

EXHIBIT A
SCOPE OF WORK

This contract is being amended pursuant to the Governors Executive Order S-09-09

Important Disclaimer: Where approval from the California Department of General Services (DGS) applies, this contract shall be of no force or effect until it is signed by both parties (DMH and Contractor) and approved by the DGS. The Contractor is not to begin work until all approvals have been obtained, and the contract has been fully executed. Should work begin before all approvals are obtained, services will be considered voluntary.

1. APS Healthcare Midwest, hereafter referred to as the Contractor, agrees to provide to Department of Mental Health (DMH) the services described herein:

Provide the External Quality Reviews (EQR) required by Title 42, Code of Federal Regulations (CFR), Section 438.358 for all California Mental Health Plans (MHP's) and DMH.

2. The services shall be performed Statewide, defined as the boundaries of the State of California. The base of operations for the project will be in the City of Sacramento, California.
3. The services shall be provided during normal State business hours, 8:00 AM through 5:00 PM, Monday through Friday.
4. The project representatives during the term of this agreement will be:

State Agency: Department of Mental Health	Contractor: APS Healthcare Midwest
Name: Kathleen Carter Nishimura	Name: Michael Reiter, Pharm.D, Executive Director
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5. Contractor Qualifications

A. The Contractor must have at a minimum the following:

1. Staff with demonstrated experience and knowledge of:
 - a. Medicaid recipients, policies, data systems, and processes.
 - b. Managed care delivery systems, organizations, and financing.
 - c. Quality assessment and improvement methods.
 - d. Research design and methodology, including statistical analysis.
 - e. Cultural competency standards and issues.
2. Sufficient physical, technological, and financial resources to conduct EQR or EQR-related activities.
3. Other clinical and non-clinical skills necessary to carry out EQR or EQR-related activities and to oversee the work of any subcontractors.

4. **Independence.** The Contractor and its subcontractors are independent from the State Medicaid agency and from the Managed Care Organizations (MCO's) or Prepaid Inpatient Health Plans (PIHP's) that they review. To qualify as independent:
 - a. A State agency, department, university, or other State entity may not have Medicaid purchasing or managed care licensing authority.
 - b. A State agency, department, university, or other State entity must be governed by a Board or similar body the majority of whose members are not government employees.
- B. The Contractor attests that: the contractor, its parent company or any affiliates do not:
 1. Review a particular MCO or PIHP if either the Contractor or the MCO or PIHP exerts control over the other through:
 - a. Stock ownership.
 - b. Stock options and convertible debentures.
 - c. Voting trusts.
 - d. Common management, including interlocking management.
 - e. Contractual relationships.
 2. Deliver any health care services to Medicaid recipients.
 3. Conduct, on the State of California's behalf, ongoing Medicaid managed care program operations related to oversight of the quality of MCO or PIHP services, except for the related activities specified in Title 42, CFR, Section 438.358 and this contract.
 4. Have a present or known future, direct or indirect financial relationship with an MCO or PIHP that it will review as an External Quality Review Organization (EQRO).
- C. Subcontractors are permitted to be used by the Contractor under the following conditions:
 1. Subcontractors are permitted only with prior written approval of DMH.
 2. The Contractor is accountable for, and must oversee, all subcontractor functions.
 3. Subcontractors must meet the requirements of independence as specified in Title 42, CFR, Section 438.358 (c).
6. **Contractor Responsibilities**
 - A. Prior to each on-site review, the Contractor shall:
 1. Develop an annual schedule for on-site review of each MHP. This schedule shall be developed in consultation with the State and MHP's.
 2. Sixty (60) days prior to each MHP on-site review, communicate the parameters of the on-site visit to the MHP.
 3. Contact each MHP and request each MHP to identify, by name and title, the probable staff, providers and other stakeholders to be interviewed and the contact person with whom to arrange the focus

group(s), and identify the preliminary data needed. Counties have thirty (30) days from receipt of notice to reply to contractor.

4. Arrange for a conference call prior to the review as a follow-up to the review done the prior year. The conference call shall focus on how the MHP responded to the recommendations raised in the prior year's report.
5. Coordinate with the Contract Manager regarding the requirements for performance measurement and reporting.
6. The Contractor shall notify the State if a consumer or family member is not part of the review team, including the reason why consumer or family member participation in the on-site review was not possible.

B. The Contractor shall conduct annual on-site reviews of all MHP's. On-site reviews shall include the following:

1. Using the Information System Capabilities Assessment (ISCA) protocol, approved by DMH, validate that the MHP meets Federal data integrity requirements identified in Title 42, CFR, Section 438.242.
2. Validation of Performance Measures (PMs) proposed by the contractor and selected by DMH. The Contractor shall validate data submitted by each MHP including: specifications for the eligible population for the measure; data collection methodology; denominator calculations; numerator calculations, and calculated and reported rates.
3. Validation of the MHP's contractually required Performance Improvement Projects (PIPs). This review shall include assessment of the MHP's study methodology, evaluation of the overall validity and reliability of PIP results through a field review, and central research team analysis with oversight by the Contractors' subject matter experts.
4. Participation of a diverse group of consumers and family members as part of the on-site review.
5. Review the procedures the MHP has in place for collecting and integrating mental health service, financial, eligibility and service provider information covering service related data, from internal and external sources.
6. Validation that the MHP meets quality requirements by conducting focus groups to obtain client and family member perspective and conducting interviews with providers and other stakeholders identified by the Contractor as relevant in the review.
7. Validation of consumer satisfaction surveys conducted by DMH and the MHP in each county.
8. Recommendations based on observed strengths and weaknesses of the MHP's Quality Management Program.
9. For FY 2010-11, Fifty-one (51) on-site MHP reviews and 5 off-site MHP reviews will be conducted; and for FY 2011-12, 51 on-site MHP reviews and 5 off-site MHP reviews will be conducted. For FY 2012-13, forty-five (45) to fifty-one (51) on-site MHP reviews and five (5) to eleven (11) off-site MHP reviews will be conducted. The exact distribution of on-site versus off-site MHP reviews will be based on the mutual agreement of DHCS and the Contractor."

C. Training and Technical Assistance requirements:

1. Train the Contractors' reviewers to familiarize them with the MHP organizations and service systems to be reviewed, the important population characteristics of their geographic areas to highlight current known issues at the respective MHP's or issues in the communities served that may or should impact on its service systems and (or) contractors, and the data gathering tools to be utilized.
2. Provide continuing education for reviewers designed to update changes to the Medi-Cal system, Medicaid policies, developments in information systems employed at MHPs and or DMH, and changes within MHP's and or DMH. Training should also include but are not limited to: HIPAA issues, trends identified in the prior year's reviews, interview techniques, current issues in cultural competency as well as any other areas of concern or interest.
3. Provide after each annual review, individualized technical assistance to MHP staff on topics related to the external quality review activities to meet the quality improvement needs of each MHP and to maximize the utility of the external review process as a quality improvement tool.
4. Attend major Statewide meetings to provide information, training and technical assistance on external quality review to DMH, MHP's and other appropriate stakeholders. The Contractor shall confer with the DMH Contract Manager in advance to determine which meetings to attend. The Contractor shall provide a summary presentation and copies of any meeting materials to the State.
5. Recruit and train a diverse group of consumers and family members from around the State who shall participate as part of each on-site review team.
6. Provide technical assistance and ad hoc data analysis to the State as required. These activities shall be coordinated with the DMH Contract Manager.

D. Reporting Requirements:

1. A final written report based on the on-site review conducted as required by item 6.A of this contract. The written report shall incorporate the comments received from the respective MHP and DMH, and will be due within ninety (90) days of the end of the on-site review. The report shall include:
 - a. Status of each MHP with regard to meeting the basic required elements of a health information system under Title 42, CFR, Section 438.242.
 - b. Findings of PIP validation activities as described in Title 42, CFR, Section 438.240(b)(1) including:
 - i. Evaluation of the MHP's ongoing quality assessment and performance improvement in clinical and non-clinical areas.
 - ii. Measurement of the MHP's performance using objective quality indicators.
 - iii. Evaluation of the MHP's implementation of system interventions to achieve improvement in quality.
 - iv. Evaluation of the effectiveness of the MHP's interventions.
 - c. Findings of Performance Measures (PM's) validation as described in Title 42, CFR, Section 438.240(b) (2).
 - d. Results of the validation of consumer satisfaction surveys conducted by DMH and the MHP report shall detail satisfaction specific to each County and note where the responses are determined to be statistically significant.

- e. Produce a detailed technical report in accordance with Title 42, CFR, Section 438.358 that describes the manner in which the data from all activities conducted as a part of the external quality review were aggregated and analyzed. The report must include the following:
 - i. Objectives.
 - ii. Technical methods of data collection and analysis.
 - iii. Description of data obtained.
 - iv. Conclusions drawn from the data which will include:
 - a) An assessment of each MHP's strengths and weaknesses with respect to the systems and and/or mechanisms used by the MHP to ensure quality, timeliness, and access to specialty beneficiaries covered by the MHP.
 - b) Strengths and weaknesses on these issues from a cultural competency perspective, recommendations for improving the quality of specialty mental health services furnished by each MHP
 - c) An assessment of the degree to which each MHP has addressed effectively the recommendations for quality improvement made by the EQRO during the previous year's external quality review. If the MHP did not implement the previous years EQRO recommendations, an assessment of MHP's actions taken in lieu of the EQRO recommendations and actions must be conducted.
2. By August 31st of each year deliver to DMH a written Statewide annual report incorporating the findings of the PM's validation activities, PIP validation activities, Information systems capability assessments, MHP compliance reviews and input from clients and family members. This report shall include:
 - a. A detailed technical review that describes the manner in which data from all activities were aggregated and analyzed.
 - b. Address the objectives, technical methods of data collection and analysis, description of data obtained, and conclusions drawn from the data; an assessment of each MHP's strengths and weaknesses with respect to the quality, timeliness and access to specialty mental health services furnished to the Medi-Cal beneficiaries by the MHP, including strengths and weaknesses on these issues from a cultural competency perspective.
 - c. Recommendations from consumer/family contractors as well as cultural competency consultants for improving the quality of specialty mental health services furnished by each MHP.
 - d. Comparison to relevant National quality standards for Medicaid programs or comparable commercial products.
 - e. A public presentation of the report done via an electronic web based presentation or whatever means is agreed upon in writing by the Contractor and DMH.
3. The Contractor shall prepare and submit a monthly Status Report to the State by the 10th of each month. The Status Report shall be in a format approved by the State. The report shall itemize all completed tasks during the applicable month and shall include at a minimum:
 - a. A description of technical assistance and trainings provided, including topic of technical assistance or training, attendance, and affiliation of attendees.

- b. A summary of on-site visits conducted that month, and on-site visits expected to start in the month following the report.
- c. A summary of training provided for Contractor staff to ensure the Federal requirements of knowledge of Medicaid and managed care principles as detailed in Section 5 of the contract are met.
- d. A description of all meetings attended by Contractor staff related to the duties of this contract.
- e. A current action item log.
- f. A schedule of activities completed, continued and/or commenced in the month and any other issues of significance.

4. Written and electronic copies of reports produced by the Contractor shall be delivered to DMH based upon agreed upon deadlines.

E. Coordination and Consultation

- 1. The Contractor shall coordinate with the DMH Contract Manager, key DMH staff and others as necessary to ensure adequate coordination of activities between the EQRO, DMH and MHP's and provide consultation as necessary. This will include the following:
 - a. Meet with the DMH Contract Manager at minimum, once a month, to ensure the successful completion of activities required by this contract.
 - b. Assist DMH Community Services and Program Compliance Division staff to plan and implement:
 - i. appropriate follow-up activities for each MHP after a review has occurred and
 - ii. related activities, as needed.
 - c. Consultation on State regulatory changes and MHP contract language changes.
 - d. Provide consultation to the State Quality Improvement Council and other stakeholders as directed by DMH.
 - e. Provide consultation and ongoing data analysis to DMH and MHP's as directed by DMH. The Contractor shall distribute data to MHP's and DMH, and conduct training on the data as directed by DMH.
- 2. The Contractor shall submit written and electronic copies of the Contractor's Annual Work Plan sixty (60) days prior to the beginning of each contract year. The Annual Work Plan shall be reviewed and approved by DMH. DMH shall provide written approval before the start of the new contract year. At a minimum, the Work Plan must include identification of all EQRO activities and tasks planned for the contract year as well as targeted timelines and completion dates for each activity. Any amendments to the Annual Work Plan must be reviewed and approved in writing by DMH.
- 3. During the last three months of the contract year prior to expiration or termination, the Contractor shall deliver to DMH or another specified entity; documents, records, reports and databases in a format specified by DMH.

F. The Contractor shall develop and maintain a web site that provides information and resources for evaluating and improving the quality of service provided by California's MHP's. The web site should include but not be limited to the following:

- 1. Share material of interest to MHP's and California stakeholders

2. Showcase samples of materials from MHP's such as Quality Improvement, Cultural Competency, and Performance Improvement Projects.
3. Reports and presentations.
4. Data analysis.
5. Resources.
6. Schedules and other information regarding the program.
7. Other useful web sites and articles.

G. Amendment Options

1. This Agreement may be amended to extend the term by written mutual consent of the parties hereto for two (2) additional one-year options at the rates included in Exhibit B.