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Procurement

GRANT NUMBER:

4100061881

**PENNSYLVANIA
DEPARTMENT OF HUMAN SERVICES**

Grant Agreement

Financial Management Services

Amendment No. 2

NAME AND ADDRESS

**Public Partnerships LLC
148 State Street, Floor 10
Boston, MA 02109-2510**

**FEDERAL I.D. NUMBER: 04-3468852
SAP VENDOR NUMBER: 215082**

Email: mfenton@pcgus.com

AMENDMENT NO. 2

**GRANT AGREEMENT No. 4100061881
FOR
FINANCIAL MANAGEMENT SERVICES**

This Amendment No. 2 to Grant Agreement No. 4100061881 is made _____ this day of _____, 2016, between the COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF HUMAN SERVICES, formerly Department of Public Welfare ("DHS" or "Department"), and PCG PUBLIC PARTNERSHIPS LLC ("Public Partnerships" or "Grantee"), operating at 148 State Street, Tenth Floor, Boston, MA 02109.

WITNESSETH:

WHEREAS, DHS's Office of Long-Term Living ("OLTL") and Office of Developmental Programs ("ODP"), and the Pennsylvania Department of Aging ("PDA"), administer certain home and community based waiver and state-funded programs for eligible individuals; and

WHEREAS, individuals enrolled in Commonwealth administered waiver programs may choose to receive Participant Directed Services ("PDS"); and

WHEREAS, Federal law requires individuals receiving PDS through the Consumer Directed Model to utilize the services of a Vendor Fiscal/Employer Agent ("VF/EA") which serves as a fiscal intermediary and provides Financial Management Services ("FMS") to individuals or their representatives; and

WHEREAS, in accordance with the Commonwealth's established grant policy and procedure, the Commonwealth used a competitive process to select the Grantee to provide FMS to individuals in the Consumer Directed Model of services; and

WHEREAS, the parties entered into Grant Agreement No. 4100061881 for Financial Management Services (the "Agreement"); and

WHEREAS, by re-procuring the required Workers' Compensation coverage for participants' direct care workers, Public Partnership achieved significant cost savings for the Commonwealth; and

WHEREAS, the Commonwealth had agreed to share in its cost savings with Public Partnership, and

WHEREAS, Public Partnership has made certain payroll payments for direct care services to individuals employed by participants but has not received Medical Assistance reimbursement for these payments for reasons outside its control; and

WHEREAS; the Commonwealth has agreed to reimburse Public Partnership for the Medical Assistance claims that should have been paid but were not; and

WHEREAS, the parties wish to amend the Agreement to effectuate their agreements.

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Rider 1 Payment Provisions, as amended, is deleted and replaced with the attached Rider 1A.
2. Except as expressly modified herein, all other terms and conditions of the Grant Agreement remain in effect.

Remainder of page intentionally left blank.

IN WITNESS WHEREOF, the parties hereto have caused this Grant Agreement Amendment to be executed by its duly authorized officials.

GRANTEE

Marc H. Fenton - president - Marc H. Fenton
 SIGNATURE SIGNATURE
 PRINT OR TYPE NAME AND TITLE PRINT OR TYPE NAME AND TITLE

**COMMONWEALTH OF PENNSYLVANIA
 DEPARTMENT OF PUBLIC WELFARE**

[Signature] Program Deputy Secretary *[Signature]* Secretary/Designee
 SIGNATURE SIGNATURE MAR 15 2016

COMPTROLLER – DEPARTMENT OF PUBLIC WELFARE

I hereby certify that funds in the amount shown are available under the Appropriation Symbols shown

AMOUNT	SOURCE	APPROPRIATION SYMBOL	PROGRAM

Sherry Holton 5/2/2016
 SIGNATURE PHHS COMPTROLLER

Approved as to Legality and Form:

Sally A. [Signature]
 OFFICE OF GENERAL COUNSEL DEPARTMENT OF HUMAN SERVICES
 4/14/16

David E. [Signature]
 DEPUTY ATTORNEY GENERAL OFFICE OF ATTORNEY GENERAL
 4/22/16

[Signature]
 DEPUTY GENERAL COUNSEL OFFICE OF GENERAL COUNSEL
 4/15/16

**RIDER 1A
PAYMENT PROVISIONS**

1. Compensation

Subject to the availability of State and Federal funds, DHS will compensate the Grantee for services performed under this Agreement, which includes Lot Nos. 1, 2 and 3 services, in accordance with this Rider 1A, Payment Provisions, in the estimated amount of \$86,398,867.20.

Grantee shall perform all services at the prices quoted in the Agreement, including Attachment C. The Grantee will only be paid for services in the manner provided below. The Grantee will not be allowed or paid travel or per diem expenses.

- a. Payroll Payment. Prior to January 1, 2013, the Department will make payment to the Grantee in the amount of eighteen million dollars (\$18,000,000.00). Grantee shall use these funds to cover the payroll payments to Direct Care Worker ("DCW") for the bi-weekly payroll period that begins on January 1, 2013.

The Department will recoup the entire payroll payment by placing weekly credits of \$900,000.00 on all payments scheduled to be made to the Grantee between February 13, 2013 and June 26, 2013.

- b. Transition fee. The Commonwealth will pay the Grantee a forty-five dollar (\$45.00) transition fee for each participant receiving FMS who is transitioned to Grantee during the transition period, (10/01/2012 – 12/31/2012). For all transferred participants, the Commonwealth will issue a one-time payment to the Grantee following the transition period.
- c. Start-up fee for new FMS participants. Beginning on the effective date of this Agreement and continuing for the entire term of the Agreement, the Commonwealth will pay the Grantee a one-time start-up fee in the amount of two-hundred and seventy-seven dollars (\$277) for all newly eligible FMS participants that enroll to receive FMS from the Grantee. Start-up fees will be paid on a one-time basis for each eligible FMS participant that completed the enrollment process with the Grantee. The start-up fee will only be paid for newly enrolled FMS participants and not for those participants receiving FMS from another provider that are transitioned to the Grantee during the transition period.
- d. Monthly VF/EA Administrative fee. Beginning in October 2012 and continuing for the entire term of this Agreement, the Commonwealth will pay the Grantee a Monthly VF/EA Administrative fee for each enrolled FMS participant at the rates listed in Attachment C to this Agreement. The Grantee may only charge a Monthly VF/EA Administrative fee for a

participant if there is a paid service claim on record on behalf of the participant during the particular month. The Grantee may not charge the Commonwealth a Monthly VF/EA Administrative fee and a Start-up fee for the same participant in the same month.

- (1) Grantee must submit its initial VF/EA claim within 180 days of the date on which the FMS services were rendered and must resubmit any rejected claim within 365 days of the date of service and FMS claims must be submitted in accordance with Department billing and provider agreement requirements as well participants' service plans.
- (2) Grantee is solely responsible for the reconciliation and resubmission of claims for VF/EA services which have been rejected or suspended. Grantee will establish and maintain a process for reconciling and resubmitting any denied or suspended MA claims for VF/EA claims submitted for payment through PROMIS^e™.

e. Medical Assistance ("MA") Reimbursements.

- (1) The Grantee shall submit all MA reimbursement claims for all authorized direct services provided to common law employers through the Provider Reimbursement and Operations Management Information System (PROMIS^e™), the Commonwealth's claims processing and management information system. Grantee must submit claims in the required format and include all necessary and required information, including any additional information required by the Department. Grantee will be paid in accordance with the Interim Payment Process as outlined in the attached Appendix 1 or reimbursed on a bi-weekly basis for Payroll Schedule A/ODP and Payroll Schedule B as exemplified in the attached Appendix 2 (the "Default Payment") for all payments issued per a valid authorization so long as Grantee's claim for payment otherwise conforms to the requirements of this Agreement.
- (2) In accordance with 55 Pa.Code §1101.68, Grantee must submit its initial claims within 180 days of the date on which services were rendered and must resubmit any rejected claim within 365 days of the date of service. Grantee must submit claims in accordance with Department billing and provider agreement requirements as well as participants' service plans.

- (3) Grantee is solely responsible for the reconciliation and resubmission of claims for direct services which have been rejected or suspended. Grantee will establish and maintain a process for reconciling and resubmitting any denied or suspended MA claims for waiver direct care services submitted for payment through PROMIS_eTM, including but not limited to claims related to payments for qualified DCWs, vendors, small unlicensed providers and independent contractors.
- (4) DHS will make a one-time payment of \$2,768,256.20 (comprised of \$578,130.23 related to services for ODP waiver participants and \$2,190,125.97 related to services for OLTL waiver participants) to reimburse Grantee for payroll payments made for direct care services provided in State Fiscal Years ("SFY") 2012-2013 and 2013-2014 made by Grantee but for which it was unable to receive MA reimbursement as provided for under the Agreement. Upon receipt of this payment and except for claims for payments made in excess of maximum bill rates, Grantee will be paid in full for all MA reimbursement owed by DHS for direct care services provided in SFYs 2012-2013 and 2013-2014.

f. Shared Savings Payment. In consideration of the Grantee's efforts to obtain savings for the Department, DHS will make a shared savings payment to Grantee consisting of a base payment of \$90,000 plus a quarterly payment for calendar year 2015. . The Department will calculate the quarterly payment after receipt of the quarterly Wage to Invoice Reports for ODP and OLTL by comparing the Workers' Compensation Insurance value to what the cost would have been under the calendar year 2014 rate of 5%. The Department will not consider report entries with values outside of the rate of 2.8%, plus or minus 0.03% (2.77% to 2.83%) in the calculation. The Department will make a quarterly shared savings payment applicable to quarters one through four of calendar year 2015 equal to 3.5% of the state share of 50% of the calculated difference.

2. For all payments made under this Agreement, DPW shall exempt the Grantee from relevant internal cash management procedures to ensure prompt payment. If, through no fault of the Grantee, DPW does not reimburse Grantee for a previous Payroll Schedule A/ODP or Schedule B prior to the date in which the Grantee is scheduled to make its next payment for that respective Payroll Cycle, DPW shall expedite payment to Grantee for all clean and valid claims adjudicated as paid in PROMIS_eTM at that time. Grantee is not required to make a payment for Payroll Schedule A/OPD or for Payroll Schedule B until it has been reimbursed for all clean and valid claims timely billed for the previous respective Payroll Schedule A/OPD or Payroll Schedule B.

3. Electronic Payment. The Commonwealth will make payments through the Automated Clearing House (ACH) Network. Within ten (10) days of contract award, the Grantee must submit or have already submitted its ACH information within its user profile in the Commonwealth's procurement system (SRM). At the time of submitting

ACH information, the Grantee will also be able to enroll to receive remittance via electronic addenda.

It is the responsibility of the Grantee to ensure that the ACH information contained in SRM is accurate and complete. Failure to maintain accurate and complete information may result in delays in payments.

Appendix 1

Interim Payment Process Schedule: During the period the Interim Payment Process is in effect, the department proposes a process that would project the amount of cash outlay and provide Grantee funding in advance of attendant payroll disbursement. The department will project the payroll amount using PROMISe paid claims. The timelines for each event during the payroll process is described in the following table, with a sample schedule for illustrative purposes showing the schedule for Payroll Schedule A and B for each pay period starting with the first payroll period end date on or after July 6, 2013 for each payroll schedule. Note Payroll Schedule A is inclusive of OLTL & ODP.

Event	Timeline	Payroll Schedule A Period 1	Payroll Schedule B Period 1	Payroll Schedule A Period 2	Payroll Schedule B Period 2
Pay Period Begin	Sunday - 2 weeks following the previous start date	6/30/2013	6/23/2013	7/14/2013	7/7/2013
Pay Period End	2 nd Saturday following the Sunday start date	7/13/2013	7/6/2013	7/27/2013	7/20/2013
Interim Payment Calculation	Note -used DPW's dates which was a range of 5 days ending on the Friday before pay period end date	7/8/2013 – 7/12/2013	7/1/2013 – 7/5/2013	7/22/2013 – 7/26/2013	7/15/2013 – 7/19/2013
Debit Gross Adjustment Entered Into PROMISe	Note- used DPW's date which was the Friday before pay period end date	7/12/2013	7/5/2013	7/26/2013	7/19/2013
Attendant Timesheets Due To PPL	Tuesday following pay period end date	7/16/2013	7/9/2013	7/30/2013	7/23/2013
Credit Gross Adjustment Entered Into PROMISe	Used DPW date which was same as 837 to PROMISe	7/18/2013	7/11/2013	8/1/2013	7/25/2013
837 to PROMISe	Thursday following the timesheet due to PPL date	7/18/2013	7/11/2013	8/1/2013	7/25/2013
Gross Adjustment/Interim Payment Date	2 days (Wed) before payroll disbursement date (Note - Payment Date = payment received by PPL)	7/24/2013	7/17/2013	8/7/2013	7/31/2013
Payroll Disbursement Date	The 2 nd Friday following the timesheet due date	7/26/2013	7/19/2013	8/9/2013	8/2/2013
835 Remittance Advice Date	The Monday following the 837 to PROMISe date	7/22/2013	7/15/2013	8/5/2013	7/29/2013
835 Payment Date	The 2 nd Wednesday following the 835 Remittance Advice Date	7/31/2013	7/24/2013	8/14/2013	8/7/2013

APPENDIX 2

EXEMPLAR DEFAULT PAYMENT SCHEDULE

Event	Timeline	Sample Payroll A	Sample Payroll A
Pay Period Begin	Sunday - 2 weeks following the previous start date	6/30/2013	7/14/2013
Pay Period End	2 nd Saturday following the Sunday start date	7/13/2013	7/27/2013
Attendant Timesheets Due To PPL	Tuesday following pay period end date	7/16/2013	7/30/2013
837 to PROMISe	Thursday following the timesheet due to PPL date	7/18/2013	8/1/2013
Payroll Disbursement Date	The 2 nd Friday following the timesheet due date	7/26/2013	8/9/2013
835 Remittance Advice Date	The Monday following the 837 to PROMISe date	7/22/2013	8/5/2013
835 Payment Date	The 2 nd Wednesday following the 835 Remittance Advice Date	7/31/2013	8/14/2013

