

Contract # 26449

This contract is hereby entered into by and between the North Carolina Department of Health and Human Services, Division of Medical Assistance (the "Division") and KFH Group (the "Contractor") (referred to collectively as the "Parties"). The Contractor's federal tax identification number is 52-1924464.

1. Contract Documents:

This Contract consists of the following documents:

- (1) This contract
- (2) The General Terms and Conditions (Attachment A)
- (3) The Scope of Work (Attachment B)
- (4) HIPAA Business Associate Addendum (Attachment C)
- (5) Consolidated Federal Certifications (Attachment D)
- (6) Cost Proposal (Attachment E)

These documents constitute the entire agreement between the Parties and supersede all prior oral or written statements or agreements.

2. Precedence Among Contract Documents:

In the event of a conflict between or among the terms of the Contract Documents, the terms in the Contract Document with the highest relative precedence shall prevail. The order of precedence shall be the order of documents as listed in Paragraph 1, above, with the first-listed document having the highest precedence and the last-listed document having the lowest precedence. If there are multiple Contract Amendments, the most recent amendment shall have the highest precedence and the oldest amendment shall have the lowest precedence.

3. Effective Period:

This contract shall be effective immediately upon execution by both parties and shall terminate on February 28, 2013, with one option to extend one year, through a written amendment as provided for in the General Terms and Conditions as described in Attachment A.

4. Contractor's Duties:

The Contractor shall provide the services as described in Attachment B, Scope of Work and in accordance with the approved budget in Attachment C.

5. Division's Duties:

The Division shall pay the Contractor in the manner and in the amounts specified in the Contract Documents. The total amount paid by the Division to the Contractor under this contract shall not exceed \$ 563,493.54 for the duration of the contract.

6. Conflict of Interest Policy:

The division has determined that this contract is not subject to N.C.G.S. 143C-6-22 & 23.

7. Reporting Requirements:

The Division has determined that this is a contract for purchase of goods and services, and therefore is exempt from the reporting requirements of N.C.G.S. § 143C-6-22 & 23.

8. Payment Provisions:

Payment shall be made in accordance with the Contract Documents as described in the Scope of Work, Attachment B.

9. Contract Administrators:

All notices permitted or required to be given by one Party to the other and all questions about the contract from one Party to the other shall be addressed and delivered to the other Party's Contract Administrator. The name, post office address, street address, telephone number, fax number, and email address of the Parties' respective initial Contract Administrators are set out below. Either Party may change the name, post office address, street address, telephone number, fax number, or email address of its Contract Administrator by giving timely written notice to the other Party.

For the Division: Delivery must be made to both of the Contacts listed below.

IF DELIVERED BY US POSTAL SERVICE or ANY OTHER MEANS	
Sheila Platts, A.D. Recipient and Provider Services DMA, Recipient and Provider Services 2008 Mail Service Center Number Raleigh, NC 27699	Debbie Pittard, Acting A.D. Program Integrity DMA, Program Integrity
Telephone (919) 855-4023 Email: sheila.platts@dhhs.nc.gov	(919) 647-8027 debbie.pittard@dhhs.nc.gov

For the Contractor:

IF DELIVERED BY US POSTAL SERVICE	IF DELIVERED BY ANY OTHER MEANS
Sue Knapp, President KFH Group 4920 Elm Street, Suite 350 Bethesda, MD 20814	Sue Knapp, President KFH Group 4920 Elm Street, Suite 350 Bethesda, MD 20814
Telephone: 301-951-8660 Fax: 301-951-0026 Email: sknapp@kfgroup.com	Telephone: 301-951-8660 Fax: 301-951-0026 Email: sknapp@kfgroup.com

10. Outsourcing:

The Contractor certifies that it has identified to the Division all jobs related to the Contract that have been outsourced to other countries, if any. Contractor further agrees that it will not outsource any such jobs during the term of this Contract without providing notice to and receiving the written approval of the Division.

11. Signature Warranty:

The undersigned represent and warrant that they are authorized to bind their principals to the terms of this agreement.

12. Executive Order # 24

N.C.G.S. § 133-32 and Executive Order 24 prohibit the offer to, or acceptance by, any State Employee of any gift from anyone with a contract with the State, or from any person seeking to do business with the State. By execution of any response in this procurement, you attest, for your entire organization and its employees or agents, that you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization."

In Witness Whereof, the Contractor and the Division have executed this contract in duplicate originals, with one original being retained by each party.

KFH Group

Sm. Knapp
Signature

3/19/12
Date

Sm. F. Knapp
Printed Name

President
Title

ATTEST

Frederic D. Fravel
Signature

3/19/12
Date

FREDERIC D. FRAVEL
Printed Name

VICE PRESIDENT
Title

[CORPORATE SEAL]

Division of Medical Assistance, North Carolina Department of Health and Human Services

Craig L. Gray
Signature
Craig L. Gray, MD, MBA, JD, Director
for DWA

3/20/12
Date

Printed Name

Title

Attachment A
General Terms and Conditions

Relationships of the Parties

Independent Provider: The Provider is and shall be deemed to be an independent Provider in the performance of this contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Provider represents that it has, or shall secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with, DMA.

Subcontracting: The Provider shall not subcontract any of the work contemplated under this contract without prior written approval from DMA. Any approved subcontract shall be subject to all conditions of this contract. Only the subProviders specified in the contract documents are to be considered approved upon award of the contract. DMA shall not be obligated to pay for any work performed by any unapproved subProvider. The Provider shall be responsible for the performance of all of its subProviders.

Assignment: No assignment of the Provider's obligations or the Provider's right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the State may:

- (a) Forward the Provider's payment check(s) directly to any person or entity designated by the Provider, or
- (b) Include any person or entity designated by Provider as a joint payee on the Provider's payment check(s).

In no event shall such approval and action obligate the State to anyone other than the Provider and the Provider shall remain responsible for fulfillment of all contract obligations.

Beneficiaries: Except as herein specifically provided otherwise, this contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this contract, and all rights of action relating to such enforcement, shall be strictly reserved to DMA and the named Provider. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of DMA and Provider that any such person or entity, other than DMA or the Provider, receiving services or benefits under this contract shall be deemed an incidental beneficiary only.

Indemnity and Insurance

Indemnification: The Provider agrees to indemnify and hold harmless DMA, the State of North Carolina, and any of their officers, agents and employees, from any claims of third parties arising out of any act or omission of the Provider in connection with the performance of this contract.

(a) **Insurance:** During the term of the contract, the Provider shall provide, at its sole cost and expense, commercial insurance of such types and with such terms and limits as may be reasonably associated with the contract. At a minimum, the Provider shall provide and maintain the following coverage and limits:

- (1) **Worker's Compensation Insurance:** The Provider shall provide and maintain worker's compensation insurance, as required by the laws of the states in which its employees work, covering all of the Provider's employees who are engaged in any work under the contract.
- (2) **Employer's Liability Insurance:** The Provider shall provide employer's liability insurance, with minimum limits of \$500,000.00, covering all of the Provider's employees who are engaged in any work under the contract.
- (3) **Commercial General Liability Insurance:** The Provider shall provide commercial general liability insurance on a comprehensive broad form on an occurrence basis with a minimum combined single limit of \$1,000,000.00 for each occurrence.
- (4) **Automobile Liability Insurance:** The Provider shall provide automobile liability insurance with a combined single limit of \$500,000.00 for bodily injury and property damage; a limit of \$500,000.00 for uninsured/under insured motorist coverage; and a limit of \$2,000.00 for medical payment coverage. The Provider shall provide this insurance for all automobiles that are:
 - (A) owned by the Provider and used in the performance of this contract;
 - (B) hired by the Provider and used in the performance of this contract; and
 - (C) owned by Provider's employees and used in performance of this contract ("non-owned vehicle insurance"). Non-owned vehicle insurance protects employers when employees use their personal vehicles for work purposes. Non-owned vehicle insurance supplements, but does not replace, the car-owner's liability insurance.

The Provider is not required to provide and maintain automobile liability insurance on any vehicle – owned, hired, or non-owned -- unless the vehicle is used in the performance of this contract.

- (b) The insurance coverage minimums specified in subparagraph (a) are exclusive of defense costs.
- (c) The Provider understands and agrees that the insurance coverage minimums specified in

subparagraph (a) are not limits, or caps, on the Provider's liability or obligations under this contract.

- (d) The Provider may obtain a waiver of any one or more of the requirements in subparagraph (a) by demonstrating that it has insurance that provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). DMA shall be the sole judge of whether such a waiver should be granted.
- (e) The Provider may obtain a waiver of any one or more of the requirements in paragraph (a) by demonstrating that it is self-insured and that its self-insurance provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). DMA shall be the sole judge of whether such a waiver should be granted.
- (f) Providing and maintaining the types and amounts of insurance or self-insurance specified in this paragraph is a material obligation of the Provider and is of the essence of this contract.
- (g) The Provider shall only obtain insurance from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in the State of North Carolina. All such insurance shall meet all laws of the State of North Carolina.
- (h) The Provider shall comply at all times with all lawful terms and conditions of its insurance policies and all lawful requirements of its insurer.
- (i) The Provider shall require its subProviders to comply with the requirements of this paragraph.
- (j) The Provider shall demonstrate its compliance with the requirements of this paragraph by submitting certificates of insurance to DMA before the Provider begins work under this contract.

Default and Termination

Termination Without Cause: DMA may terminate this contract without cause by giving 30 days written notice to the Provider.

Termination for Cause: If, through any cause, the Provider shall fail to fulfill its obligations under this contract in a timely and proper manner, DMA shall have the right to terminate this contract by giving written notice to the Provider and specifying the effective date thereof. In that event, all finished or unfinished deliverable items prepared by the Provider under this contract shall, at the option of DMA, become its property and the Provider shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made. Notwithstanding the foregoing provision, the Provider shall not be relieved of liability to DMA for damages sustained by DMA by virtue of the Provider's breach of this agreement, and DMA may withhold any payment due the Provider for the purpose of setoff until such time as the exact amount of damages due DMA from such breach can be determined. In case of default by the Provider, without

limiting any other remedies for breach available to it, DMA may procure the contract services from other sources and hold the Provider responsible for any excess cost occasioned thereby. The filing of a petition for bankruptcy by the Provider shall be an act of default under this contract.

Waiver of Default: Waiver by DMA of any default or breach in compliance with the terms of this contract by the Provider shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of this contract unless stated to be such in writing, signed by an authorized representative of the Department and the Provider and attached to the contract.

Availability of Funds: The parties to this contract agree and understand that the payment of the sums specified in this contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to DMA.

Force Majeure: Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

Survival of Promises: All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

Intellectual Property Rights

Copyrights and Ownership of Deliverables: All deliverable items produced pursuant to this contract are the exclusive property of DMA. The Provider shall not assert a claim of copyright or other property interest in such deliverables.

Federal Intellectual Property Bankruptcy Protection Act: The Parties agree that DMA shall be entitled to all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365 (n) and any amendments thereto.

Compliance with Applicable Laws

Compliance with Laws: The Provider shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of Federal, state, and local agencies having jurisdiction and/or authority.

Equal Employment Opportunity: The Provider shall comply with all Federal and State laws relating to equal employment opportunity.

Health Insurance Portability and Accountability Act (HIPAA): The Provider agrees that, if DMA determines that some or all of the activities within the scope of this contract are subject to the Health Insurance Portability and Accountability Act of 1996, P.L. 104-91, as amended ("HIPAA"), or its implementing regulations, it will comply with the HIPAA requirements and will execute such agreements and practices as DMA may require to ensure compliance.

Executive Order # 24: "By Executive Order 24, issued by Governor Perdue, and N.C. G.S. § 133-32, it is unlawful for any vendor or Provider (i.e. architect, bidder, Provider, construction manager, design professional, engineer, landlord, offeror, seller, subProvider, supplier, or vendor), to make gifts or to give favors to any State employee of the Governor's Cabinet Agencies (i.e., Administration, Commerce, Correction, Crime Control and Public Safety, Cultural Resources, Environment and Natural Resources, Health and Human Services, Juvenile Justice and Delinquency Prevention, Revenue, Transportation, and the Office of the Governor). This prohibition covers those vendors and Providers who have a contract with a governmental agency; or have performed under such a contract within the past year; or anticipate bidding on such a contract in the future.

For additional information regarding the specific requirements and exemptions, vendors and Providers are encouraged to review Executive Order 24 and G.S. Sec. 133-32.

Executive Order 24 also encouraged and invited other State Agencies to implement the requirements and prohibitions of the Executive Order to their agencies. Vendors and Providers should contact other State Agencies to determine if those agencies have adopted Executive Order 24."

Confidentiality

Confidentiality: Any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Provider under this agreement shall be kept as confidential and not divulged or made available to any individual or organization without the prior written approval of DMA. The Provider acknowledges that in receiving, storing, processing or otherwise dealing with any confidential information it will safeguard and not further disclose the information except as otherwise provided in this contract.

Oversight

Access to Persons and Records: The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute

147-64.7. Additionally, as the State funding authority, the Department of Health and Human Services shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions.

Record Retention: Records shall not be destroyed, purged or disposed of without the express written consent of DMA. State basic records retention policy requires all grant records to be retained for a minimum of five years or until all audit exceptions have been resolved, whichever is longer. If the contract is subject to Federal policy and regulations, record retention may be longer than five years since records must be retained for a period of three years following submission of the final Federal Financial Status Report, if applicable, or three years following the submission of a revised final Federal Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has been started before expiration of the five-year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period described above, whichever is later.

Warranties and Certifications

Date and Time Warranty: The Provider warrants that the product(s) and service(s) furnished pursuant to this contract ("product" includes, without limitation, any piece of equipment, hardware, firmware, middleware, custom or commercial software, or internal components, subroutines, and interfaces therein) that perform any date and/or time data recognition function, calculation, or sequencing will support a four digit year format and will provide accurate date/time data and leap year calculations. This warranty shall survive the termination or expiration of this contract.

Certification Regarding Collection of Taxes: G.S. 143-59.1 bars the Secretary of Administration from entering into contracts with vendors that meet one of the conditions of G.S. 105-164.8(b) and yet refuse to collect use taxes on sales of tangible personal property to purchasers in North Carolina. The conditions include: (a) maintenance of a retail establishment or office; (b) presence of representatives in the State that solicit sales or transact business on behalf of the vendor; and (c) systematic exploitation of the market by media-assisted, media-facilitated, or media-solicited means. The Provider certifies that it and all of its affiliates (if any) collect all required taxes.

Miscellaneous

Choice of Law: The validity of this contract and any of its terms or provisions, as well as the rights and duties of the parties to this contract, are governed by the laws of North Carolina. The Provider, by signing this contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County, North Carolina. The place of this contract and all transactions and agreements relating to it, and their situs

and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

Amendment: This contract may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of DMA and the Provider. The Purchase and Contract Divisions of the NC Department of Administration and the NC Department of Health and Human Services shall give prior approval to any amendment to a contract awarded through those offices.

Severability: In the event that a court of competent jurisdiction holds that a provision or requirement of this contract violates any applicable law, each such provision or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this contract shall remain in full force and effect.

Headings: The Section and Paragraph headings in these General Terms and Conditions are not material parts of the agreement and should not be used to construe the meaning thereof.

Time of the Essence: Time is of the essence in the performance of this contract.

Key Personnel: The Provider shall not replace any of the key personnel assigned to the performance of this contract without the prior written approval of DMA. The term "key personnel" includes any and all persons identified by as such in the contract documents and any other persons subsequently identified as key personnel by the written agreement of the parties.

Care of Property: The Provider agrees that it shall be responsible for the proper custody and care of any property furnished to it for use in connection with the performance of this contract and will reimburse DMA for loss of, or damage to, such property. At the termination of this contract, the Provider shall contact DMA for instructions as to the disposition of such property and shall comply with these instructions.

Travel Expenses: Reimbursement to the Provider for travel mileage, meals, lodging and other travel expenses incurred in the performance of this contract shall not exceed the rates published in the applicable State rules. International travel shall not be reimbursed under this contract.

Sales/Use Tax Refunds: If eligible, the Provider and all subProviders shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this contract, pursuant to G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.

Advertising: The Provider shall not use the award of this contract as a part of any news release or commercial advertising.

ATTACHMENT B
Scope of Work

I. BACKGROUND

Introduction

This scope of work presents a proposed set of tasks for assisting the North Carolina Department of Health and Human Service, Division of Medical Assistance ("Division") with the agency reviews of its County Non-Emergency Medical Transportation (NEMT) programs.

Background and Purpose

The Division is seeking to enter into a contract for compliance reviews and results reporting of the County Departments of Social Services (DSSs) with regard to their use of Medicaid transportation funds.

Transportation is arranged and paid for by the County Departments of Social Services (DSSs). DHHS administrative procedures related to NEMT are included in its Medicaid Manual – MA-3550 – Medicaid Transportation. Federal Medicaid regulations require states to cover transportation as either an optional service and/or as an administrative service. The Division has federal approval to claim transportation both at the administrative services reimbursement rate (50%) and at the Federal Medical Assistance Percentage (FMAP) rate of 67.4%. The Division currently uses the FMAP rate when DSSs purchase transportation for Medicaid recipients and Counties are reimbursed for those costs at the higher FMAP rate.

This compliance review is intended to ensure that County DSSs are able to manage the Medicaid transportation programs in accordance with the Division agreement and all applicable laws and regulations. Furthermore, the review will document whether the County DSSs are using sound management practices and whether they have the legal, financial and technical capacity to carry out the intended use of these federal and/or state funds.

The compliance reviews will focus on three primary elements: 1) **accuracy of information and invoicing**, 2) **meeting administrative requirements**, and 3) **meeting minimum service standards**. Medicaid only pays for transportation if the recipient receives covered services provided by a qualified provider (enrolled). Thus, the first focus of these reviews will be on the reimbursement for Medicaid costs – to evaluate the accuracy of Medicaid reimbursements. This has a number of components, including 1) verification that recipients were authorized for Medicaid on the dates transportation services were provided, 2) verification that recipients received Medicaid covered services on the dates of the Medicaid transportation, and 3) verification that the appropriate transportation services were provided. DHHS also has established minimum safety and services standards that include vehicle safety, driver qualifications and insurance. Deadhead miles and transportation for no-shows (counties are required to implement a no-show policy) are not reimbursed. Transportation is not reimbursed as a separate expense when transportation reimbursement has been added into the Medicaid provider's fee (day services, community support services, etc).

Tasks

The tasks to be performed to complete the reviews and the general oversight and quality control are detailed below. As a general note, approximately two weeks before the on-site visit, Contractor will call the County DSS to schedule the on-site visit. This will be followed up with a letter that confirms the site visit date, explains the purpose of the on-site visit, outlines the day's agenda, attaches the brief survey and requests a variety of materials to be sent in advance. Counties will be asked to complete their survey within a week. As indicated below, the Counties will be asked to send some information to the review team in advance of the on-site visit and have other information available for review during the on-site visit.

This scope begins with a review of the first 25 County DSSs. The second task will involve reviews of the remaining 75 counties. In order to meet the project deadlines, there will be overlap in the tasks. The tasks to be performed within this assignment include the following:

Task 1 – Develop and Initiate the Review Process

Subtask 1.1 - Meet with DHHS-DMA

The review team will meet with DMA staff in Raleigh to discuss the project, management responsibilities, data that is available in-house (for the desk review), and to finalize plans for the on-site reviews. The review team will also assist DMA staff as they prioritize the urgency for compliance reviews at various Counties, starting with an initial list of 25 Counties. This could be based on County size, location, staff perception of competency of County DSS staff, and history of their Medicaid transportation program. The review team will have two senior staff in attendance, including the proposed project manager.

Subtask 1.2 – Finalize Review Process and Guidelines

- **Develop Review Process and Guidelines** – During and after the meeting, the review team will finalize the compliance review process and develop a brief outline of the compliance review guidelines. The guidelines will include the review processes and training requirements as well as the roles and responsibilities of DMA, the review team, and the County DSSs. The guidelines will also include drafts of the proposed communications to Counties and outlines for final reports.
- **Develop Workbook** – The review team will develop a compliance review Workbook. This Workbook will be used as an internal checklist both during the desk review and during the field visits. DMA will be given an opportunity to review and approve on the Workbook, and the review team will make the appropriate revisions.

Task 2 – Conduct Reviews at Initial Set of Counties

An initial set of 25 Counties will be reviewed. These Counties will be selected based on location and size to represent statewide distribution and various populations. The Contractor will assign a senior staff person as the site review manager as well as a support person to each County review. Both will attend the on-site visits.

Subtask 2.1 - Desk Reviews

The review team assigned to each County will review all the background materials provided by DMA and the County DSSs prior to conducting the on-site visit. DMA will provide policy, county maps, past audit information, or other documents and/or information that may assist in providing context and background for these reviews. This will include the County NEMT plan, transportation contracts, and written policies and procedures. The written procedures are those used by the County to track each transportation request from intake through disposition and the County's list of all available transportation services.

The Contractor will collect surveys from the DSSs to detail how they are organized to conduct the following functions:

1. taking trip requests,
2. screening for client Medicaid eligibility,
3. trip pre-authorization,
4. scheduling and dispatching,
5. operating,
6. post-trip verification,
7. record-keeping/accounting and reporting, and
8. ensure compliance with 42 CFR 455.104, 105, and 106 and other applicable federal and state regulations.

By reviewing the background information, the survey, and materials submitted by the Counties, the review team will be able to identify areas that need special attention during the on-site visit.

Finally, the review team will contact the County Transportation Coordinator for the region to review any specific issues for that County. Reviewers will be responsible for coordinating with their County Transportation Coordinator and making arrangements for the on-site visits.

Subtask 2.2 – On-Site Visits

It is anticipated that site visits will generally require one day on site (although the larger Counties may require more time) and that two site visits can be conducted within one trip to North Carolina. If the services are sub-contracted to a provider outside the DSS office, the review team will either include a visit to the subcontractor or will arrange for the subcontractor to come to the County DSS office. The general agenda for the site visits is as follows:

1. **Entrance Conference:** At the beginning of the day, the review team will meet with the County Transportation Coordinator and key staff to explain the purpose of the review, the findings of the desk review, and the daily agenda.
2. **Review Each Area:** Using the Workbook, the review team will go through each of the seven review areas listed above.
3. **Review Records:** The team will pull a sample of trips to be reviewed. See Sample Procedures below for instructions on pulling the sample.

These trips will be tracked through the process from the trip request through reimbursement. Eligibility information will be verified through the Eligibility Information System (EIS) to determine if the client was authorized under Medicaid. Then DMA fiscal agent's claims will be reviewed and cross-referenced to

determine whether a provider billed Medicaid for a medical services for that date and whether the Transportation Log shows a trip to the appropriate destination. At a minimum, the Contractor will assemble a sample comprised of at least 30 trips for verification, including a review of the DMA-5046 (Notice of Rights), DMA-5047 (Assessment), DMA-5024 (Transportation Request Notification), DMA-2056 (Transportation Logs), and DMA-2055 (Reimbursement Request Forms).

4. Remaining Questions: At the end of the on-site review, but before the exit conference, the team will review any remaining issues with the County DSS and seek resolution.
5. Exit Interview and Draft Reports: At the end of the on-site visit, the team will provide a draft report to the County DSS Transportation Coordinator, which will document their finding in narrative format.

Subtask 2.3 – Follow Up and Final Report

Following the on-site visits, Counties will be given 30 days to correct deficiencies. Counties will be instructed to submit documentation of their corrective actions to the review team with copies to their County Transportation Coordinators. The review teams will then write a final report to include a matrix with the findings from the draft report, corrective actions taken by the County, and any pending issues that need follow-up. Information in the matrix will be detailed and fully document deficiencies and actions taken so that the County Transportation Coordinators can continue follow-up on any outstanding issues until the County is in full compliance.

Task 3 – Develop On-Going Monitoring Procedures and Suggestions for Improving State Policies and Procedures

Based on the reviews of the first 25 Counties, the review teams will provide DMA with recommendation reports for changes to the NEMT program. The Contractor will work with DMA to 1) adjust the compliance monitoring process that will be used in the remaining Counties and 2) develop procedures that the Division can use to monitor compliance on an on-going basis. Monitoring efforts will focus on data gaps, training needs, and suggestions for uniform procedures.

Task 4 – Conduct Reviews of Remaining Counties

The remaining 75 Counties will be reviewed. In order to meet the project timelines included in this document, this Task will be started while the first three Tasks are ongoing.

Task 5– Final Project Report

At the conclusion of the project, there will be a final report prepared summarizing all of the findings, recommendations, and conclusions from the 100 counties audited.

Sample Procedures

The sample shall be pulled as follows:

- ❖ Gather the transportation logs for each public transit Medicaid system for the month of January 2012. It is important to look at logs from a previous 4-6 month time period in order to allow time for the providers to have filed claims for the visit. When being reviewed, the claims show as processed. This allows for a determination to be made as to whether the trip was valid for a covered service and provider.
- ❖ Count the total number of trips from the logs for the sample month, January 2012. The numbering should be sequential from top to bottom (1, 2, 3, . . . max) with each unique trip counted separately. For example, Alamance County would be numbered separately from Alleghany County, and each of the other individual systems. This numbering system will be consistently followed for each different transit system. (i.e. start at 1 and finish counting at the last trip on the log)
- ❖ **Each transit system must have a minimum of 30 audited trips, in order to ensure that the statistical assumptions of the normal curve can be invoked. This will provide a statistically significant baseline.** RAT-STATS can be used to generate random numbers for sample selection. Other reputable software statistical packages (SPSS, SAS, R, etc.) may also be used to generate random numbers.

For example, if a transit system had 5,000 trips for the one month time period and there are plans to evaluate 50 trips, then 50 random numbers between 1 and 5,000 would be generated. If one of the random numbers for that transit system was 100, then the trip numbered 100 on the log would be one of the trips that got audited.

Also, it is a recommended practice to generate some spare random numbers; should one of the initial random numbers not be able to be used for some unforeseen reason. If the initial number cannot be used, it is replaced with the spare numbered trip, and evaluated as the others.

- ❖ Select the trips to review based on the random numbers generated in RAT-STATS (or other valid) statistical software. Conduct the audit while making decisions based on the audit tool used. Determine the findings for each audited trip and record the findings on the audit tool.

Oversight and Quality Control

KFH Group will be providing oversight and quality assurance and quality control (QA/QC) for the reviews. In addition to ensuring that the process is moving along as scheduled, this effort will ensure that there is consistency among the review teams. To this end, after all on-site reviews, draft reports will be submitted to the KFH Group Project Manager for review and concurrence. In addition, all reports (including the County corrective action plans and required additional follow-up) will be reviewed and approved by the KFH Group Project Manager before final drafts are issued.

KFH Group Personnel

Senior staff will be required to successfully complete these compliance review tasks. The key senior personnel assigned to this project will include:

KFH Group Project Manager and Point of Contact

Sue Knapp – President

KFH Group Project Team

Frederic Fravel – Vice President and Assistant Project Manager

Ken Hosen – Vice President

Elisabeth (Buffy) Ellis – Senior Transportation Planner

Joel Eisenfeld – Senior Transportation Planner

Dan Dalton – Senior Transportation Planner

Elizabeth (Lib) Fetting – Senior Transportation Planner

DMA Contact

DMA will assign a primary contact person who will serve as the State's Project Manager for this work. The State's Project Manager will be copied on all correspondence and/or communication with other State offices and be updated on a regular basis on the status of all activities. All deliverables will be forwarded to him/her for review and approval. The State's Project Managers are Sheila Platts and Debbie Pittard. Your primary contact regarding the deliverables will be Debbie Pittard.

Monthly Reports

A detailed monthly progress report will be submitted to the DMA Project Managers by the third State Business day each month for the prior month's activities. The progress report will include any outstanding and/or unresolved issues involving the project.

Schedule/Timeline

This project will begin upon execution of the Contract.

Compliance Review Process and Management – Timelines and Milestones

Due dates enumerated in the chart below assume that this Agreement is fully executed on or before April 1, 2012. In the event that this Agreement is executed *after* April 1, 2012, the dates below will be adjusted to reflect the appropriate amount of time allotted per task if the contract is not executed by April 1, 2012.

	Deliverables	Due Date
Task 1	Develop comprehensive review process to include: <ul style="list-style-type: none"> ▪ Review processes ▪ Training requirements ▪ Draft of correspondence to counties ▪ Draft survey ▪ Outline for final report Develop workbook/review tool and findings report Template for monthly report Develop quality assurance (QA) plan for reviews	April 1, 2012 - April 31, 2012
Task 2	Review 25 counties Prepare findings report Provide DMA copies of all reports given to the counties	May 1, 2012 – July 31, 2012
Task 3	Develop and finalize Ongoing Monitoring Procedures and Suggestions report	July 1 – 31, 2012
Task 4	Review remaining 75 counties	July 1, 2012 – February 28, 2013
Task 5	Final Report and recommendations	Mar 1, 2013 – Mar 31, 2013

Failure to meet Timelines: The Contractor shall have a 30 day grace period beyond the dates specified in the chart above (or as adjusted in deference to contract execution date) in which to meet their deliverables. Upon the expiration of that 30 day grace period, the Contractor will be penalized 0.5% of the invoice total for the applicable period/task for every 30 days thereafter that the deliverable/milestone is not met. After 4 months, the Contractor shall be considered in default of this Agreement and the Division reserves the right to halt all further work, cease payment and refer the matter to the Attorney General's Office. Furthermore, in the event of default, the Division will hold Contractor responsible for any costs incurred in completing the Contract Tasks.

Budget/Invoicing

The not-to-exceed amount of this Contract is \$ 555,025 for compliance reviews of all 100 North Carolina counties, requiring estimated 4,691 staff hours for coordination, desk reviews, on-site reviews, reporting and training. KFH will invoice DMA monthly based on percentage of tasks completed, as outlined in Attachment E (Cost Proposal).

**ATTACHMENT C
NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES
BUSINESS ASSOCIATE ADDENDUM TO STANDARD CONTRACT**

This Agreement is made effective the 19 day of March, 2012 by and between Division of Medical Assistance ("Covered Entity") and KFH Group ("Business Associate") (collectively the "Parties").

1. BACKGROUND

- a. Covered Entity and Business Associate are parties to a contract entitled (identify contract) KFH Group, Inc. (the "Contract"), whereby Business Associate agrees to perform certain services for or on behalf of Covered Entity.
- b. Covered Entity is an organizational unit of the North Carolina Department of Health and Human Services (the "Department") that has been designated in whole or in part by the Department as a health care component for purposes of the HIPAA Privacy and Security Rules.
- c. The relationship between Covered Entity and Business Associate is such that the Parties believe Business Associate is or may be a "business associate" within the meaning of the HIPAA Privacy and Security Rules.
- d. The Parties enter into this Business Associate Addendum to the Contract with the intention of complying with the HIPAA Privacy and Security Rules provision that a covered entity may disclose electronic protected health information or other protected health information to a business associate, and may allow a business associate to create or receive electronic protected health information or other protected health information on its behalf, if the covered entity obtains satisfactory assurances that the business associate will appropriately safeguard the information.

2. DEFINITIONS

Unless some other meaning is clearly indicated by the context, the following terms shall have the following meaning in this Agreement:

- a. "Electronic Protected Health Information" shall have the same meaning as the term "electronic protected health information" in 45 CFR 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- b. "HIPAA" means the Administrative Simplification Provisions, Sections 261 through 264, of the Federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.
- c. "Individual" shall have the same meaning as the term "individual" in 45 CFR 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).
- d. "Privacy and Security Rules" shall mean the Standards for Privacy of Individually Identifiable Health Information and the Security Standards for the Protection of Electronic Protected Health Information set out in 45 CFR part 160 and part 164, subparts A and E.
- e. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- f. "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR 164.103.
- g. "Secretary" shall mean the Secretary of the United States Department of Health and Human Services or his designee.
- h. "Security Incident" shall have the same meaning as the term "security incident" in 45 CFR 164.304.
- i. Unless otherwise defined in this Agreement, terms used herein shall have the same meaning as those terms have in the Privacy and Security Rules.

3. OBLIGATIONS OF BUSINESS ASSOCIATE

- a. Business Associate agrees to not use or disclose electronic protected health information or other protected health information other than as permitted or required by this Agreement or as required by law.
- b. Business Associate agrees to implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information and other protected health information that it creates, receives, maintains, or transmits on behalf of Covered Entity, as required by the Privacy and Security Rules.

- c. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of electronic protected health information or other protected health information by Business Associate in violation of the requirements of this Agreement.
- d. Business Associate agrees to report to Covered Entity (i) any use or disclosure of electronic protected health information or other protected health information not provided for by this Agreement of which it becomes aware and (ii) any security incident of which it becomes aware.
- e. Business Associate agrees to ensure that any agent, including a subProvider, to whom it provides electronic protected health information and/or other protected health information received from, or created or received by Business Associate on behalf of Covered Entity (i) agrees to be bound by the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information, and (ii) agrees to implement reasonable and appropriate safeguards to protect such information.
- f. Business Associate agrees to provide access, at the request of Covered Entity, to electronic protected health information and other protected health information in a Designated Record Set to Covered Entity or, as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR 164.524.
- g. Business Associate agrees, at the request of Covered Entity, to make any amendment(s) to electronic protected health information and other protected health information in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 CFR 164.526.
- h. Unless otherwise prohibited by law, Business Associate agrees to make internal practices, books, and records, including policies and procedures concerning electronic protected health information and other protected health information, relating to the use and disclosure of electronic protected health information and other protected health information received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity, or to the Secretary, in a time and manner designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy and Security Rules.
- i. Business Associate agrees to document such disclosures of electronic protected health information and other protected health information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of electronic protected health information and other protected health information in accordance with 45 CFR 164.528, and to provide this information to Covered Entity or an individual to permit such a response.

4. PERMITTED USES AND DISCLOSURES

- a. Except as otherwise limited in this Agreement or by other applicable law or agreement, if the Contract permits, Business Associate may use or disclose electronic protected health information and other protected health information to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Contract, provided that such use or disclosure:
 - 1) would not violate the Privacy and Security Rules if done by Covered Entity; or
 - 2) would not violate the minimum necessary policies and procedures of the Covered Entity.
- b. Except as otherwise limited in this Agreement or by other applicable law or agreements, if the Contract permits, Business Associate may use electronic protected health information and other protected health information as necessary for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.
- c. Except as otherwise limited in this Agreement or by other applicable law or agreements, if the Contract permits, Business Associate may disclose electronic protected health information and other protected health information for the proper management and administration of the Business Associate, provided that:
 - 1) disclosures are required by law; or
 - 2) Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and will be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
- d. Except as otherwise limited in this Agreement or by other applicable law or agreements, if the Contract permits, Business Associate may use electronic protected health information and other protected health information to provide data aggregation services to Covered Entity as permitted by 45 CFR 164.504(e)(2)(i)(B).
- e. Notwithstanding the foregoing provisions, Business Associate may not use or disclose electronic protected health information or other protected health information if the use or disclosure would violate any term of the Contract or other applicable law or agreements.

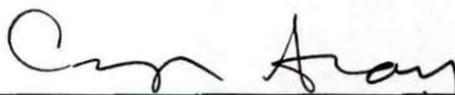
5. TERM AND TERMINATION

- a. Term. This Agreement shall be effective as of the effective date stated above and shall terminate when the Contract terminates.
- b. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity may, at its option:
 - 1) Provide an opportunity for Business Associate to cure the breach or end the violation, and terminate this Agreement and services provided by Business Associate, to the extent permissible by law, if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;
 - 2) Immediately terminate this Agreement and services provided by Business Associate, to the extent permissible by law; or
 - 3) If neither termination nor cure is feasible, report the violation to the Secretary as provided in the Privacy and Security Rules.
- c. Effect of Termination.
 - 1) Except as provided in paragraph (2) of this section or in the Contract or by other applicable law or agreements, upon termination of this Agreement and services provided by Business Associate, for any reason, Business Associate shall return or destroy all electronic protected health information and other protected health information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to electronic protected health information and other protected health information that is in the possession of subProviders or agents of Business Associate. Business Associate shall retain no copies of the electronic protected health information or other protected health information..
 - 2) In the event that Business Associate determines that returning or destroying the electronic protected health information or other protected health information is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction not feasible. Business Associate shall extend the protections of this Agreement to such electronic protected health information and other protected health information and limit further uses and disclosures of such electronic protected health information and other protected health information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such electronic protected health information and other protected health information.

6. GENERAL TERMS AND CONDITIONS

- a. This Agreement amends and is part of the Contract.
- b. Except as provided in this Agreement, all terms and conditions of the Contract shall remain in force and shall apply to this Agreement as if set forth fully herein.
- c. In the event of a conflict in terms between this Agreement and the Contract, the interpretation that is in accordance with the Privacy and Security Rules shall prevail. In the event that a conflict then remains, the Contract terms shall prevail so long as they are in accordance with the Privacy and Security Rules.
- d. A breach of this Agreement by Business Associate shall be considered sufficient basis for Covered Entity to terminate the Contract for cause.

SIGNATURES:



Craig L. Gray, MD, MBA, JD, Director
For DMA
3/20/12

 3/19/12

Business Associate

ATTACHMENT D

FEDERAL CERTIFICATIONS

The undersigned states that:

- 1. He or she is the duly authorized representative of the Vendor named below;
- 2. He or she is authorized to make, and does hereby make, the following certifications on behalf of the Vendor, as set out herein:
 - a. The Certification Regarding Nondiscrimination;
 - b. The Certification Regarding Drug-Free Workplace Requirements;
 - c. The Certification Regarding Environmental Tobacco Smoke;
 - d. The Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions; and
 - e. The Certification Regarding Lobbying;
- 3. He or she has completed the Certification Regarding Drug-Free Workplace Requirements by providing the addresses at which the contract work will be performed;
- 4. [Check the applicable statement]

He or she **has completed** the attached **Disclosure Of Lobbying Activities** because the Vendor **has made, or has an agreement to make**, a payment to a lobbying entity for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action;

OR

He or she **has not completed** the attached **Disclosure Of Lobbying Activities** because the Vendor **has not made, and has no agreement to make**, any payment to any lobbying entity for influencing or attempting to influence any officer or employee of any agency, any Member of Congress, any officer or employee of Congress, or any employee of a Member of Congress in connection with a covered Federal action.

5. The Vendor shall require its subProviders, if any, to make the same certifications and disclosure.


 Signature _____ Title President
KPH Group, Inc.
 Vendor _____ Date 3/19/12

[This Certification Must Be Signed By The Same Individual Who Signed The Proposal Execution Page]

I. Certification Regarding Nondiscrimination

The Vendor certifies that it will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (h) the Food Stamp Act and USDA policy, which prohibit discrimination on the basis of religion and political beliefs; and (i) the requirements of any other nondiscrimination statutes which may apply to this Agreement.

II. Certification Regarding Drug-Free Workplace Requirements

1. **The Vendor certifies** that it will provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Vendor's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing a drug-free awareness program to inform employees about:
 - (1) The dangers of drug abuse in the workplace;
 - (2) The Vendor's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) Making it a requirement that each employee be engaged in the performance of the agreement be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the agreement, the employee will:
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;
- (e) Notifying the Department within ten days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction;
- (f) Taking one of the following actions, within 30 days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted:
 - (1) taking appropriate personnel action against such an employee, up to and including termination; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; and
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

2. The sites for the performance of work done in connection with the specific agreement are listed below (list all sites; add additional pages if necessary):

Street Address No. 1: _____

City, State, Zip Code: _____

Street Address No. 2: _____

City, State, Zip Code: _____

3. Vendor will inform the Department of any additional sites for performance of work under this agreement.
4. False certification or violation of the certification may be grounds for suspension of payment, suspension or termination of grants, or government-wide Federal suspension or debarment. 45 C.F.R. 82.510.

III. Certification Regarding Environmental Tobacco Smoke

Public Law 103-227, Part C-Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000.00 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Vendor certifies that it will comply with the requirements of the Act. The Vendor further agrees that it will require the language of this certification be included in any subawards that contain provisions for children's services and that all subgrantees shall certify accordingly.

IV. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions

Instructions

[The phrase "prospective lower tier participant" means the Vendor.]

1. By signing and submitting this document, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of the fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originate may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant will provide immediate written notice to the person to whom this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549, 45 CFR Part 76. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter any lower tier covered transaction with a person who is debarred, suspended, determined ineligible or voluntarily excluded from participation in this covered transaction unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this document that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized in paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension, and/or debarment.

Certification

- a. **The prospective lower tier participant certifies**, by submission of this document, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- b. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

V. Certification Regarding Lobbying

The Vendor certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal, state, or local government agency, a Member of Congress, a Member of the General Assembly, an officer or employee of Congress, an officer or employee of the General Assembly, an employee of a Member of Congress, or an employee of a Member of the General Assembly in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal, state or local government agency, a Member of Congress, a Member of the General Assembly, an officer or employee of Congress, an officer or employee of the General Assembly, an employee of a Member of Congress or an employee of a Member of the General Assembly in connection with this Federally funded contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form SF-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award document for subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) who receive Federal funds of \$100,000.00 or more and that all subrecipients shall certify and disclose accordingly.
4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000.00 and not more than \$100,000.00 for each such failure.

VI. Disclosure Of Lobbying Activities

Instructions

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any Federal or state or local agency, a Member of Congress, a Member of the General assembly, an officer or employee of Congress, an officer or employee of the General Assembly,, an employee of a Member of Congress or an employee of a Member of the General Assembly in connection with a covered Federal action. Use the SF-LLL-A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or sub-award recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in Item 4 checks "Subawardee", then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (Item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal Identifying number available for the Federal action identified in Item 1 (e.g., Request for Proposal (RFP) number, Invitation for Bid (IFB) number, grant announcement number, the contract grant, or loan award number, the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in Item 4 or 5.
10. (a) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in Item 4 to influence the covered Federal action.
- (b) Enter the full names of the individual(s) performing services, and include full address if different from 10(a). Enter Last Name, First Name and Middle Initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (Item 4) to the lobbying entity (Item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate boxes. Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate boxes. Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.
15. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D. C. 20503

Disclosure Of Lobbying Activities
(Approved by OMB 0344-0046)

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

<p>1. Type of Federal Action:</p> <p><input type="checkbox"/> a. contract</p> <p><input type="checkbox"/> b. grant</p> <p><input type="checkbox"/> c. cooperative agreement</p> <p><input type="checkbox"/> d. loan</p> <p><input type="checkbox"/> e. loan guarantee</p> <p><input type="checkbox"/> f. loan insurance</p>	<p>2. Status of Federal Action:</p> <p><input type="checkbox"/> a. Bid/offer/application</p> <p><input type="checkbox"/> b. Initial Award</p> <p><input type="checkbox"/> c. Post-Award</p>	<p>3. Report Type:</p> <p><input type="checkbox"/> a. initial filing</p> <p><input type="checkbox"/> b. material change</p> <p>For Material Change Only:</p> <p>Year _____ Quarter _____</p> <p>Date Of Last Report: _____</p>
<p>4. Name and Address of Reporting Entity:</p> <p><input type="checkbox"/> Prime</p> <p><input type="checkbox"/> Subawardee Tier (if known) _____</p> <p>Congressional District (if known) _____</p>	<p>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:</p> <p>Congressional District (if known) _____</p>	
<p>6. Federal Department/Agency:</p>	<p>7. Federal Program Name/Description:</p> <p>CFDA Number (if applicable) _____</p>	
<p>8. Federal Action Number (if known)</p>	<p>9. Award Amount (if known) \$</p>	
<p>10. a. Name and Address of Lobbying Entity (if individual, last name, first name, MI):</p> <p align="center"><i>(attach Continuation Sheet(s) SF-LLL-A, if necessary)</i></p>	<p>b. Individuals Performing Services (including address if different from No. 10a.) (last name, first name, MI):</p> <p align="center"><i>(attach Continuation Sheet(s) SF-LLL-A, if necessary)</i></p>	
<p>11. Amount of Payment (check all that apply):</p> <p>\$ _____ <input type="checkbox"/> actual <input type="checkbox"/> planned</p>	<p>13. Type of Payment (check all that apply):</p> <p><input type="checkbox"/> a. retainer</p> <p><input type="checkbox"/> b. one-time fee</p> <p><input type="checkbox"/> c. commission</p> <p><input type="checkbox"/> d. contingent fee</p> <p><input type="checkbox"/> e. deferred</p> <p><input type="checkbox"/> f. other; specify: _____</p>	
<p>12. Form of Payment (check all that apply):</p> <p><input type="checkbox"/> a. cash</p> <p><input type="checkbox"/> b. In-kind; specify: Nature _____ Value _____</p>		
<p>14. Brief Description of Services Performed or to be Performed and Date(s) of Services, including officer(s), employee(s), or Member(s) contacted, for Payment Indicated in Item 11 (attach Continuation Sheet(s) SF-LLL-A, if necessary):</p>		
<p>15. Continuation Sheet(s) SF-LLL-A attached: <input type="checkbox"/> Yes <input type="checkbox"/> No</p>		
<p>16. Information requested through this form is authorized by title 31 U. S. C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U. S. C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</p>		
<p>Signature: _____</p> <p>Print Name: _____</p> <p>Title: _____</p> <p>Telephone No: _____ Date: _____</p>		
<p>Federal Use Only</p>		<p>Authorized for Local Reproduction Standard Form - LLL</p>

**ATTACHMENT E
COST PROPOSAL**

Task #	Type of Work	Total Staff Hours	TOTAL	Percent
1	Develop and Initiate Review Process: The consultant team will meet with DMA staff in Raleigh to discuss the project management responsibilities, data that is available in-house for the desk review, and to finalize plans for the reviews. Training of DMA MPRs will be conducted.	88	\$18,870.85	3.4
2	Conduct Reviews on Initial 25 Counties: An initial set of 25 Counties will be reviewed. The task will include review of materials prior to the visits, on-site reviews, and preparation of draft and final reports.	1080	\$124,325.60	22.4
3	Develop On-going Monitoring Procedures and Suggestions for Changes in Policy and Procedures: The reviewers will provide DMA with suggestions for changes to the DMA NEMT program and work with DHHS to develop procedures that the Division can use to monitor compliance on an ongoing basis.	208	\$33,301.50	6.0
4	Conduct Reviews in Remaining Counties: This task will develop alternative approaches to address the issues and challenges that have been identified. The focus is on developing options to remediate deficiencies.	3315	\$378,527.05	68.2
TOTAL		4,691	\$555,025.00	100.00