
 2. The Management Letter (or similar document conveying auditor's comments issued as a result of the audit) or written assurance that a Management Letter was not issued with the audit report.
 3. Management responses/corrective action plan for each audit issue identified in the audit report and the Management Letter.
- D. Submitting the Reporting Package: The Contractor shall submit the required reporting package to the Department either: (1) within nine (9) months of the end of the Contractor's fiscal year if a local government; or (2) within 180-days of the end of the Contractor's fiscal year for non-governmental agencies.

Two (2) copies of the audit report must be sent to the Department at the following address:

Department of Health Services
Division of Enterprise Services
Office of Audit
P.O. Box 7850
Madison, WI 53707-7850

- E. Access to Auditor's Work Papers: When contracting with an audit firm, the Contractor shall authorize its auditor to provide access to work papers, reports, and other materials generated during the audit to the appropriate representatives of the Department. Such access shall include the right to obtain copies of the work papers and computer disks, or other electronic media, upon which records/working papers are stored.
- F. Access to the Contractor's Records: The Contractor shall permit appropriate representatives of the Department to have access to the Contractor's records and financial statements as necessary to review the Contractor's compliance with the federal and state requirements for the use of the funding.
- G. Failure to Comply with the Requirements of this Section: In the event that the Contractor fails to have an appropriate audit performed or fails to provide a complete audit report to the Department within the specified time frames, in addition to applying one (1) or more of the sanctions available in the Noncompliance, Sanctions, and Remedial Measures Section of this Contract, the Department may:
1. Conduct an audit or arrange for an independent audit of the Contractor and charge the cost of completing the audit to the Contractor;

2. Charge the Contractor for all loss of federal or state aid or for penalties assessed to the Department because the Contractor did not submit a complete audit report within the required time frame; and/or
3. Disallow the cost of audits that do not meet these standards.

H. Close-Out Audits:

1. A purchase of services audit of an accounting period of less than 12 months is required when a purchase of services contract is terminated for cause, when the Contractor ceases operations or when the Contractor changes its accounting period (fiscal year). The purpose of the audit is to close-out the short accounting period. The required close-out contract specific audit may be waived by the Department upon written request from the Contractor, except when the contract is terminated for cause. The required close-out audit may not be waived when a contract is terminated for cause.
2. The Contractor shall ensure that its auditor contacts the Department prior to beginning the audit. The Department, or its representative, shall have the opportunity to review the planned audit program, request additional compliance or internal control testing and attend any conference between the Contractor and the auditor. Payment of increased audit costs, as a result of the additional testing requested by the Department, is the responsibility of the Contractor.
3. The Department may require a close-out audit that meets the audit requirements specified in the Audit Requirements Section. In addition, the Department may require that the auditor annualize revenues and expenditures for the purposes of applying OMB Circular A-133 and determining major federal financial assistance programs. This information shall be disclosed in a note to the schedule of federal awards.
4. All other provisions in the Audit Requirements Section apply to close-out audits unless in conflict with the specific close-out audits requirements.

XIII. OTHER ASSURANCES

- A. If the Contractor incurs past-due liabilities to the federal government, state government, or these entities' agents for sales tax, business income tax, employee income tax withholding, FICA, Workers' Compensation, Unemployment Compensation, or garnishments or other employee-related liabilities, the Contractor must notify the Department in writing of the past-due liability within 30-days of the date that payment was due. This stipulation applies to liabilities incurred on behalf of any employee, whether that employee is assigned to the

Department's project or not. Written notice to the Department of past-due liabilities must include the amount(s) owed, the reason the payment(s) is/are owed, the reason the payment(s) is/are past due, the due date(s) of the payment(s), the amount(s) of any known or estimated penalties or interest, the unit(s) of government to which the payment(s) is/are owed, the anticipated date of payment, and any other related information requested by the Department or considered by the Contractor to be relevant to the past-due liabilities.

- B. If the Contractor incurs past-due liabilities of more than \$500 to an individual vendor who provides services or products related to this Contract, the costs of which will be or have been reimbursed by the Department, the Contractor must notify the Department in writing of the past-due liability within 30-days of the date that payment was due. Likewise, if the Contractor incurs more than \$1,000 in past-due liabilities to multiple contractors who provide services or products related to this Contract, the costs of which will be or have been reimbursed by the Department, the Contractor must notify the Department in writing of the past-due liability within 30-days of the date(s) that payments were due. In both cases, the Contractor's written notice to the Department must include the amount(s) owed, the reason the payment(s) is/are owed, the reason the payment(s) is/are past due, the due date(s) of the payment(s), the amount(s) of any known or estimated penalties or interest, the name(s) of contractor(s) to which the payment(s) is/are owed, the anticipated date of payment, and any other related information requested by the Department or considered by the Contractor to be relevant to the past-due liabilities. If a past-due liability is in dispute, the Contractor's written notice must contain a description of the facts related to the dispute and a summary of the steps being taken by the Contractor to resolve the dispute.
- C. At contract-signing, the Department may, at its sole discretion, request written assurance that the Contractor currently enforces employee dishonesty bonding and will maintain such bonding for the duration of this Contract. The amount of such bonding will be determined by the Department and will not exceed usual and customary amounts.
- D. By signing this Contract, the Contractor certifies that neither the Contractor organization nor any of its principals is currently excluded from, has been proposed for exclusion from, or is expected to be proposed for exclusion from the receipt of federal financial and nonfinancial assistance and benefits. For more information and a list of those organizations or individuals who have been excluded from or are proposed for exclusion from the receipt of federal financial and nonfinancial assistance and benefits, please refer to the General Services Administration's List of Parties Excluded from Federal Procurement and Non-Procurement Programs, available online at <http://www.epls.gov>. The Contractor further certifies that potential sub-recipients, subcontractors, and all principals of such organizations are not currently excluded from, have not been proposed for exclusion from, nor are expected to be proposed for exclusion from the receipt of federal financial and nonfinancial assistance and benefits.

XIV. RECORDS

- A. The Contractor must maintain such financial and program administrative records as are required by the terms of this Contract and by the state and federal laws applicable to the Contractor's type of organization. Such records may be maintained in either electronic or paper format. Records must be retained for at least the number of years specified by the applicable state and federal laws or policies. Records pertaining to a fiscal period that is under audit or is subject to dispute or litigation must be retained until the audit, dispute, or litigation and any associated appeal periods have come to a close.
- B. The Contractor must allow inspection of records and program operations by the Department, federal agencies, or the authorized representatives of either entity at any time throughout the duration of this Contract or during the course of a subsequent audit, insofar as such inspections are permitted by the state and federal laws applicable to the Contractor's organization.
- C. Upon the Department's request, the Contractor will transfer to those records containing information on the members who received services from the Contractor under the terms of this Contract. The Contractor will transfer records to the Department in the format requested by the Department. The Contractor may not charge the Department or request reimbursement from the Department for the cost of reformatting, if necessary, and transferring such records to the Department.
- D. The Contractor and its subcontractors, if applicable, must comply with all state and federal laws pertaining to the confidentiality of data as well as with the confidentiality guidelines stated above in the Confidentiality Section. This stipulation applies not only to the data contained within those member records maintained by the Contractor or its subcontractors, if applicable, but also to the data contained within those records or databases that are maintained by the Department and that may, upon the Department's authorization, be accessed by the Contractor or its subcontractor(s), as applicable, in order to facilitate the performance of the services.

XV. CONTRACT REVISIONS AND/OR TERMINATION

- A. The Contractor agrees to renegotiate this Contract or any part thereof in such circumstances as:
- Increased or decreased need for services.
 - Changes required by state and federal law or regulations, or court action.
 - Reduction in the monies available that affect the substance of this Contract.

The Contractor's failure to agree to the renegotiation of this Contract under such circumstances serves as cause for termination of this Contract by the Department.

- B. This Contract may be terminated for any reason with the submission of a 30-day written notice by either party.
- C. Revision of this Contract may be made by mutual agreement. The revision will be effective only when the Department or the Contractor attach an addendum or amendment to this Contract which is signed by the authorized representatives of both parties, except in circumstances where such increase in funds is for the same purpose as originally agreed upon, the contract, may be amended by a unilateral amendment.
- D. The Contractor must notify the Department if it is unable to provide the required quality or quantity of services specified. Upon receipt of such notification, the Department will determine whether such inability will require revision or termination of this Contract.
- E. If the Department finds it necessary to terminate this Contract prior to the stated expiration date for reason other than non-performance by the Contractor, actual costs incurred by the Contractor may be reimbursed for an amount determined by mutual agreement of both parties. Any fiscal liabilities incurred by the Department to its funding sources due to the Contractor's performance or fiscal practices will reduce any reimbursement amounts determined under the above-described circumstances.
- F. If the Department has just cause to believe that the Contractor will under spend the contract award amount, the Department reserves the right to reduce the total amount of the contract award. Any such reduction in the amount of the contract will become effective upon 30-days written notice to the Contractor and will not relieve the Contractor of any programmatic requirements.

XVI. NONCOMPLIANCE, SANCTIONS AND REMEDIAL MEASURES

- A. Failure to comply with any part of this Contract may be considered cause for revision, suspension, or termination of this Contract. Suspension includes, but is not limited to, the following activities:
 - 1. Withholding part or all of the payments that would otherwise have been paid to the Contractor under this Contract; and
 - 2. Temporarily requesting others to perform and receive reimbursement for the performance of the services described in this Contract.

These or other measures designed to suspend the Contractor's participation in this Contract will be made if deemed necessary by the Department to protect the Department's interests.

- B. If the Contractor or its subcontractor, if applicable, fails to comply with any of the terms of this Contract, including allowable cost provisions, the Contractor must provide written notice of each instance of noncompliance to the Department. Notice must be given as soon as practicable, but in no case later than 30-days after the Contractor becomes aware of or could reasonably have been expected to be aware of the instance of noncompliance. This written notice must include information on the reason(s) for and predicted or actual effect(s) of the noncompliance. The Contractor must provide the Department with a plan indicating how each instance of noncompliance will be corrected. This plan must include timelines for the implementation of corrective action measures. If the Department has just cause to believe that the instances of noncompliance are continuing or will recur, the Department may, at its sole discretion, take whatever action it deems necessary to protect the interests of the state, including the withholding of part or all of the Contractor's funding.
- C. If the Department determines that contract noncompliance has occurred or is occurring, the Department will demand immediate correction of such and may, at its discretion, impose those sanctions or remedial measures deemed necessary to protect the interests of the State. Such sanctions and measures may include the termination of the contract, the suspension of the contract, the imposition of additional reporting requirements, the direct monitoring of subcontractors' activities and expenditures, and any other measures deemed to be appropriate and necessary.
- D. If audits are not submitted within the established time frames, the Department may take action as allowed by and described in the Audit Requirements, Other Assurances and Noncompliance, Sanctions, and Remedial Measures Sections of this Contract.
- E. If required statistical data, reports, and other required non audit-related information are not submitted within the established time frames, the Department may withhold, until such time as the required reports and information are submitted by the Contractor, all payments that would otherwise have been paid to the Contractor under the terms of this Contract.

XVII. DISPUTE RESOLUTION

In the case of a dispute between the Department and the Contractor regarding the terms of this Contract, the provision of services under this Contract, and/or the imposition of sanctions or remedial measures, the following process may be followed:

1. The Department's and the Contractor's Contract Administrators will attempt to resolve the dispute.
2. If the dispute cannot be resolved by negotiation between both parties' Contract Administrators, the Contractor may request an initial review by the Administrator of the Division in which the Department's Contract Administrator is employed. If the Contract Administrator is the Administrator of the Division, the Contractor may request an initial review by the Deputy Secretary of the Department.
3. If the dispute remains unresolved after the initial review, the Contractor may request a final review by the Secretary of the Department.

XVIII. FINAL REPORT DATE

- A. The final fiscal report is due 60-days after the contract ending date.
- B. Expenses incurred during the contract period, as defined on page one (1) of this Contract, but reported more than 60-days after the contract ending date will not be recognized, allowed, or reimbursed by the Department.

XIX. INDEMNITY

The Department and the Contractor agree that each party will be solely responsible for any losses or expenses incurred during the performance of duties related to this Contract, including court and other legal costs, damages, and attorney's fees, if such losses or expenses are attributable to the acts or omissions of its officers, employees, or agents.

The Contractor agrees to indemnify and save harmless the State of Wisconsin and all of its officers, agents and employees from all suits, actions, or claims of any character, brought for or on account of any injuries or damages received by any persons or property resulting from the negligence of the Contractor, or of any of its contractors, in prosecuting work under this agreement.

XX. SURETY BOND

At contract-signing, The Department may, at its sole discretion, request written assurance that the Contractor possesses a surety bond. The surety bond must remain in force for the duration of the contract. The amount of the bond will be determined by the Department and will not exceed usual and customary amounts. Under no circumstances will the amount of the bond be less than the amount of any prepayments allowed under this Contract.

XXI. CONDITIONS OF THE PARTIES' OBLIGATIONS

- A. The validity of this Contract is contingent upon the continued authority of applicable Wisconsin and United States laws. Any material amendment or repeal of such laws that affects relevant funding or authority of the Department will serve to revise or terminate this Contract, except as further agreed by the parties hereto.
- B. The Department and the Contractor understand and agree that no clause, term, or condition of this Contract will be construed to supersede the lawful powers or duties of either party.
- C. It is understood and agreed that the entire contract between the parties is contained herein, except for those materials incorporated herein by reference, and that this Contract supersedes all oral contracts and negotiations between the parties relating to the subject matter hereof.

XXII. TIMELY CONTRACT SIGNING

In order for this Contract to become effective, both parties' Authorized Representatives must sign below within 60-days of one (1) another. If the number of days between signature dates, inclusive of the two (2) signature dates, exceeds 60, this Contract becomes null and void.

Signatures:



 Tim Lenning, Executive Vice President
 CSG Government Solutions

1/15/2013

 Date



 Brett Davis, Administrator
 Division of Health Care Access and Accountability
 Department of Health Services

1/23/2013

 Date