Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

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Interim Director

Robert G. Splawn, M.D.
Interim Chief Medical Officer

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To improve health through leadership, service and education

December 2, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

APPROVAL OF AMENDMENT TO AGREEMENT FOR PATIENT MANAGEMENT SYSTEM SOFTWARE AND HEALTH CENTER OPERATIONS SYSTEM SOFTWARE (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ( ) DISAPPROVE ( )

SUBJECT

Request approval to increase the maximum contract sum of an existing Agreement for the continued provision of maintenance, support, and training for Patient Management System (PMS) software for the Department of Health Services' (DHS) Office of Managed Care (OMC), and Health Center Operations (HCO) system software for the Department of Public Health, (DPH), and add provisions to extend the term.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Interim Director of Health Services, or his designee, to execute Amendment No. 4 to Agreement No. H-211033 with Health Management Systems, Incorporated (HMS), to increase the maximum contract sum by $7,413,978, effective upon your Board approval, giving effect to 1) increasing the cost by $201,984 through December 30, 2009, 2) adding a one-year base term to the term of the Agreement at a maximum cost of $3,450,356 for the period December 31, 2009 through December 30, 2010, and 3) adding an optional one-year extension at a maximum cost of $3,761,638 for the period December 31, 2010 through December 30, 2011, with all Agreement costs 100 percent offset by State and federal funds.

2. Delegate authority to the Interim Director of Health Services, or his designee, with written mutual consent of HMS, to exercise the optional one-year extension of the Agreement.

3. Delegate authority to the Interim Director of Health Services, or his designee, to increase the portion of the contract sum allocable to the PMS Claims Entry/Processing up to a maximum of twenty-five percent of the total combined annual price for PMS Claims Entry/Processing over the term of the Agreement (which equates to a maximum of $781,779.73) to ensure the continued provision of claims services in the event of unanticipated expansion activities related to additional health care programs, increase in member enrollment and retention, and expansion of provider network, subject to review and approval by County Counsel and the Chief Executive Office and written notification to your Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of the recommended Amendment, substantially similar to Exhibit I, will ensure uninterrupted day-to-day operations and continued maintenance, support, and training for the PMS software and HCO system software. California Code of Regulations Title 28, Article 9, Sections 1300.75.4.3 and 1300.84.6 (Title 28) requires managed care health plans, including the County's Community Health Plan (CHP) administered by OMC, to have a member and enrollment reporting system, as well as a data reporting system. The PMS component of the Agreement satisfies this requirement for the CHP. The HCO component provides needed support for system software at DPH health centers.

The increase in the contract sum for the current Agreement term is necessary due to an increase in OMC claims entry/processing during 2008 that resulted from expansion of negotiated fee-for-service contracts with five hospitals and the transition of the administrative support services (i.e., Utilization Program Services, Managed Care Information System Services, and Claims Processing Services) from L.A. Care Health Plan to OMC for County's Personal Assistance Services Council – Services Employees International Union Homecare Worker Health Care Plan, also known as, In-Home Supportive Services Program (IHSS). These events resulted in a 44 percent increase in the average number of claims being processed monthly from 12,543 claims in 2007 to 18,001 in 2008. To partially address this unexpected increase, Change Notice Number One was issued to move available dollars from within the contract sum to PMS Claims Entry/Processing with no impact to the maximum contract sum, but an additional $152,776 is still needed for the current contract year to fully address this increase. Also, additional programming hours are required to support DPH's ongoing enhancement requests for the HCO system software due to its

business needs. These enhancements are focused on two core capabilities: changing data entry screens and the database to capture new data elements and the creation/updating of file downloads and reports.

The additional one-year base term and optional one-year extension is necessary to ensure OMC has sufficient time to implement a replacement system for PMS. In May 2008, OMC released a Request for Proposals for the replacement system and is currently in the proposal evaluation stage with Board consideration of a new Agreement targeted for second quarter 2009. Complete implementation of the system may require the full extension period being requested. At this time, DPH plans to continue with contracting services with HMS after the PMS replacement system is implemented, and before the Agreement expires, DPH would seek to extend the Agreement for continued support with limited scope for the HCO portion of the Agreement.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Service Excellence, and Goal 7, Health and Mental Health of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The recommended Amendment will: 1) increase the maximum contract sum by $201,984, which includes $152,776 for an increased volume of claims entry/processing at the current per claim rate for PMS and $49,208 for additional hours of programming services at the current hourly rate for HCO; 2) add a one-year base term to the term of the Agreement at a maximum cost of $3,450,356 for the period December 31, 2009 through December 30, 2010; and 3) add optional one-year extension at a maximum cost of $3,761,638 for the period December 31, 2010 through December 30, 2011. The maximum contract sum is $22,005,740 for the entire term of December 31, 1999 through December 30, 2010. If the optional one-year extension is exercised, the total maximum contract sum is $25,767,378 for the entire term of the Agreement.

The increase in the County's maximum contract sum includes: 1) a three percent built-in annual increase for Project Administration and Training deliverables; 2) a ten percent built-in annual increase in the billing rate for Professional Services – Custom Programming Modification due to recruitment and retention issues for qualified programmers; 3) an annual increase in the maximum programming hours due to growing business needs; and 4) a twenty-five percent increase in the maximum number of Claims Entry/Processing based on prior historical information. The current billing rate of $2.00 per Claim remains the same for this Amendment.

Funding for the Amendment is included in the Department's FY 2008-09 Final Budget and will be requested in future fiscal years. The Amendment will have no impact on net County cost and is 100 percent offset by State and federal funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On August 30, 1994, your Board approved Agreement No. H-203925 with Global Health Systems, Inc. (Global) for the provision of computer software system maintenance services for the PMS software and HCO system software.

On October 29, 1996, your Board approved Agreement No. H-206448 with Global for the continued provision of the same services. On June 17, 1998, your Board approved Amendment No. 1 to Agreement No. H-206448 to acknowledge the transfer of ownership from Global to HMS and assignment of the Agreement to HMS.

On January 12, 1999, your Board approved Agreement No. H-210100 with HMS for the continued provision of the same services through December 30, 1999.

On December 14, 1999, your Board approved the current Agreement No. H-211033 with HMS, for the continued provision of computer software system maintenance services for PMS and HCO, through December 30, 2002.

On December 10, 2002, your Board approved Amendment No. 1 to the Agreement with HMS, for the continued provision of computer software system maintenance services for PMS and HCO, through December 30, 2004, with a one-year optional extension of the term through December 30, 2005.

On March 18, 2003, Amendment No. 2 to the Agreement was executed to add Health Insurance Portability and Accountability Act language only. On October 6, 2004, under delegated authority provided in the Agreement, DHS extended the term for an additional twelve-month period, ending December 30, 2005.

On December 6, 2005, Amendment No. 3 to the Agreement was approved to extend services from December 31, 2005 through December 30, 2007, with an optional extension of the term through December 30, 2009, for the continued provision of computer software system maintenance services for PMS and HCO. At that time, your Board expressed an interest that OMC move toward implementing its strategic direction to migrate away from PMS and required a written status report be submitted to your Board every six months regarding the procurement of a replacement system for the PMS. DHS has been providing those reports as requested.

On November 19, 2007, under delegated authority provided in the Agreement, DHS and HMS mutually consented to extend the term to December 30, 2009.

County Counsel has approved Exhibit I as to form.

CONTRACTING PROCESS

In January 1984, the Purchasing Agent issued a purchase order to Global for the installation of a proprietary Global PMS product through a competitive bid process. Since that time, DHS has recommended renewal of this Agreement with HMS because of the proprietary status of the PMS software and HCO system software.

DHS does not advertise Amendments on the Los Angeles County Online Web Site.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of Amendment No. 4 will ensure continued compliance with Title 28 and maintenance, support, and training services for PMS until such time a replacement system is implemented. The Amendment will also provide uninterrupted operations and continued maintenance, support, and training services for HCO.

CONCLUSION

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,

John F. Schunhoff, Ph.D
Interim Director
Department of Health Services

Reviewed by:

Richard Sanchez
Interim Chief Information Officer
Department of Chief Information Office

Attachment

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Director, Department of Public Health

HMS Amend 4 BL

CIO ANALYSIS

DEPARTMENT OF HEALTH SERVICES – OFFICE OF MANAGED CARE (OMC) – APPROVAL OF AMENDMENT TO AGREEMENT FOR PATIENT MANAGEMENT SYSTEM SOFTWARE (PMS) AND HEALTH CENTER OPERATIONS SYSTEM (HCO) SOFTWARE

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION ☐ DISAPPROVE

Contract Type:

☐ New Contract ☒ Contract Amendment ☒ Contract Extension
☒ Sole Source Contract ☐ Hardware Acquisition ☐ Other

New/Revised Contract Term: Base Term: 1 Year # of Option Yrs: Optional

Contract Components:

☐ Software ☐ Hardware ☐ Telecommunications
☒ Professional Services

Project Executive Sponsor: John F. Schunhoff, PhD, Interim Director, DHS

Budget Information :

Y-T-D Contract Expenditures	**$ 18,353,400**
Requested Contract Amount	**$ 7,413,978**
Aggregate Contract Amount	**$ 25,767,378**

Project Background:

Yes	No	Question
☒	☐	Is this project legislatively mandated? Complies with Title 28, Article 9, Sections 1300.75.4.3 and 1300.84.6 requiring managed care health plans, including the County's Community Health Plan (CHP) and the State Department of Managed Health Care, to have a member and enrollment reporting system as well as a data reporting system.
☒	☐	Is this project subvented? If yes, what percentage is offset? These expenditures are offset 100% by state and federal funds, resulting in no Net County Cost (NCC).
☐	☒	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved.

Strategic Alignment:

Yes	No	Question
☒	☐	Is this project in alignment with the County of Los Angeles Strategic Plan?
☒	☐	Is this project consistent with the currently approved Department Business Automation Plan?
☒	☐	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
☒	☐	Does the project technology solution comply with preferred County of Los Angeles IT Standards?
☐	☒	This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS).

Project/Contract Description:

Proposed Amendment Number 4 to Agreement Number H-211033 with HMS provides for the ongoing provision of maintenance, support and training for the Patient Management System (PMS) for the Department of Health Services (DHS) Office of Managed Care (OMC) and the Health Center Operations (HCO) system software for the Department of Public Health (DPH), while a new patient management system to replace the PMS is being acquired and implemented by OMC.

This Amendment:

- Extends the existing contract with HMS from its current expiration date of December 30, 2009 for one year, through December 30, 2010;
- Provides for an optional one-year extension thereafter, from December 31, 2010 through December 30, 2011, at the sole discretion of the Director of DHS, with written mutual consent of Health Management Systems, Inc (HMS); and
- Provides delegated authority to the Director of DHS, or his designee, to increase the portion of the Contract Sum allocable to the PMS Claims Entry/Processing up to a maximum of 25% of the total Annual Price for PMS Claims Entry/Processing for contract years 7 through 12 combined, in the event of unanticipated expansion activities related to additional health care programs, an increase in member enrollment and retention and expansion of provider network.

Background:

In January 1984, a purchase order (PO) was issued to Global Health Systems, Inc. (Global) for the purchase and installation of the proprietary Global PMS and HCO products. Your Board approved two prior Agreements with Global for software system maintenance services for the PMS and HCO system software. On December 14, 1999, your Board approved the Agreement H-211033 with HMS for the continued system maintenance services for PMS and HCO and this Agreement was subsequently amended three times.

Project Justification/Benefits:

California Code of Regulations Title 28, Article 9, Sections 1300.75.4.3 and 1300.84.6 (Title 28) requires managed care health plans, including the County's Community Health Plan administered by OMC, to have a member and enrollment reporting system as well as a data reporting system. The PMS component of the Agreement satisfies this requirement for OMC. The HCO component provides needed support for system software at DPH health centers.

As requested by the Board, OMC is in the process of replacing its outdated Patient Management System (PMS). In May 2008, OMC released a Request for Proposal (RFP) for a replacement system and is currently evaluating the proposals that were submitted in response to that RFP. Board approval of a new Agreement is targeted for second quarter 2009. Because of the complexity of replacing PMS, complete transition to and implementation of a new system is likely to require the full extension period being requested.

Project Metrics:

Successful execution of this Amendment will be measured by OMC's ability to continue its current day-to-day operations with PMS and to successfully transition to a new patient management system, once a new product is selected and a new agreement is executed.

Impact on Service Delivery or Department Operations, if Proposal Is Not Approved:

Approval of this current Amendment will ensure uninterrupted day-to-day operations and continued maintenance, support, and training for the existing PMS and HCO system software. If this Amendment is not approved, OMC's day-to-day operations would be severely impacted and the transition to a new patient management system (expected to take two years) would be critically impaired.

Alternatives Considered:

Since the existing PMS and HCO software systems are proprietary to HMS, no other alternatives could be considered until such time as new systems are procured, installed, and fully operational.

Project Risks:

None.

Risk Mitigation Measures:

Since no significant risks have been identified, no risk mitigation measures are deemed necessary.

Financial Analysis:

This Amendment increases the existing Contract Sum by $201,984 and adds a one-year base term cost of $3,450,356 to $22,005,740 for the entire term of December 31, 1999 through December 30, 2010. If the optional one-year extension is exercised, the maximum cost for the period December 31, 2010 through December 30, 2011 would be $3,761,638, for a total maximum Contract Sum of $25,767,378 for the entire term of the Agreement.

Funding for the Amendment is included in the DHS' FY 2008-09 Adopted Budget. Funding for future years will be requested as part of their annual budget process. The Amendment is 100% offset by state and federal funds and therefore will have no impact on NCC.

CIO Concerns:

None.

CIO Recommendations:

The CIO recommends approval of this Agreement.

CIO APPROVAL

Received: November 4, 2008

Prepared by: Earl Bradley

Date: November 6, 2008

Approved:

Date: 11/19/2008

EXHIBIT I

AMENDMENT NUMBER FOUR TO

COUNTY AGREEMENT NO. H-211033

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

HEALTH MANAGEMENT SYSTEMS, INCORPORATED

FOR

SOFTWARE AND SERVICES

NOVEMBER 2008

AMENDMENT NUMBER FOUR TO
AGREEMENT FOR SOFTWARE AND SERVICES
(COUNTY AGREEMENT NO. H-211033)

This Amendment Number Four (together with all attachments hereto, this "Amendment") is entered into by and between the County of Los Angeles (hereafter "COUNTY") and Health Management Systems, Incorporated (hereafter "CONTRACTOR") and amends that certain County Agreement No. H-211033, dated December 14, 1999 and amended by Amendment Number One, dated December 10, 2002, and Amendment Number Two, dated March 18, 2003, and Amendment Number Three, dated December 31, 2005 ("Amendment No. 3"), and captioned "Agreement By and Between the County of Los Angeles and Health Management Systems, Incorporated for Software and Services" (together with all attachments thereto, as amended prior to the date of this Amendment, hereafter "Agreement").

WHEREAS, CONTRACTOR has been providing to COUNTY Software and services under the Agreement; and

WHEREAS, the term of the Agreement expires on December 30, 2010; and

WHEREAS, COUNTY and CONTRACTOR desire to extend the term of the Agreement under the same terms and conditions, and to increase the Contract Sum for such extension.

NOW, THEREFORE, pursuant to Paragraph 5.0 (Change Notices and Amendments) of the Agreement, COUNTY and CONTRACTOR hereby

agree to amend the Agreement as follows:

1. Capitalized terms used in this Amendment (including, without limitation, in the recitals) have the meanings given to such terms in the Agreement.

2. Paragraph 6.0 (Term) of the body of the Agreement is hereby amended to read as follows:

> 6.0 TERM:
>
> The term of this Agreement shall commence on December 31, 1999 (hereafter "Effective Date") and shall continue in full force and effect through December 30, 2010 (hereafter "Initial Term"), unless sooner terminated, in whole or in part, as provided herein. At the end of the Initial Term, the Director, or his designee, and CONTRACTOR upon mutual consent may elect to extend the term beyond the stated expiration date of December 30, 2010 for a one-year optional extension through December 30, 2011 ("Extended Term"), by providing written notice to the CONTRACTOR not later than thirty (30) calendar days prior to the expiration of the Initial Term. As used herein, the terms "term of this Agreement" or "Agreement term" shall mean the

Initial Term and Extended Term mutually agreed to by Director and CONTRACTOR.

3. Paragraph 7.0 (Contract Sum) of the body of the Agreement is hereby amended to read as follows:

7.0 CONTRACT SUM:

7.1 The Contract Sum under this Agreement shall be the total monetary amount payable by COUNTY to CONTRACTOR for supplying all the tasks, deliverables, goods, services, and other work specified under this Agreement. All work completed by CONTRACTOR must be approved in writing by COUNTY. If COUNTY does not approve work in writing, no payment shall be due to CONTRACTOR for that work.

7.2 The maximum Contract Sum for this Agreement, including all applicable taxes and for all Extended Terms mutually agreed to by the Director and CONTRACTOR, authorized by COUNTY hereunder, shall not exceed Twenty-Five Million, Seven Hundred Sixty

Seven Thousand, Three Hundred Seventy Eight Dollars ($25,767,378.00), which amount is allocated as set forth in Exhibits B-I and B-II hereto. Notwithstanding such limitation of funds, CONTRACTOR shall satisfactorily perform and complete all work specified in this Agreement.

7.3 Director, or his designee, may increase the portion of the Contract Sum allocable to the PMS Claims Entry/Processing up to a maximum of twenty-five percent (25%) of the total combined Annual Price for PMS Claims Entry/Processing over the term of the Agreement to ensure the continued provision of services in the event of unanticipated expansion activities related to additional health care programs, increase in member enrollment and retention, and expansion of provider network.

4. Exhibit B-I (PMS Schedule of Payments) is amended by (a) deleting pages BI-19 through BI-25 added pursuant to

Amendment No. 3 and (b) adding pages BI-19 through BI-29, which are attached hereto as Attachment I and incorporated herein by reference. Each added page of Exhibit B-I is designated at the bottom as "Added Under Amendment Number Four to Agreement".

5. Exhibit B-II (HCO Schedule of Payments) is amended by (a) deleting pages BII-6 through BII-8, added pursuant to Amendment No. 3, and (b) adding pages BII-6 through BII-8, which are attached hereto as Attachment II and incorporated herein by reference. Each added page of Exhibit B-II is designated at the bottom as "Added Under Amendment Number Four to Agreement".

6. Except as provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

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AMENDMENT NUMBER FOUR TO
AGREEMENT FOR SOFTWARE AND SERVCIES
(COUNTY AGREEMENT NO. H-211033)

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by COUNTY'S Director of Health Services, and Health Management Systems, Incorporated has caused this Amendment to be subscribed in its behalf by its duly authorized officers, this _____ day of _____, 2008.

COUNTY
COUNTY OF LOS ANGELES

By _____
John F. Schunhoff, Ph.D.
Interim Director

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL:

By _____
Amanda M. L. Drukker
Senior Deputy County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

DEPARTMENT OF HEALTH SERVICES

By _____
Kathy Hanks, Director
Contract Administration and
Monitoring

CONTRACTOR
HEALTH MANAGEMENT SYSTEMS,
INCORPORATED

By _____
Signature

_____
Print Name

_____
Title

(AFFIX CORPORATE SEAL)

EXHIBIT B-I

PMS SCHEDULE OF PAYMENTS

ANNUAL PMS SOFTWARE MAINTENANCE AND ONGOING PROGRAMMING/TRAINING

NOTE: Amendment Number Four to Agreement commences with 9th Contract Year.

No	Delivery	Deliverable Title	Rate per Yr/Mo/Hr/Claim	Yrs/Mos/Hrs/ Claims per Yr	Annual Price
37	1 1.1 1.2 1.3 1.4 1.5	Project Administration 7th Contract Year: $ Project Administration 8th Contract Year: $ Project Administration 9th Contract Year: $ Project Administration 10th Contract Year: $ Project Administration 11th Contract Year: $ Project Administration 12th Optional Year: $ Project Administration	 $17,885.31 Per Mo $18,421.87 Per Mo $19,158.74 per Mo $19,733.50 Per mo $20,325.51 per Mo $20,935.27 per Mo	 12 Mos 12 Mos 12 Mos 12 Mos 12 Mos 12 Mos	 $214,623.68 $221,062.39 $229,904.88 $236,802.03 $243,906.12 $251,223.24
38	2 2.1 2.1.1 to 2.1.7	System Hardware 7th Contract Year: $ System Hardware 8th Contract Year: $ System Hardware 9th Contract Year: $ System Hardware 10th Contract Year: $ System Hardware 11th Contract Year: $ System Hardware 12th Optional Year: $ System Hardware			 $0.00 $0.00 $0.00 $0.00 $0.00 $0.00

No	Delivery	Deliverable Title	Rate per Yr/Mo/Hr/Claim	Yrs/Mos/Hrs/ Claims per Yr	Annual Price
39	3	Operating System Software			
		7th Contract Year: $ System Software			$0.00
		8th Contract Year: $ System Software			$0.00
		9th Contract Year: $ System Software			$0.00
		10th Contract Year: $ System Software			$0.00
		11th Contract Year: $ System Software			$0.00
		12th Optional Year: $ System Software			$0.00
40	4	PMS Application Platform (Cache)			
		7th Contract Year: $ PMS Operating System Software (Cache)	$1,566.18 per Mo	12 Mos	$18,794.13
		8th Contract Year: $ PMS Operating System Software (Cache)	$1,566.18 per Mo	12 Mos	$18,794.13
		9th Contract Year: $ PMS Operating System Software (Cache)	$1,566.18 per Mo	12 Mos	$18,794.13
		10th Contract Year: $ PMS Operating System Software (Cache)	$1,566.18 per Mo	12 Mos	$18,794.13
		11th Contract Year: $ PMS Operating System Software (Cache)	$1,566.18 per Mo	12 Mos	$18,794.13
		12th Optional Year: $ PMS Operating System Software (Cache)	$1,566.18 per Mo	12 Mos	$18,794.13

No	Delivery	Deliverable Title	Rate per Yr/Mo/Hr/Claim	Yrs/Mos/Hrs/ Claims per Yr	Annual Price
41	4 4.1 4.2 4.2.1 4.2.2	PMS Application Software			
		7th Contract Year: $ PMS Application Software	$5,788.13 per Mo	12 Mos	$69,457.50
		8th Contract Year: $ PMS Application Software	$5,788.13 per Mo	12 Mos	$69,457.50
		9th Contract Year: $ PMS Application Software	$5,788.13 per Mo	12 Mos	$69,457.50
		10th Contract Year: $ PMS Application Software	$5,788.13 per Mo	12 Mos	$69,457.50
		11th Contract Year: $ PMS Application Software	$5,788.13 per Mo	12 Mos	$69,457.50
		12th Optional Year: $ PMS Application Software	$5,788.13 per Mo	12 Mos	$69,457.50
42	5 5.1	Database/Database Support and Maintenance			
		7th Contract Year: $ Database/Database Support Maintenance			$0.00
		8th Contract Year: $ Database/Database Support Maintenance			$0.00
		9th Contract Year: $ Database/Database Support Maintenance			$0.00
		10th Contract Year: $ Database/Database Support Maintenance			$0.00
		11th Contract Year: $ Database/Database Support Maintenance			$0.00
		12th Optional Year: $ Database/Database Support Maintenance			$0.00

No	Delivery	Deliverable Title	Rate per Yr/Mo/Hr/Claim	Yrs/Mos/Hrs/ Claims per Yr	Annual Price
43	6 6.1	Reports 7th Contract Year: $ Reports 8th Contract Year: $ Reports 9th Contract Year: $ Reports 10th Contract Year: $ Reports 11th Contract Year: $ Reports 12th Optional Year: $ Reports	Refer to Other Professional Services - Custom Programming Modifications or Regulatory Requirements Modifications	Refer to Other Professional Services - Custom Programming Modifications or Regulatory Requirements Modifications	Refer to Other Professional Services - Custom Programming Modifications or Regulatory Requirements Modifications
44	7 7.1 7.2 7.3 7.4 7.5	Interfaces 7th Contract Year: $ Interfaces 8th Contract Year: $ Interfaces 9th Contract Year: $ Interfaces 10th Contract Year: $ Interfaces 11th Contract Year: $ Interfaces 12th Optional Year: $ Interfaces	Refer to Other Professional Services - Custom Programming Modifications or Regulatory Requirements Modifications	Refer to Other Professional Services - Custom Programming Modifications or Regulatory Requirements Modifications	Refer to Other Professional Services - Custom Programming Modifications or Regulatory Requirements Modifications

No	Delivery	Deliverable Title	Rate per Yr/Mo/Hr/Claim	Yrs/Mos/Hrs/ Claims per Yr	Annual Price
45	7.2	Code Table Updates 7th Contract Year: $ Code Table Updates	$0.00		$0.00
		8th Contract Year: $ Code Table Updates	$0.00		$0.00
		9th Contract Year: $ Code Table Updates	$0.00		$0.00
		10th Contract Year: $ Code Table Updates	$0.00		$0.00
		11th Contract Year: $ Code Table Updates	$0.00		$0.00
		12th Optional Year: $ Code Table Updates	$0.00		$0.00
46	8 8.1 8.1.1 to 8.1.7 8.2 8.2.1 8.2.2	Security 7th Contract Year: $ Security 8th Contract Year: $ Security 9th Contract Year: $ Security 10th Contract Year: $ Security 11th Contract Year: $ Security 12th Optional Year: $ Security	Refer to Other Professional Services - Custom Programming Modifications or Regulatory Requirements Modifications	Refer to Other Professional Services - Custom Programming Modifications or Regulatory Requirements Modifications	Refer to Other Professional Services - Custom Programming Modifications or Regulatory Requirements Modifications

No	Delivery	Deliverable Title	Rate per Yr/Mo/Hr/Claim	Yrs/Mos/Hrs/ Claims per Yr	Annual Price
47	9	Data Conversion/Migration 7th Contract Year: $ Data Conversion/Migration 8th Contract Year: $ Data Conversion/Migration 9th Contract Year: $ Data Conversion/Migration 10th Contract Year: $ Data Conversion/Migration 11th Contract Year: $ Data Conversion/Migration 12th Optional Year: $ Data Conversion/Migration	Refer to Other Professional Services - Custom Programming Modifications or Regulatory Requirements Modifications	Refer to Other Professional Services - Custom Programming Modifications or Regulatory Requirements Modifications	Refer to Other Professional Services - Custom Programming Modifications or Regulatory Requirements Modifications
48	10 10.5 10.6 10.7 10.8 10.9	User and Technical Training 7th Contract Year: $ User and Technical Training (First 100hrs are at no cost to the COUNTY; not included in maximum hrs) 8th Contract Year: $ User and Technical Training (First 100hrs are at no cost to the COUNTY; not included in maximum hrs) 9th Contract Year: $ User and Technical Training (First 100hrs are at no cost to the COUNTY; not included in maximum hrs) 10th Contract Year: $ User and Technical Training (First 100hrs are at no cost to the COUNTY; not included in maximum hrs) 11th Contract Year: $ User and Technical Training (First 100hrs are at no cost to the COUNTY; not included in maximum hrs) 12th Optional Year: $ User and Technical Training (First 100hrs are at no cost to the COUNTY; not included in maximum hrs)	$70.30 Per Hr $72.41 Per Hr $75.30 per Hr $75.30 per Hr $78.31 per Hr $78.31 per Hr	0 Hrs 0 Hrs 0 Hrs 0 Hrs 100 Hrs 100 Hrs	$0.00 $0.00 $0.00 $0.00 $7,831.00 $7,831.00

No	Delivery	Deliverable Title	Rate per Yr/Mo/Hr/Claim	Yrs/Mos/Hrs/ Claims per Yr	Annual Price
49	10.1 10.2 10.3 10.4	Training Reference Materials 7th Contract Year: $ Training Reference Materials 8th Contract Year: $ Training Reference Materials 9th Contract Year: $ Training Reference Materials 10th Contract Year: $ Training Reference Materials 11th Contract Year: $ Training Reference Materials 12th Optional Year: $ Training Reference Materials			$0.00 $0.00 $0.00 $0.00 $0.00 $0.00
50	11 11.1 to 11.6 11.9 11.9.1 to 11.9.6 11.10 11.10.1 to 11.10.5 11.11 11.11.1 to 11.11.6	Application Maintenance 7th Contract Year: $ Application Maintenance 8th Contract Year: $ Application Maintenance 9th Contract Year: $ Application Maintenance 10th Contract Year: $ Application Maintenance 11th Contract Year: $ Application Maintenance 12th Optional Year: $ Application Maintenance			$0.00 $0.00 $0.00 $0.00 $0.00 $0.00

No	Delivery	Deliverable Title	Rate per Yr/Mo/Hr/Claim	Yrs/Mos/Hrs/ Claims per Yr	Annual Price
51	11.7 11.7.1 to 11.7.15	Other Professional Services - Custom Programming Modifications			
		7th Contract Year: $ Other Professional Services - Custom Programming Modifications	$127.09 per Hr	11,904 Hrs (maximum)	$1,512,926.98
		8th Contract Year: $ Other Professional Services - Custom Programming Modifications(500hrs at no cost to the COUNTY not included in maximum hours)	$139.80 per Hr	11,404 Hrs (maximum)	$1,594,317.97
		9th Contract Year: $ Other Professional Services - Custom Programming Modifications(500hrs at no cost to the COUNTY not included in maximum hours)	$153.78 per Hr	11,404 Hrs (maximum)	$1,753,749.77
		10th Contract Year: $ Other Professional Services - Custom Programming Modifications	$169.16 per Hr	11,904 Hrs (maximum)	$2,013,705.81
		11th Contract Year: $ Other Professional Services - Custom Programming Modifications	$186.08 per Hr	11,904 Hrs (maximum)	$2,215,096.32
		12th Optional Year: $ Other Professional Services - Custom Programming Modifications	$204.69 per Hr	11,404 Hrs (maximum)	$2,334,284.76

No	Delivery	Deliverable Title	Rate per Yr/Mo/Hr/Claim	Yrs/Mos/Hrs/ Claims per Yr	Annual Price
52	11.8 11.8.1 to 11.8.15	Other Professional Services - Regulatory Requirements Modifications			
		7th Contract Year: $ Other Professional Services - Regulatory Requirements Modifications			$0.00
		8th Contract Year: $ Other Professional Services - Regulatory Requirements Modifications			$0.00
		9th Contract Year: $ Other Professional Services - Regulatory Requirements Modifications			$0.00
		10th Contract Year: $ Other Professional Services - Regulatory Requirements Modifications			$0.00
		11th Contract Year: $ Other Professional Services - Regulatory Requirements Modifications			$0.00
		12th Optional Year: $ Other Professional Services - Regulatory Requirements Modifications			$0.00

No	Delivery	Deliverable Title	Rate per Yr/Mo/Hr/Claim	Yrs/Mos/Hrs/ Claims per Yr	Annual Price
53	12 12.2 12.3 12.4 12.5 12.6 12.7 12.7.1 12.7.2	Operation Requirements and Production Support 7th Contract Year: $ Operation Requirements and Production Support 8th Contract Year: $ Operation Requirements and Production Support 9th Contract Year: $ Operation Requirements and Production Support 10th Contract Year: $ Operation Requirements and Production Support 11th Contract Year: $ Operation Requirements and Production Support 12th Optional Year: $ Operation Requirements and Production Support			$0.00 $0.00 $0.00 $0.00 $0.00 $0.00

No	Delivery	Deliverable Title	Rate per Yr/Mo/Hr/Claim	Yrs/Mos/Hrs/ Claims per Yr	Annual Price
54	12.1	Claims Entry/Processing			
		7th Contract Year: $ Claims Entry/Processing	$2.00 per Claim	139,821 Claims (maximum)	$279,642.00
		8th Contract Year: $ Claims Entry/Processing	$2.00 per Claim	150,514 Claims (maximum)	$301,028.00
		9th Contract Year: $ Claims Entry/Processing (Revised under Change Notice Number One to increase claims by 39,330 due to expansion of fee-for-service hospital contracts and claims services for IHSS).	$2.00 per Claim	220,830 Claims (maximum)	$441,660.93
		10th Contract Year: $ Claims Entry/Processing (Increase of 76,388 claims from Change Notice Number One due to possible expansion of fee-for-services hospital contracts and continued claims services for IHSS).	$2.00 per Claim	276,038 Claims (maximum)	$552,076.00
		11th Contract Year: $ Claims Entry/Processing	$2.00 per Claim	345,047 Claims (maximum)	$690,094.00
		12th Optional Year: $ Claims Entry/Processing	$2.00 per Claim	431,309 Claims (maximum)	$862,618.00

7th Contract Year	$2,095,444.28
8th Contract Year	$2,204,659.99
9th Contract Year	$2,513,567.21
10th Contract Year	$2,890,835.46
11th Contract Year	$3,245,179.07
12th Optional Year	$3,544,208.63
TOTAL (PMS):	**$16,493,894.64**

EXHIBIT B-II

HCO SCHEDULE OF PAYMENTS

ANNUAL HCO SOFTWARE MAINTENANCE AND ONGOING PROGRAMMING/TRAINING

NOTE: Amendment Number Four to Agreement commences with 9th Contract Year.

No	Deliv	Deliverable Title	Rate per Yr/Mo/Hr	Yrs/Mos/Hrs per Yr	Annual Price
9	1.1	Emergency and Preventive System Software Maintenance - HCO Application Software			
		7th Contract Year: · HCO Application Software	$6,098.89 per Mo	12 Mos	$73,186.67
		8th Contract Year: · HCO Application Software	$6,281.86 per Mo	12 Mos	$75,382.27
		9th Contract Year: · HCO Application Software	$6,533.13 per Mo	12 Mos	$78,397.56
		10th Contract Year: · HCO Application Software	$6,729.12 per Mo	12 Mos	$80,749.49
		11th Contract Year: · HCO Application Software	$6,931.00 per Mo	12 Mos	$83,172.00
		12th Optional Year: · HCO Application Software	$7,138.93 Per Mo	12 Mos	$85,660.68
10	1.2.1 1.2.2	Emergency and Preventive System Software Maintenance - HCO Operating Software			
		7th Contract Year: · HCO Operating Software (Cache)	$1,108.32 per Mo	12 Mos	$13,299.85
		8th Contract Year: · HCO Operating Software (Cache)	$1,141.57 per Mo	12 Mos	$13,698.85
		9th Contract Year: · HCO Operating Software (Cache)	$1,187.23 per Mo	12 Mos	$14,246.80
		10th Contract Year: · HCO Operating Software (Cache)	$1,222.85 per Mo	12 Mos	$14,674.21

No	Deliv	Deliverable Title	Rate per Yr/Mo/Hr	Yrs/Mos/Hrs per Yr	Annual Price
		11th Contract Year: · HCO Operating Software (Cache)	$1,271.77 per Mo	12 Mos	$15,261.24
		12th Optional Year: · HCO Operating Software (Cache)	$1,309.92 per Mo	12 Mos	$15,719.04
11	2.1	Software Updates - HCO System Software			
		7th Contract Year: · HCO System Software			$0.00
		8th Contract Year: · HCO System Software			$0.00
		9th Contract Year: · HCO System Software			$0.00
		10th Contract Year: · HCO System Software			$0.00
		11th Contract Year: · HCO System Software			$0.00
		12th Optional Year: · HCO System Software			$0.00
12	3.1	Ongoing Programming/Training - HCO Ongoing Programming/ Training			
		7th Contract Year: · Programming	$127.09 per Hr	300 Hrs (maximum)	$38,128.20 (maximum)
		· Training	$70.30 per Hr	175 Hrs (maximum)	$12,302.06 (maximum)
		8th Contract Year: · Programming	$139.80 per Hr	300 Hrs (maximum)	$41,941.02 (maximum)
		· Training	$72.41 per Hr	175 Hrs (maximum)	$12,671.12 (maximum)
		9th Contract Year: · Programming (Increase of 100 hours from Amendment No. 3 due	$153.78 per Hr	400 Hrs (maximum)	$61,512.00 (maximum)
			$75.30 per Hr	175 Hrs (maximum)	$13,177.97 (maximum)

No	Deliv	Deliverable Title	Rate per Yr/Mo/Hr	Yrs/Mos/Hrs per Yr	Annual Price
		to software enhancements for business needs).			
		· Training	$169.16 per Hr $75.30 per Hr	500 Hrs (maximum) 175 Hrs (maximum)	$84,580.00 (maximum) $13,177.97 (maximum)
		10th Contract Year: · Programming (Increase of 100 hours from Amendment No. 3 due to software enhancements for business needs).	$186.08 per Hr $78.31 per Hr	500 Hrs (maximum) 175 Hrs (maximum)	$93,040.00 (maximum) $13,704.25 (maximum)
		· Training	$204.69 per Hr $78.31 per Hr	500 Hrs (maximum) 175 Hrs (maximum)	$102,345.00 (maximum) $13,704.25 (maximum)
		11th Contract Year: · Programming			
		· Training			
		12th Optional Year: · Programming			
		· Training			
7th Contract Year					$136,916.79
8th Contract Year					$143,693.27
9th Contract Year					$167,334.33
10th Contract Year					$193,181.67
11th Contract Year					$205,177.49
12th Optional Year					$217,428.97
TOTAL (HCO)					**$1,063,732.52**