



Nicholas A. Toumpas  
Commissioner

Stephen J. Mosher  
Chief Financial Officer

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF IMPROVEMENT AND INTEGRITY

129 PLEASANT STREET, CONCORD, NH 03301-3857  
603-271-9291 1-800-852-3345 Ext. 9291  
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May 10, 2013

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

75% Federal  
25% General

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Office of Improvement & Integrity, to amend an existing agreement, Purchase Order # 1022031 with Massachusetts Peer Review Organization, Inc., (Masspro), 245 Winter Street, Waltham, Massachusetts 02451, Vendor #224406 as the New Hampshire Medicaid Quality Improvement Organization (QIO), to continue to provide Medicaid In-Patient hospital utilization review services, by increasing the price limitation by \$500,000 from \$500,000 to \$1,000,000, and extending the completion date from June 30, 2013 to June 30, 2015, effective upon Governor and council approval. Governor and Council approved the original agreement on November 9, 2011, Item Number 92. The original agreement ending on June 30, 2013 was approved by Governor and Council on November 9, 2011, Item number 92.

Funds are anticipated to be available in State Fiscal Years 2014 and 2015 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts if needed and justified between State Fiscal Years, in the following account:

05-95-95-951010-7935 HEALTH AND SOCIAL SERVICES, DEPT. OF HEALTH AND HUMAN SERVICES,  
HHS: COMMISSIONERS OFFICE, OFFICE OF IMPROVEMENT AND INTEGRITY

| Fiscal Year | Class/Object | Class Title                    | Current Modified Budget | Increase (Decrease) Amount | Revised Modified Budget |
|-------------|--------------|--------------------------------|-------------------------|----------------------------|-------------------------|
| 2012        | 102-500731   | Contracts for Program Services | \$250,000.00            | \$0.00                     | \$250,000.00            |
| 2013        | 102-500731   | Contracts for Program Services | \$250,000.00            | \$0.00                     | \$250,000.00            |
| 2014        | 102-500731   | Contracts for Program Services |                         | \$250,000.00               |                         |
| 2015        | 102-500731   | Contracts for Program Services |                         | \$250,000.00               |                         |
| Subtotal    | 102-500731   | Contracts for Program Services | \$500,000.00            | \$500,000.00               | \$1,000,000.00          |

**EXPLANATION**

This agreement will enable Masspro to continue to perform federally required medical peer review services as established by 42 CFR 456.1(b)(2)(iii) on selected New Hampshire Medicaid in-state and border hospital inpatient admissions, to determine that the admission was medically necessary and appropriate, and that

the services provided to the patient could not have safely and effectively been provided at a lower level of care or on an outpatient basis. Masspro will perform approximately 6,000 reviews over the course of this two-year contract period extension, at a price of \$83.33 per review. Masspro will conduct targeted Diagnostic Related Grouping (DRG) validation to determine that the diagnostic and procedural information on the claim is accurate and reflects the DRG assigned for payment. The State of New Hampshire will benefit from this activity through the identification and recovery of overpayments, which traditionally results in at least \$1,000,000.00 in general fund recoveries per state fiscal year. Medicaid providers will also benefit from the identification of underpayments resulting in corrective payments to them when appropriate. In the event Governor and Executive Council determine to not authorize this agreement, New Hampshire will be out of compliance with federal requirements previously identified, and may be subject to monetary sanctions in the Medicaid Program, and will also not achieve the cost recoveries expected from these reviews.

The DHHS is exercising an option to renew the contract based upon the following language that was included in the original RFP 12-OII-QRP-02 page 37: Upon mutual agreement of the parties, and approval by Governor and Executive Council, there may be up to two (2), one (1) year extensions to the term of the contract. Modifications to the scope of services shall be renegotiated as necessary. The terms and conditions of the contract shall remain in full force and effect throughout an extension period, except that reimbursement to the Contractor for performance of its contractual obligations may be negotiated by the parties.

Masspro will perform post-payment reviews of paid inpatient hospital claims in order to assess the medical necessity for the inpatient stay, and the use of appropriate diagnosis and coding under the Diagnosis Related Group Prospective Payment System. Peer reviews are mandated by the Center for Medicare & Medicaid Services (CMS) and contracts for services are encouraged with CMS designated Quality Improvement Organizations.

Masspro was selected as the New Hampshire Medicaid QIO as a result of a competitive bidding process. A Request For Proposals (RFP) was released on August 5, 2011 and public notice was published on August 8, 2011 through August 9, 2011, in the New Hampshire Union Leader and on the Department of Health and Human Services website and OII contacted a number of prospective bidders. One proposal was submitted, which was from Masspro. An evaluation committee comprised of four Department employees evaluated the proposal in accordance with criteria established in the RFP. The proposal was evaluated for meeting minimum requirements, organization, review process and delivery, and cost proposal. In accordance with the evaluation criteria set forth in the RFP, Masspro scored 99.25 points out of a possible 100 points.

Subsequent to Governor and Council approval of the contract in November 2011, Masspro has become well versed in the New Hampshire Medical Assistance Program Integrity activities, policies and procedures, and has familiarized themselves with applicable State and federal laws, rules, Centers for Medicare and Medicaid Services guidelines and regulations pertaining to NH Medicaid inpatient hospital services. The Office of Improvement and Integrity, Provider Program Integrity Unit reviews the results of the reviews, and validates that appropriate corrective action has occurred by checking the provider's claims history file to ensure that, when appropriate, the payment recovery has been made by the Medicaid fiscal agent, and in cases where the provider is allowed to re-submit the claim appropriately, that they have done so in accordance with the instructions provided by Masspro.

Masspro is a CMS designated QIO in Massachusetts as required by federal regulation. Masspro's experience in providing utilization management services includes:

- 27 years for the federal Medicare program and 20 years for the Massachusetts Medicaid program, providing utilization and quality control peer review, and claims analysis to Medicaid members.

- A proven review process carried out by qualified physician and nursing staff who undergo ongoing internal quality control review.
- Education and outreach to providers to clarify review processes, timeframes, and provider responsibilities.
- Comprehensive security measures recognized by CMS in designating Masspro as an emergency back-up facility for CMS.
- Proven experience in transitioning of contracts from an incumbent vendor.
- Implementation of a web portal to securely transmit medical records and documents between Masspro and DHHS, and Masspro and the providers.

The following performance measures will be used by DHHS' Provider Program Integrity Unit to measure the effectiveness of this agreement:

Performance Measure 1: Masspro will review selected inpatient cases and determine medical necessity and appropriateness. Outcome: DHHS' Provider Program Integrity Unit shall validate that 6,000 cases have been completed and reviewed by Masspro by the end of the two-year contract period.

Performance Measure 2: Masspro shall conduct inpatient reviews in a timely manner in accordance with the requirements set forth in the contract.

Outcome: DHHS' Provider Program Integrity Unit shall validate that Masspro completes reviews within four months of receipt of data.

Performance Measure 3: Masspro shall communicate non-complaint cases to DHHS' Provider Program Integrity Unit, the provider, and DHHS' fiscal agent, for the purpose of payment recovery and corrective action for each case identified following the review.

Outcome: Masspro shall send denial notices and corresponding monthly reports to DHHS' Provider Program Integrity Unit, within the time frame set forth in the contract, which the DHHS' Provider Program Integrity Unit will utilize to calculate overpayment and recovery amounts.

Performance Measure 4: Masspro shall complete quarterly and annual reports in accordance with the contract guidelines.

Outcome: DHHS' Provider Program Integrity Unit shall receive quarterly reports by the 30th of the month following the close of the prior quarter, and annual reports by October 31<sup>st</sup>, following the close of the State Fiscal Year.

Performance Measure 5: Masspro shall provide a minimum of 8 provider training and education forums for the providers, to introduce and train them on the installation, access, and automated review process, once the web portal has been developed and fully functional.

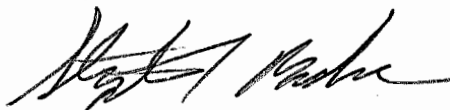
Outcome: DHHS' Provider Program Integrity Unit shall validate that providers effectively utilize the web portal as a means of facilitating a more efficient and timely automated review process.

Area Served: Statewide.

Source of Funds: 75% CMS Federal Funds and 25% General Funds. Upon the completion of the agreement the final percentages may vary because Medicaid services are reimbursed at various rates.

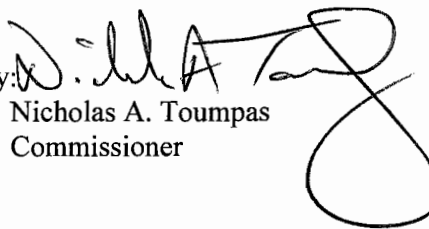
In the event that Federal Funds become no longer available, General Funds will not be requested to support this agreement.

Respectfully submitted,



Stephen J. Mosher  
Administrator  
Office of Improvement and Integrity

Approved by:



Nicholas A. Toumpas  
Commissioner

**OFFICE OF IMPROVEMENT AND INTEGRITY**  
**Utilization and Quality Control Peer Review**  
**RFP 12-OII-QPR-02**  
**For the Contract Period ending July 31, 2013**

**BID SUMMARY**

| <b>SCORING CRITERIA</b>                                                                                                                                               | <b>MASSPRO</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>Phase I</b><br><b>Pass/Fail</b><br><br>Evaluation of Min. Requirements                                                                                             | PASS           |
| <b>Phase II</b><br><b>15 points</b><br><br>Evaluation of Organization<br>*Must have a minimum 9 points to pass this phase and move on to phase III                    | 14.5           |
| <b>Phase III</b><br><b>35 points</b><br><br>Evaluation of Review Process & Delivery<br><br>*Must have a minimum 40 points to pass this phase and move on to phase III | 49.75          |
| <b>Phase IV</b><br><b>50 pts</b><br><br>Evaluation of Coast Sharing Proposal                                                                                          | 35             |
| <b>TOTAL SCORE OF A POSSIBLE 100 POINTS</b>                                                                                                                           | <b>99.25</b>   |

OFFICE OF IMPROVEMENT AND INTEGRITY  
Utilization and Quality Control Peer Review  
RFP 12-OII-QPR-02  
For the Contract Period ending July 31, 2013

**RANKING THE PROPOSALS**

|                                                                                    | Eval. #1<br>(SB) | Eval. #2<br>(MC) | Eval. #3<br>(DG) | Eval. #4<br>(GB) | Average<br>Score |
|------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Vendor</b>                                                                      | <b>MASSPRO</b>   | <b>MASSPRO</b>   | <b>MASSPRO</b>   | <b>MASSPRO</b>   |                  |
| <b>Phase I</b><br><b>Pass/Fail</b>                                                 |                  |                  |                  |                  |                  |
| Evaluation of<br>Min.<br>Requirements                                              | PASS             | PASS             | PASS             | PASS             | PASS             |
| <b>Phase II 15%</b><br>Evaluation of<br>Organization                               | 13               | 15               | 15               | 15               | 14.5             |
| <b>Phase III</b><br><b>35%</b><br>Evaluation of<br>Review<br>Process &<br>Delivery | 49               | 50               | 50               | 50               | 49.75            |
| <b>Phase IV</b><br><b>50%</b><br>Evaluation of<br>Cost Sharing<br>Proposal         | 35               | 35               | 35               | 35               | 35               |
|                                                                                    |                  |                  |                  |                  |                  |
| <b>TOTAL<br/>SCORING</b>                                                           | 97               | 100              | 100              | 100              | 99.25            |

OFFICE OF IMPROVEMENT AND INTEGRITY  
Utilization and Quality Control Peer Review  
RFP 12-OII-QPR-02  
For the Contract Period ending July 31, 2013

**RANKING THE PROPOSALS**

RFP 12-OII-QPR-02 was evaluated by three (3) experienced SURS staff members and one (1) financial analyst, whose names and qualifications are as follows:

1. Sherry Bozoian, RN - Adminsitrator, SURS unit, DHHS/OII  
Graduated Sacred Heart Hospital School of Nursing - Diploma in Nursing - 1974  
Graduated Notre Dame College 1997 - Bachelor of Arts  
1974 - 1986 Staff nurse, Operating Room  
1988 - 1993 Utilization Review Nurse - Blue Cross/Blue Shield of NH  
1994 - 2000 Utilization Review Nurse/Consultant EDS (for DHHS SURS)  
2000 - present Adminsitrator II, SURS unit
2. Mindy Chavanelle, BSN, CPC - QIO Contract Manager, SURS unit, DHHS/OII  
Graduated St. Anselm College 1985 - Bachelor of Science in Nursing  
1985 - 1987 Medical Claims Analyst  
1988 - 1995 Human Resources Manager  
1995 - 2007 Medicaid Policy- Program Specialist III  
2007 - present QIO Contract Manager, SURS unit, DHHS/OII
3. Diana Gannett - Program Specialist IV, SURS unit, DHHS/OII  
Graduated Hesser College 2009 - Medical Assistant's Degree  
1984 - 2003 DHHS, Medicaid Program, various positions  
2003 - 2011 Program Specialist III, SURS unit, DHHS/OII  
2011 - present Program Specialist IV, SURS unit, DHHS/OII
4. Grant Beckman - Administrator DHHS/OII  
Graduated NH College 1988 - Bachelor of Science in Human Services  
Graduated Plymouth State 1991 - Master of Business Admin.  
1991 - 1997 Customer Service/Marketing  
1997 - 1998 Account Manager  
1998 - 2000 DHHS Program Specialist IV - Medicaid Finance/Reporting  
2000 - present Administrator II, DHHS/OII, Medicaid Financial Manager

**STATE OF NEW HAMPSHIRE**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**AMENDMENT #1 TO THE MASSACHUSETTS PEER REVIEW ORGANIZATION, INC. (MASSPRO)**

This 1<sup>st</sup> Amendment to the Massachusetts Peer Review Organization, Inc. (Masspro) contract (hereinafter called the "Amendment 1st") dated this 10th day of May 2013, by and between the State of New Hampshire, Department of Health and Human Services, Office of Improvement and Integrity, Provider Program Integrity Unit (hereinafter referred to as the "State") and Massachusetts Peer Review Organization, Inc (Masspro), (hereinafter referred to as the "Contractor") a Massachusetts corporation organized under the laws of the State of Massachusetts, with a place of business at 245 Winter Street, Waltham, Massachusetts 02451.

WHEREAS, pursuant to an Agreement (hereinafter called the "Contract") dated September 29, 2011, and approved by the Governor and Executive Council on November 9, 2011 (Item #92), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, the State and the Contractor have agreed to make changes to the scope of work, payment schedules and terms and conditions of the contract; and

WHEREAS, pursuant to the General Provisions paragraph 18 of the Contract, the Contract may be amended, waived or discharged only by a written agreement of the parties; and

WHEREAS, the Contractor and the State have agreed to amend the Amendment 1<sup>st</sup> in certain respects;

NOW THEREFORE, in consideration of the foregoing, and the mutual covenants and conditions contained in the Contract and set forth herein, the parties do hereby agree as follows:

1. Amendment and Modification of Agreement:

The Agreement is hereby amended as follows:

To Amend the Contract Period and Completion Date 1.7 and Exhibit B Purchase of Services as follows: by extending the contract period and completion date from October 26, 2011 through June 30, 2013; to July 1, 2013 through June 30, 2015, as specified in the Request for Proposals dated August 5, 2011 item number RFP 12-OII-

Contractor's Initials gh  
Date 5/10/2013



QPR-02 page 37 of the RFP. Upon mutual agreement of the parties, and approval by Governor and Executive Council, there may be up to two (2), one (1) year extensions to the term of the contract. Modifications to the scope of services shall be renegotiated as necessary. The terms and conditions of the contract shall remain in full force and effect throughout an extension period, except that reimbursement to the Contractor for the performance of its contractual obligations may be negotiated by the parties.

To Amend Exhibit A Scope of Services as follows:

#31.a. is amended by deleting and replacing with the following:

#31.a. Performance Measure 1: review of inpatient cases and determination of medical necessity and appropriateness. Outcome: The total number of reviews to be completed by the end of the contract period shall result in a total of 6,000 completed reviews.

#31 is amended by adding #31.e. as follows:

#31.e. Performance Measure 5: Masspro shall provide a minimum of 8 provider training and education forums for the providers, to introduce and train them on the installation, access, and automated review process, once the web portal has been developed and fully functional.

Outcome: DHHS' Provider Program Integrity Unit shall validate that providers effectively utilize the web portal as a means of facilitating a more efficient and timely automated review process.

To Amend Exhibit A-3 as follows:

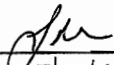
#P. paragraph 6 is amended by deleting and replacing with the following:

The Contractor shall develop, implement, maintain and host an automated review process, which enables Masspro, the providers and DHHS, to send and receive provider submission and review outcome notices, data, medical records, and other DHHS approved documents/information through their soon to be developed secure web portal. Other DHHS approved documents include, but are not limited to, provider notices, provider outcome data, updates, policies, provider resources, contact information, upcoming educational sessions/webinars, and provider meetings.

To Amend Exhibit B as follows:

Exhibit B paragraph 1 and 2 are amended by deleting and replacing with the following:

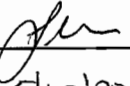
Subject to the Contractor's compliance with the terms and conditions of this agreement, and for services provided, the Office of Improvement and Integrity shall reimburse the Contractor up to a maximum total payment of five hundred thousand dollars (\$500,000) for the completion of up to 6,000 reviews (which is at a unit rate of approximately \$83.33 per review) as outlined in the Exhibit A, Scope of Services and further amended.

Contractor's Initials   
Date 5/10/2013

The Contractor shall submit a monthly invoice that includes the number of reviews completed during the previous month times the unit rate of \$83.33 for the reviews selected from July 1, 2013 through June 30, 2015. Each monthly invoice will include a report of the total number of cases reviewed and completed by Masspro, broken down by hospital, as well as a cumulative total of the number of cases with findings that have been reported to the Medicaid fiscal agent for recoupment, and the number of cases selected for review that were approved by Masspro resulting in no findings. The invoices shall be signed by Masspro and returned by the 15<sup>th</sup> of each month to the Office of Improvement and Integrity, addressed to the contract manager noted below, in order to receive payment. As \$83.33 represents an approximate price, rounded to the nearest cent and not the actual price based upon the gross volume and bid of \$500,000, the bill for the last billable shall not be paid using the approximate unit rate. Instead, the final invoice shall be paid at a gross rate such that the total contract dollars expended does not exceed \$500,000 for the total 6,000 reviews for the two-year period.

To Amend Standard Exhibits D, E, F, G, H, I, and J by extending the contract period and completion date from October 26, 2011 through June 30, 2013; to July 1, 2013 through June 30, 2015.

*Remainder of the page left intentionally blank*

Contractor's Initials   
Date 5/10/2013

This Amendment shall be effective upon July 1, 2013 or the date of Governor and Executive Council approval  
whichever is later.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year first above written.

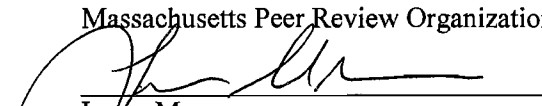
THE STATE OF NEW HAMPSHIRE  
Department of Health and Human Services  
Office of Improvement and Integrity

5/20/13  
Date

  
Stephen J. Mosher,  
Chief Financial Officer

Massachusetts Peer Review Organization, Inc. (Masspro)

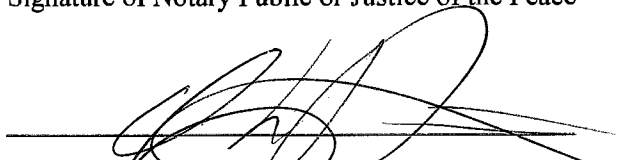
5/10/2013  
Date

  
Laura Moore,  
President and CEO

Acknowledgement

STATE OF Massachusetts, COUNTY OF MIDDLESEX On May 10, 2013,  
before the undersigned officer, personally appeared Laura Moore the person identified above, or  
satisfactorily proven to be the person whose name is signed above, and acknowledged that she executed this document  
in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

  
Name and Title of Notary or Justice of the Peace

My commission expires:



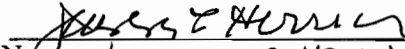
**TIFFANIE LOVE RIVERS**  
NOTARY PUBLIC  
Commonwealth of Massachusetts  
My Commission Expires  
April 4, 2019

Contractor's Initials LM  
Date 5/10/2013

The preceding Amendment, having been reviewed by this office, is approved as to form, substance and execution.

OFFICE OF THE ATTORNEY GENERAL

14 May 2013  
Date

  
Name: Jeanne P. Herrick  
Title: Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: \_\_\_\_\_

OFFICE OF THE SECRETARY OF STATE

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name:  
Title:

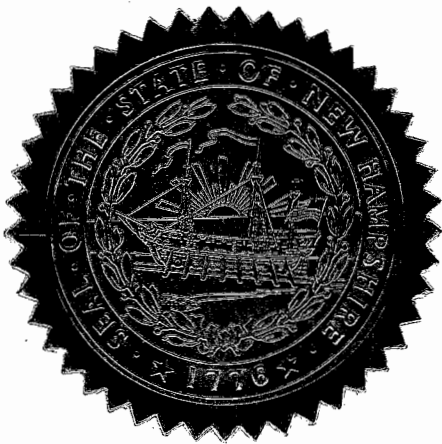
Contractor's Initials   
Date 5/10/2013

# State of New Hampshire

## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Massachusetts Peer Review Organization, Inc. a(n) Massachusetts corporation, is authorized to transact business in New Hampshire and qualified on September 1, 2011. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 7<sup>th</sup> day of May, A.D. 2013

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State

ACORD™

## CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/02/2013

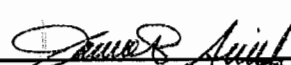
THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

|                                                                                                                            |                                                   |                                    |
|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|------------------------------------|
| PRODUCER<br><b>William Gallagher Associates<br/>Insurance Brokers, Inc.<br/>470 Atlantic Avenue<br/>Boston, MA 02210</b>   | CONTACT NAME:                                     |                                    |
|                                                                                                                            | PHONE (A/C, No, Ext): <b>617 261-6700</b>         | FAX (A/C, No): <b>617 261-6720</b> |
| INSURED<br><b>Massachusetts Peer Review Organization,<br/>Inc. dba MassPRO<br/>245 Winter Street<br/>Waltham, MA 02451</b> | E-MAIL ADDRESS:                                   |                                    |
|                                                                                                                            | INSURER(S) AFFORDING COVERAGE                     |                                    |
|                                                                                                                            | INSURER A: <b>Hartford Fire Insurance Co.</b>     | NAIC #: <b>19682</b>               |
|                                                                                                                            | INSURER B: <b>Hartford Casualty Insurance Co.</b> | <b>29424</b>                       |
|                                                                                                                            | INSURER C: <b>Twin City Fire Insurance Co.</b>    | <b>29459</b>                       |
|                                                                                                                            | INSURER D: <b>Atlantic Specialty Insurance Co</b> |                                    |
| INSURER E:                                                                                                                 |                                                   |                                    |
| INSURER F:                                                                                                                 |                                                   |                                    |

| COVERAGES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                     | CERTIFICATE NUMBER: |               | REVISION NUMBER:        |                         |                                                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------|-------------------------|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. |                                                                                                                                                                                                                                                                                                                     |                     |               |                         |                         |                                                                                                                                                                                                                                           |
| INSR LTR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | TYPE OF INSURANCE                                                                                                                                                                                                                                                                                                   | ADDL SUBR INSR WVD  | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS                                                                                                                                                                                                                                    |
| A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | GENERAL LIABILITY<br><input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY<br><input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR<br><br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC |                     | 08UUNAB9502   | 12/11/2012              | 12/11/2013              | EACH OCCURRENCE \$1,000,000<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000<br>MED EXP (Any one person) \$10,000<br>PERSONAL & ADV INJURY \$1,000,000<br>GENERAL AGGREGATE \$2,000,000<br>PRODUCTS - COMP/OP AGG \$2,000,000<br>\$ |
| A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | AUTOMOBILE LIABILITY<br><input type="checkbox"/> ANY AUTO<br><input type="checkbox"/> ALL OWNED AUTOS<br><input checked="" type="checkbox"/> HIRED AUTOS<br><input type="checkbox"/> SCHEDULED AUTOS<br><input checked="" type="checkbox"/> NON-OWNED AUTOS                                                         |                     | 08MCPAB9381   | 12/11/2012              | 12/11/2013              | COMBINED SINGLE LIMIT (Ea accident) \$1,000,000<br>BODILY INJURY (Per person) \$<br>BODILY INJURY (Per accident) \$<br>PROPERTY DAMAGE (Per accident) \$<br>\$                                                                            |
| B                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR<br>EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE<br>DED RETENTION \$                                                                                                                                                                                     |                     | 08RHUAB9332   | 12/11/2012              | 12/11/2013              | EACH OCCURRENCE \$5,000,000<br>AGGREGATE \$5,000,000<br>\$                                                                                                                                                                                |
| C                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY<br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input checked="" type="checkbox"/> Y/N<br>(Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below                                                                                   | N/A                 | 08WBIU2395    | 12/11/2012              | 12/11/2013              | <input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER<br>E.L. EACH ACCIDENT \$500,000<br>E.L. DISEASE - EA EMPLOYEE \$500,000<br>E.L. DISEASE - POLICY LIMIT \$500,000                                  |
| D                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Errors & Omissions Liability                                                                                                                                                                                                                                                                                        |                     | MCR607212     | 12/11/2012              | 12/11/2013              | \$1,000,000 Each Claim<br>\$3,000,000 Aggregate                                                                                                                                                                                           |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

|                                                                                                             |                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>CERTIFICATE HOLDER</b><br><br><b>State of New Hampshire<br/>107 N. Main Street<br/>Concord, NH 03301</b> | <b>CANCELLATION</b><br><br>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. |
|                                                                                                             | AUTHORIZED REPRESENTATIVE<br><br>                                                                     |

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# CERTIFICATE OF VOTE

(Corporation without Seal)

I, Eileen Driscoll, do hereby certify that:  
(Name of Clerk of the Corporation; cannot be contract signatory)

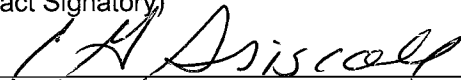
1. I am a duly elected Clerk of Massachusetts Peer Review Organization Inc. (Masspro).  
(Corporation Name)
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on July 21, 2011:  
(Date)

**RESOLVED:** That this Corporation enter into a contract with the State of New Hampshire, acting through its Department of Health and Human Services, for the provision of Utilization and Quality Control Peer Review services.

**RESOLVED:** That the President and Chief Executive Officer  
(Title of Contract Signatory)

is hereby authorized on behalf of this Corporation to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

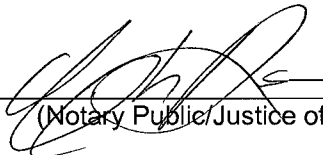
3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 10<sup>th</sup> day of May, 2013.  
(Date Contract Signed)
4. Laura Moore is the duly elected President and Chief Executive Officer  
(Name of Contract Signatory) (Title of Contract Signatory)  
of the Corporation.

  
(Signature of Clerk of the Corporation)

STATE OF MASSACHUSETTS  
County of Middlesex

The forgoing instrument was acknowledged before me this 10<sup>th</sup> day of May, 2013,

By Eileen Driscoll  
(Name of Clerk of the Corporation)

  
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: \_\_\_\_\_





OCT 21 '11 PM 2:04 DR5

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF IMPROVEMENT AND INTEGRITY

Nicholas A. Toumpas  
Commissioner

Steve Mosher  
Administrator  
Financial Review & Integrity

129 PLEASANT STREET, CONCORD, NH 03301-3857  
603-271-7658 1-800-852-3345 Ext. 7658  
Fax: 271-4365 TDD Access: 1-800-735-2964

October 11, 2011

His Excellency, Governor John H. Lynch  
and the Honorable Executive Council  
State House  
Concord, New Hampshire 03301

75% federal  
25% general

REQUESTED ACTION

Authorize the Department of Health and Human Services, Office of Improvement and Integrity to enter into an agreement with Massachusetts Peer Review Organization, Inc (Masspro) (Vendor No. TBD), 245 Winter Street, Waltham, Massachusetts 02451 to provide Medicaid In-Patient hospital utilization review services in an amount not to exceed \$500,000.00, effective October 26, 2011 or upon Governor and Council approval, whichever is later, through June 30, 2013. Funds are available for State Fiscal Years 2012 and 2013 in the following account.

05-095-095-951010-5695 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS:COMMISSIONER, OFFICE OF IMPROVEMENT, INTEGRITY & INFORMATION, IMPROVEMENT, INTEGRITY & INFORMATION

| State Fiscal Year | Class/Object | Class Title        | Job Number | Amount             |
|-------------------|--------------|--------------------|------------|--------------------|
| 2012              | 102/502659   | Medicaid Contracts | 95200080   | \$250,000.00       |
| 2013              | 102/502659   | Medicaid Contracts | 95200080   | \$250,000.00       |
|                   |              |                    |            | Total \$500,000.00 |

EXPLANATION

This agreement will allow Masspro to perform federally required medical peer review services as mandated by Federal Regulation (42 CFR 456.1(b)(2)(iii)) on all New Hampshire Medicaid and border hospital inpatient admissions. Masspro will determine whether each admission was medically necessary and appropriate and whether the services provided to the patient could have safely and effectively been provided at a lower level of care or on an outpatient basis. Masspro will conduct targeted Diagnostic Related Grouping validation to determine that the diagnostic and procedural information on each claim is accurate and reflects the Diagnostic Related Grouping assigned for payment. The State of New Hampshire will benefit from this activity through the identification and recovery of overpayments. Medicaid providers will benefit from the identification of underpayments resulting in corrective payments to them.

Under the terms of this agreement Masspro will perform 8,000 post-payment reviews, at a cost of \$62.50 per review, of inpatient hospital claims in order to assess the necessity for inpatient stay and the use of appropriate



diagnosis and coding under the Diagnosis Related Group Prospective Payment System. Recoveries by other vendors providing this service in prior years have averaged \$1,000,000.00 per year. It is anticipated that New Hampshire will recover at least the same amount as a result of this agreement. Peer reviews are mandated by the Centers for Medicare & Medicaid Services and contracts for services with Centers for Medicare & Medicaid Services designated Quality Improvement Organizations are encouraged.

Masspro is a Centers for Medicare & Medicaid Services designated Quality Improvement Organization in Massachusetts. Masspro's experience in providing utilization management services includes:

- 25 years for the federal Medicare program and 18 years for the Massachusetts Medicaid program, providing utilization and quality control peer review, and claims analysis to Medicaid members.
- A proven review process carried out by qualified physician and nursing staff who undergo ongoing internal quality control review.
- Education and outreach to providers to clarify review processes, timeframes, and provider responsibilities.
- Comprehensive security measures recognized by the Centers for Medicare & Medicaid Services in designating Masspro as an emergency back-up facility for the Centers for Medicare & Medicaid Services.
- Proven experience in transitioning of contracts from an incumbent vendor.

In preparation for delivery of services Masspro will review the New Hampshire Medical Assistance Program integrity activities, policies and procedures to familiarize themselves with applicable State and federal laws, rules, Centers for Medicare and Medicaid Services guidelines and regulations pertaining to NH Medicaid Inpatient Hospital services. Masspro will recommend a transition and implementation plan prior to beginning its reviews. The Office of Improvement and Integrity, Surveillance and Utilization Review Unit will review and approve the plan, before authorizing the vendor to proceed with the recommended activities to ensure that the vendor has adequately familiarized themselves with policies and regulations and has sufficient knowledge of NH Medicaid services being audited in order to accurately perform inpatient hospital audits. The Department of Health and Human Services will maintain oversight of all vendor activities.

Should Governor and Executive Council not authorize this agreement New Hampshire will be out of compliance with current federal requirements and may be subject to financial sanctions in the Medicaid Program. Additionally, the State will fail to identify and recover overpayments to Medicaid providers and Medicaid providers will not benefit from the identification of underpayments and ensuing corrective payments to them.

This contract was competitively bid. A Request For Proposals was released on August 5, 2011 and a public notice was published on August 8, 2011 through August 9, 2011, in the New Hampshire Union Leader and on the Department of Health and Human Services website. Masspro was the only respondent to submit a proposal. An evaluation committee comprised of four Department employees evaluated the proposal in accordance with criteria established in the Request. The proposal was evaluated for meeting minimum requirements, organization, review process and delivery and cost. In accordance with the evaluation criteria set forth in the Request Masspro scored 99.25 points out of a possible 100 points.

The following performance measures will be used by the Department of Health and Human Services to measure the effectiveness of this agreement:

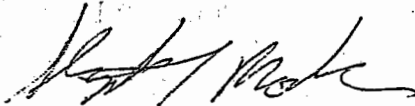
- Performance Measure 1: review of inpatient cases and determination of medical necessity and appropriateness. Outcome: 4,000 cases shall be completed and reviewed for each state fiscal year.
- Performance Measure 2: inpatient reviews shall occur in a timely manner. Outcome: Reviews should be completed within 4 months of receipt of data.
- Performance Measure 3: communication of non-complaint cases to the Department's Surveillance and Utilization Review Unit for the purpose of payment recovery. Outcome: monthly denials notices and corresponding monthly reports shall be communicated to the Department within an established time frame to be mutually agreed upon between the Department and the Contractor at the commencement of the contract.
- Performance Measure 4: quarterly and annual reports shall be completed in a timely manner. Outcome: quarterly and annual reports shall be delivered in accordance with the requirements set forth in Part II, Section N of RFP 12-OII-QPR-02, namely, quarterly reports shall be completed by the 30th of the month following the close of the prior quarter, and annual reports shall be completed by October 31<sup>st</sup>, following the close of the State Fiscal Year.

Area served: statewide.

Source of Funds: 75% Federal Funds and 25% General Funds.

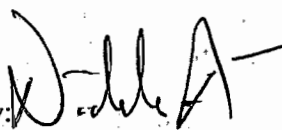
In the event that Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Stephen J. Mosher  
Administrator

Approved by:



Nicholas A. Toupas  
Commissioner

*The Department of Health and Human Services' Mission is to join communities and families  
in providing opportunities for citizens to achieve health and independence.*