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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF MEDICAID BUSINESS AND POLICY

Nicholas A. Toumpas
Commissioner

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Kathleen A. Dunn
Director

June 1, 2014

50% Federal Funds
50% General Funds

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

Requested Action

Authorize the Department of Health and Human Services, Office of Medicaid Business and Policy to exercise a renewal option to an existing agreement with Gulf South Medical Supply, Inc. (Vendor #175950), 4345 Southpoint Boulevard, Jacksonville, Florida 32216-6166, for the provision of disposable incontinence products for non-institutional Medicaid recipients not participating in Medicaid managed care arrangements by increasing the price limitation by \$2,713,760.60 from \$6,374,129.98 to \$9,087,890.58 and extending the completion date from July 1, 2014 to June 30, 2016, effective July 1, 2014, or upon Governor and Executive Council approval, whichever is later. The Governor and Executive Council approved the original agreement on September 23, 2009 (Item #66) and subsequent renewal request on May 9, 2012 (Item #31).

Funds are available for State Fiscal Year 2015 and are anticipated to be available in State Fiscal Year 2016 upon the availability and continued appropriation of funds in the future operating budgets as identified below with the authority to adjust encumbrances between State Fiscal Years through the Budget Office if needed and justified, without Governor and Executive Council approval.

05-095-095-956010-61470000 HEALTH AND SOCIAL SERVICES, DEPART OF HEALTH AND HUMAN SERVICES, HHS: COMMISSIONER, OFF MEDICAID & BUSINESS POLICY, PROVIDER PAYMENTS

State Fiscal Year	Class/ Object	Class Title	Current Modified Budget	Increase/ (Decrease)	Revised Modified Budget
2010	101-500729	Medical Payments to Providers	\$879,988.82	\$0.00	\$879,988.82
2011	101-500729	Medical Payments to Providers	\$1,267,183.90	\$0.00	\$1,267,183.90
2012	101-500729	Medical Payments to Providers	\$1,317,871.26	\$0.00	\$1,317,871.26
2013	101-500729	Medical Payments to Providers	\$1,646,480.00	\$0.00	\$1,646,480.00
		Subtotals:	\$5,111,523.98	\$0.00	\$5,111,523.98

05-095-47-470010-7940 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF HHS:OFC OF MEDICAID & BUS PLCY OFF. OF MEDICAID &BUS. POLICY MEDICAID ADMINISTRATION

State Fiscal Year	Class/ Account	Class Title	Current Modified Budget	Increase/ (Decrease)	Revised Modified Budget
2014	101-500729	Medical Payments to Providers	\$1,262,606.00	\$0.00	\$1,262,606.00
2015	101-500729	Medical Payments to Providers	\$0.00	\$1,325,736.90	\$1,325,736.90
2016	101-500729	Medical Payments to Providers	\$0.00	\$1,388,023.70	\$1,388,023.70
SFY 2014, 2015 & 2016 Subtotals:			\$1,262,606.00	\$2,713,760.60	\$3,976,366.60
Contract Total:					\$9,087,890.58

Explanation

The purpose of this request is to exercise a renewal option with Gulf South Medical Supply, Inc., to act as the preferred supplier of incontinence products for the New Hampshire Medicaid Program for non-institutional recipients who are not participating in Medicaid managed care arrangements. The Department initiated coverage for adult incontinence in response to RSA 167:3-h, Coverage of Services and Items Under the Medical Assistance Program.

The Office of Medicaid Business and Policy competitively procured a preferred supplier of incontinence products for the Medicaid population. This competitive procurement has provided the New Hampshire Medicaid Program with estimated cost savings of \$2 million dollars during the initial three year contract period, due to product discounts resulting from a centralized purchasing program with an exclusive incontinence products distributor. The contractor's product offering includes an array of high-quality products, manufacturers, brands, and sizes that has met the needs of the Medicaid population. The products included in this contract have met stringent, industry standard testing. A recipient satisfaction with the product offering survey was completed in the fall of 2011. A total of 2,040 surveys were mailed with 604 surveys returned, a response rate of 29.6%. Of the recipients responding to the survey who received products exclusively from Gulf South Medical Supply, Inc., 85% reported being very satisfied or satisfied. With recipients who had to change products as a result of this procurement, 80% of recipients who responded to the survey reported being very satisfied or satisfied.

This amendment allows the contractor to continue to offer Medicaid providers and recipients timely access to products, superior customer service, product support and education, and order management assistance, through two delivery models: the "provider model" and the "recipient model." Under both models, orders will continue to ship from the contractor's distribution center in Londonderry, New Hampshire.

Under the provider model, the contractor will continue to be the exclusive supplier of incontinence products at a guaranteed per-unit product price for enrolled New Hampshire Medicaid providers when selling to New Hampshire Medicaid recipients not covered under managed care arrangements. Through the Medicaid Management Information System, the Department will pay claims from Medicaid providers for incontinence products, pursuant to standard procedures contained in the New Hampshire Medicaid Provider Enrollment Agreement. The providers will pay the Contractor for the cost of supplies at the product unit prices in this contract, consistent with existing practice, whereby, providers pay incontinence product suppliers. This method of supply acquisition from

distributors by providers is the system that is currently in place, with the added designation of the preferred supplier and the contracted payment rates for supplies.

Under the recipient model, Medicaid recipients will continue to have the option to order incontinence products by mail order. Incontinence products will be delivered directly to the recipient home address, at no additional cost to the recipients or the Medicaid Program.

This amendment to continue the preferred supplier contract will ensure those recipients who are not participating in managed care arrangements, but who require incontinence products will have access to them. The Contractor has agreed to hold pricing at the 2009 negotiated rate. It is estimated that 17,000 recipients will opt out of managed care and remain in the fee-for-service program for SFY 2015. An estimated 5,000 recipients will remain in the fee for service program for SFY 2016.

The original contract was awarded as a result of a Request for Proposal, which was published on the Department of Health and Human Services website on September 19, 2008. A legal notice was also published on September 8, 9, and 10, 2008, in the *New Hampshire Union Leader* newspaper. See attached Bid Summary Sheet for information regarding scores, bidders and reviewers.

The original contract effective September 9, 2009, through June 30, 2012 had an option of extending the contract for two additional two-year terms with the approval of the Governor and Executive Council. This is the second of the two-year terms.

Should the Governor and Executive Council not approve this request, the Department would be responsible for providing disposable incontinence products to non-institutional Medicaid recipients by utilizing existing enrolled providers and lose an estimated cost savings of \$2 million.

Geographic Area to be Served: Statewide.

Source of funds: 50% General
 50% Federal

In the event that federal funds become no longer available, general funds will not be requested to support this program.

Respectfully submitted,



Kathleen A. Dunn, MPH
Associate Commissioner and
Medicaid Director

Approved by: 
Nicholas A. Toumpas
Commissioner

**Bid Summary Sheet for
RFP 09-OMBP-ISPS-03
Incontinence Supplies Preferred Supplier**

Vendors were given the option of submitting up to two separate proposals. Four vendors submitted a total of six proposals (see Bidders List). An evaluation team of six Department of Health and Human Services staff reviewed and independently scored the proposals in accordance with the criteria set forth in the Request for Proposal (see Evaluation Team List). As part of the bid evaluation, volunteer Medicaid recipients conducted testing of product samples. Recipients were asked to use the proposed products of each bidder over a period of time and rate the quality of, and their satisfaction with, the products. The product line offered by the Contractor scored high marks with each product performing as anticipated and no product was rated as not satisfactory.

Bidders List

Better Living Now, Inc
500 Wheeler Road
Hauppauge, NY 11788

Invacare Supply Group
9 Industrial Rd.
Milford, MA 01757

Gulf South Medical Supply, Inc.
434 Southpoint Boulevard
Jacksonville, FL 32216-6166

McKesson Medical-Surgical Minnesota Supply, Inc.
8121 10th Avenue North
Golden Valley, Minnesota 55427

The bidders and the respective overall rating of the proposals, with a maximum possible score of 100 points, are as follows:

Gulf South Medical Supply, Inc. Bid #1	94.54 points
Gulf South Medical Supply, Inc. Bid #2	93.14 points
McKesson Medical-Surgical Minnesota Supply, Inc. Bid #1	86.58 points
McKesson Medical-Surgical Minnesota Supply, Inc. Bid #2	86.25 points
Invacare Supply Group	85.09 points
Better Living Now, Inc.	38.22 points

The two bids submitted by Gulf South Medical Supply, Inc. earned the highest overall scores, surpassing the next highest bid by more than six and a half points. Gulf South Medical Supply, Inc. demonstrated that the company has the appropriate capacity and experience to meet or exceed the specified requirements, including providing a broad product range; competitive and sustainable per-unit pricing; and a sophisticated customer service model. Additionally, the contractor has a local business presence in its Londonderry, New Hampshire distribution center that allows the contractor to make products readily available to New Hampshire providers and recipients.

Evaluation Team List

Name	Title
Joyce E. Butterworth, RN, MS	Program Planning & Review Specialist, BDS
Pauline M. Doucette	Business Administrator, OMBP
Jane M. Hybsch, RN, MHA	Administrator of Medicaid Management Programs, OMBP
Susan J. Lombard	Director of Operations, BEAS
Kenneth D. Merrifield	Program Specialist, OBO
Jane B. Turgeon, RN	Medicl Service Consultant, OMBP



**State of New Hampshire
Department of Health and Human Services
Amendment #2 to the Gulf South Medical Supply, Inc. Contract**

This 2nd Amendment to the Gulf South Medical Supply, Inc. contract (hereinafter referred to as "Amendment #2") dated this 8th day of April, 2014, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Gulf South Medical Supply, Inc. (hereinafter referred to as "the Contractor"), a corporation with a place of business at 4345 Southpoint Boulevard, Jacksonville, Florida 32216-6166.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on September 23, 2009 (Item #66), and amended by an agreement (Amendment #1 to the Contract) approved on May 9, 2012 (Item #31), 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 Form P-37, General Provisions, Paragraph 18, Amendment and Exhibit A, Paragraph II, Contract Amendment and Extension, the State may at its sole discretion, renew the Contract for up to two (2) two (2)-year terms by written agreement of the parties with Governor and Executive Council approval;

WHEREAS the parties agree to exercise the second two-year renewal option;

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

To amend as follows:

1. Form P-37, General Provisions, Item 1.7, Completion Date, to read:
June 30, 2016
2. Form P-37, General Provisions, Item 1.8, Price Limitation to read:
\$9,087,890.58
3. Exhibit A, Scope of Services, Contract Period, to read:
September 23, 2009 to June 30, 2016
4. Exhibit A, Scope of Services, B1, Product Offering for Amendment 1, Product Specifications by T-Code is deleted and replaced with Amendment #2 –Product Offerings and Pricing.
5. Exhibit B, Methods and Conditions Precedent to Payment, Section I. Billing and Payment, Table 1 – Product and Service Price Per T-Code is deleted and replaced with Amendment #2 – Table 1 – Product Offerings and Pricing.
6. Exhibit B, Methods and Conditions Precedent to Payment, Section III, Price Limitation, to read:



The price limitation of this agreement appears on Form P-37, General Provisions as Item 1.8, Price Limitation. The Contract total is based upon estimated usage and is based upon previous incontinence volumes.

7. Standard Exhibit C-I, Additional Special Provisions, is deleted and replaced with Amendment #2-Standard Exhibit C-1, Additional Special Provisions.
8. Standard Exhibit D, Certificate Regarding Drug Free Workplace Requirements, Period Covered by this Certification, to read:
From: 9/9/2009 To: June 30, 2016
9. Standard Exhibit E, Certification Regarding Lobbying, Contract Period, to read:
From: 9/9/2009 To: June 30, 2016
10. Standard Exhibit I – Health Insurance Portability and Accountability Act Business Associate Agreement is deleted.

**New Hampshire Department of Health and Human Services
Gulf South Medical Supply, Inc.**



This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

5/2/14
Date

Kathleen A. Dunn
Kathleen A. Dunn, MPH
Associate Commissioner

Gulf South Medical Supply Inc.

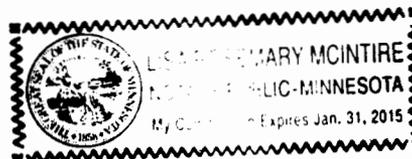
5-27-2014
Date

Cindy Ince
NAME: Cindy Ince
TITLE: Proposal Manager

Acknowledgement:
State of Minnesota, County of Hennepin on May 27, 2014, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Rosemary McIntire
Name and Title of Notary or Justice of the Peace



**New Hampshire Department of Health and Human Services
Gulf South Medical Supply, Inc.**



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

OFFICE OF THE ATTORNEY GENERAL

6/4/14
Date

Michael P. Brown
Name: Michael Brown
Title: Sen. Asst. Atty. Gen.

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: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:



New Hampshire Medicaid Approved Product List
 Amendment #2 - Product Offerings 8/1/2019

PROC CODE	Absorb Level	Catalog Number	Manu Name	Manu#	Description One	Description Two	UOM	ECH UO Price UO	
								M	M
A4927		864061	SELECT MEDICAL	6345	Exam Gloves, Small Powder Free	100/bx 10bx/cs	BX	100	\$6.00
A4927		864062	SELECT MEDICAL	6346	Exam Gloves, Medium Powder Free	100/bx 10bx/cs	BX	100	\$6.00
A4927		864063	SELECT MEDICAL	6347	Exam Gloves, Large Powder Free	100/bx 10bx/cs	BX	100	\$6.00
A4927		864064	SELECT MEDICAL	6348	Exam Gloves, X-Large Powder Free	100/bx 10bx/cs	BX	100	\$6.00
A4927		852162	Kimberly-Clark Corp	52816	Nitrile Exam Glove, X-Small Powder Free	250/BX 10BX/CS	BX	250	\$15.00
A4927		852164	Kimberly-Clark Corp	52818	Nitrile Exam Glove, Medium Powder Free	250/BX 10BX/CS	BX	250	\$15.00
A4927		852165	Kimberly-Clark Corp	52819	Nitrile Exam Glove, Large Powder Free	250/BX 10BX/CS	BX	250	\$15.00
A4927		852166	Kimberly-Clark Corp	52820	Nitrile Exam Glove, X-Large Powder Free	250/BX 10BX/CS	BX	250	\$15.00
A4927		852277	Kimberly-Clark Corp	58217	Nitrile Exam Glove, Small Powder Free	250/BX 10BX/CS	BX	250	\$15.00
T4521	D	849093	SCA Hygiene Products	66100	BRIEF TENA SM 22-36"	12/BG 8BG/CS	CS	96	\$30.72
T4521	D	816717	SELECT MEDICAL	90513	BRIEF NIGHTINGALE EXTRA, Latex-Free 23-31", Size Small	12/BG 8BG/CS	CS	96	\$30.72
T4521	D	847206	Paper Pak Products, Inc.	BRBX10	BRIEF ATTENDS SM	24/BG 4BG/CS	CS	96	\$30.72
T4521	D	850878	First Quality Products Inc	PV-011	BRIEF PREVAIL IB Full Mat, Size Small	16/BG 6BG/CS	CS	96	\$30.72
T4521	N	849093	SCA Hygiene Products	66100	BRIEF TENA 22-36" Size Small	12/BG 8BG/CS	CS	96	\$30.72
T4521	N	847206	Paper Pak Products, Inc.	BRBX10	BRIEF ATTENDS Size Small	24/BG 4BG/CS	CS	96	\$30.72
T4521	N	850878	First Quality Products Inc	PV-011	BRIEF PREVAIL IB Full Mat, Size Small	16/BG 6BG/CS	CS	96	\$30.72
T4522	D	816718	SELECT MEDICAL	90514	BRIEF NIGHTINGALE EXTRA, Latex-Free 32-44" Size Medium	12/BG 8BG/CS	CS	96	\$30.72
T4522	D	847506	Paper Pak Products, Inc.	BRBC20	BRIEF ATTENDS Breathable Size Medium	24/PK 4PK/CS	CS	96	\$30.72
T4522	D	842741	First Quality Products Inc	NU-012/1	BRIEF PREVAIL Nu-Fit, Breathable Size Medium	16/BG 6BG/CS	CS	96	\$30.72
T4522	N	865853	SCA Hygiene Products	67720	BRIEF TENA CLASSIC MED 67720	25/BG 4BG/CS	CS	100	\$35.00
T4522	N	847194	Paper Pak Products, Inc.	BRB20	BRIEF ATTENDS Breathable Size Medium	24/BG 4BG/CS	CS	96	\$33.60
T4522	N	847198	Paper Pak Products, Inc.	BRBX20	BRIEF ATTENDS X-ABSORB Breathable Medium	24/BG 4BG/CS	CS	96	\$33.60
T4522	N	842750	First Quality Products Inc	PF-012/1	BRIEF Per-Fit X-ABSORB Breathable Size Medium	16BG 6BG/CS	CS	96	\$33.60
T4522	N	842743	First Quality Products Inc	IB-012/1	BRIEF PREVAIL IB FM MED IB-012/1	16/BG 6BG/CS	CS	96	\$35.05
T4522	D	858264	SELECT MEDICAL	90531	BRIEF BREATHABLE MED 12/BG 90531	8BG/CS COOL COMFORT 32"-44"	CS	96	\$30.72
T4523	D	816719	SELECT MEDICAL	90515	BRIEF NIGHTINGALE EXTRA, Latex Free, 45-56" Size Large	12/BG 6BG/CS	CS	72	\$28.08
T4523	D	847507	Paper Pak Products, Inc.	BRBC30	BRIEF ATTENDS Breathable Size Large	24/PK 3PK/CS	CS	72	\$28.08
T4523	D	842748	First Quality Products Inc	NU-013/1	BRIEF PREVAIL Nu-Fit Breathable Size Large	18/BG 4BG/CS	CS	72	\$28.08
T4523	N	865856	SCA Hygiene Products	67740	BRIEF TENA CLASSIC LG 67740	25/BG 4BG/CS 48-59"	CS	100	\$43.00
T4523	N	847196	Paper Pak Products, Inc.	BRB30	BRIEF ATTENDS Breathable Size Large	24/BG 3BG/CS	CS	72	\$30.96
T4523	N	847200	Paper Pak Products, Inc.	BRBX30	BRIEF ATTENDS X-ABSORB Breathable Size Large	24/BG 3BG/CS	CS	72	\$30.96
T4523	N	842747	First Quality Products Inc	PF-013/1	BRIEF PREVAIL Per-Fit X-ABSORB Breathable Size Large	18/BG 4BG/CS	CS	72	\$30.96
T4523	N	842753	First Quality Products Inc	IB-013/1	BRIEF PREVAIL IB FM LG IB-013/1	18/BG 4BG/CS	CS	72	\$35.05
T4523	D	858265	SELECT MEDICAL	90532	BRIEF BREATHABLE LG 12/BG 90532	6BG/CS COOL COMFORT 45"-58"	CS	72	\$28.08
T4524	D	816720	SELECT MEDICAL	90516	BRIEF NIGHTINGALE EXTRA, Latex Free, 60-64" Size X-Large	10/BG 6BG/CS	CS	60	\$27.60
T4524	D	847508	Paper Pak Products, Inc.	BRBC40	BRIEF ATTENDS Breathable Size Xlarge	20/PK 3PK/CS	CS	60	\$27.60
T4524	D	849085	First Quality Products Inc	NU-014/1	BRIEF PREVAIL Nu-Fit Breathable Size Xlarge	15/BG 4BG/CS	CS	60	\$27.60
T4524	N	847197	Paper Pak Products, Inc.	BRB40	BRIEF ATTENDS Breathable Size Xlarge	20/BG 3BG/CS	CS	60	\$29.40
T4524	N	845631	First Quality Products Inc	PF-014/1	BRIEF PREVAIL Per-Fit X-ABSORB Breathable Size Xlarge	15/bg 4bg/cs	CS	60	\$29.40
T4524	N	845572	First Quality Products Inc	IB-014/1	BRIEF PREVAIL XL 16/BG IB-014/1	4BG/CS	CS	64	\$35.05
T4524	D	858266	SELECT MEDICAL	90533	BRIEF BREATHABLE XL 12/BG 90533	5BG/CS COOL COMFORT 59"-64"	CS	60	\$29.40



New Hampshire Medicaid Approved Product List
 Amendment #2 - Product Offerings 04/2012

PROC CODE	Absorb Level	Catalog Number	Manu Name	Manu#	Description One	Description Two	UOM	ECH UO Price UO	
								M	M
T4525	D	849861	Paper Pak Products, Inc.	APP0710	UNDERWEAR PROT Attends 7 Size Small 22-36" 80-125LB	20/BG 4BG/CS	CS	80	\$34.40
T4525	D	811809	First Quality Products Inc	PV-511	UNDERWEAR PROT PREVAIL Breathable Size Small/Youth	22/BG 4BG/CS	CS	88	\$37.84
T4525	N	849861	Paper Pak Products, Inc.	APP0710	UNDERWEAR PROT Attends 7, 22-36" 80-125LB, Size Small	20/BG 4BG/CS	CS	80	\$34.40
T4525	N	811809	First Quality Products Inc	PV-511	UNDERWEAR PROT PREVAIL Breathable Size Small/Youth	22/BG 4BG/CS	CS	88	\$37.84
T4526	D	867643	SELECT MEDICAL	90556	UNDERWEAR PROT NIGHTINGALE 32-44" Size Medium	20/BG 4BG/CS	CS	80	\$34.40
T4526	D	849862	Paper Pak Products, Inc.	AP0720	UNDERWEAR PROT ATTENDS Size Medium	20/BG 4BG/CS	CS	80	\$34.40
T4526	D	851184	First Quality Products Inc	PF-512	UNDERWEAR PROT Per-Fit Size Medium	20/BG 4BG/CS	CS	80	\$34.40
T4526	N	848170	SCA Hygiene Products	72239	UNDERWEAR PROT MED TENA PLUS 72239	18/BG 4BG/CS MED	CS	72	\$30.96
T4526	N	850131	Paper Pak Products, Inc.	APP0720	UNDERWEAR PROT Attends 7 Size Med, 34-44" 120-175LB	20/BG 4BG/CS	CS	80	\$34.40
T4526	N	811810	First Quality Products Inc	PV-512	UNDERWEAR PROT PREVAIL Breathable Size Medium	20/BG 4BG/CS	CS	80	\$34.40
T4527	D	867644	SELECT MEDICAL	90557	UNDERWEAR PROT NIGHTINGALE Size Large 45-58"	18/BG 4BG/CS	CS	72	\$30.96
T4527	D	850130	Paper Pak Products, Inc.	AP0730	UNDERWEAR PROT Attends Size Large	18/BG 4BG/CS	CS	72	\$30.96
T4527	D	850160	First Quality Products Inc	PF-513	UNDERWEAR PROT Per-Fit Size Large	18/BG 4BG/CS	CS	72	\$30.96
T4527	N	850132	Paper Pak Products, Inc.	APP0730	UNDERWEAR PROT Attends 7 Size Large 44-58" 170-210LB	18/BG 4BG/CS	CS	72	\$33.84
T4527	N	811814	First Quality Products Inc	PV-513	UNDERWEAR PROT PREVAIL Breathable Size Large	18/BG 4BG/CS	CS	72	\$33.84
T4528	D	867645	SELECT MEDICAL	90558	UNDERWEAR PROT NIGHTINGALE Size X-Large 59-64"	14/BG 4BG/CS	CS	56	\$30.80
T4528	D	849863	Paper Pak Products, Inc.	AP0740	UNDERWEAR PROT Attends Size X-Large	14/BG 4BG/CS	CS	56	\$30.80
T4528	D	852970	First Quality Products Inc	PF-514	UNDERWEAR PROT Per-Fit Size X-Large	14/BG 4BG/CS	CS	56	\$30.80
T4528	N	850133	Paper Pak Products, Inc.	APP0740	UNDERWEAR PROT Attends 7 Size X-Large 58-68" 210LB+	14/BG 4BG/CS	CS	56	\$33.60
T4528	N	811815	First Quality Products Inc	PV-514	UNDERWEAR PROT PREVAIL Breathable Size X-Large	14/BG 4BG/CS	CS	56	\$33.60
T4528	N	857044	First Quality Products Inc	SLP05302	Youth Pull-ups Sleep Overs Large/Xtra-Large (65 - 125lbs)	12/bag 4 BG/CS	CS	48	\$29.28
T4531	N	853914	First Quality Products Inc	6WP61940	Wonderpants Size Medium (2T-3T)	29/bag 4 bags/case	CS	116	\$48.72
T4532	N	853915	First Quality Products Inc	6WP71317	Wonderpants Size Large (3T-4T)	26/bag 4 bags/case	CS	104	\$48.88
T4532	N	866776	First Quality Products Inc	WP9001/1	WONDERPANTS XL 4T-5T WP9001/1	19/BG 4BG/CS	CS	76	\$35.72
T4533	D	814513	Paper Pak Products, Inc.	BRCL1000	BRIEF Attends 10 Classic YOUTH Up to 28"	BULK PKG 96/CS	CS	96	\$31.68
T4533	D	850879	First Quality Products Inc	PV-015	BRIEF PREVAIL IB Full Mat YOUTH	16/BG 6BG/CS	CS	96	\$31.68
T4533	N	814513	Paper Pak Products, Inc.	BRCL1000	BRIEF Attends 10 Classic YOUTH Up to 28"	BULK PKG 96/CS	CS	96	\$31.68
T4533	N	855461	First Quality Products Inc	CR0001	DIAPER CUTIES NEWBORN 42/BG	42/Bag 4BG/CS	CS	168	\$55.44
T4533	N	855148	First Quality Products Inc	CR1001	DIAPER CUTIES SZ1 8-14LB	50/BG 4BG/CS	CS	200	\$66.00
T4533	N	855149	First Quality Products Inc	CR2001	DIAPER CUTIES SZ2 12-18LB	42/BG 4BG/CS	CS	168	\$55.44
T4533	N	855920	First Quality Products Inc	CR3001	DIAPER CUTIES SZ3 16-28LB	36/BG 4BG/CS	CS	144	\$47.52
T4533	N	855921	First Quality Products Inc	CR4001	DIAPER CUTIES SZ4 22-37LB	31/BG 4BG/CS	CS	124	\$40.92
T4533	N	855268	First Quality Products Inc	CR5001	DIAPER CUTIES SZ5 27LB+	27/BG 4BG/CS	CS	108	\$35.64
T4533	N	855266	First Quality Products Inc	CR6001	DIAPER CUTIES SZ6 35LB+	23/BG 4BG/CS	CS	92	\$30.36
T4534	D	849861	Paper Pak Products, Inc.	APP0710	UNDERWEAR PROT Attends 7 Size Small 22-36" 80-125LBS	20/BG 4BG/CS	CS	80	\$34.40
T4534	D	857043	First Quality Products Inc	SLP05301	UNDERPANTS SM/MED SLEEP OVER SLP05301	15/BG 4BG/CS SLEEP OVERS	CS	60	\$29.92
T4534	N	849861	Paper Pak Products, Inc.	APP0710	UNDERWEAR PROT Attends 7 Size Small 22-36" 80-125LBS	20/BG 4BG/CS	CS	80	\$35.20
T4534	N	857043	First Quality Products Inc	SLP05301	UNDERPANTS SM/MED SLEEP OVER SLP05301	15/BG 4BG/CS SLEEP OVERS	CS	60	\$26.40
T4534	N	857043	First Quality Products Inc	SLP05301	Youth Pull-Ups Sleep Overs Small/Medium (45 - 65lbs)	15/bag 4 BG/CS	CS	60	\$29.40
T4534	N	850878	First Quality Products Inc	PV-011	BRIEF PREVAIL IB FM SM PV-011	16/BG 6BG/CS	CS	96	\$30.72
T4535	D	844415	First Quality Products Inc	PV-811	PANT LINER 13" MALE PREVAIL PV-811	14/BG 9BG/CS BLADDER CTL	CS	126	\$30.24



New Hampshire Medicaid Approved Product List
 Amendment #2 - Product Offerings 01/2019

PROC CODE	Absorb Level	Catalog Number	Manu Name	Manu#	Description One	Description Two	UOM	ECH UO Price UO	
								M	M
T4535	H	848991	SCA Hygiene Products	41509	PANT LINER 14" TENA LIGHT Heavy	60/BG 3BG/CS	CS	180	\$43.20
T4535	H	848992	SCA Hygiene Products	41609	PANT LINER 15" TENA LIGHT Heavy	42/BG 3BG/CS	CS	126	\$30.24
T4535	H	816819	First Quality Products Inc	PV-915	PANT LINER 13" PREVAIL ULT + Bladder Control Pad	42/BG 4BG/CS	CS	168	\$40.32
T4535	L	842574	SCA Hygiene Products	62314	TENA DAY LIGHT PAD 144/CS	24/BG 6BG/CS	CS	144	\$25.92
T4535	L	811475	First Quality Products Inc	BC-012	PANT LINER 9.25" PREVAIL Extra Absorb	20/BG 9BG/CS	CS	180	\$32.40
T4535	L	852044	Paper Pak Products, Inc.	IP0300	Liner, 3.75-11.5" ATTENDS Insert Pads	24/BG 8BG/CS	CS	192	\$34.00
T4535	L	856596	Paper Pak Products, Inc.	LP0200	PANT LINER 8.5" ATTENDS EXT Regular	198/CS	CS	198	\$34.56
T4535	L	856292	Paper Pak Products, Inc.	LP0300	PANT LINER 10.5" ATTENDS EXT	180/CS	CS	180	\$32.40
T4535	L	852509	First Quality Products Inc	PL-100/1	Prevail Pant Liner Dribbler small 8x18	52/bg 4bg/cs	CS	260	\$37.44
T4535	M	848989	SCA Hygiene Products	41309	PANT LINER 11" TENA LIGHT Moderate	72/BG 3BG/CS	CS	216	\$45.36
T4535	M	848990	SCA Hygiene Products	41409	PANT LINER 12" TENA LIGHT Moderate	60/BG 3BG/CS	CS	180	\$37.80
T4535	M	811476	First Quality Products Inc	BC-013	PANT LINER 11" PREVAIL Extra Plus Absorb	16/BG 9BG/CS	CS	144	\$30.24
T4535	M	854141	Paper Pak Products, Inc.	LP0400	PAD ATTENDS EXTRA+ 240/CS	60/bg 4bg/cs	CS	240	\$50.40
T4541	H	850134	Paper Pak Products, Inc.	UFS-236	UNDERPAD 23X36 DRI-SORB Light Fluff	10/BG 15BG/CS	CS	150	\$24.00
T4541	M	816722	SELECT MEDICAL	90518	UNDERPAD 23X36 NIGHTINGALE	25/BG 6BG/CS	CS	150	\$24.00
T4541	M	856998	SCA Hygiene Products	352	UNDERPAD 23X36 HARMONIE	25/BG 6BG/CS	CS	150	\$24.00
T4541	M	811458	First Quality Products Inc	UP-150	UNDERPAD 23X36 PREVAIL GRN	15/BG 10BG/CS	CS	150	\$24.00
T4543	D	847914	SCA Hygiene Products	68010	BRIEF TENA ULTRA XL 15/PK 68010	15/PK 4PK/CS	CS	60	\$42.60
T4543	D	849913	Paper Pak Products, Inc.	BRB50	BRIEF ATTENDS Breathable Size 2XL	12/BG 4BG/CS	CS	48	\$34.08
T4543	D	849928	First Quality Products Inc	PV-017	BRIEF PREVAIL IB 2XL	12/BG 4BG/CS	CS	48	\$34.08
T4543	N	847914	SCA Hygiene Products	68010	BRIEF TENA ULTRA XL 15/PK 68010	15/PK 4PK/CS	CS	60	\$42.60
T4543	N	849913	Paper Pak Products, Inc.	BRB50	BRIEF ATTENDS Breathable Size 2XL	12/BG 4BG/CS	CS	48	\$34.08
T4543	N	849928	First Quality Products Inc	PV-017	BRIEF PREVAIL IB 2XL	12/BG 4BG/CS	CS	48	\$34.08



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 July 2012

PROC CODE	Absorb Level	Catalog Number	Manu Name	Manu#	Description One	Description Two	UOM	ECH UO Price UO	
								M	M
A4927		864061	SELECT MEDICAL	6345	Exam Gloves, Small Powder Free	100/bx 10bx/cs	BX	100	\$6.00
A4927		864062	SELECT MEDICAL	6346	Exam Gloves, Medium Powder Free	100/bx 10bx/cs	BX	100	\$6.00
A4927		864063	SELECT MEDICAL	6347	Exam Gloves, Large Powder Free	100/bx 10bx/cs	BX	100	\$6.00
A4927		864064	SELECT MEDICAL	6348	Exam Gloves, X-Large Powder Free	100/bx 10bx/cs	BX	100	\$6.00
A4927		852162	Kimberly-Clark Corp	52816	Nitrile Exam Glove, X-Small Powder Free	250/BX 10BX/CS	BX	250	\$15.00
A4927		852164	Kimberly-Clark Corp	52818	Nitrile Exam Glove, Medium Powder Free	250/BX 10BX/CS	BX	250	\$15.00
A4927		852165	Kimberly-Clark Corp	52819	Nitrile Exam Glove, Large Powder Free	250/BX 10BX/CS	BX	250	\$15.00
A4927		852166	Kimberly-Clark Corp	52820	Nitrile Exam Glove, X-Large Powder Free	250/BX 10BX/CS	BX	250	\$15.00
A4927		852277	Kimberly-Clark Corp	58217	Nitrile Exam Glove, Small Powder Free	250/BX 10BX/CS	BX	250	\$15.00
T4521	D	849093	SCA Hygiene Products	66100	BRIEF TENA SM 22-36"	12/BG 8BG/CS	CS	96	\$30.72
T4521	D	816717	SELECT MEDICAL	90513	BRIEF NIGHTINGALE EXTRA, Latex-Free 23-31", Size Small	12/BG 8BG/CS	CS	96	\$30.72
T4521	D	847206	Paper Pak Products, Inc.	BRBX10	BRIEF ATTENDS SM	24/BG 4BG/CS	CS	96	\$30.72
T4521	D	850878	First Quality Products Inc	PV-011	BRIEF PREVAIL IB Full Mat, Size Small	16/BG 6BG/CS	CS	96	\$30.72
T4521	N	849093	SCA Hygiene Products	66100	BRIEF TENA 22-36" Size Small	12/BG 8BG/CS	CS	96	\$30.72
T4521	N	847206	Paper Pak Products, Inc.	BRBX10	BRIEF ATTENDS Size Small	24/BG 4BG/CS	CS	96	\$30.72
T4521	N	850878	First Quality Products Inc	PV-011	BRIEF PREVAIL IB Full Mat, Size Small	16/BG 6BG/CS	CS	96	\$30.72
T4522	D	816718	SELECT MEDICAL	90514	BRIEF NIGHTINGALE EXTRA, Latex-Free 32-44" Size Medium	12/BG 8BG/CS	CS	96	\$30.72
T4522	D	847506	Paper Pak Products, Inc.	BRBC20	BRIEF ATTENDS Breathable Size Medium	24/PK 4PK/CS	CS	96	\$30.72
T4522	D	842741	First Quality Products Inc	NU-012/1	BRIEF PREVAIL Nu-Fit, Breathable Size Medium	16/BG 6BG/CS	CS	96	\$30.72
T4522	N	865853	SCA Hygiene Products	67720	BRIEF TENA CLASSIC MED 67720	25/BG 4BG/CS	CS	100	\$35.00
T4522	N	847194	Paper Pak Products, Inc.	BRB20	BRIEF ATTENDS Breathable Size Medium	24/BG 4BG/CS	CS	96	\$33.60
T4522	N	847198	Paper Pak Products, Inc.	BRBX20	BRIEF ATTENDS X-ABSORB Breathable Medium	24/BG 4BG/CS	CS	96	\$33.60
T4522	N	842750	First Quality Products Inc	PF-012/1	BRIEF Per-Fit X-ABSORB Breathable Size Medium	16BG 6BG/CS	CS	96	\$33.60
T4522	N	842743	First Quality Products Inc	IB-012/1	BRIEF PREVAIL IB FM MED IB-012/1	16/BG 6BG/CS	CS	96	\$35.05
T4522	D	858264	SELECT MEDICAL	90531	BRIEF BREATHABLE MED 12/BG 90531	8BG/CS COOL COMFORT 32"-44"	CS	96	\$30.72
T4523	D	816719	SELECT MEDICAL	90515	BRIEF NIGHTINGALE EXTRA, Latex Free, 45-56" Size Large	12/BG 6BG/CS	CS	72	\$28.08
T4523	D	847507	Paper Pak Products, Inc.	BRBC30	BRIEF ATTENDS Breathable Size Large	24/PK 3PK/CS	CS	72	\$28.08
T4523	D	842748	First Quality Products Inc	NU-013/1	BRIEF PREVAIL Nu-Fit Breathable Size Large	18/BG 4BG/CS	CS	72	\$28.08
T4523	N	865856	SCA Hygiene Products	67740	BRIEF TENA CLASSIC LG 67740	25/BG 4BG/CS 48-59"	CS	100	\$43.00
T4523	N	847196	Paper Pak Products, Inc.	BRB30	BRIEF ATTENDS Breathable Size Large	24/BG 3BG/CS	CS	72	\$30.96
T4523	N	847200	Paper Pak Products, Inc.	BRBX30	BRIEF ATTENDS X-ABSORB Breathable Size Large	24/BG 3BG/CS	CS	72	\$30.96
T4523	N	842747	First Quality Products Inc	PF-013/1	BRIEF PREVAIL Per-Fit X-ABSORB Breathable Size Large	18/BG 4BG/CS	CS	72	\$30.96
T4523	N	842753	First Quality Products Inc	IB-013/1	BRIEF PREVAIL IB FM LG IB-013/1	18/BG 4BG/CS	CS	72	\$35.05
T4523	D	858265	SELECT MEDICAL	90532	BRIEF BREATHABLE LG 12/BG 90532	6BG/CS COOL COMFORT 45"-58"	CS	72	\$28.08
T4524	D	816720	SELECT MEDICAL	90516	BRIEF NIGHTINGALE EXTRA, Latex Free, 60-64" Size X-Large	10/BG 6BG/CS	CS	60	\$27.60
T4524	D	847508	Paper Pak Products, Inc.	BRBC40	BRIEF ATTENDS Breathable Size Xlarge	20/PK 3PK/CS	CS	60	\$27.60
T4524	D	849085	First Quality Products Inc	NU-014/1	BRIEF PREVAIL Nu-Fit Breathable Size Xlarge	15/BG 4BG/CS	CS	60	\$27.60
T4524	N	847197	Paper Pak Products, Inc.	BRB40	BRIEF ATTENDS Breathable Size Xlarge	20/BG 3BG/CS	CS	60	\$29.40
T4524	N	845631	First Quality Products Inc	PF-014/1	BRIEF PREVAIL Per-Fit X-ABSORB Breathable Size Xlarge	15/bg 4bg/cs	CS	60	\$29.40
T4524	N	845572	First Quality Products Inc	IB-014/1	BRIEF PREVAIL XL 16/BG IB-014/1	4BG/CS	CS	64	\$35.05
T4524	D	858266	SELECT MEDICAL	90533	BRIEF BREATHABLE XL 12/BG 90533	5BG/CS COOL COMFORT 59"-64"	CS	60	\$29.40



New Hampshire Medicaid Approved Product List
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PROC CODE	Absorb Level	Catalog Number	Manu Name	Manu#	Description One	Description Two	UOM	ECH UO Price UO	
								M	M
T4525	D	849861	Paper Pak Products, Inc.	APP0710	UNDERWEAR PROT Attends 7 Size Small 22-36" 80-125LB	20/BG 4BG/CS	CS	80	\$34.40
T4525	D	811809	First Quality Products Inc	PV-511	UNDERWEAR PROT PREVAIL Breathable Size Small/Youth	22/BG 4BG/CS	CS	88	\$37.84
T4525	N	849861	Paper Pak Products, Inc.	APP0710	UNDERWEAR PROT Attends 7, 22-36" 80-125LB, Size Small	20/BG 4BG/CS	CS	80	\$34.40
T4525	N	811809	First Quality Products Inc	PV-511	UNDERWEAR PROT PREVAIL Breathable Size Small/Youth	22/BG 4BG/CS	CS	88	\$37.84
T4526	D	867643	SELECT MEDICAL	90556	UNDERWEAR PROT NIGHTINGALE 32-44" Size Medium	20/BG 4BG/CS	CS	80	\$34.40
T4526	D	849862	Paper Pak Products, Inc.	AP0720	UNDERWEAR PROT ATTENDS Size Medium	20/BG 4BG/CS	CS	80	\$34.40
T4526	D	851184	First Quality Products Inc	PF-512	UNDERWEAR PROT Per-Fit Size Medium	20/BG 4BG/CS	CS	80	\$34.40
T4526	N	848170	SCA Hygiene Products	72239	UNDERWEAR PROT MED TENA PLUS 72239	18/BG 4BG/CS MED	CS	72	\$30.96
T4526	N	850131	Paper Pak Products, Inc.	APP0720	UNDERWEAR PROT Attends 7 Size Med, 34-44" 120-175LB	20/BG 4BG/CS	CS	80	\$34.40
T4526	N	811810	First Quality Products Inc	PV-512	UNDERWEAR PROT PREVAIL Breathable Size Medium	20/BG 4BG/CS	CS	80	\$34.40
T4527	D	867644	SELECT MEDICAL	90557	UNDERWEAR PROT NIGHTINGALE Size Large 45-58"	18/BG 4BG/CS	CS	72	\$30.96
T4527	D	850130	Paper Pak Products, Inc.	AP0730	UNDERWEAR PROT Attends Size Large	18/BG 4BG/CS	CS	72	\$30.96
T4527	D	850160	First Quality Products Inc	PF-513	UNDERWEAR PROT Per-Fit Size Large	18/BG 4BG/CS	CS	72	\$30.96
T4527	N	850132	Paper Pak Products, Inc.	APP0730	UNDERWEAR PROT Attends 7 Size Large 44-58" 170-210LB	18/BG 4BG/CS	CS	72	\$33.84
T4527	N	811814	First Quality Products Inc	PV-513	UNDERWEAR PROT PREVAIL Breathable Size Large	18/BG 4BG/CS	CS	72	\$33.84
T4528	D	867645	SELECT MEDICAL	90558	UNDERWEAR PROT NIGHTINGALE Size X-Large 59-64"	14/BG 4BG/CS	CS	56	\$30.80
T4528	D	849863	Paper Pak Products, Inc.	AP0740	UNDERWEAR PROT Attends Size X-Large	14/BG 4BG/CS	CS	56	\$30.80
T4528	D	852970	First Quality Products Inc	PF-514	UNDERWEAR PROT Per-Fit Size X-Large	14/BG 4BG/CS	CS	56	\$30.80
T4528	N	850133	Paper Pak Products, Inc.	APP0740	UNDERWEAR PROT Attends 7 Size X-Large 58-68" 210LB+	14/BG 4BG/CS	CS	56	\$33.60
T4528	N	811815	First Quality Products Inc	PV-514	UNDERWEAR PROT PREVAIL Breathable Size X-Large	14/BG 4BG/CS	CS	56	\$33.60
T4528	N	857044	First Quality Products Inc	SLP05302	Youth Pull-ups Sleep Overs Large/Xtra-Large (65 - 125lbs)	12/bag 4 BG/CS	CS	48	\$29.28
T4531	N	853914	First Quality Products Inc	6WP61940	Wonderpants Size Medium (2T-3T)	29/bag 4 bags/case	CS	116	\$48.72
T4532	N	853915	First Quality Products Inc	6WP71317	Wonderpants Size Large (3T-4T)	26/bag 4 bags/case	CS	104	\$48.88
T4532	N	866776	First Quality Products Inc	WP9001/1	WONDERPANTS XL 4T-5T WP9001/1	19/BG 4BG/CS	CS	76	\$35.72
T4533	D	814513	Paper Pak Products, Inc.	BRCL1000	BRIEF Attends 10 Classic YOUTH Up to 28"	BULK PKG 96/CS	CS	96	\$31.68
T4533	D	850879	First Quality Products Inc	PV-015	BRIEF PREVAIL IB Full Mat YOUTH	16/BG 6BG/CS	CS	96	\$31.68
T4533	N	814513	Paper Pak Products, Inc.	BRCL1000	BRIEF Attends 10 Classic YOUTH Up to 28"	BULK PKG 96/CS	CS	96	\$31.68
T4533	N	855461	First Quality Products Inc	CR0001	DIAPER CUTIES NEWBORN 42/BG	42/Bag 4BG/CS	CS	168	\$55.44
T4533	N	855148	First Quality Products Inc	CR1001	DIAPER CUTIES SZ1 8-14LB	50/BG 4BG/CS	CS	200	\$66.00
T4533	N	855149	First Quality Products Inc	CR2001	DIAPER CUTIES SZ2 12-18LB	42/BG 4BG/CS	CS	168	\$55.44
T4533	N	855920	First Quality Products Inc	CR3001	DIAPER CUTIES SZ3 16-28LB	36/BG 4BG/CS	CS	144	\$47.52
T4533	N	855921	First Quality Products Inc	CR4001	DIAPER CUTIES SZ4 22-37LB	31/BG 4BG/CS	CS	124	\$40.92
T4533	N	855268	First Quality Products Inc	CR5001	DIAPER CUTIES SZ5 27LB+	27/BG 4BG/CS	CS	108	\$35.64
T4533	N	855266	First Quality Products Inc	CR6001	DIAPER CUTIES SZ6 35LB+	23/BG 4BG/CS	CS	92	\$30.36
T4534	D	849861	Paper Pak Products, Inc.	APP0710	UNDERWEAR PROT Attends 7 Size Small 22-36" 80-125LBS	20/BG 4BG/CS	CS	80	\$34.40
T4534	D	857043	First Quality Products Inc	SLP05301	UNDERPANTS SM/MED SLEEP OVER SLP05301	15/BG 4BG/CS SLEEP OVERS	CS	60	\$29.92
T4534	N	849861	Paper Pak Products, Inc.	APP0710	UNDERWEAR PROT Attends 7 Size Small 22-36" 80-125LBS	20/BG 4BG/CS	CS	80	\$35.20
T4534	N	857043	First Quality Products Inc	SLP05301	UNDERPANTS SM/MED SLEEP OVER SLP05301	15/BG 4BG/CS SLEEP OVERS	CS	60	\$26.40
T4534	N	857043	First Quality Products Inc	SLP05301	Youth Pull-Ups Sleep Overs Small/Medium (45 - 65lbs)	15/bag 4 BG/CS	CS	60	\$29.40
T4534	N	850878	First Quality Products Inc	PV-011	BRIEF PREVAIL IB FM SM PV-011	16/BG 6BG/CS	CS	96	\$30.72
T4535	D	844415	First Quality Products Inc	PV-811	PANT LINER 13" MALE PREVAIL PV-811	14/BG 9BG/CS BLADDER CTL	CS	126	\$30.24



New Hampshire Medicaid Approved Product List
 Amendment #2 - Table 1 - Product List and Pricing
 July 2012

PROC CODE	Absorb Level	Catalog Number	Manu Name	Manu#	Description One	Description Two	UOM	ECH UO M	Price UO M
T4535	H	848991	SCA Hygiene Products	41509	PANT LINER 14" TENA LIGHT Heavy	60/BG 3BG/CS	CS	180	\$43.20
T4535	H	848992	SCA Hygiene Products	41609	PANT LINER 15" TENA LIGHT Heavy	42/BG 3BG/CS	CS	126	\$30.24
T4535	H	816819	First Quality Products Inc	PV-915	PANT LINER 13" PREVAIL ULT + Bladder Control Pad	42/BG 4BG/CS	CS	168	\$40.32
T4535	L	842574	SCA Hygiene Products	62314	TENA DAY LIGHT PAD 144/CS	24/BG 6BG/CS	CS	144	\$25.92
T4535	L	811475	First Quality Products Inc	BC-012	PANT LINER 9.25" PREVAIL Extra Absorb	20/BG 9BG/CS	CS	180	\$32.40
T4535	L	852044	Paper Pak Products, Inc.	IP0300	Liner, 3.75-11.5" ATTENDS Insert Pads	24/BG 8BG/CS	CS	192	\$34.00
T4535	L	856596	Paper Pak Products, Inc.	LP0200	PANT LINER 8.5" ATTENDS EXT Regular	198/CS	CS	198	\$34.56
T4535	L	856292	Paper Pak Products, Inc.	LP0300	PANT LINER 10.5" ATTENDS EXT	180/CS	CS	180	\$32.40
T4535	L	852509	First Quality Products Inc	PL-100/1	Prevail Pant Liner Dribbler small 8x18	52/bg 4bgs/cs	CS	260	\$37.44
T4535	M	848989	SCA Hygiene Products	41309	PANT LINER 11" TENA LIGHT Moderate	72/BG 3BG/CS	CS	216	\$45.36
T4535	M	848990	SCA Hygiene Products	41409	PANT LINER 12" TENA LIGHT Moderate	60/BG 3BG/CS	CS	180	\$37.80
T4535	M	811476	First Quality Products Inc	BC-013	PANT LINER 11" PREVAIL Extra Plus Absorb	16/BG 9BG/CS	CS	144	\$30.24
T4535	M	854141	Paper Pak Products, Inc.	LP0400	PAD ATTENDS EXTRA+ 240/CS	60/bg 4bg/cs	CS	240	\$50.40
T4541	H	850134	Paper Pak Products, Inc.	UFS-236	UNDERPAD 23X36 DRI-SORB Light Fluff	10/BG 15BG/CS	CS	150	\$24.00
T4541	M	816722	SELECT MEDICAL	90518	UNDERPAD 23X36 NIGHTINGALE	25/BG 6BG/CS	CS	150	\$24.00
T4541	M	856998	SCA Hygiene Products	352	UNDERPAD 23X36 HARMONIE	25/BG 6BG/CS	CS	150	\$24.00
T4541	M	811458	First Quality Products Inc	UP-150	UNDERPAD 23X36 PREVAIL GRN	15/BG 10BG/CS	CS	150	\$24.00
T4543	D	847914	SCA Hygiene Products	68010	BRIEF TENA ULTRA XL 15/PK 68010	15/PK 4PK/CS	CS	60	\$42.60
T4543	D	849913	Paper Pak Products, Inc.	BRB50	BRIEF ATTENDS Breathable Size 2XL	12/BG 4BG/CS	CS	48	\$34.08
T4543	D	849928	First Quality Products Inc	PV-017	BRIEF PREVAIL IB 2XL	12/BG 4BG/CS	CS	48	\$34.08
T4543	N	847914	SCA Hygiene Products	68010	BRIEF TENA ULTRA XL 15/PK 68010	15/PK 4PK/CS	CS	60	\$42.60
T4543	N	849913	Paper Pak Products, Inc.	BRB50	BRIEF ATTENDS Breathable Size 2XL	12/BG 4BG/CS	CS	48	\$34.08
T4543	N	849928	First Quality Products Inc	PV-017	BRIEF PREVAIL IB 2XL	12/BG 4BG/CS	CS	48	\$34.08



REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
 4. **CONDITIONAL NATURE OF AGREEMENT.**
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
 - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
 - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
 - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
 - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
 - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. Subparagraph 13 of the General Provisions of this contract, INDEMNIFICATION. is deleted and replaced with the following language:
 - 13.1 Gulf South will indemnify, defend, and hold the State harmless from and against any and all losses, damages or fines (collectively, "Losses") incurred by the State as a result of a third-party claim of bodily injury to the extent such Losses are solely caused by Gulf South's negligence or willful misconduct in the performance of Gulf South's obligations under a Contract with the State. This indemnity does not extend to any Losses arising out of, resulting from or related to the State's negligence, recklessness or willful misconduct.



- 13.2 A party's right to indemnification is conditioned upon the indemnified party satisfying the following requirements: (a) the indemnified party must promptly notify the indemnifying party of any claim for which indemnification will be sought; (b) the indemnified party must give the indemnifying party control of the defense against the claim (including the right to select counsel and settle or compromise such claim, but the indemnifying party must not agree to a consent decree or similar order binding the indemnified party or to any settlement that specifically apportions fault or liability to the indemnified party without the indemnified party's prior written consent); and (c) the indemnified party must reasonably cooperate with the indemnifying party's defense against the claim.
4. Subparagraph 25, Limitation of Liability, is added to read:
In no event will Gulf South be liable to the State under, in connection with, or related to this solicitation for any indirect, incidental, special punitive, or consequential damages whether or not Gulf South is advised of the possibilities of those damages whether based on breach of contract, warranty, tort, product liability, or otherwise (including lost profits) from any cause.
5. Subparagraph 26, Warranty Disclaimer, is added to read:
Gulf South makes no representation or warranty of any kind express or implied, with respect to any products or services provided by Gulf South including the warranty of merchantability or the fitness for any particular use or purpose. The State shall look to the manufacturer of products and the provider of service for any warranty thereon. No agent, employee, or representative of Gulf South has any affirmation, representation, or warranty concerning products or services not set forth in the state contract.

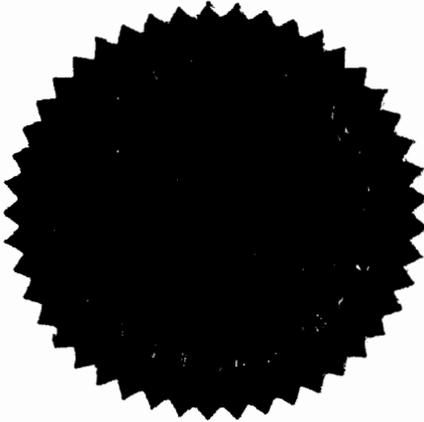
CV

5.27.2014

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 GULF SOUTH MEDICAL SUPPLY, INC. a(n) Delaware corporation, is authorized to transact business in New Hampshire and qualified on August 21, 1998. 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 20th day of May, A.D. 2014

A handwritten signature in black ink, appearing to read "Wm Gardner", written in a cursive style.

William M. Gardner
Secretary of State

ACTION BY UNANIMOUS WRITTEN CONSENT OF
THE BOARD OF DIRECTORS OF
GULF SOUTH MEDICAL SUPPLY, INC.

The undersigned, constituting all of the directors of Gulf Medical Supply, Inc., a Delaware corporation (the "Corporation"), acting without a meeting pursuant to Section 141(f) of the Delaware General Corporation Law, and in accordance with the By-Laws of the Corporation, hereby adopt, by this written consent, the following resolutions, as if they had been unanimously adopted at a duly convened meeting and that such resolutions be filed with the minutes of the proceedings of the Board of Directors of the Corporation:

Signature Authority

RESOLVED, that the persons named below, acting in accord with their job titles and the requirements set forth in the McKesson Corporation Delegation of Authority policy, are hereby authorized to execute in the name and on behalf of the Corporation, any bid, proposal, contract, agreement and amendment, renewal or bond required in connection with for the sale or rental of products or the performance of services provided by the Corporation, with any department of the United States government and any state, city, county, local government or subdivision thereof:

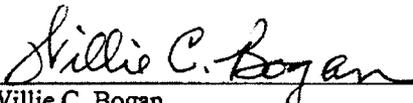
<u>Name</u>	<u>Job Title</u>
Cindy Ince	Proposal Manager, MMS Government Sales Administration
Kathy Adams-Joyce	Director, MMS Government Sales Administration

RESOLVED FURTHER, that Cindy Ince and Kathy Adams-Joyce are hereby authorized and directed to execute and deliver such other documents and take such other actions in the name and on behalf of the Corporation as they deem are required or are necessary or appropriate to give effect to the intent of the foregoing resolution.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

This written consent may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

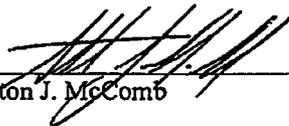
EXECUTED as of the 20th day of May, 2014.



Willie C. Bogan



Todd E. Baldanzi



Stanton J. McComb



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
05/28/2014

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 MARSH RISK & INSURANCE SERVICES 345 CALIFORNIA STREET, SUITE 1300 CALIFORNIA LICENSE NO. 0437153 SAN FRANCISCO, CA 94104 Attn: Lynn.Heimerle@marsh.com 00053 -PSS-GAWU-13-14 GL/AL WC	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE NAIC # INSURER A : Golden State Insurance Co Ltd 3191144 INSURER B : Old Republic Insurance Co 24147 INSURER C : N/A N/A INSURER D : INSURER E : INSURER F :	
INSURED MCKESSON CORPORATION INCLUDING GULF SOUTH MEDICAL SUPPLY, INC. A PSS WORLD MEDICAL COMPANY 4345 SOUTHPOINT BLVD JACKSONVILLE, FL 32216		

COVERAGES **CERTIFICATE NUMBER:** SEA-002476588-01 **REVISION NUMBER:** 8

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 INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> CONTRACTUAL LIABILITY GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			064-1-80101-2013	07/01/2013	07/01/2014	EACH OCCURRENCE \$ 3,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 3,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 3,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 \$
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			MWTB 21921 SELF INSURED FOR PHYSICAL DAMAGE	07/01/2013	07/01/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 4,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> Y <input checked="" type="checkbox"/> N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			MWC11822500 (AOS) MWXS1012 \$100K SIR for CT, NV, OH, WA	07/01/2013 07/01/2013	07/01/2014 07/01/2014	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

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

*NAME INSURED IS SELF-INSURED FOR A UTO LIABILITY FOR LIMITS OF \$2,000,000 EXCESS OF \$2,000,000. EVIDENCE OF INSURANCE ONLY.

CERTIFICATE HOLDER

GULF SOUTH MEDICAL SUPPLY, INC.
 4345 SOUTHPOINT BOULEVARD
 JACKSONVILLE, FL 32216

CANCELLATION

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
 of Marsh Risk & Insurance Services

Linda J. Miner

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AGENCY CUSTOMER ID: 00053

LOC #: San Francisco



ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY MARSH RISK & INSURANCE SERVICES		NAMED INSURED MCKESSON CORPORATION INCLUDING GULF SOUTH MEDICAL SUPPLY, INC. A PSS WORLD MEDICAL COMPANY 4345 SOUTHPOINT BLVD JACKSONVILLE, FL 32216	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

THE GENERAL LIABILITY POLICY (064-1-80101-2013) PLACEMENTS WERE MADE BY MARSH MANAGEMENT SERVICES (BERMUDA) LTD. MARSH USA INC. HAS ONLY ACTED IN THE ROLE OF A CONSULTANT TO THIS CLIENT WITH RESPECT TO THESE PLACEMENTS, WHICH ARE INDICATED HERE FOR YOUR CONVENIENCE.

Handwritten initials/signature



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF MEDICAID BUSINESS AND POLICY

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-9384 1-800-852-3345 Ext. 9384
Fax: 603-271-8431 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

Nicholas A. Toumpas
Commissioner

Kathleen A. Dunn
Director

April 3, 2012

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

APPROVED BY _____
DATE 5/9/12
PAGE 4
ITEM # 31

Requested Action

Authorize the Department of Health and Human Services, Office of Medicaid Business and Policy to enter into a contract amendment (amendment 1) of an existing contract, with Gulf South Medical Supply, Inc., 4345 Southpoint Boulevard, Jacksonville, Florida 32216-6166, Vendor # 175950 to provide disposable incontinence products for non-institutional Medicaid recipients not participating in Medicaid managed care arrangements by increasing the two year price limitation by \$534,956.02 from \$3,465,043.98 to not to exceed \$4,000,000.00 and by extending the completion date twenty-four months from July 1, 2012 to June 30, 2014 effective July 1, 2012, or the date of the Governor and Executive Council approval, whichever is later, Governor and Executive Council approved the original contract on September 23, 2009, Item #66.

Funds are available for SFY 2013 and are anticipated to be available in SFY 2014 upon the availability and continued appropriation of funds in the future operating budgets as identified below with the authority to adjust amounts if needed and justified, between state fiscal years.

05-95-95-956010-6147 HEALTH AND SOCIAL SERVICES, DEPART OF HEALTH AND HUMAN SERVICES, HHS: COMMISSIONER, OFF MEDICAID & BUSINESS POLICY, PROVIDER PAYMENTS

<u>State Fiscal</u> <u>Year</u>	<u>Class Object</u>	<u>Class Title</u>	<u>Current Modified</u> <u>Budget</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Revised</u> <u>Modified Budget</u>
SFY 2010	101-500729	Medical Payments to Providers	\$879,988.82	\$0.00	\$879,988.82
SFY 2011	101-500729	Medical Payments to Providers	\$1,267,183.90	\$0.00	\$1,267,183.90
SFY 2012	101-500729	Medical Payments to Providers	\$1,317,871.26	\$0.00	\$1,317,871.26
SFY 2013	101-500729	Medical Payments to Providers	\$0.00	\$267,478.01	\$267,478.01
SFY 2014	101-500729	Medical Payments to Providers	\$0.00	\$267,478.01	\$267,478.01
			<u>\$3,465,043.98</u>	<u>\$534,956.02</u>	<u>\$4,000,000.00</u>

Explanation

The purpose of the above requested action is to allow Gulf South Medical Supply, Inc., (hereinafter “the Contractor”) to act as the preferred supplier of incontinence products for the New Hampshire Medicaid Program for non-institutional recipients who are not participating in Medicaid managed care. The Department of Health and Human Services has initiated coverage for adult incontinence in response to the Legislature’s requirements as set forth in RSA 167:3-h, IV (Coverage of Services and Items Under the Medical Assistance Program) and the legislative requirements set forth in the Laws of 2007, Chapter 263:107 (Health and Human Services; Medical Assistance Program) which states:

- I. *The Department of Health and Human Services shall include disposable incontinence supplies as medical assistance under the Medicaid state plan.*
- II. *The Department of Health and Human Services shall explore opportunities to utilize innovative purchasing and distribution methodologies such as bulk purchasing and electronic benefit cards to provide disposable incontinence supplies to Medicaid recipients, as in* provided in HB 826-FN of the 2007 legislative session.*

Consistent with the above legislative directive, the Office of Medicaid Business and Policy competitively procured a preferred supplier of incontinence products for the Medicaid population. This competitive procurement has provided the New Hampshire Medicaid Program with estimated cost savings of \$2 million dollars during the initial three year contract period, due to product discounts as a result of a centralized purchasing program with an exclusive incontinence products distributor. The contractor’s product offering includes an array of high-quality products, manufacturers, brands, and sizes that has met the needs of the Medicaid population. The products included in this contract have met stringent, industry standard testing. A recipient satisfaction with the product offering survey was completed in the fall of 2011. A total of 2,040 surveys were mailed with 604 surveys returned, a response rate of 29.6%. Of the recipients responding to the survey who received products exclusively from Gulf South, 85% reported being very satisfied or satisfied. With recipients who had to change products as a result of this procurement, 80% of recipients who responded to the survey reported being very satisfied or satisfied.

This amendment, if approved, will allow the contractor to continue to offer Medicaid providers and recipients timely access to products, superior customer service, product support and education, and order management assistance, through two delivery models: the “provider model” and the “recipient model.” Under both models, orders will continue to ship from the contractor’s distribution center in Londonderry, New Hampshire. Under the provider model, the contractor will continue to be the exclusive supplier of incontinence products at a guaranteed per-unit product price for enrolled New Hampshire Medicaid providers when selling to NH Medicaid recipients not covered under managed care arrangements. Through the Medicaid Management Information System, the Department of Health and Human Services will pay claims from Medicaid providers for incontinence products, pursuant to standard procedures contained in the New Hampshire Medicaid Provider Enrollment Agreement. The providers will pay the Contractor for the cost of supplies at the product unit prices documented in this contract, consistent with existing practice, whereby, providers pay incontinence product suppliers. This method of supply acquisition from distributors by providers is the system that is currently in place, with the added designation of the preferred supplier and the contracted payment rates for supplies.

* Chapter 263:107/II, Laws of 2007, included the typo of “...as in provided in HB 826-FN.” We reasonably believe it should read, “...as is provided in HB 826-FN.”

Under the recipient model, Medicaid recipients will continue to have the option to purchase incontinence products by mail order. Incontinence products will be delivered directly to the recipient home address, at no additional cost to the recipients or the Medicaid Program. The contractor is administering the mail order program through a Department of Health and Human Services-approved subcontractor, Home Delivery Incontinent Supplies Company. The contractor remains wholly responsible for the Contract deliverables Home Delivery Incontinent Supplies Company provides. Pursuant to the standard Medicaid Provider Enrollment Agreement, Home Delivery Incontinent Supplies Company will be reimbursed for the products and services delivered to Medicaid recipients at the contracted per-unit and service price.

This amendment to continue the preferred supplier contract will ensure those recipients who are not participating in managed care arrangements, but who require incontinence products will have access to them. The Contractor has agreed to hold product pricing (refer to exhibit A B1) at the 2009 negotiated rate for the 24-month extension of this Contract. It is estimated that 17,000 recipients will opt out of managed care and remain in the fee-for-service program for SFY 2013. An estimated 9,500 recipients will remain in the fee for service program for SFY 2014. Of these, an estimated 250 recipients will continue to need incontinence supplies at an annual cost of \$1,069.91 per recipient.

Competitive Bidding

The award was a result of a formal Request for Proposal entitled "Incontinence Supplies Preferred Supplier, RFP 09-OMBP-ISPS-03" that was published on the Department of Health and Human Services website on September 19, 2008. A legal notice was published on September 8, 9, and 10, 2008, in the *New Hampshire Union Leader* newspaper.

Vendors were given the option of submitting up to two separate proposals. Four vendors submitted a total of six proposals (see attached Bidders List). An evaluation team of six Department of Health and Human Services staff reviewed and independently scored the proposals in accordance with the criteria set forth in the Request for Proposal (see attached Evaluation Team List). As part of the bid evaluation, volunteer Medicaid recipients conducted testing of product samples. Recipients were asked to use the proposed products of each bidder over a period of time and rate the quality of, and their satisfaction with, the products. The product line offered by the Contractor scored high marks with each product performing as anticipated and no product rated as not satisfactory.

The bidders and the respective overall rating of the proposals, with a maximum possible score of 100 points, is as follows:

Gulf South Medical Supply, Inc. Bid #1	94.54 points;
Gulf South Medical Supply, Inc. Bid #2	93.14 points;
McKesson Medical-Surgical Minnesota Supply, Inc. Bid #1	86.58 points;
McKesson Medical-Surgical Minnesota Supply, Inc. Bid #2	86.25 points;
Invacare Supply Group	85.09 points; and
Better Living Now, Inc.	38.22 points.

A wide disparity in evaluation scores resulted. The two bids submitted by Gulf South Medical Supply, Inc. earned the highest overall scores, surpassing the next highest bid by more than six and a half points. Gulf South Medical Supply, Inc. demonstrated that the Company has the appropriate capacity and experience to meet or exceed all of the specified requirements including providing a broad product range, competitive and sustainable per-unit pricing, and sophisticated customer service models. In addition, the contractor has a local

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
April 3, 2012
Page 4 of 4

business presence in its Londonderry, New Hampshire distribution center that allows the contractor to make products readily available to New Hampshire providers and recipients.

The original contract effective September 9, 2009, through June 30, 2012 had an option of extending the contract for two additional two-year terms with the approval of the Governor and Executive Council. This is the first of the two-year terms.

Should the Governor and Executive Council not approve this request, the Department would be responsible for providing disposable incontinence products to non-institutional Medicaid recipients by utilizing existing enrolled providers and lose an estimated cost savings of \$2 million.

Geographic Area to be Served: Statewide.

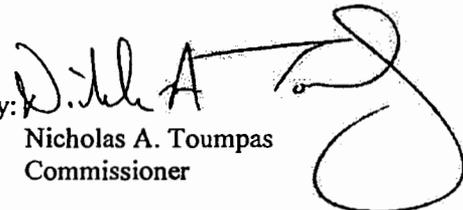
Source of funds: 50% General Funds and 50% Federal Funds.

In the event that the federal funds become no longer available, general funds will not be requested to support this program.

Respectfully submitted,


Kathleen A. Dunn, MPH
Medicaid Director

Approved by:


Nicholas A. Toumpas
Commissioner

**State of New Hampshire
Department of Health and Human Services
Amendment 1 to the
Gulf South Medical Supply, Inc. Contract**

This 1st Amendment to the Gulf South Medical Supply, Inc. Contract (hereinafter referred to as "Amendment 1") dated this 12 day of January, 2012 is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Gulf South Medical Supply, Inc (hereinafter referred to as "Gulf South" and/or "the Contractor") with a place of business at 4345 Southpoint Boulevard, Jacksonville, Florida 32216-6166.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on September 23, 2009, Item 66, vendor code # 175950, the Contractor agrees to perform certain services based upon the terms and conditions specified in the Contract, and in consideration of certain sums specified; and

WHEREAS, pursuant to paragraph 18 of the General Provisions, Form P-37, the Contract may be modified or amended only by a written instrument executed by the parties thereto, and only after approval of such modification by the Governor and Executive Council; and

WHEREAS, the State and the Contractor have agreed to amend the Contract in certain respects; and

WHEREAS, pursuant to paragraph 3 of the General Provisions, Form P-37 and Exhibit A, paragraph II, the original Contract authorized the parties to enter into a Contract for a period of three years, and included an option to extend the Contract for a total additional period of four years to be executed as two two year extensions with the approval of Governor and Executive Council; and

WHEREAS, this amendment, Amendment 1, represents the parties' first exercise of their option to extend the Contract term;

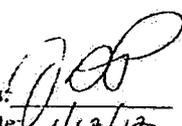
NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the "Contract" and as set forth herein, the parties hereto agree as follows:

Scope of Amendment

1. Except as specifically amended and modified by the terms and conditions in this Amendment, the obligations of the parties shall remain in full force and effect in accordance with the terms and conditions set forth in the Contract referenced above.

General Provisions, Form P-37

2. In Box 1.7 Completion Date: "June 30, 2012" is deleted and replaced with "June 30, 2014"
3. In Box 1.8 Price Limitation: "\$3,465,043.98" is deleted and replaced with "\$4,000,000.00"

Contractor Initials: 

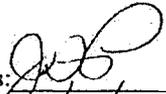
Date: 1/12/12

4. In Box 1.10 State Agency Telephone Number: "603-271-8166" is deleted and replaced with "603-271-9384"
5. In Box 1.12 Name & Title of Contractor Signor: "Jenni Edwards, Director, State and Federal Contracts" is deleted and replaced with "David Perkins, Director of Government Sales"

Exhibit A Scope of Services

6. **Effective Date:** All exhibits and attachments to the original Contract remain in effective unless otherwise specified; Amendment 1 and exhibits and attachments to Amendment 1 are effective as of the date of Governor and Executive Council approval, or July 1, 2012 whichever is later, unless otherwise specified herein.
7. **Contract Period:** September 23, 2009 to June 30, 2014
8. **Exhibit A I. Scope of Work, A. Introduction, the following paragraph is added:**

For the term of the two year contract extension, as the preferred supplier, the Contractor shall be the only source of incontinence products provided to NH Medicaid recipients enrolled in fee for service excluding nursing home, institutional care, and managed care Medicaid recipients.
9. **Exhibit A Scope of Work, B1 product offering is deleted and replaced as Appendix A-1 of this Amendment.**
10. **Exhibit A, Paragraph E.2 A. DHHS Contract Manager. Telephone number is deleted and replaced with the following:**
Telephone: 603-271-9458
11. **Exhibit A, Paragraph E2 B. Contractor Contract Manager is hereby deleted and replaced with the following:**
To resolve issues or concerns about the Contract deliverables or other processes, the Contract Manager shall be:
David Perkins
Director of Government Sales
PSS World Medical
4345 Southpoint Blvd.
Jacksonville, FL 32216
Telephone: 904-332-3467

Contractor Initials: 

Date: 1/12/12

Exhibit A B1 Product Offering is deleted and replaced with the following:

B 1 Product Offering for Amendment 1
 PRODUCT SPECIFICATIONS BY T-CODE

Proc Code	Required Supplies by Category	Brand Name	Description	Manufacturer	Mfg Item #
T4521	Disposable incontinence product brief/diaper, small				
	Daytime Absorbency	Select	Brief Breathable Cool Comfort Small	Select Medical	90530
	Daytime Absorbency	Prevail	Prevail brief-small 20"-31" 16/bg/cs (96)	First Quality Products Inc	PV-011
	Nighttime Absorbency	Prevail	Prevail brief-small 20"-31" 16/bg/cs (96)	First Quality Products Inc	PV-011
	Daytime Absorbency	Attends	Breathable brief, small	Attends Healthcare Products	BRBX10
	Nighttime Absorbency	Attends	Breathable brief, small	Attends Healthcare Products	BRBX10
	Daytime Absorbency	Tena	Brief, small 22"-36"	SCA	66100
	Nighttime Absorbency	Tena	Brief, small 22"-36"	SCA	66100
	Daytime Absorbency	Nightingale Extra	Brief, small 23"-31"	SELECT	90513
T4522	Disposable incontinence product brief/diaper, medium				
	Nighttime Absorbency	Prevail	Brief Prevail IB FullMatt MED	First Quality Products Inc	IB-012/1
	Daytime Absorbency	Select	Brief Breathable Cool Comfort MED	Select Medical	90531
	Daytime Absorbency	NU-FIT	NU-FIT by First Quality brief medium 32"-44"	First Quality Products Inc	NU-012/1
	Nighttime Absorbency	PER-FIT	PER-FIT brief - medium 32"-44"	First Quality Products Inc	PF-012/1
	Daytime Absorbency	Attends	Breathable brief clear bag, medium	Attends Healthcare Products	BRBC20
	Nighttime Absorbency	Attends	Breathable brief, medium	Attends Healthcare Products	BRB20
	Nighttime Absorbency	Attends	Breathable brief extra, medium	Attends Healthcare Products	BRBX20
	Daytime Absorbency	Nightingale Extra	Brief, medium 32"-44"	SELECT	90514
	Nighttime Absorbency	Tena Classic Plus	Brief, medium 34"-47"	SCA	67713
T4523	Disposable incontinence product brief/diaper, large				
	Daytime Absorbency	Select	Brief Breathable Cool Comfort Large	Select Medical	90532
	Nighttime Absorbency	SCA	Brief Tena Classic Plus X-Absorb Large	SCA	67813
	Nighttime Absorbency	Prevail	Brief Prevail IB FullMatt	First Quality	IB-013/1

Contractor Initials: *JOP*
 Date: *1/12/12*

Amendment 1
 Gulf South Medical Supply, Incorporated
 Page 4 of 13

Proc Code	Required Supplies by Category	Brand Name	Description	Manufacturer	Mfg Item #
			LG	Products Inc	
	Daytime Absorbency	NU_FIT	NU-FIT by First Quality brief large 45"-58"	First Quality Products Inc	NU-013/1
	Nighttime Absorbency	PER-FT	PER-FIT brief large 45"-58"	First Quality Products Inc	PF-013/1
	Daytime Absorbency	Attends	Breathable brief clear bag, large	Attends Healthcare Products	BRBC30
	Nighttime Absorbency	Attends	Breathable brief, large	Attends Healthcare Products	BRB30
	Nighttime Absorbency	Attends	Breathable brief, extra large	Attends Healthcare Products	BRBX30
	Daytime Absorbency	Nightingale Extra	Brief large 45"-58"	SELECT	90515
T4524	Disposable incontinence product brief/diaper, extra large				
	Daytime Absorbency	Select	Brief Breathable Cool Comfort x-large	Select Medical	90533
	Nighttime Absorbency	Prevail	Brief Prevail IB FullMatt XL	First Quality Products Inc	IB-014/1
	Daytime Absorbency	NU-FIT	NU-FIT by First Quality brief-XL 59"-64"	First Quality Products Inc	NU-014/1
	Nighttime Absorbency	PER-FT	PER-FIT brief - XL 59"-64"	First Quality Products Inc	PF-014/1
	Daytime Absorbency	Attends	Breathable brief clear bag, extra large	Attends Healthcare Products	BRBC40
	Nighttime Absorbency	Attends	Breathable brief, extra large	Attends Healthcare Products	BRB40
	Daytime Absorbency	Nightingale Extra	Brief, extra large 59"-64"	SELECT	90516
T4543	Disposable incontinence product brief/diaper, bariatric				
	Daytime Absorbency	Prevail	First Quality IB Brief - 2XL 62"-68"	First Quality Products Inc	PV-017
	Nighttime Absorbency	Prevail	First Quality IB brief - 2XL 62"-68"	First Quality Products Inc	PV-017
	Daytime Absorbency	Tena	Brief Bariatric XL	SCA	61375
	Nighttime Absorbency	Tena	Brief Bariatric XL	SCA	61375
	Daytime Absorbency	Attends	XXL brief, 70" waist	Attends Healthcare Products	BRB50
	Nighttime Absorbency	Attends	XXL brief, 70" waist	Attends Healthcare Products	BRB50
T4525	Disposable incontinence product underwear/pull-ons, small				
	Daytime Absorbency	Prevail	Prevail Underwear - Youth/small 20"-34"	First Quality Products Inc	PV-511
	Nighttime Absorbency	Prevail	Prevail Underwear - Youth/small 20"-34"	First Quality Products Inc	PV-511
	Daytime Absorbency	Attends	Super plus underwear, Youth/small	Attends Healthcare Products	APP0710
	Nighttime Absorbency	Attends	Super plus underwear, Youth/small	Attends Healthcare Products	APP0710

Contractor Initials: *JG*
 Date: *1/12/12*

Amendment 1
 Gulf South Medical Supply, Incorporated
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Proc Code	Required Supplies by Category	Brand Name	Description	Manufacturer	Mfg Item #
T4526	Disposable incontinence product underwear/pull-ons, medium				
	Daytime Absorbency	PER-FIT Prevail	PER-FIT underwear – medium 34"-46"	First Quality Products Inc	PF-512
	Nighttime Absorbency	PER-FIT Prevail	Prevail extra underwear small/medium 34"-46"	First Quality Products Inc	PV-512
	Daytime Absorbency	Attends	Extra underwear medium	Attends Healthcare Products	AP0720
	Nighttime Absorbency	Attends	Super plus underwear medium	Attends Healthcare Products	APP0720
	Daytime Absorbency	Nightingale	Protective underwear medium 23"-44"	SELECT	90520
	Nighttime Absorbency	SCA	Underwear Prot Tena MED	SCA	72436
T4527	Disposable incontinence product underwear/pull-ons, large				
	Daytime Absorbency	PER-FIT Prevail	PER-FIT underwear large 44"-58"	First Quality Products Inc	PF-513
	Nighttime Absorbency	PER-FIT Prevail	Prevail extra underwear large 44"-58"	First Quality Products Inc	PV-513
	Daytime Absorbency	Attends	Extra underwear, large	Attends Healthcare Products	AP0730
	Nighttime Absorbency	Attends	Super plus underwear, large	Attends Healthcare Products	APP0730
	Daytime Absorbency	Nightingale	Protective underwear large 45"-58"	SELECT	90521
T4528	Disposable incontinence product underwear/pull-ons, extra large				
	Daytime Absorbency	Prevail	Sleepovers – Youth Pullups Large/X Large 65-125 lbs	First Quality Products Inc	SLP05302
	Daytime Absorbency	PER-FIT Prevail	PER-FIT Underwear – extra large 58"-68"	First Quality Products Inc	PF-514
	Nighttime Absorbency	PER-FIT Prevail	Prevail extra underwear extra large 58"-68"	First Quality Products Inc	PV-514
	Daytime Absorbency	Attends	Extra underwear extra large	Attends Healthcare Products	AP0740
	Nighttime Absorbency	Attends	Super plus underwear extra large	Attends Healthcare Products	APP0740
	Daytime Absorbency	Nightingale	Protective underwear extra large 59"-64"	SELECT	90522
T4534	Youth sized disposable incontinence product, protective underwear/pull-ons				
	Daytime Absorbency	Prevail	Sleepovers / Youth Pull-up Small/Med 45-65 lbs	First Quality Products Inc	SLP05301
	Daytime Absorbency	Attends	Super plus underwear youth/small	Attends Healthcare Products	APP0710
	Nighttime Absorbency	Attends	Super plus underwear youth/small	Attends Healthcare Products	APP0710
	Daytime Absorbency	Prevail	Wonderpants Medium (2T – 3T)	First Quality	6WP61940

Contractor Initials: *JGP*
 Date: *1/12/12*

Amendment 1
 Gulf South Medical Supply, Incorporated
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Proc Code	Required Supplies by Category	Brand Name	Description	Manufacturer	Mfg Item #
	Daytime Absorbency	Prevail	Wonderpants Medium (3T- 4T)	First Quality	6WP71317
	Daytime Absorbency	Prevail	Wonderpants Medium (4T- 5T)	First Quality	6WP71339
T4533	Youth sized disposable incontinence product, brief/diaper				
	Daytime Absorbency	Prevail	Prevail brief -youth 15"-22"	First Quality Products Inc	PV-015
	Nighttime Absorbency	Prevail	Prevail brief -youth 15"-22"	First Quality Products Inc	PV-015
	Daytime Absorbency	Attends	Specialty brief youth	Attends Healthcare Products	BRCL1000
	Nighttime Absorbency	Attends	Specialty brief youth	Attends Healthcare Products	BRCL1000
	Daytime Absorbency	Prevail	Cuties Baby diapers - newborn - 14-lbs	First Quality Products Inc	CR1001
	Daytime Absorbency	Prevail	Cuties Baby diapers -2 - 12-18lbs	First Quality Products Inc	CR2001
	Daytime Absorbency	Prevail	Cuties Baby diapers -3 - 16-28lbs	First Quality Products Inc	CR3001
	Daytime Absorbency	Prevail	Cuties Baby diapers - 4 - 22-37 lbs	First Quality Products Inc	CR4001
	Daytime Absorbency	Prevail	Cuties Baby diapers - 5 - 27lbs +	First Quality Products Inc	CR5001
	Daytime Absorbency	Prevail	Cuties Baby diapers - 6 - 35lbs+	First Quality Products Inc	CR6001
T4535	Disposable liner/shield/guard/pad undergarment for incontinence				
	Moderate Absorbency	Prevail	Prevail Pant Liner 13" Male	First Quality Products Inc	PV-811
	Light Absorbency	Prevail	Prevail bladder control pad extra 9.25"	First Quality Products Inc	BC-012
	Moderate Absorbency	Prevail	Prevail bladder control pad extra plus 11"	First Quality Products Inc	BC-013
	Heavy Absorbency	Prevail	Prevail bladder control pad extra ultra plus 13"	First Quality Products Inc	PV-915
	Light Absorbency	Prevail	Prevail pant liner dribbler - small 8"x18"	First Quality Products Inc	PL-100/1
	Light Absorbency	Attends	Regular light pad	Attends Healthcare Products	LP0200
	Light Absorbency	Attends	Extra light pad	Attends Healthcare Products	LP0300
	Light Absorbency	Attends	Light insert pad	Attends Healthcare Products	IP0300
	Moderate Absorbency	Attends	Extra plus light pad	Attends Healthcare Products	LP0400
	Light Absorbency	Tena	Tena day light pad	SCA	62314
	Moderate Absorbency	Tena	Tena Light moderate liner 11"	SCA	41309
	Moderate Absorbency	Tena	Tena Light moderate liner 12"	SCA	41409
	Heavy Absorbency	Tena	Tena Light Heavy Liner 14"	SCA	41509

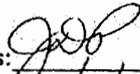
Contractor Initials: *JOB*
 Date: *1/12/12*

Proc Code	Required Supplies by Category	Brand Name	Description	Manufacturer	Mfg Item #
	Heavy Absorbency	Tena	Tena Light Heavy Liner 15"	SCA	41609
T4541	Incontinence product disposable pad large				
		Nightingale	Underpad 23"x36"	SELECT	90518
		Prevail	Prevail Fluff Underpad - 23"x36"	First Quality Products Inc	UP-150
		Dri-Sorb	Fluff underpad 23"x36"	Attends Healthcare Products	UFS-236
		Harmonie	Underpad 23"x36"	SCA	352
A4927	Disposable non-sterile examination gloves per 100				
	Latex 100/Box	Select Medical	Glove Exam LTX SM PF	SELECT MEDICAL	070
	Latex 100/Box	Select Medical	Glove Exam LTX MED PF	SELECT MEDICAL	071
	Latex 100/Box	Select Medical	Glove Exam LTX LG PF	SELECT MEDICAL	072
	Latex 100/Box	Select Medical	Glove Exam LTX XL PF	SELECT MEDICAL	073
	Latex Free 250/Box	Lavender	Glove Exam Nitrile XS PF	Kimberly-Clark Corp	52816
	Latex Free 250/Box	Lavender	Glove Exam Nitrile SM PF	Kimberly-Clark Corp	52817
	Latex Free 250/Box	Lavender	Glove Exam Nitrile MED PF	Kimberly-Clark Corp	52818
	Latex Free 250/Box	Lavender	Glove Exam Nitrile LG PF	Kimberly-Clark Corp	52819

Exhibit B III Contract Price Limitation: the existing paragraph is deleted and replaced with the following:

The Contract total price based upon estimated usage is projected to be \$4,000,000.00 for the Contract term. Estimates for SFY 10, SFY 11, and SFY 12 are based on calculation details in Table 3. Estimates for SFY 13 and SFY 14 are based on implementation of Medicaid managed care effective July 2012 and a very small fee for service group of recipients needing incontinence products.

Exhibit J: Standard Exhibit J is attached.

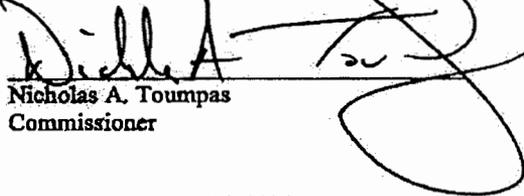
Contractor Initials: 
 Date: 1/12/12

Amendment 1
Gulf South Medical Supply, Incorporated
Page 8 of 13

IN WITNESS WHEREOF, the parties have set their hands as of the date written.

Date: 3/20/12

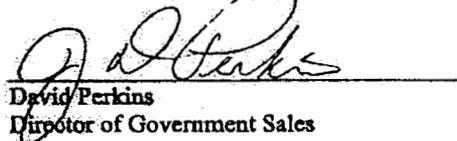
State of New Hampshire
Department of Health and Human Services



Nicholas A. Toumpas
Commissioner

Date: 1/12/2012

Gulf South Medical Supply, Inc.



David Perkins
Director of Government Sales

STATE OF Florida
County of Duval

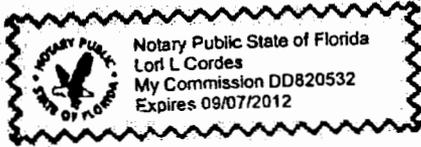
The foregoing instrument was acknowledged before me, the undersigned notary, this
12th day of January, 2011, by David Perkins, Director of Government Sales of Gulf
South Medical Supply Incorporated

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Notary Public

My commission expires:
1/12/2012
(Date)



Contractor Initials: DP
Date: 1/12/12

Amendment 1
Gulf South Medical Supply, Incorporated
Page 9 of 13

Approved by the New Hampshire Attorney General's Office by

Jeanne A. Hevick
Name: *Jeanne A Hevick*
Title: *Attorney*

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

OFFICE OF THE SECRETARY OF STATE

By: _____

Title: _____

Contractor Initials: *JMS*
Date: *1/12/12*

**STANDARD EXHIBIT J
FORM A**

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 032661126

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

x NO YES

If the answer to #2 above is NO, stop here

If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

NO YES

If the answer to #3 above is YES, stop here

If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

Name: _____	Amount: _____

Contractor Initials: JS

Date: 1/12/12

Amendment 1

Gulf South Medical Supply, Incorporated

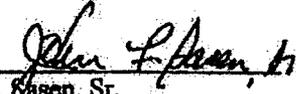
Page 12 of 13



Gulf South Medical Supply, Inc. Signatory Authorization Form

The Undersigned, in my capacity as the Executive Vice President of PSS World Medical Inc., hereby authorizes, directs and appoints John David Perkins, an employee of the Company holding the Title of Director Government Sales, to execute any and all contracts, and amendments to those contracts, on behalf of the company, pursuant to the authority granted in the undersigned by Section 5.14 of the bylaws of the Company. The letter replaces the current authorization on file with the original contract. John David Perkins signatory will be in place of previous authorized signatory of Jenni Edwards, formal, Director, State and Federal Contracts.

In witness whereof, the undersigned has executed this Signatory Authorization form as of 20 day of December 2011

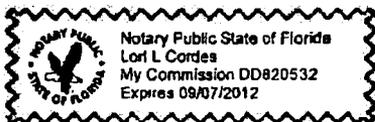


John F. Saseen, Sr.
Executive Vice President

State of Florida
County of Duval

On this 20 day of Dec, 2011, before me John F. Saseen, Sr. the undersigned officer, personally know to me to be the Executive Vice President of the above named corporation and acknowledged that he, as an officer being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as on officer.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.





Notary Public/Commissioner of Oath
My Commission Expires 9/7/2012

REF: State of New Hampshire Contract, DHHS Incontinence Supplies Preferred Supplier contract for non-resident Medicaid recipients



Nicholas A. Toumpas
Commissioner

Kathleen A. Dunn
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF MEDICAID BUSINESS AND POLICY

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-8166 1-800-852-3345 Ext. 8166
Fax: 603-271-8431 TDD Access: 1-800-735-2964

MEJ

Approved by G+C
Date 9/23/09
Page _____
Item No. 64

August 31, 2009

MEJ

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

Requested Action

Authorize the Department of Health and Human Services, Office of Medicaid Business and Policy (OMB) to enter into a contract with Gulf South Medical Supply, Inc., 4345 Southpoint Boulevard, Jacksonville, Florida 32216-6166, vendor code 175950 to provide disposable incontinence products for non-institutional Medicaid recipients in an amount not to exceed \$3,465,043.98, effective September 9, 2009, or the date of the Governor and Executive Council approval, whichever is later, through June 30, 2012, with the option of extending the contract for two two-year terms with the approval of the Governor and Executive Council. Funds are available for SFY 2010 and SFY 2011 and are anticipated to be available in SFY 2012 upon the availability and continued appropriation of funds in the future operating budgets as identified below with the authority to adjust amounts if needed and justified between state fiscal years.

05-95-956010-6147 HEALTH AND SOCIAL SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES, HHS: COMMISSIONER, OFFICE OF MEDICAID & BUSINESS POLICY, PROVIDER PAYMENTS

<u>State Fiscal Year</u>	<u>Class/Object</u>	<u>Class Title</u>	<u>Amount</u>
SFY 2010	101-500729	Medical Payments to Providers	\$879,988.82
SFY 2011	101-500729	Medical Payments to Providers	1,267,183.90
SFY 2012	101-500729	Medical Payments to Providers	<u>1,317,871.26</u>
Total			\$3,465,043.98

Explanation

The purpose of the above requested action is to allow Gulf South Medical Supply, Inc., (hereinafter "the Contractor") to act as the preferred supplier of incontinence products for the New Hampshire Medicaid Program for non-institutional recipients. DHHS has initiated this project in response to the Legislature's requirements as set forth in RSA 167:3-h, IV (Coverage of Services and Items Under the Medical Assistance Program). Pursuant to that statute, effective September 1, 2007, the New Hampshire Medicaid Program is required to include coverage for disposable incontinence products under the Medicaid State plan for eligible individuals age three and older. Previously, the New Hampshire Medicaid Program only provided coverage for disposable

His Excellency John H. Lynch
and the Honorable Executive Council
August 31, 2009
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incontinence products to eligible children age three through age twenty. Adult incontinence products were added to the New Hampshire Medicaid Program as a covered benefit with no additional budget appropriation to fund the benefit.

This project also meets additional legislative requirements set forth in the Laws of 2007, Chapter 263:107 (Health and Human Services; Medical Assistance Program) which states:

I. The department of health and human services shall include disposable incontinence supplies as medical assistance under the Medicaid state plan.

II. The department of health and human services shall explore opportunities to utilize innovative purchasing and distribution methodologies such as bulk purchasing and electronic benefit cards to provide disposable incontinence supplies to Medicaid recipients, as in provided in HB 826-FN of the 2007 legislative session.*

Consistent with the above legislative directive, OMBP has competitively procured a preferred supplier of incontinence products for the Medicaid population. This competitive procurement will provide the New Hampshire Medicaid Program with estimated cost savings of \$2.3 Million during the contract period, due to product discounts and administrative savings as a result of a centralized purchasing program with an exclusive incontinence products distributor. In addition to providing a competitive and regionally benchmarked per-unit volume-purchasing price to the New Hampshire Medicaid Program, the Contractor's product offering includes an array of high-quality products, manufacturers, brands, and sizes that will meet the needs of the Medicaid population. The products included in this contract have met stringent, industry standard testing.

The Contractor will offer Medicaid providers and recipients timely access to products, superior customer service, product support and education, and order management assistance, through two delivery models: the "provider model" and the "recipient model." Under both models, orders will ship from the Contractor's distribution center in Londonderry, New Hampshire. Under the provider model, the Contractor will be the exclusive supplier of incontinence products at a guaranteed per-unit product price for enrolled New Hampshire Medicaid providers when selling to NH Medicaid recipients. Through the Medicaid Management Information System, DHHS will pay claims from Medicaid providers for incontinence products, pursuant to standard procedures contained in the New Hampshire Medicaid Provider Enrollment Agreement. The providers will pay the Contractor for the cost of supplies at the product unit prices documented in this contract, consistent with existing practice whereby providers pay incontinence product suppliers. This method of supply acquisition from distributors by providers is the system that is currently in place, with the added designation of the preferred supplier and the contracted payment rates for supplies.

Under the recipient model, Medicaid recipients will have a new option to purchase incontinence products by mail order. This is a beneficial option, especially for recipients with physical impairments and/or transportation challenges. Incontinence products will be delivered directly to recipient home addresses, at no additional cost to the recipients or the Medicaid Program. The Contractor is administering the mail order program through a DHHS-approved subcontractor, Home Delivery Incontinent Supplies Co. (hereinafter HDIS). HDIS' qualifications were thoroughly reviewed as part of the bid evaluation process. Prior to submission of this contract to Governor and Council, HDIS was approved as a New Hampshire Medicaid provider for disposable

* Chapter 263:107.II, Laws of 2007, included the typo of "... as in provided in HB 826-FN." We reasonably believe it should read, "... as is provided in HB 826-FN."

incontinence products, consistent with contract requirements. The Contractor remains wholly responsible for contract deliverables HDIS provides. Pursuant to the standard Medicaid Provider Enrollment Agreement, HDIS will be reimbursed for the products and services delivered to Medicaid recipients at the contracted per-unit and service price.

This preferred supplier contract is expected to result in reduced costs and improved budgetary planning for the DHHS. The average total unit price (product plus service price) of all products is approximately half of the current New Hampshire Medicaid Program reimbursement rate, and based on this competitive procurement, the reimbursement rate shall be implemented in the MMIS and applicable to all Medicaid providers of incontinence products. By moving to an exclusive preferred supplier model, OMBP anticipates a cost savings of \$2.3 Million over the three-year term of the contract (see Table 1, Projected Cost Savings for SFY2010, SFY2011, and SFY2012). Because these contract rates apply to all the incontinence products ordered within the contract term, for the purpose of having a price limitation, OMBP has identified a price limitation of \$3,465,043.98. The price limitation is 15% higher than the expenditure OMBP reasonably anticipates will occur to assure the State that the unit price agreed upon for the full contract term remains available throughout the contract period. Based on SFY 2009 utilization, expenditures for disposable incontinence products during the three-year contract term are anticipated to be \$3,013,081.72.

Competitive Bidding:

The award was a result of a formal Request for Proposal (RFP) entitled "Incontinence Supplies Preferred Supplier, RFP 09-OMBP-ISPS-03" that was published on the DHHS' website on September 19, 2008. A legal notice was published on September 8, 9, and 10, 2008, in the *New Hampshire Union Leader* newspaper.

Vendors were given the option of submitting up to two separate proposals. Four vendors submitted a total of six proposals (see attached Bidders List). An evaluation team of six DHHS staff reviewed and independently scored the proposals in accordance with the criteria set forth in the RFP (see attached Evaluation Team List). As part of the bid evaluation, volunteer Medicaid recipients conducted testing of product samples. Recipients were asked to use the proposed products of each bidder over a period of time and rate the quality of, and their satisfaction with, the products. The product line offered by the Contractor scored high marks with each product performing as anticipated and no product rated as nonsatisfactory.

The bidders and the respective overall rating of the proposals, with a maximum possible score of 100 points, is as follows:

Gulf South Medical Supply, Inc. Bid #1	94.54 points;
Gulf South Medical Supply, Inc. Bid #2	93.14 points;
McKesson Medical-Surgical Minnesota Supply, Inc. Bid #1	86.58 points;
McKesson Medical-Surgical Minnesota Supply, Inc. Bid #2	86.25 points;
Invacare Supply Group	85.09 points; and
Better Living Now, Inc.	38.22 points.

A wide disparity in evaluation scores resulted. The two bids submitted by Gulf South Medical Supply, Inc. earned the highest overall scores, surpassing the next highest bid by more than six and a half points. Gulf South Medical Supply, Inc. demonstrated that the company has the appropriate capacity and experience to meet or exceed all of the specified requirements including providing a broad product range, competitive and sustainable per-unit pricing, and sophisticated customer service models. In addition, the Contractor has a local

His Excellency John H. Lynch
and the Honorable Executive Council
August 31, 2009
Page 4 of 4

business presence in its Londonderry, New Hampshire distribution center that allows the Contractor to make products readily available to New Hampshire providers and recipients.

During the contract negotiation process, Gulf South's Bid #1 was modified in that the Contractor substituted an OMBP-approved mail-order subcontractor, as proposed in its Bid #2, to do the work it initially proposed undertaking through its wholly owned subsidiary. OMBP accepted the subcontractor model, described in Bid #2, and maintained the Bid #1 pricing, thereby obtaining the benefits of both top proposals.

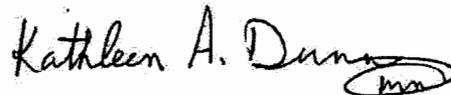
Geographic Area to be Served: Statewide.

Source of Funds:

Source of funds: 45.57% General Funds and 54.43% Federal Funds.

In the event that the federal funds become no longer available, general funds will not be requested to support this program.

Respectfully submitted,



Kathleen A. Dunn, MPH
Medicaid Director

Approved by:


Nicholas A. Toumpas
Commissioner

INCONTINENCE PRODUCTS PREFERRED SUPPLIER
 Projected cost savings for State Fiscal Years 2010, 2011, and 2012

Table 1

Code	Product	SFY09 Utilization	Estimated Utilization			Unit Price		(Savings)			
			SFY10	SFY11	SFY12	New	Old	SFY10	SFY11	SFY12	Total
T4521	Brief/diaper, Small	29,712	32,238	34,817	36,209						
	Daytime Absorbency	14,856	16,119	17,408	18,105	\$0.43	\$0.90	(\$5,682)	(\$8,182)	(\$8,509)	(\$22,373)
	Nighttime Absorbency	14,856	16,119	17,408	18,105	\$0.43	\$0.90	(\$5,682)	(\$8,182)	(\$8,509)	(\$22,373)
T4522	Brief/diaper, Med	138,354	150,114	162,123	168,608						
	Daytime Absorbency	69,177	75,057	81,062	84,304	\$0.43	\$0.90	(\$26,458)	(\$38,099)	(\$39,623)	(\$104,179)
	Nighttime Absorbency	69,177	75,057	81,062	84,304	\$0.47	\$0.90	(\$24,206)	(\$34,856)	(\$36,251)	(\$95,313)
T4523	Brief/diaper, Large	129,846	140,883	152,154	158,240						
	Daytime Absorbency	64,923	70,441	76,077	79,120	\$0.52	\$0.90	(\$20,076)	(\$28,909)	(\$30,066)	(\$79,051)
	Nighttime Absorbency	64,923	70,441	76,077	79,120	\$0.57	\$0.90	(\$17,434)	(\$25,105)	(\$26,110)	(\$68,649)
T4524	Brief/diaper, X-Lrg	69,150	75,028	81,030	84,271						
	Daytime Absorbency	34,575	37,514	40,515	42,136	\$0.61	\$0.90	(\$8,159)	(\$11,749)	(\$12,219)	(\$32,128)
	Nighttime Absorbency	34,575	37,514	40,515	42,136	\$0.65	\$0.90	(\$7,034)	(\$10,129)	(\$10,534)	(\$27,696)
T4533	Youth sized diaper	505,986	548,995	592,914	616,631						
	Daytime Absorbency	252,993	274,497	296,457	308,315	\$0.44	\$0.90	(\$94,702)	(\$136,370)	(\$141,825)	(\$372,897)
	Nighttime Absorbency	252,993	274,497	296,457	308,315	\$0.44	\$0.90	(\$94,702)	(\$136,370)	(\$141,825)	(\$372,897)
T4543	Disposable Bariatric	18,000	19,530	21,092	21,936						
	Daytime Absorbency	9,000	9,765	10,546	10,968	\$0.94	\$0.90	\$293	\$422	\$439	\$1,154
	Nighttime Absorbency	9,000	9,765	10,546	10,968	\$0.94	\$0.90	\$293	\$422	\$439	\$1,154
T4525	Pull-ons, Small	29,712	32,238	34,817	36,209						
	Daytime Absorbency	14,856	16,119	17,408	18,105	\$0.57	\$0.90	(\$3,989)	(\$5,745)	(\$5,975)	(\$15,709)
	Nighttime Absorbency	14,856	16,119	17,408	18,105	\$0.57	\$0.90	(\$3,989)	(\$5,745)	(\$5,975)	(\$15,709)
T4526	Pull-ons, Med	138,354	150,114	162,123	168,608						
	Daytime Absorbency	69,177	75,057	81,062	84,304	\$0.57	\$0.90	(\$18,577)	(\$26,750)	(\$27,820)	(\$73,147)
	Nighttime Absorbency	69,177	75,057	81,062	84,304	\$0.57	\$0.90	(\$18,577)	(\$26,750)	(\$27,820)	(\$73,147)
T4527	Pull-ons, Large	129,846	140,883	152,154	158,240						
	Daytime Absorbency	64,923	70,441	76,077	79,120	\$0.59	\$0.90	(\$16,378)	(\$23,584)	(\$24,527)	(\$64,489)
	Nighttime Absorbency	64,923	70,441	76,077	79,120	\$0.63	\$0.90	(\$14,264)	(\$20,541)	(\$21,362)	(\$56,167)
T4528	Pull-ons, X-Lrg	69,150	75,028	81,030	84,271						
	Daytime Absorbency	34,575	37,514	40,515	42,136	\$0.75	\$0.90	(\$4,220)	(\$6,077)	(\$6,320)	(\$16,618)
	Nighttime Absorbency	34,575	37,514	40,515	42,136	\$0.80	\$0.90	(\$2,814)	(\$4,051)	(\$4,214)	(\$11,079)
T4534	Youth sized Pull-ons	505,986	548,995	592,914	616,631						
	Daytime Absorbency	252,993	274,497	296,457	308,315	\$0.59	\$0.90	(\$63,821)	(\$91,902)	(\$95,578)	(\$251,300)
	Nighttime Absorbency	252,993	274,497	296,457	308,315	\$0.59	\$0.90	(\$63,821)	(\$91,902)	(\$95,578)	(\$251,300)
T4535	Disposable Liner	180,456	195,795	211,458	219,917						
	Light Absorbency	60,152	65,265	70,486	73,306	\$0.24	\$0.45	(\$10,279)	(\$14,802)	(\$15,394)	(\$40,475)
	Moderate Absorbency	60,152	65,265	70,486	73,306	\$0.28	\$0.45	(\$8,321)	(\$11,983)	(\$12,462)	(\$32,766)
	Heavy Absorbency	60,152	65,265	70,486	73,306	\$0.32	\$0.45	(\$6,363)	(\$9,163)	(\$9,530)	(\$25,056)
T4541	Underpad, large	155,292	168,492	182,814	198,353						
	Underpad, large	155,292	168,492	182,814	198,353	\$0.24	\$0.30	(\$7,582)	(\$10,969)	(\$11,901)	(\$30,452)
A4927	Gloves, per Box	8,004	8,684	9,423	10,223						
	Gloves, per Box	8,004	8,684	9,379	9,754	\$8.00	\$14.68	(\$43,509)	(\$62,652)	(\$65,158)	(\$171,319)
GRAND TOTALS								(\$590,051)	(\$849,725)	(\$884,207)	(\$2,323,983)

**INCONTINENCE PRODUCTS PREFERRED SUPPLIER
Bidders List**

The following vendors, listed in alphabetical order, bid on the Department of Health and Human Services, Office of Medicaid Business and Policy "Incontinence Supplies Preferred Supplier 09-OMBP-ISPS-03" Request for Proposal.

Better Living Now, Inc.
500 Wheeler Road
Hauppauge, New York 11788

Gulf South Medical Supply, Inc.
4345 Southpoint Boulevard
Jacksonville, Florida 32216-6166

Invacare Supply Group
9 Industrial Road
Milford, Massachusetts 01757

McKesson Medical-Surgical Minnesota Supply, Inc.
8121 10th Avenue North
Golden Valley, Minnesota 55427

**INCONTINENCE PRODUCTS PREFERRED SUPPLIER
Request for Proposals Evaluation Team
Department of Health and Human Services**

Joyce E. Butterworth, RN, MS	Program Planning and Review Specialist, Bureau of Developmental Services
Pauline M. Doucette	Business Administrator, Office of Medicaid Business and Policy
Jane M. Hybsch, RN, MHA	Administrator of Medicaid Care Management Programs, Office of Medicaid Business and Policy
Susan J. Lombard	Director of Operations, Bureau of Elderly and Adult Services
Kenneth D. Merrifield	Program Specialist, Office of Business Operations
Jane B. Turgeon, RN	Medical Service Consultant, Office of Medicaid Business and Policy

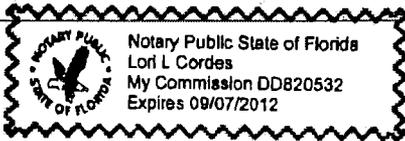
Subject: DHHS Incontinence Supplies Preferred Supplier contract for non-residential Medicaid recipients

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services Office of Medicaid Business and Policy		1.2 State Agency Address 129 Pleasant Street -- Annex I Concord, NH 03301-3852	
1.3 Contractor Name Gulf South Medical Supply, Inc.		1.4 Contractor Address 4345 Southpoint Boulevard Jacksonville, FL 32216	
1.5 Contractor Phone Number (904) 380-4537	1.6 Account Number 175950	1.7 Completion Date June 30, 2012 ✓	1.8 Price Limitation Not to exceed <i>of</i> 9/1/2009 \$3,465,043.98 ✓
1.9 Contracting Officer for State Agency Kathleen A. Dunn, MPH		1.10 State Agency Telephone Number (603) 271-8166	
1.11 Contractor Signature <i>Jenni Edwards</i>		1.12 Name and Title of Contractor Signatory Jenni Edwards, Director, State and Federal Contracts	
1.13 Acknowledgement: State of <u>Florida</u> , County of <u>Duval</u> On <u>8/31/2009</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace <i>Lori L. Cordes</i> [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace Lori L. Cordes, Government Contracts Administrator			
1.14 State Agency Signature		1.15 Name and Title of State Agency Signatory <i>Kathleen A. Dunn</i> Kathleen A. Dunn, MPH Director <i>(initials)</i>	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: <i>[Signature]</i> On: <u>9/4/09</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

Contractor Initials: *[Signature]*

Date: 8/31/09

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").
 3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
 5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
 5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.
 6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
 6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
 7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.
 7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
- 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
- 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
- 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

Contractor Initials: 
Date: 8/31/09

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

**EXHIBIT A
SCOPE OF SERVICES**

CONTRACT PERIOD: September 9, 2009, or date of Governor and Council approval, whichever is later, through June 30, 2012 ✓

NAME: Gulf South Medical Supply, Inc.

ADDRESS: 4345 Southpoint Blvd
Jacksonville, Florida 32216

TELEPHONE: (904) 380-4537

FAX: (904) 332-3298

EMAIL: jedwards@gsms.com

SIGNATORY: Jenni Edwards, Director, State and Federal Contracts

I. SCOPE OF SERVICES

A. Introduction

This contract establishes a preferred supplier relationship for incontinence products between Gulf South (the Contractor) and the State of NH Medicaid Program (State). As the preferred supplier, the Contractor shall be the only source of incontinence products provided to NH Medicaid recipients (excluding nursing home and institutional Medicaid beneficiaries). The Contractor shall also operate a mail order program to provide incontinence products and customer services directly to the target population. In this capacity, the Contractor--directly, or through a Department-approved subcontractor--shall enroll as a NH Medicaid provider, and shall continue in that status throughout the contract term.

The preferred supplier relationship is based upon the Contractor supplying the NH Medicaid program's enrolled providers with incontinence products at a fixed price-per-unit over the three-year contract term. As the preferred supplier, the Contractor shall work with Medicaid providers of incontinence products to provide the target population with specified incontinence products pursuant to agreed upon rates (the "Provider Model"). No maximum or minimum product volume is guaranteed.

In addition, the Contractor shall provide specified incontinence products and customer services for its mail order program pursuant to agreed upon rates (the "Recipient Model"). The Contractor will be assisted in the recipient model by its selected subcontractor, Home Delivery Incontinence Supplies, Co. (HDIS) based in Olivette, MO. The DHHS has reviewed and approved the Contractor's selected subcontractor, HDIS. See Exhibit C-1. The number of the Medicaid beneficiaries served by this contract who may choose to obtain their incontinence products supplies-through the mail order program is indeterminate; therefore, no maximum or minimum amount is guaranteed.

Contractor Initials:

Date:

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08/31/09

The Contractor shall provide the target population with timely access to products and customer service statewide, as specified in the remainder of this contract. The Contractor will engage Medicaid providers and recipients through outreach and education efforts to sustain and encourage a robust provider network, with a goal of assuring access to incontinence products by Medicaid beneficiaries.

Please see Appendix A and Exhibit C for the definition of key terms used in this Contract. Appendix A supplements definitions provided in Exhibit C.

B. Incontinence Products

The Department's mandatory incontinence product specifications include required product features, product performance and require that specific product quality standards be met. All specified products must meet manufacturer's specifications as detailed in the Contractor's bid. Specific incontinence products to be provided under this contract are identified in the table below, by procedure code, category, brand name, description, manufacturer and manufacturer's item code.

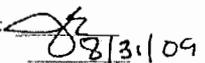
B 1 Product Offering

PRODUCT SPECIFICATIONS BY T-CODE

Proc Code	Required Supplies by Category	Brand Name	Description	Manufacturer	Mfg Item #
T4521	Disposable incontinence product brief/diaper, small				
	Daytime Absorbency	Prevail	Prevail brief-small 20"-31" 16/bg/cs (96)	First Quality Products Inc	PV-011
	Nighttime Absorbency	Prevail	Prevail brief-small 20"-31" 16/bg/cs (96)	First Quality Products Inc	PV-011
	Daytime Absorbency	Attends	Breathable brief, small	Attends Healthcare Products	BRBX10
	Nighttime Absorbency	Attends	Breathable brief, small	Attends Healthcare Products	BRBX10
	Daytime Absorbency	Tena	Brief, small 22"-36"	SCA	66100
	Nighttime Absorbency	Tena	Brief, small 22"-36"	SCA	66100
	Daytime Absorbency	Nightingale Extra	Brief, small 23"-31"	SELECT	90513
T4522	Disposable incontinence product brief/diaper, medium				
	Daytime Absorbency	NU-FIT	NU-FIT by First Quality brief medium 32"-44"	First Quality Products Inc	NU-012/1
	Nighttime Absorbency	PER-FT	PER-FT brief - medium 32"-44"	First Quality Products Inc	PF-012/1
	Daytime Absorbency	Attends	Breathable brief clear bag, medium	Attends Healthcare Products	BRBC20
	Nighttime Absorbency	Attends	Breathable brief, medium	Attends Healthcare Products	BRB20
	Nighttime Absorbency	Attends	Breathable brief extra, medium	Attends Healthcare Products	BRBX20
	Daytime Absorbency	Nightingale Extra	Brief, medium 32"-44"	SELECT	90514
	Nighttime Absorbency	Tena Classic Plus	Brief, medium 34"-47"	SCA	67713

Contractor Initials:

Date:


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Proc Code	Required Supplies by Category	Brand Name	Description	Manufacturer	Mfg Item #
T4523	Disposable incontinence product brief/diaper, large				
	Daytime Absorbency	NU_FIT	NU-FIT by First Quality brief large 45"-58"	First Quality Products Inc	NU-013/1
	Nighttime Absorbency	PER-FT	PER-FIT brief large 45"-58"	First Quality Products Inc	PF-013/1
	Daytime Absorbency	Attends	Breathable brief clear bag, large	Attends Healthcare Products	BRBC30
	Nighttime Absorbency	Attends	Breathable brief, large	Attends Healthcare Products	BRB30
	Nighttime Absorbency	Attends	Breathable brief, extra large	Attends Healthcare Products	BRBX30
	Daytime Absorbency	Nightingale Extra	Brief large 45"-58"	SELECT	90515
T4524	Disposable incontinence product brief/diaper, extra large				
	Daytime Absorbency	NU-FIT	NU-FIT by First Quality brief -XL 59"-64"	First Quality Products Inc	NU-014/1
	Nighttime Absorbency	PER-FT	PER-FIT brief - XL 59"-64"	First Quality Products Inc	PF-014/1
	Daytime Absorbency	Attends	Breathable brief clear bag, extra large	Attends Healthcare Products	BRBC40
	Nighttime Absorbency	Attends	Breathable brief, extra large	Attends Healthcare Products	BRB40
	Daytime Absorbency	Nightingale Extra	Brief, extra large 59"-64"	SELECT	90516
T4543	Disposable incontinence product brief/diaper, bariatric				
	Daytime Absorbency	Prevail	First Quality IB Brief - 2XL 62"-68"	First Quality Products Inc	PV-017
	Nighttime Absorbency	Prevail	First Quality IB brief - 2XL 62"-68"	First Quality Products Inc	PV-017
	Daytime Absorbency	Tena	Brief Bariatric XL	SCA	61375
	Nighttime Absorbency	Tena	Brief Bariatric XL	SCA	61375
	Daytime Absorbency	Attends	XXL brief, 70" waist	Attends Healthcare Products	BRB50
	Nighttime Absorbency	Attends	XXL brief, 70" waist	Attends Healthcare Products	BRB50
T4525	Disposable incontinence product underwear/pull-ons, small				
	Daytime Absorbency	Prevail	Prevail Underwear - Youth/small 20"-34"	First Quality Products Inc	PV-511
	Nighttime Absorbency	Prevail	Prevail Underwear - Youth/small 20"-34"	First Quality Products Inc	PV-511
	Daytime Absorbency	Attends	Super plus underwear, Youth/small	Attends Healthcare Products	APP0710
	Nighttime Absorbency	Attends	Super plus underwear, Youth/small	Attends Healthcare Products	APP0710
T4526	Disposable incontinence product underwear/pull-ons, medium				
	Daytime Absorbency	PER-FIT Prevail	PER-FIT underwear - medium 34"-46"	First Quality Products Inc	PF-512
	Nighttime Absorbency	PER-FIT Prevail	Prevail extra underwear small/medium 34"-46"	First Quality Products Inc	PV-512
	Daytime Absorbency	Attends	Extra underwear medium	Attends Healthcare Products	AP0720
	Nighttime Absorbency	Attends	Super plus underwear medium	Attends Healthcare Products	APP0720
	Daytime Absorbency	Nightingale	Protective underwear medium 23"-44"	SELECT	90520
Proc	Required Supplies by	Brand Name	Description	Manufacturer	Mfg Item #

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Code	Category				
T4527	Disposable incontinence product underwear/pull-ons, large				
	Daytime Absorbency	PER-FIT Prevail	PER-FIT underwear large 44"-58"	First Quality Products Inc	PF-513
	Nighttime Absorbency	PER-FIT Prevail	Prevail extra underwear large 44"-58"	First Quality Products Inc	PV-513
	Daytime Absorbency	Attends	Extra underwear, large	Attends Healthcare Products	AP0730
	Nighttime Absorbency	Attends	Super plus underwear, large	Attends Healthcare Products	APP0730
	Daytime Absorbency	Nightingale	Protective underwear large 45"-58"	SELECT	90521
T4528	Disposable incontinence product underwear/pull-ons, extra large				
	Daytime Absorbency	PER-FIT Prevail	PER-FIT Underwear -extra large 58"-68"	First Quality Products Inc	PF-514
	Nighttime Absorbency	PER-FIT Prevail	Prevail extra underwear extra large 58"-68"	First Quality Products Inc	PV-514
	Daytime Absorbency	Attends	Extra underwear extra large	Attends Healthcare Products	AP0740
	Nighttime Absorbency	Attends	Super plus underwear extra large	Attends Healthcare Products	APP0740
	Daytime Absorbency	Nightingale	Protective underwear extra large 59"-64"	SELECT	90522
T4534	Youth sized disposable incontinence product, protective underwear/pull-ons				
	Daytime Absorbency	Prevail	Prevail all nites underwear medium 40-70lbs	First Quality Products Inc	PV-112/1
	Nighttime Absorbency	Prevail	Prevail all nites underwear medium 40-70lbs	First Quality Products Inc	PV-112/1
	Daytime Absorbency	Prevail	Prevail all nites underwear large 70+ lbs	First Quality Products Inc	PV-113/1
	Nighttime Absorbency	Prevail	Prevail all nites underwear large 70+ lbs	First Quality Products Inc	PV-113/1
	Daytime Absorbency	Attends	Super plus underwear youth/small	Attends Healthcare Products	APP0710
	Nighttime Absorbency	Attends	Super plus underwear youth/small	Attends Healthcare Products	APP0710
T4533	Youth sized disposable incontinence product, brief/diaper				
	Daytime Absorbency	Prevail	Prevail brief -youth 15"-22"	First Quality Products Inc	PV-015
	Nighttime Absorbency	Prevail	Prevail brief -youth 15"-22"	First Quality Products Inc	PV-015
	Daytime Absorbency	Attends	Specialty brief youth	Attends Healthcare Products	BRCL1000
	Nighttime Absorbency	Attends	Specialty brief youth	Attends Healthcare Products	BRCL1000
	Daytime Absorbency	Cuties	Baby diapers - size 3 - 16- 28lbs	First Quality Products Inc	CR3001
	Daytime Absorbency	Cuties	Baby diapers - size 4 - 22- 37 lbs	First Quality Products Inc	CR4001
	Daytime Absorbency	Cuties	Baby diapers - size 5 - 27+ lbs	First Quality Products Inc	CR5001
T4535	Disposable liner/shield/guard/pad undergarment for incontinence				
	Light Absorbency	Prevail	Prevail bladder control pad extra 9.25"	First Quality Products Inc	BC-012
	Moderate Absorbency	Prevail	Prevail bladder control pad extra plus 11"	First Quality Products Inc	BC-013

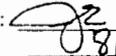
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Proc Code	Required Supplies by Category	Brand Name	Description	Manufacturer	Mfg Item #
	Heavy Absorbency	Prevail	Prevail bladder control pad extra ultra plus 13"	First Quality Products Inc	PV-915
	Light Absorbency	Prevail	Prevail pant liner dribbler – small 8"x18"	First Quality Products Inc	PL-100/1
	Light Absorbency	Attends	Regular light pad	Attends Healthcare Products	LP0200
	Light Absorbency	Attends	Extra light pad	Attends Healthcare Products	LP0300
	Light Absorbency	Attends	Light insert pad	Attends Healthcare Products	IP0300
	Moderate Absorbency	Attends	Extra plus light pad	Attends Healthcare Products	LP0400
	Light Absorbency	Tena	Tena day light pad	SCA	62314
	Moderate Absorbency	Tena	Tena Light moderate liner 11"	SCA	41309
	Moderate Absorbency	Tena	Tena Light moderate liner 12"	SCA	41409
	Heavy Absorbency	Tena	Tena Light Heavy Liner 14"	SCA	41509
	Heavy Absorbency	Tena	Tena Light Heavy Liner 15"	SCA	41609
T4541	Incontinence product disposable pad large				
		Nightingale	Underpad 23"x36"	SELECT	90518
		Prevail	Prevail Fluff Underpad – 23"x36"	First Quality Products Inc	UP-150
		Dri-Sorb	Fluff underpad 23"x36"	Attends Healthcare Products	UFS-236
		Harmonie	Underpad 23"x36"	SCA	352
A4927	Disposable non-sterile examination gloves				
	Latex 100/Box	Select Medical	Glove Exam LTX SM PF	SELECT MEDICAL	070
	Latex 100/Box	Select Medical	Glove Exam LTX MED PF	SELECT MEDICAL	071
	Latex 100/Box	Select Medical	Glove Exam LTX LG PF	SELECT MEDICAL	072
	Latex 100/Box	Select Medical	Glove Exam LTX XL PF	SELECT MEDICAL	073
	Latex Free 250/Box	Lavender	Glove Exam Nitrile XS PF	Kimberly-Clark Corp	52816
	Latex Free 250/Box	Lavender	Glove Exam Nitrile SM PF	Kimberly-Clark Corp	52817
	Latex Free 250/Box	Lavender	Glove Exam Nitrile MED PF	Kimberly-Clark Corp	52818
	Latex Free 250/Box	Lavender	Glove Exam Nitrile LG PF	Kimberly-Clark Corp	52819

Medicaid providers are not required to obtain supply for the following items from the Contractor, and may obtain them from a supplier of their choice, including but not limited to the Contractor:

- Non-standard products due to medical necessity, including but not limited to products for children age 0 to 3.
- Sterile gloves.
- Non-sterile gloves used for conditions other than incontinence.

B2 Product Performance and Quality Standards

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All products supplied by this contract shall be of high quality, free of material or cosmetic defects, and meet industry guidelines for product performance. Examples of industry guidelines for product performance include "State of Minnesota Testing Requirements for Incontinence Products."

B3 Product Substitution

A. Substitution when product is discontinued by manufacturer

During the contract period, if any product provided pursuant to this contract is to be discontinued by the manufacturer, the Contractor shall substitute another product of equal or better quality at the same contracted price as the discontinued product. The Contractor shall give prior written notification to the State's Contract Manager of any such change and recommended replacement product. All changes are subject to written approval by the State. The State shall be notified in writing at least 30-days in advance of the impending date of discontinuance, or as soon as the Contractor is notified by the manufacturer, whichever is sooner. Cost of notification of the change to Medicaid providers and recipients shall be borne by the Contractor.

B. Substitution due to quality or performance concerns

If, during the contract period, any product(s) or product substitution(s) are found to be of inferior quality by the Department, the Contractor shall take remedial measures, including but not limited to, at the Department's discretion, working with the manufacturer to correct the problem, and/or providing substitute products of satisfactory quality at comparable cost to the State. See also Form P-37 and Exhibit C-1.

C. Operations

As stated above, the Contractor shall provide the target population with timely access to products and customer service statewide using two distinct supply models: the Provider Model and the Recipient Model. Those models are described below. Information applicable to both models is described in section C1, including information regarding the Department's eligibility verification and prior authorization requirements, and delivery and returns. The model descriptions contained in section C2 Provider Model and C3 Recipient Model, address product education, support and training, order management, and transportation and packaging for each delivery model. References to the "Contractor" or "Contractor/subcontractor" when describing the Recipient model mean the Contractor, acting either directly or through its Department-approved subcontractor providing mail order services.

C1 Standard Operations

The Contractor shall be responsible for outreach to Medicaid providers and recipients to encourage and assist their transition to use of the Contractor's products and services, and to maintain a sufficient distribution network to satisfy recipients' needs on a statewide basis.

The Contractor shall fill all orders placed by Medicaid providers in good standing with the Contractor and by all recipients eligible for services under the Medicaid program. Under both models,

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the Contractor shall bear the responsibility for product procurement, forecasting, warehousing of inventory, and shipping FOB Destination.

The Contractor shall accept minimum order sizes of one case from providers and one package from recipients. The Contractor shall accept maximum orders of any quantity from Medicaid providers, and up to a three-month supply for recipients, as prior authorized by the Department, if applicable.

In conjunction with the Contractor, and in accordance with details specified in the Project Work Plan, the Department shall be responsible for training and notifying Medicaid providers and recipients, regarding ordering procedures.

All written materials provided by the Contractor to Medicaid providers or NH Medicaid recipients in connection with this contract shall be reviewed and approved in advance by the State. Provider and/or recipient names and addresses shall not be used for any purpose other than a Contract-related purpose. See, e.g. Exhibit I.

A. Eligibility Verification

Consistent with standards for all Medicaid providers, the Contractor/subcontractor when acting in its capacity as a Medicaid provider shall utilize the Department's telephonic Eligibility Verification System (EVS) to verify the recipient's eligibility on the date of purchase. In order to be eligible to obtain incontinence supplies, all recipients must be eligible for Medicaid on the date of service. If a Medicaid provider's claim is submitted to the State MMIS fiscal agent and the claim is denied due to the recipient's ineligibility, the Department shall not reimburse the Medicaid provider's incurred costs.

B. Product Availability

Products shall be available to any recipient age 3 up to 21 with a letter of medical necessity and supporting clinical documentation including a signed prescription and a narrative description of the recipient's medically diagnosed health condition documenting the clinical need for incontinence products. Each recipient's stated quantity need must fall within the Department's established quantity limits.

C. Prior Authorization

Recipients who are 21 years of age or older must request and receive prior authorization (PA) from the Department before they are eligible to receive incontinence supplies. A PA request shall be filed on a Department PA Request Form, and must include a letter of medical necessity and supporting clinical documentation, including a signed prescription and a narrative description of the recipient's medically diagnosed health condition documenting the clinical need for the products. Products may be provided if/when the prior authorization request is granted. If a Medicaid provider, including but not limited to the Contractor/subcontractor when acting in its capacity as a Medicaid provider, submits a claim to the State MMIS Fiscal Agent, and the claim is denied due to the absence of an approved PA on the date of service, the Medicaid provider will not be reimbursed by the Department for costs incurred.

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Recipients whose monthly order exceeds established quantity limits must also request and receive prior authorization from the Department before the Department will reimburse Medicaid providers for quantities in excess of the quantity limit.

D. Delivery and Returns

The Contractor shall maintain a distribution site in New Hampshire; currently the distribution center is located in Londonderry. Products will be shipped from the Contractor's distribution center(s) FOB Destination. The Contractor shall maintain adequate product inventory to meet its orders within the specified timeframe, and delivery trucks/methods sufficient to meet delivery and return timeframes and target population volumes. The Contractor shall maintain multiple back-up shipping sites in case of an emergency, disaster or other circumstance that might otherwise cause delays in delivery of needed products.

Products will ship within 24 hours after receipt of order via the Contractor's own trucks or via United Parcel Service (UPS). Under the Provider Model, Medicaid providers located within New Hampshire will receive next business day delivery from the Contractor's Londonderry warehouse/distribution center. Providers and/or provider locations based outside of the State of New Hampshire will receive product within one to two business days from receipt of order. If a Medicaid provider requires products sooner than standard delivery times permits, the Contractor will coordinate pick up from its warehouse/distribution center. At the Medicaid provider's request, the Contractor can also schedule routine deliveries to the provider's location FOB Destination on a weekly, bi-weekly, or monthly basis.

Under the Recipient Model, products will be shipped within twenty-four (24) hours after receipt of order. Recipients located within New Hampshire will receive next business day delivery. Recipients located outside the State of New Hampshire will receive product within one to two business days from date shipped. The "next" business day shall be the first business day immediately following receipt of the provider's order and/or timely verification of the target recipient's Medicaid eligibility and prior authorization, if applicable. If a Medicaid recipient requires products sooner than standard delivery times permit, the Contractor will coordinate pickup from a local provider in emergency situations.

Providers can access recipient-specific online ordering with "real time" UPS tracking through the Contractor's electronic system.

Except as otherwise specified herein, standard commercial packaging, packing and shipping containers shall be used. Recipient orders shall include a packing slip affixed to the outside of the shipping box identifying the order and detailing the contents within the box. Provider orders shall include a packing slip affixed to the outside of the shipping box identifying the order and detailing the contents within the box.

The Contractor will promptly make arrangements for re-shipping any orders run in error or containing defective merchandise, at no cost to the Medicaid providers, recipients, or the Department.

Products returned to the Contractor due to quality issues, duplicate shipments, etc. must be picked up by the Contractor within ten (10) business days of notifications with no restocking or freight

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charges and must be replaced with specified products in a timely manner to meet the Medicaid provider's customer (i.e. NH Medicaid recipient)'s need. The provider will be refunded/credited for the full purchase price and no recipient claims may be submitted to the Department for reimbursement. Standard stock products ordered in error must be returned for credit within fifteen business days of receipt. Products must be in original container, unused, and there will be no restocking fee charged for these products. Unauthorized substitution of products, brands, or part numbers is not allowed.

C2 Provider Model

The Contractor shall work with Medicaid providers to supply the target population with specified incontinence products pursuant to agreed upon rates (the "Provider Model"). Under this model, Medicaid providers will select their own product lines from within the Contractor's preferred supplier product line (see Table B-1, above), establish independent supplier agreements with the Contractor, and bill the State Medicaid Management Information System (MMIS) Fiscal Agent for reimbursement of authorized recipient purchases in accordance with the established Medicaid fee schedule. The Contractor will establish credit or account relationships, and use reasonable efforts to maintain those relationships, with all Medicaid providers who apply to do business with it.

Medicaid providers will continue to provide customer services, and other services, directly to the recipient consistent with the NH Medicaid Provider Agreement.

A. Product Education, Support and Training

The Contractor shall offer in-person training to Medicaid providers at reasonable intervals, including telephonic and/or web-based training, at the provider's request, and at least one annual training and update for providers in regional locations to be coordinated with DHHS. The Contractor's contact telephone number shall provide inbound/outbound customer service support. Training will include, but shall not be limited to, ordering and accessing reports and order tracking/delivery verification.

The Contractor will provide trained incontinence care professionals to assist the Medicaid providers, with education, support, guidance and appropriate interventions for management of individual incontinence training in product use, patient assessment tools, product screening tools, and troubleshooting. The Contractor shall also educate Medicaid providers to thoroughly inspect the shipment for any occurrences of defect inaccuracy, concealed damage, or shortage.

B. Order Management

Order management options flow from the credit/account relationship established with each Medicaid provider. Orders may be placed through the Contractor's secure website, MyGSONline (available 24/7) with unique login and password, via a dedicated toll free (800 number) fax line or by placing a toll free (800 number) call to the dedicated/assigned customer service team. The dedicated Northeastern Customer Care Team is available 8am to 5pm EST. In addition, the Contractor's Customer Care Center may be reached between 7am and 7pm CST. Providers may receive order confirmation via email or facsimile. If a delay in order fulfillment is expected, the provider will be told immediately if the order was called in, or contacted to discuss options.

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To ensure order accuracy, the Contractor shall have the following mechanisms in place:

- Called-in orders shall be repeated back to the orderer prior to being placed with Customer Service.
- Order confirmations will be sent each time an order is placed.
- In the event that it appears an item is missing from an order, all claims must be reported to the Contractor's Customer Care Center within 5 calendar days of short shipment receipt. The Contractor will immediately rectify the situation by offering resolution acceptable to the Department.

C. Transportation and Packaging

In the Provider Model, the 'buyer' is the Medicaid provider and possession will occur when the Contractor ships product to, and the provider takes possession at, the provider's primary business address/es. Multiple business locations may be identified as the provider's "designated ship-to location." These shipments will be FOB Destination. The agreed fix price per unit shall not include the cost of delivery to recipient addresses.

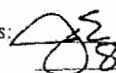
C3 Recipient Model

The Contractor shall supply the specified incontinence products and customer services directly to the Medicaid population pursuant to agreed upon rates through a mail order program. (The "Recipient Model"). The Contractor will be assisted in the Recipient Model by its selected subcontractor, Home Delivery Incontinence Supplies, Co. (HDIS) based in Olivette, MO. Due to contract requirements, at the Contractor's request, and pursuant to the standard application process, HDIS has been approved as an enrolled Medicaid provider. Status as an enrolled Medicaid provider is an essential contract requirement. The Contractor remains solely responsible for all actions and operations of its subcontractor under this Contract. See Exhibit C-1.

Under the recipient model, the State shall:

- Notify the Contractor of any policy changes affecting product supply in accordance with standard Medicaid practices; this shall be in addition to notice provided to the Contractor/subcontractor of any policy changes affecting benefits coverage in accordance with the Medicaid Provider Agreement;
- Ensure that the MMIS system will promptly and efficiently process payment for claims submitted by the Contractor/subcontractor consistent with standard MMIS payment processes.
- Provide the Contractor/subcontractor with the enrollment materials and billing procedures necessary to receive reimbursement under this Contract; information to be disseminated by the Department's MMIS fiscal agent, pursuant to the Medicaid Provider Agreement.

A. Product Education, Support and Training

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The Contractor shall offer information about ordering products and product education to Medicaid recipients at reasonable intervals, including telephonic training. The Contractor's contact telephone number shall provide inbound/outbound customer service support.

The Contractor shall educate recipients to thoroughly inspect the shipment for any occurrences of defect inaccuracy, concealed damage or shortage.

The Contractor shall generate and send educational materials directly to recipients upon receipt of recipient data during the implementation phase, prior to recipients actual request to Contractor to obtain products and services through HDIS. The Contractor shall also provide incontinence related information through quarterly newsletters to recipients working with HDIS.

The Contractor shall supply recipients with written information listing an all-purpose telephone number, a contact person and the process for receiving, investigating and resolving concerns.

The Contractor will provide trained incontinence care professionals to assist the recipients with education, support, guidance and appropriate interventions for management of individual incontinence, training in product use, patient assessment tools, product screening tools, and troubleshooting.

Consistent with standard requirements for enrolled NH Medicaid providers who provide incontinence supplies, the Contractor, through its subcontractor, shall provide education and product information sheets to all customers/patients at the time of their first order. The Contractor shall cover the following information: HIPAA Notice of Privacy Practices; Client Bill of Rights and Responsibilities; Supplier Standards; How to make your home safe for medical care; Emergency planning for Home Care Client; Financial Responsibilities; and How to Access the Company for Emergencies/Questions. Contractor shall meet all other "Enrolled Provider Requirements".

B. Order Management

Recipients may contact the Contractor, acting through its DHHS-approved subcontractor, via a toll free number Monday – Friday from 8:30am – 6:00pm, EST. A unique inbound/outbound toll free number will be dedicated to New Hampshire Medicaid recipients. While recipients generally order by toll free telephone, they may also order by mail (US Postal Service), email, or facsimile. The Contractor shall handle orders from recipients in multiple languages, at the recipient's discretion, and for those who are hard of hearing. Recipients' needs shall be addressed using English and Spanish representatives on staff, the A T & T Language Line, and a TTY system, or equivalent resources. The Contractor shall provide 24/7 access and be equipped for disaster recovery.

The Contractor shall communicate shipping delays with the recipient at the time of the order or via an outbound call, if necessary. The Contractor shall assist recipients in making product substitutions when needed.

The Contractor will monitor customer service representatives through a Quality Assurance Team that reviews an average of 13 calls per customer service representative per month. Representatives shall score an annual average of 94%. The Contractor will monitor customer interactions logs daily, conduct

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file audits, and ensure regular client feedback through annual surveys and on-line call logging feedback. This enables responses in real-time to customer's feedback.

In order to ensure order accuracy, the Contractor shall have the following mechanisms in place:

- Called-in orders shall be repeated back to the caller prior to being placed with Customer Service.
- Recipients who orders place orders electronically will receive an email confirmation. Recipients who place orders via telephone will receive a verbal confirmation as well as the opportunity to receive an electronic confirmation via email.
- In the event that it appears an item is missing from an order, all claims must be reported to the Department-approved Subcontractor's Customer Service within 5 calendar days of short shipment receipt. (The Subcontractor shall take the necessary steps, if any, to report to the Contractor in a timely manner) The Contractor will immediately rectify the situation by offering resolution acceptable to the person making the claim.

C. Transportation and Packaging

In the Recipient Model, the Department is the "buyer" and possession will occur when the Contractor ships to the recipient and the recipient takes possession at his/her address. In this model, the recipient's residential address shall constitute the Department's designated ship-to location.

All orders will be FOB Destination.

D. **Contract Implementation**

The first eight weeks following the effective date of this contract shall be considered the implementation period. During this period, necessary communications/education between the Contractor and Medicaid providers and recipients shall occur. Providers shall set up credit accounts with the Contractor and obtain incontinence product stock during this period. At the end of the eighth week, the rates as outlined in Exhibit B shall become effective. The Contractor may provide product and services to Medicaid recipients through its mail order program as of the Contract's effective date.

The Contractor and the State shall also work closely together to ease the transition from the State's existing model to the Provider Model and the Recipient Model. This collaborative work includes but is not limited to: work to ensure that willing Medicaid providers and recipients are aware of the new models and communicate the advantages of purchasing incontinence products through the Contractor; and work to determine additional communication or other strategies to ensure the maximum number of Medicaid providers are purchasing product from the Contractor.

The State is in the process of revising administrative rules to require Medicaid providers to purchase from the preferred supplier. When the administrative rule is effective, NH Medicaid providers will be required to purchase all Medicaid-covered incontinence products from the Contractor. The State and the Contractor shall jointly review utilization reports to ensure providers are abiding by the updated Administrative Rule. The State cannot require Medicaid providers to purchase products exclusively from the Contractor until an update to NH Administrative Rule HeW 571 is approved. It is expected

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that NH Medicaid providers shall begin the process of establishing a credit relationship and placing orders with the Contractor as soon as notified by the State of this contract.

A. Implementation Deliverables

The Contractor shall submit a final Project Work Plan 10 business days after the effective date of this Contract. The Contractor's Project Work Plan shall include, without limitation, a detailed description of the implementation schedule, tasks, deliverables, critical events, and task dependencies necessary to complete a successful transition from the State's existing model to the Provider Model and Recipient Model within eight weeks. Tasks and timelines may be modified as necessary if agreed upon and documented by the State and Contractor project manager. The Contractor will identify any data or information needs necessary to develop or implement its work plan, and provide that information to the DHHS Contract Manager, no later than 10 business days after the Contract's effective date. The final Project Work Plan will include the Contractor's best estimate of the depth and coverage of the likely Medicaid provider network for incontinence supplies.

A meeting to discuss and review the final Project Work Plan shall be held after the delivery of that work plan to DHHS, at a time and place requested by the State. Meetings shall be held periodically thereafter until the conclusion of the implementation period.

During the implementation period, the Contractor shall share its standard reporting formats with the State. The State shall determine if there are additional reporting needs and Contractor shall make all reasonable efforts to build and make available any special reports by the conclusion of the implementation period, unless otherwise agreed upon by the State and Contractor Project Manager.

During the transition period, the Contractor shall update the Project Work Plan as necessary, but no less than weekly, to accurately reflect the status of the project schedule, tasks, deliverables, critical events, and task dependencies. Any updates to the Project Work Plan shall require written acceptance by the State.

E. **Contract Staffing**

The Contractor shall assign and identify a Contract Manager and a Project Team Staff, collectively referred to as "Project Staff." "Project Staff" shall include, but not be limited to, subcontractor staff. The Contractor shall not change Project Staff and/or the Contract Manager's commitments unless such replacement is necessary due to sickness, death, job/position change, termination of employment, unpaid leave of absence, or request of State. Any such changes to the Contractor's Project Staff shall require prior written notification to the State. Replacement Project Staff shall have comparable or greater skills with regard to performance of the Project as the staff being replaced, and shall be subject to the provisions of the Contract.

Notwithstanding anything to the contrary, the State shall have the option to terminate the Contract, at its discretion, if it is dissatisfied with the Contractor's replacement Project Staff, if any.

E1 **Contractor Key Staff**

Contractor Initials: _____
Date: _____

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A list of the Contractor's key staff and a summary of their responsibilities is provided in Appendix B.

E2 Contract Managers

The State and the Contractor shall designate Contract Managers for this Contract. The Contract Managers shall serve as a central point of contact and manage the various elements of the Contract, including implementation, communications with the other party and with providers and beneficiaries, trouble-shoot during the contract period, etc. Contract Managers shall be available during normal business hours between 8:00 am and 4:30 PM, EST.

The Contractor's Contract Manager must be qualified to perform the obligations required of the position under the Contract, have full authority to make binding decisions, and shall function as the Contractor's representative for all administrative and management matters. The Contract Manager must be available to promptly respond via telephone and/or email within 48 hours to inquiries from the State, and at the site as needed. The Contractor Manager must use his or her best efforts on the Project.

A. DHHS Contract Manager

To resolve issues or concerns, the DHHS Contract Manager shall be:

Jane Turgeon Medicaid Services Consultant II
Office of Medicaid Business and Policy
129 Pleasant Street, Annex I
Concord, NH 03301-23857
Telephone: 603 271-4823
Fax: 603-271-8194
Email: Jane.B.Turgeon@dhhs.state.nh.us

B. Contractor Contract Manager

To resolve issues or concerns about contract deliverables or other processes, the Contract Manager shall be:

Jenni Edwards
Director, State and Federal Contracts
Gulf South Medical Supply, Inc.
4345 Southpoint Blvd
Jacksonville, FL 32216
Telephone (904) 380-4537
Fax: (904) 332-3298
Email: jedwards@pssd.com

F. Performance Monitoring

A. Performance Measures

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In order to achieve satisfactory performance, the Contractor must meet all the requirements of this contract. Specific monitoring will include the following standards:

- Maintain adequate distribution inventory to fill incoming orders from providers and beneficiaries;
- Ship all orders within 24 hours after receipt of order;
- Resolve provider/Medicaid beneficiary complaints within 5 business days;
- Achieve 100% compliance on maintenance of medical necessity documentation.

B. Reports

All report formats shall be reviewed and approved by the State. The bulk of this review and approval process shall occur during the implementation period. On an on-going basis, all meeting formats, agendas and attendees shall be reviewed and approved by the State at least one week prior to any scheduled meeting.

The Contractor shall provide specific reporting to the New Hampshire Medicaid program throughout the contract period.

Contractor reports include, but are not limited to:

- An implementation readiness report to be delivered 21 days prior to the anticipated end of the eight-week implementation period.
- A final Project Work Plan shall be due ten (10) business days after contract award and approval by Governor and Executive Council. Notwithstanding anything to the contrary, the State shall have the option to terminate the contract for default, at its discretion, if it is dissatisfied with the Contractor's Project Work Plan or elements within the Project Work Plan.
- Activity reports on both a monthly and quarterly basis. Activity reports shall include but not be limited to Contractor volume, and range of the Medicaid incontinence product provider-network.
- Quarterly contract performance status reports, beginning the first full quarter following end of the eight-week implementation period. The status reports will provide data requirements regarding performance measures.
- Annual summary of product quality and performance.
- Quarterly complaint reports, from both the Medicaid providers and recipients.

C. Department Compliance with State and Federal Requirements (Audits)

The Contractor will be required to cooperate and comply with any audit requirements imposed on the Department by State or Federal entities, as they relate to this Contract.

D. Accounting Requirements

The Contractor shall maintain an accounting system in accordance with generally accepted accounting principles. The costs applicable to the contract shall be ascertainable from the accounting

Contractor Initials: 
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system. The Contractor shall maintain records pertaining to the products and services and other costs and expenditures.

On an annual basis, the Contractor shall provide DHHS with at least one of the following:

1. The current Dunn & Bradstreet report on the firm; or
2. The firm's most recent audited financial statements and the firm's most recent un-audited quarterly financial statement; or
3. The firm's most recent income tax return.

E. Meetings

An Implementation Readiness Review Meeting will be held 5 business days prior to the end of the eight-week implementation period. Contractor participants must include the contract Project Manager and may include others as designated by the Contractor.

On a semi-annual basis, or more frequently, as determined by the State, the Contractor and the State shall participate in a contract performance review meeting, facilitated by the State Project Manager, at a State office location designated by the State. The format of the contract performance review meeting will be developed by DHHS, with input from the Contractor.

II. CONTRACT AMENDMENT AND EXTENSION:

This contract is renewable for two (2) additional two-year periods subject to the State of NH and Contractor's prior written agreement on applicable fees and services for each contract extension and the approval by the Governor and Executive Council.

III. GOVERNING DOCUMENTS

All documents that make up this agreement, and the order of precedence of those documents for contract clarifications, are as follows.

The order of precedence shall be to look first to the language of the Contract, including standard contract form, "General Provisions" form P-37 (1/09) and next to the language of contract exhibits and appendices. Thereafter, the next governing document shall be the DHHS RFP # 09-OMBP-ISPS-03, Incontinence Supplier Preferred Suppliers, and the Contractor's Response to the Department's "Request for Proposal" (RFP) in "Bid One." In the Best and Final Offer phrase, Bid One was further modified in that the Contractor substituted an DHHS-approved subcontractor to do the work it initially proposed undertaking itself through its wholly owned subsidiary. The Department accepted the subcontractor model, described in "Bid Two," and maintained at the Bid One pricing. Accordingly, the role of an approved subcontractor is outlined in the Contractor's response to the RFP in Bid Two and the Contractor's response to the RFP in Bid Two is also relevant, giving priority to the contents of Bid One, with the exception of the description of an approved subcontractor's role in Bid Two. Bid One is controlling as to pricing, and all other content.

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**EXHIBIT A--- APPENDIX A
DEFINITIONS**

Terms appear in alphabetical order.

ASTM—see specifications.

This acronym stands for “American Society for Testing and Materials.”

Confidential Information

Information purportedly required to be kept confidential from unauthorized disclosure

State’s Confidential Records

The State’s information, regardless of its form, that is not subject to public disclosure under applicable state and federal laws and regulations, including but not limited to RSA Chapter 91-A.

Contract

Contract means a binding legal agreement between the State of New Hampshire and the Contractor. The contract includes, without limitation, the Request for Proposal, the Offer submitted in response to the RFP, the Contract Award, the standard Purchase Terms and Conditions, Supplemental Terms and Conditions if any, Specifications, and any addenda and amendments thereto.

Contract Managers

The persons identified by the State and the Contractor who shall be responsible, as liaisons, for all contractual authorization and administration of the Contract. These responsibilities include, but are not limited to, processing Contract documentation, obtaining or providing executive approvals, and tracking costs and payments. The Contract Managers shall function as the State’s and the Contractor’s representatives/ liaisons and points of contact with regard to review and acceptance of contract deliverables, invoice sign off, and review and approval of contract amendments, if any.

Contractor

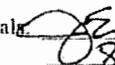
A Corporation, University, or other entity responsible for providing contract deliverables. For the purposes of this Contract, the Contractor is Gulf South Medical Supply, Inc. References to the “Contractor” or “Contractor/subcontractor” when describing the Recipient model mean the Contractor, acting either directly or through its Department-approved subcontractor providing mail order services.

Deliverables

A deliverable is any Written or Service Deliverable (letter, report, meeting, other), provided by the Contractor to the State or under the terms of a contract requirement.

Contractor Initials

Date:


08/31/09

Department

The Department of Health and Human Services, including but not limited to distinct subsets of the Department, such as the Office of Medicaid Business and Policy, the Division of Children, Youth and Family, and the Bureau of Elderly and Adult Services.

Effective Date

The date on which an agreement, such as a contract, takes effect.

Eligibility Verification System (EVS)

The telephonic system used by NH Medicaid providers to obtain eligibility status of individuals seeking Medicaid services.

FOB Destination

Designates the seller will pay shipping costs, and remain responsible for the goods until the buyer takes possession.

In the Provider Model, the 'buyer' is the Medicaid provider and possession will occur when the Contractor ships product to the provider and the provider takes possession at the provider's primary business address/es. Multiple business locations may be identified as the provider's "designated ship-to location." The agreed fix price per unit shall not include the cost of delivery to recipient addresses.

In the Recipient Model, the Department is the "buyer" and possession will occur when the Contractor ships to, and the recipient takes possession at, the recipient's residential address. In this model, the recipient's residential address shall constitute the buyer's (Department's) designated ship-to location.

Governor and Executive Council

The New Hampshire Governor and Executive Council, which has sole authority to execute contracts.

Healthcare Common Procedure Code System (HCPCS)

A set of healthcare procedure codes based on American Medical Association's Current Procedural Terminology (CPT). The Healthcare Common Procedure Coding System (HCPCS) was established in 1978 to provide a standardized coding system for describing the specific items and services provided in the delivery of health care.

Implementation Period

The eight-week period commencing on the effective date of the Contract, i.e. the day Governor and Council signs/approves this Contract.

Incontinence Products

The products listed in the document in Exhibit A, Table B-1, to include diapers/briefs, liners, and pads and described in the Ingenix HCPCS Level II Expert manual published in 2008.

Contractor Initials: Date: 08/31/09

ISO - see specifications.

This acronym stands for "International Organization for Standardization." It is intentionally abbreviated "ISO."

Medicaid Management Information System (MMIS)

The claims payment system for reimbursement to providers for products and services.

MMIS Fiscal Agent

The entity responsible for processing applications for approval as a NH Medicaid provider and for managing the MMIS. This function is currently operated by EDS. The contracted fiscal agent is subject to change during the contract term, and transition activities applicable to all providers will be applicable to Gulf South when acting in its capacity as an enrolled Medicaid provider.

Medicaid Recipient

Any individual who is eligible to receive Medicaid benefits on the date products and services were rendered. For the purpose of this contract, recipients are living in their home or similar community setting. Individuals receiving Medicaid products and services in hospitals, nursing home, or other facilities are not included in the target population served by this contract.

NH Medicaid Program

The Title XIX programs administered by the Department, which makes medical assistance available to eligible Recipients.

NH Medicaid Provider

An entity (vendor, pharmacy or other) enrolled in the MMIS system and able to submit claims for healthcare services provided to New Hampshire Medicaid recipients. In this contract, "NH Medicaid Provider" most commonly refers to durable Medicaid equipment vendors, pharmacies, or other entities that provide incontinence products and services to the target population and has not been designated by the Contractor, and approved by DHHS, as a subcontractor for incontinence products or services provided under this contract.

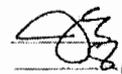
Normal Business Hours

Normal Business Hours are 8:00 a.m. to 4:30 p.m. EST, Monday through Friday excluding State of New Hampshire holidays. State holidays are: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, July 4th, Labor Day, Veterans Day, Thanksgiving Day, the day after Thanksgiving Day, and Christmas Day.

Office of Medicaid Business and Policy (OMBP)

The agency within the Department of Health and Human Services responsible for Medicaid policy and management of the Medicaid benefit.

Contractor Initials:
Date:

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Project Team

The group of State employees and consultants responsible for managing the processes and mechanisms required such that the products and services are procured in accordance with the project plan on time, on budget, and to the required specifications and quality.

Project Work Plan

A written overall plan of activities for the project created in accordance with the Contract. The plan delineates all tasks, activities, and events to be performed and deliverables to be produced under the project. The project work plan shall include a detailed description of the schedule, tasks/activities, deliverables, critical events, task dependencies, and the resources that would lead and/or participate on each task. The project work plan may evolve over time. Expanding upon the plan and/or providing additional details or new tasks does not require Contract amendment, but should be documented by the parties.

RFP (Request for Proposal)

A "Request For Proposal" is a document that solicits proposals to supply products and/or service resources according to specific terms and conditions in order to satisfy State functional requirements.

Specifications

The written specifications that set forth the requirements which include, without limitation, the RFP, the Contractor's bid/s, the Contract, any performance standards, documentation, applicable State and federal policies, laws and regulations, State technical standards, subsequent State-approved deliverables, and other specifications and requirements described in the contract documents. The specifications are, by this reference, made a part of the contract as though completely set forth herein.

ASTM American Society for Testing and Materials. This organization is one of the largest voluntary standards development organizations in the world. It is a widely used source for technical standards for materials, products, systems and services

ISO International Organization for Standardization. This organization is the world's largest non-governmental developer and publisher of international standards.

State

The State of New Hampshire reference to the term "State" shall include applicable agencies.

State Fiscal Year

The New Hampshire State Fiscal Year extends from July 1st through June 30th of the following calendar year.

Contractor Initials:
Date:

[Signature]
8/31/09

Subcontractor

A person, partnership, or company not in the employment of, or owned by, the Contractor, which is providing products and/or services under this Contract, under a separate contract with or on behalf of the Contractor. Any subcontractor must be approved, in advance, by DHHS.

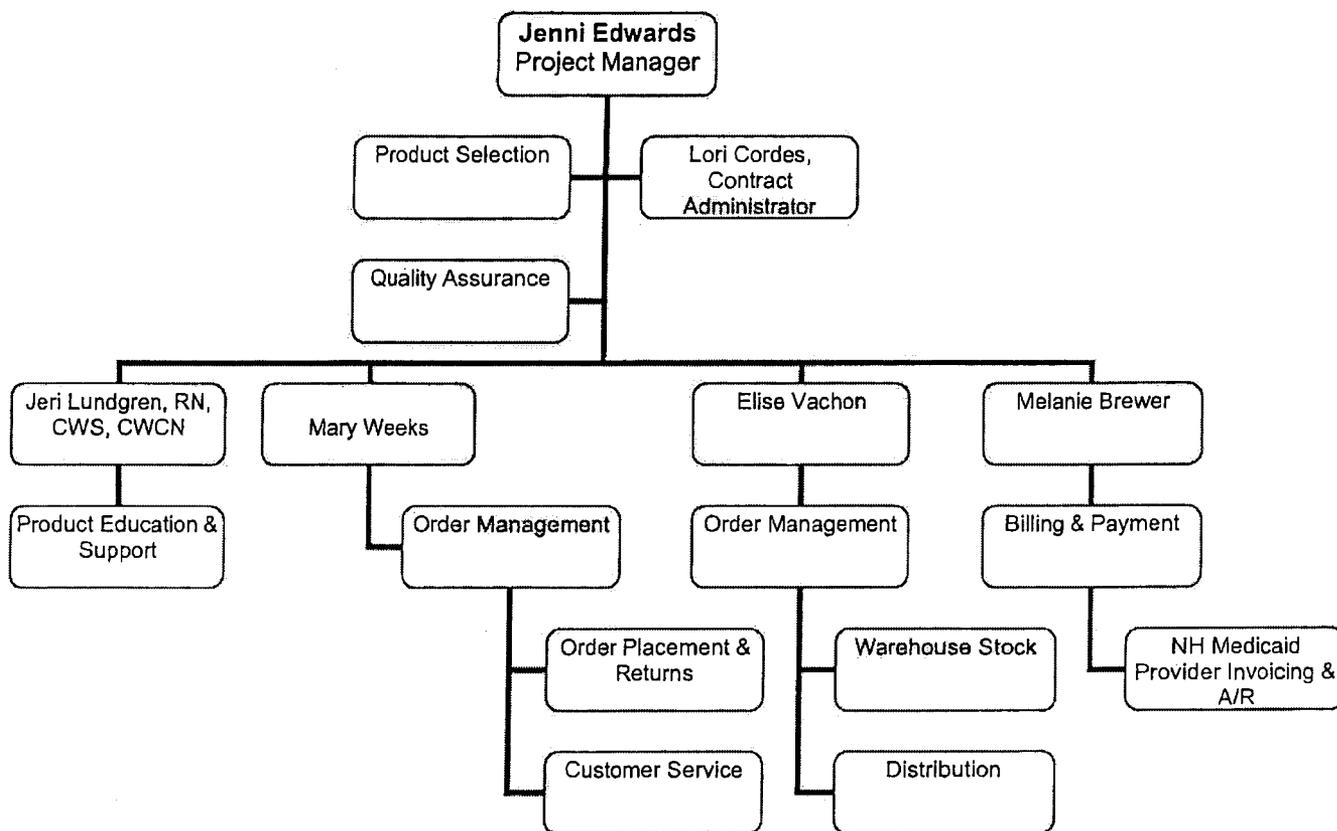
Unit

The quantity of measure applied to products identified in Exhibit A, Table B.1. For non-sterile gloves provided for incontinence purposes, one unit equals one box of 100 Latex gloves or one box of 250 Latex-free gloves. For all other contract products, one unit equals one item (diaper, liner, pad, etc.).

Contractor Initials:
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EXHIBIT A – APPENDIX B

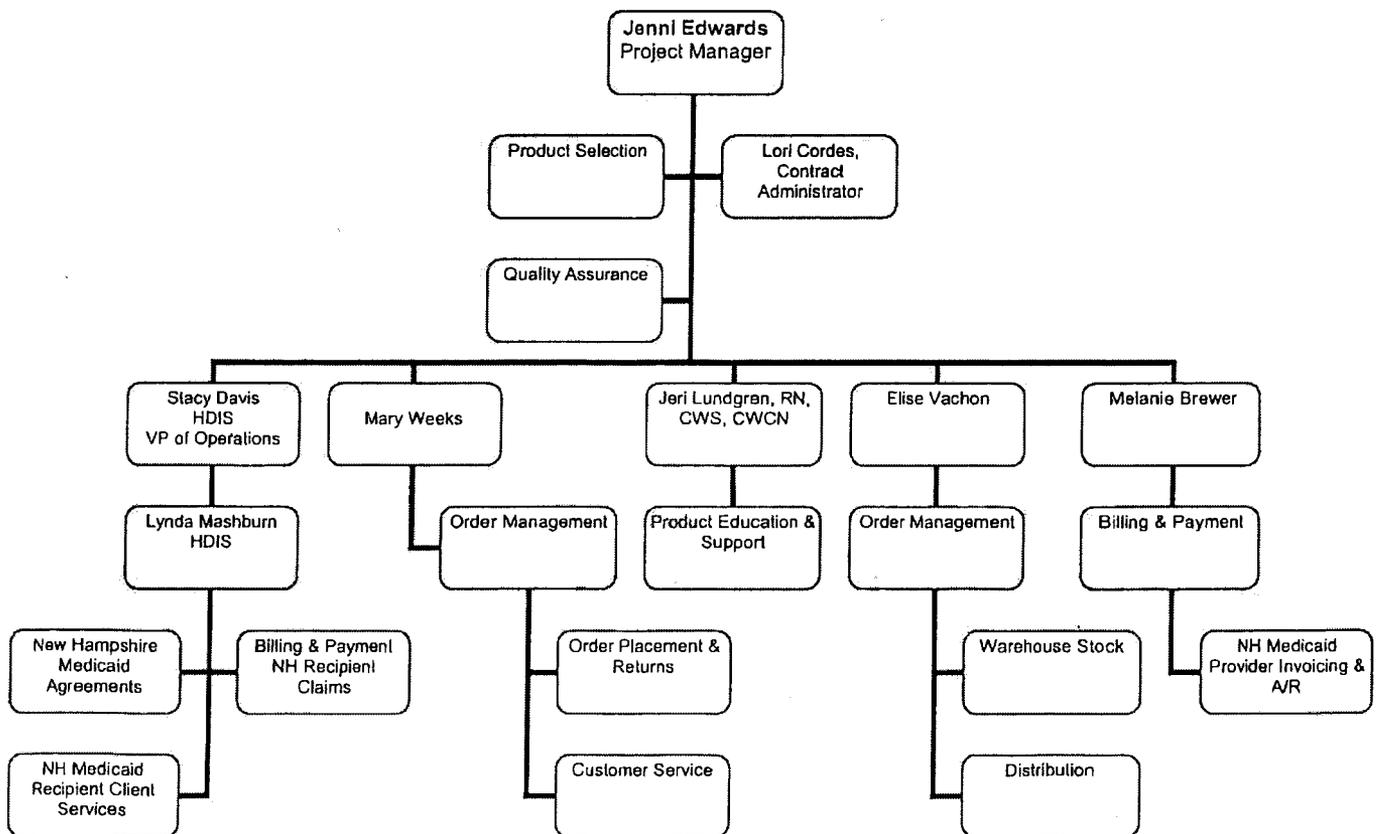
**CONTRACTOR KEY STAFF RESPONSIBILITIES
Flow Chart (Provider Model)**



Contractor Initials: JE
Date: 8/31/09

EXHIBIT A – APPENDIX B

**CONTRACTOR KEY STAFF RESPONSIBILITIES
Flow Chart (Recipient Model)**



* Yellow = HDIS Staff

Contractor Initials: JE
Date: 8/31/09

EXHIBIT A – APPENDIX B

CONTRACTOR KEY STAFF RESPONSIBILITIES

Role	Name	Delivery Model(s)	Responsibilities	Contact Information
Contract Manager	Jenni Edwards, Director, State & Federal Contracts	Providers Recipient	Oversight of entire project (RFP through Award, Implementation and Service contract)	jedwards@pssd.com 904-380-4537 Gulf South Medical Supply, Inc. 4345 Southpoint Blvd Jacksonville, FL 32216
Quality Assurance	Jenni Edwards, Director, State & Federal Contracts	Providers Recipient	Oversight of QA Team to ensure that the quality of products, delivery, education, and service meet contract obligations for Independent Medical Supplier Model. In the event that product substitutions are required during the contract term, or the quality or performance of products comes under question, or that recipients' medical necessity requires non-standard product, work with manufacturers, review specifications, recommend substitute products	jedwards@pssd.com 904-380-4537 Gulf South Medical Supply, Inc. 4345 Southpoint Blvd Jacksonville, FL 32216
Product Education and Support:	Jeri Lundgren, RN, Director, Wound & Containment Management	Providers	Coordination of Education and Support pertaining to products and their intended uses for Providers	jeri.lundgren@pathwayhealth.com 612-805-9703 Gulf South Medical Supply, Inc. 4345 Southpoint Blvd Jacksonville, FL 32216
Order Management:	Mary Weeks Team NE Customer Service Team Supervisor	Providers	Oversight in order to guarantee timely and accurate order entry and customer service for Providers	mweeks@gssms.com 601-856-5900 x 3364 Gulf South Medical Supply, Inc. 173 E. Market Ridge, Ridgeland, MS 39157
Order Management	Elise Vachon NH Distribution Center Operations Leader	Providers Recipient	Oversight of warehouse / distribution to provide order accuracy and timely delivery for Providers and Recipients	evachon@gssms.com 603-537-2300 Gulf South Medical Supply, Inc. 14 N. Wentworth Ave, Londonderry, NH 03053
NH Medicaid Agreements	Lynda Mashburn Medicaid Unit Leader	Recipient	Responsible for completing application, enrolling and maintaining enrollment as NH Medicaid Provider, and making sure that all NH Medicaid Policies and Procedures are followed.	mashlyn@sbcbglobal.net 314-209-9638 HDIS 11223 Lakewood Crossing Dr Bridgeton, MO 63044

Contractor Initials: 

Date: 8/31/09

EXHIBIT A – APPENDIX B

CONTRACTOR KEY STAFF RESPONSIBILITIES

Client Services	Lynda Mashburn Medicaid Unit Leader	Recipient	Oversight of Customer Service Team responsible for incoming and outgoing New Hampshire Medicaid recipient calls, satisfaction and interaction.	mashlyn@sbcglobal.net 314-209-9638 HDIS 11223 Lakewood Crossing Drive, Bridgeton, MO 63044
Order Management for Recipients	Lynda Mashburn Medicaid Unit Leader	Recipient	Oversight of HDIS quality assurance process to ensure the quality of products, delivery, education and service meet contractual obligations for the direct to recipient model.	mashlyn@sbcglobal.net 314-209-9638 HDIS 11223 Lakewood Crossing Drive, Bridgeton, MO 63044
Product Education and Support for Recipients	Lynda Mashburn Medicaid Unit Leader	Recipient	Oversight in order to guarantee timely and accurate order entry and customer service.	mashlyn@sbcglobal.net 314-209-9638 HDIS 11223 Lakewood Crossing Drive, Bridgeton, MO 63044
Billing and Payment	Lynda Mashburn Medicaid Unit Leader	Recipient	Direct to recipients products – oversight eligibility and prior authorization as well as through and accurate claims management.	lmashlyn@sbcglobal.net 314-209-9638 HDIS 11223 Lakewood Crossing Dr Bridgeton, MO 63044
Billing and Payment	Melanie Brewer, Director, Credit & Collections	Provider	NH Medicaid provider invoice and A/R management.	mbrewer@gmsms.com, 904-332-3469 HDIS 4345 Southpoint Blvd Jacksonville, FL 32216

Contractor Initials: 

Date: 8/31/09

EXHIBIT B**METHODS AND CONDITIONS PRECEDENT TO PAYMENT****I. BILLING AND PAYMENT****A. Introduction****A1 Provider Model**

All NH Medicaid providers shall use the Contractor as the supplier of incontinence products for serving NH Medicaid recipients. The Contractor shall charge aforementioned providers the total unit price as described in Table 1.1, Column C. The total unit price includes shipping and delivery costs to the provider and other elements describe in Exhibit A, including but not limited to, provider outreach and education, product returns and order management. The Contractor shall be solely responsible for collecting receivables from providers.

Consistent with the NH Medicaid Provider Agreement, the Department will reimburse Medicaid providers for incontinence products and services provided to NH Medicaid recipients. The provider will be responsible for paying the Contractor for product, consistent with any standard account agreement, which the provider and the Contractor have executed. The Department shall have no role to play, and is fully independent of, any questions or issues, including but not limited to payment, that may arise between a Medicaid provider and the Contractor.

A2 Recipient Model

The Contractor shall, either directly or through a Department-approved subcontractor operate a mail order service to provide incontinence products to NH Medicaid recipients. Claims shall be submitted by the Contractor's DHHS-approved subcontractor directly to the NH MMIS fiscal agent in accordance with procedures and guidelines outlined in the MMIS billing manuals, the Administrative Rules, and the NH Medicaid Provider Agreement. The Department shall reimburse the Contractor's DHHS-approved subcontractor the total per unit price for incontinence products and services as described in Table 1.2, Column C. The total per unit price is inclusive of products costs and service costs including, but not limited to, shipment and delivery to recipients, maintenance of medical necessity documentation, and other elements described in Exhibit A.

Contractor Initials: 
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Table 1 – Product and Service Price Per T-Code				
Table 1.1 – Provider Model				
Total per unit and service per unit price by T-code when Contractor is interfacing with Medicaid providers. The Contractor will be paid by the Medicaid provider at the total per unit price. The Medicaid provider will be reimbursed by the Department pursuant to the Medicaid Provider Agreement.				
Procedure Code	Product Description	A. Product Price/Unit	B Service Price/Unit	C. Total Unit Price ¹
T4521	Disposable incontinence product brief/diaper, Small			
	Daytime Absorbency	\$ 0.32	\$ -	\$ 0.32
	Nighttime Absorbency	\$ 0.32	\$ -	\$ 0.32
T4522	Disposable incontinence product brief/diaper, Med			
	Daytime Absorbency	\$ 0.32	\$ -	\$ 0.32
	Nighttime Absorbency	\$ 0.35	\$ -	\$ 0.35
T4523	Disposable incontinence product brief/diaper, Large			
	Daytime Absorbency	\$ 0.39	\$ -	\$ 0.39
	Nighttime Absorbency	\$ 0.43	\$ -	\$ 0.43
T4524	Disposable incontinence product, brief/diaper, X-Lrg			
	Daytime Absorbency	\$ 0.46	\$ -	\$ 0.46
	Nighttime Absorbency	\$ 0.49	\$ -	\$ 0.49
T4533	Youth sized disposable incontinence product, brief/diaper			
	Daytime Absorbency	\$ 0.33	\$ -	\$ 0.33
	Nighttime Absorbency	\$ 0.33	\$ -	\$ 0.33
T4543	Disposable incontinence product brief/diaper, Bariatric			
	Daytime Absorbency	\$ 0.71	\$ -	\$ 0.71
	Nighttime Absorbency	\$ 0.71	\$ -	\$ 0.71
T4525	Disposable incontinence product Protective Underwear/Pull-ons, Small			
	Daytime Absorbency	\$ 0.43	\$ -	\$ 0.43
	Nighttime Absorbency	\$ 0.43	\$ -	\$ 0.43
T4526	Disposable incontinence product Protective Underwear/Pull-ons, Med			
	Daytime Absorbency	\$ 0.43	\$ -	\$ 0.43
	Nighttime Absorbency	\$ 0.43	\$ -	\$ 0.43
T4527	Disposable incontinence product Protective Underwear/Pull-ons, Large			
	Daytime Absorbency	\$ 0.43	\$ -	\$ 0.43
	Nighttime Absorbency	\$ 0.47	\$ -	\$ 0.47
T4528	Disposable incontinence product, Protective Underwear/Pull-ons, X-Lrg			
	Daytime Absorbency	\$ 0.55	\$ -	\$ 0.55
	Nighttime Absorbency	\$ 0.60	\$ -	\$ 0.60
T4534	Youth sized disposable incontinence product, Protective Underwear/Pull-ons			
	Daytime Absorbency	\$ 0.44	\$ -	\$ 0.44
	Nighttime Absorbency	\$ 0.44	\$ -	\$ 0.44
T4535	Disposable liner/shield/guard/pad undergarment for incontinence			
	Light Absorbency	\$ 0.18	\$ -	\$ 0.18
	Moderate Absorbency	\$ 0.21	\$ -	\$ 0.21

¹ Prices are FOB Destination to Medicaid providers and inclusive of all associated costs, such as customer services, prior authorization and training activities as specified in Exhibit A.

Contractor Initials: 
 Date: 06/31/09

	Heavy Absorbency	\$ 0.24	\$ -	\$ 0.24
T4541	Incontinence product, disposable under pad, large	\$ 0.18	\$ -	\$ 0.18
A4927	Disposable non-sterile examination gloves, Latex: 100 per box and Latex-free: 250 per box	\$ 6.00	\$ -	\$ 6.00

Table 1.2 – Recipient Model				
Total per unit supply and service price by T-code when Contractor/subcontractor is interfacing directly with Medicaid recipients. The Contractor/subcontractor shall submit claims pursuant to the Medicaid Provider Agreement and shall be reimbursed at the total unit price.				
Procedure Codes		A. Product Price/Unit	B Service Price/Unit	C Total Unit Price ²
T4521	Disposable incontinence product brief/diaper, Small			
	Daytime Absorbency	\$ 0.32	\$ 0.11	\$ 0.43
	Nighttime Absorbency	\$ 0.32	\$ 0.11	\$ 0.43
T4522	Disposable incontinence product brief/diaper, Med			
	Daytime Absorbency	\$ 0.32	\$ 0.11	\$ 0.43
	Nighttime Absorbency	\$ 0.35	\$ 0.12	\$ 0.47
T4523	Disposable incontinence product brief/diaper, Large			
	Daytime Absorbency	\$ 0.39	\$ 0.13	\$ 0.52
	Nighttime Absorbency	\$ 0.43	\$ 0.14	\$ 0.57
T4524	Disposable incontinence product, brief/diaper, X-Lrg			
	Daytime Absorbency	\$ 0.46	\$ 0.15	\$ 0.61
	Nighttime Absorbency	\$ 0.49	\$ 0.16	\$ 0.65
T4533	Youth sized disposable incontinence product, brief/diaper			
	Daytime Absorbency	\$ 0.33	\$ 0.11	\$ 0.44
	Nighttime Absorbency	\$ 0.33	\$ 0.11	\$ 0.44
T4543	Disposable incontinence product brief/diaper, Bariatric			
	Daytime Absorbency	\$ 0.71	\$ 0.23	\$ 0.94
	Nighttime Absorbency	\$ 0.71	\$ 0.23	\$ 0.94
T4525	Disposable incontinence product Protective Underwear/Pull-ons, Small			
	Daytime Absorbency	\$ 0.43	\$ 0.14	\$ 0.57
	Nighttime Absorbency	\$ 0.43	\$ 0.14	\$ 0.57
T4526	Disposable incontinence product Protective Underwear/Pull-ons, Med			
	Daytime Absorbency	\$ 0.43	\$ 0.14	\$ 0.57
	Nighttime Absorbency	\$ 0.43	\$ 0.14	\$ 0.57
T4527	Disposable incontinence product Protective Underwear/Pull-ons, Large			
	Daytime Absorbency	\$ 0.43	\$ 0.16	\$ 0.59
	Nighttime Absorbency	\$ 0.47	\$ 0.16	\$ 0.63
T4528	Disposable incontinence product, Protective Underwear/Pull-ons, X-Lrg			
	Daytime Absorbency	\$ 0.55	\$ 0.20	\$ 0.75
	Nighttime Absorbency	\$ 0.60	\$ 0.20	\$ 0.80
T4534	Youth sized disposable incontinence product, Protective Underwear/Pull-ons			
	Daytime Absorbency	\$ 0.44	\$ 0.15	\$ 0.59
	Nighttime Absorbency	\$ 0.44	\$ 0.15	\$ 0.59
T4535	Disposable liner/shield/guard/pad undergarment for incontinence			
	Light Absorbency	\$ 0.18	\$ 0.06	\$ 0.24

² All prices are FOB Destination to recipients' homes and inclusive of all associated costs, such as customer services, prior authorization and training activities as specified in Exhibit A.

Contractor Initials: 
 Date: 08/31/09

	Moderate Absorbency	\$ 0.21	\$ 0.07	\$ 0.28
	Heavy Absorbency	\$ 0.24	\$ 0.08	\$ 0.32
T4541	Incontinence product, disposable under pad, large	\$ 0.18	\$ 0.06	\$ 0.24
A4927	Disposable non-sterile examination gloves, Latex: 100 per box and Latex-free: 250 per box	\$ 6.00	\$ 2.00	\$ 8.00

II. CONTRACT VOLUMES

This contract is based upon a fixed product-per-unit price and a fixed service-per-unit price for the Contract term. Accordingly, no maximum or minimum product volume is guaranteed. Similarly, the percentage of the Medicaid population served by this Contract who may choose to obtain incontinence products through the contractor acting in its capacity as an enrolled Medicaid provider is indeterminate: no maximum or minimum percentage is guaranteed.

Any quantities set forth in this contract are estimates only, and the Contractor shall supply, at bid prices, the actual quantities as ordered, regardless of whether such total quantities are more or less than those shown.

Subject to the above caveats, incontinence volume for the Contract terms has been forecasted for the purposes of establishing a price limitation for this Contract. The forecast is based upon State Fiscal Year 2009 utilization figures, including a projected increase for anticipated growth in the Medicaid population over the Contract term, and is detailed by T-code in Table 2. For practical purposes, it has been assumed that twenty percent (20%) of the Medicaid population who use incontinence products will elect to obtain their products through the mail order service, and have products mailed directly to their residences. Accordingly, subject to the same caveats, for practical purposes it is assumed that eighty percent (80%) of products will be distributed through other Medicaid providers.

III. CONTRACT PRICE LIMITATION

The Contract total based upon estimated usage is projected to be \$3,013,081.72 based upon previous incontinence volumes and the Contractor's cost proposal. For the purposes of having a price limitation, the price limitation for this Contract is \$3,465,043.98. See Table 3 for calculation details by State Fiscal Year for the Contract term.

Contractor Initials: 
Date: 08/31/09

Table 2
Estimated Incontinence Supply Utilization by T-Code

Procedure Codes	Total Utilization SFY09	Provider Model (80%)	Recipient Model (20%)
T4521	29,712	23,770	5,942
Daytime Absorbency	14,856	11,885	2,971
Nighttime Absorbency	14,856	11,885	2,971
T4522	138,354	110,683	27,671
Daytime Absorbency	69,177	55,342	13,835
Nighttime Absorbency	69,177	55,342	13,835
T4523	129,846	103,877	25,969
Daytime Absorbency	64,923	51,938	12,985
Nighttime Absorbency	64,923	51,938	12,985
T4524	69,150	55,320	44,256
Daytime Absorbency	34,575	27,660	6,915
Nighttime Absorbency	34,575	27,660	6,915
T4533	505,986	404,789	101,197
Daytime Absorbency	252,993	202,394	50,599
Nighttime Absorbency	252,993	202,394	50,599
T4543	18,000	14,400	3,600
Daytime Absorbency	9,000	7,200	1,800
Nighttime Absorbency	9,000	7,200	1,800
T4525	29,712	23,770	5,942
Daytime Absorbency	14,856	11,885	2,971
Nighttime Absorbency	14,856	11,885	2,971
T4526	138,354	110,683	27,671
Daytime Absorbency	69,177	55,342	13,835
Nighttime Absorbency	69,177	55,342	13,835
T4527	129,846	103,877	25,969
Daytime Absorbency	64,923	51,938	12,985
Nighttime Absorbency	64,923	51,938	12,985
T4528	69,150	55,320	13,830
Daytime Absorbency	34,575	27,660	6,915
Nighttime Absorbency	34,575	27,660	6,915
T4534	505,986	404,789	101,197
Daytime Absorbency	252,993	202,394	50,599
Nighttime Absorbency	252,993	202,394	50,599
T4535	180,456	144,365	36,091
Light Absorbency	60,152	48,122	12,030
Moderate Absorbency	60,152	48,122	12,030
Heavy Absorbency	60,152	48,122	12,030
T4541	155,292	124,234	31,058
A4927	8,004	6,403	1,601
TOTALS	2,107,848	1,686,278	421,570

Contractor Initials: 
Date: 8/31/09

Table 3

“Estimated Expenses and Projected Total Contract Price per State Fiscal Year”

State Fiscal Year	Population Increase	Service Model	Program Cost Element	Cost / Year	SFY Duration	Estimated Contract Expense	Price Limitation Factor	Total Contract Price
2010	8.50%	Recipient	Product/Service	\$300,998.79	0.75	\$225,749.09	15%	\$259,611.45
		Provider	Product	\$719,278.10	0.75	\$539,458.58	15%	\$620,377.36
							SFY10 Total	\$879,988.82
2011	8.00%	Recipient	Product/Service	\$325,078.69	1.00	\$325,078.69	15%	\$373,840.49
		Provider	Product	\$776,820.35	1.00	\$776,820.35	15%	\$893,343.41
							SFY11 Total	\$1,267,183.90
2012	4.00%	Recipient	Product/Service	\$338,081.84	1.00	\$338,081.84	15%	\$388,794.11
		Provider	Product	\$807,893.17	1.00	\$807,893.17	15%	\$929,077.14
							SFY12 Total	\$1,317,871.26
				TOTAL		\$3,013,081.72		\$3,465,043.98

Contractor Initials:  Date: 3/31/09

NH Department of Health and Human Services

STANDARD EXHIBIT C

SPECIAL PROVISIONS

1. Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

2. Compliance with Federal and State Laws: If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

3. Time and Manner of Determination: Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.

4. Documentation: In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.

5. Fair Hearings: The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.

6. Gratuities or Kickbacks: The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

7. Retroactive Payments: Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

8. Conditions of Purchase: Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party fundors for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than

such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:

8.1 Renegotiate the rates for payment hereunder, in which event new rates shall be established;

8.2 Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

8.3 Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

9. Maintenance of Records: In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:

9.1 Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

9.2 Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

9.3 Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

10. Audit: Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.

10.1 Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.

10.2 Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

11. Confidentiality of Records: All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be

disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

12. Reports: Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.

12.1 Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.

12.2 Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

13. Completion of Services: Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

14. Credits: All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:

14.1 The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, _____, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

15. Operation of Facilities: Compliance with Laws and Regulations: In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

SPECIAL PROVISIONS – DEFINITIONS

As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

16. Additional special provisions are set forth in Exhibit C-1 attached hereto and incorporated by reference.

NH Department of Health and Human Services

STANDARD EXHIBIT C-1

ADDITIONAL SPECIAL PROVISIONS

1. EVENT OF DEFAULT, REMEDIES

Pursuant to, and consistent with, General Provisions, Form P-37 , paragraph 8, the following terms supplement the State’s standard contract provisions for the purpose of this contract.

Procuring goods and services from other sources

In the case of failure to deliver goods or services in accordance with the contract terms and conditions, OMBP, acting in the best interests of Medicaid beneficiaries who need timely access to healthcare services, may procure them from other sources and hold the Contractor responsible for any resulting purchase and administrative costs. This remedy shall be in addition to any other remedies, which the State may have.

Unacceptable Project Work Plan or elements within the Project Work Plan

Notwithstanding anything to the contrary, the State shall have the option to terminate the contract for default, at its discretion, if the State/DHHS/OMBP is dissatisfied with the Contractor’s Work Plan or elements within the Project Work Plan.

Warranty

All materials and equipment shall be fully guaranteed against defect in material and workmanship for a period of 365 days following date of delivery. Defects noted and reported to the Contractor by the independent Medicaid providers or recipient shall be reported to the OMBP on a monthly basis, with remedies taken. Remedies will include that the Contractor shall replace or correct, and/ or that an equitable adjustment to the contract price will be negotiated.

2. ASSIGNMENT/DELEGATION/SUBCONTRACTS

The provisions of the “General Provisions,” Form P-37, paragraph 12 is hereby amended by the addition of the following:

The State, DHHS, hereby consents to the Contractor working with its selected subcontractor, Home Delivery Incontinence Supplies, Co, (HDIS) to fulfill the Contractor’s responsibility to supply product through the Recipient Model described in Exhibit A, Scope of Services. The Contractor, Gulf South Medical Supply, Inc., will ensure that HDIS meets all the standards and

requirements set forth in this contract as they apply to the Recipient Model including but not limited to the terms and conditions contained in the General Provisions, Form P-37. The Contractor accepts sole and complete responsibility for meeting all requirements and terms and conditions specified in this contract, the Contractor's bid/s, and the RFP, regardless of whether or not the Contractor uses any subcontractor/s. The State considers the Contractor the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from any Contract."

3. PUBLIC DISCLOSURE

The provisions of the "General Provisions," Form P-37, paragraph 9.3 is hereby supplemented by the addition of the following:

The content of each proposal submitted in response to the DHHS' Incontinence Products RFP shall become public information once the Governor and Executive Council have approved this contract. Insofar as the Contractor seeks to maintain the confidentiality of its allegedly confidential or proprietary information, the Contractor must have clearly identified in writing the information it claims to be confidential or proprietary in its initial bid submission. The Contractor acknowledges that DHHS and OMBP are subject to New Hampshire's Right to Know Law, NH RSA 91-A. DHHS and OMBP shall maintain the confidentiality of the identified confidential and /or proprietary information insofar as doing so is consistent with applicable laws or regulations, including but not limited to NH RSA 91-A. In the event that DHHS and/or OMBP receives a request for the information identified by Contractor as confidential and/or proprietary, DHHS and/or OMBP shall notify the Contractor and specify the date DHHS and/or OMBP will be releasing the requested information. Any effort to prohibit or enjoin the release of the information shall be Contractor's responsibility and at the Contractor's sole expense. If Contractor fails to obtain a court order enjoining the disclosure, DHHS and/or OMBP shall release the information on the date DHHS and/or OMBP specifies in DHHS and/or OMBP's notice to Contractor, without any State, DHHS or OMBP liability to Contractor.

The above terms and process shall apply to any contract data or information requested throughout the contract term, however, the Contractor shall have an opportunity to review and label "confidential" and/or "proprietary" contract data when requested, in advance of the Department and/or OMBP's determination as to whether data or other information should be protected.

4. NOTICE

Paragraph 17 of the "General Provisions, Form P-37, is hereby replaced with the following:

NOTICE. Any notice by a party hcreto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage pre-paid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4 herein. In addition to the above method of delivery, a party may use United Parcel Service (UPS) or Federal Express, so long as delivery can be verified and requires the signature of the party to whom the notice is delivered.

5. Documentation:

The provisions of the Department's standard "Exhibit C", paragraph 4, are hereby amended by the addition of the following sentence.

The requirements in this paragraph, paragraph 4, only apply to the Contractor's role in working directly with Medicaid recipients to provide them with incontinence supplies under the "Recipient Model" as described in Exhibit A. The Contractor is not required to maintain a data file on Medicaid recipients who access incontinence supplies through the "Provider Model," because the Contractor does not have access to those records.

6. Records: Maintenance, Retention, Audit, Disclosure and Confidentiality

a) The provisions of the Department's standard "Exhibit C" paragraph 9.2 are hereby amended by the addition of the following sentence:

The requirements of this paragraph, paragraph 9.2, only apply to the Contractor's role in working directly with Medicaid recipients to provide them with incontinence supplies under the "Recipient Model" as described in Exhibit A. The Contractor is not required to maintain records for Medicaid recipients who access incontinence supplies through the "Provider Model," because the Contractor does not have access to those records.

b) The provisions of the Department's standard "Exhibit C" paragraph 9.3 are hereby amended by the addition of the following sentence:

The requirements of this paragraph, paragraph 9.3, only apply to the Contractor's role in working directly with Medicaid recipients to provide them with incontinence supplies under the "Recipient Model" as described in Exhibit A. The Contractor is not required to retain medical records for Medicaid recipients who access incontinence supplies through the "Provider Model," because the Contractor does not have access to those records.

7. Reports: Fiscal and Statistical

The provisions of the Department's standard "Exhibit C" paragraph 12 are hereby amended by the addition of the following sentence to paragraph 12.1

The parties will work together to determine information the Department needs to satisfy any interim financial reporting requirements. OMBP has not identified a specific "financial form" at this time. Reasonable requests for interim financial information shall not be refused by the Contractor. In addition, as this contract is a fixed-rate contract for incontinence products (in contrast to nursing home rates, for example) the parties do not anticipate that the Vendor will supply a "rate of payment" justification.