THIS AMENDMENT is made and entered into by and between the Interagency Behavioral Health Purchasing Collaborative (“Collaborative”), and ValueOptions of New Mexico, the Statewide Entity (“SE”), as CONTRACTOR.

IT IS MUTUALLY AGREED BETWEEN THE PARTIES:

1. **Article 2 – Scope of Work - Section 2.3, Subsection m, first paragraph** is amended to revise the parenthetical citation from Appendix E to Appendix 2.3m and shall read:

   The Contractor shall be accountable for the achievement of the performance indicators as identified by the Collaborative (Appendix 2.3m). Failure to achieve performance measure will result in penalties.

2. **Article 2 – Scope of Work - Section 2.6** is amended to add subsection 1 which shall read:

   1. The development of a plan for moving toward a uniform system of service rates and payment mechanisms across Collaborative funding streams.

      1. The SE shall work with Collaborative staff, as appropriate, in the development of their plan.

      2. The SE shall present their proposed plan to the Collaborative for review and approval prior to implementation.

      3. The SE shall include in their plan the changes that will need to be made to their fiscal and claims payment systems to implement their plan.

      4. The SE shall include in their plan how they will provide support and training to providers that may be necessary in making the transition to the system outlined in their plan.

3. **Article 2 – Scope of Work** is also amended to add Sections 2, Subsections 14 and 15 which shall read:

   14. The SE shall pursue Fee for Service Medicaid allowed drug rebates, including performing dispute resolution on drug rebates, and refund rebate amounts to HSD/MAD, including cooperating with HSD/MAD in negotiating supplemental drug rebates with
manufacturers. By the 25th day following the close of the quarter, the SE shall disclose all rebate amounts to HSD/MAD. The SE shall pursue rebates with similar aggressiveness and thoroughness as rebates are pursued in their commercial line of business.

Within 30 days of issuing the invoices to the manufacturer for the rebates, the SE shall remit to the Department the amount equal to the rebate invoices unless the manufacturer is disputing the invoiced amount.

Interest shall begin to accrue 38 days after the date of the invoice. The interest amount will be calculated by the SE and reimbursed to the Human Services Department. The rate on interest shall be calculated based on the average Treasury bill rate as provided by CMS.

At any time and upon written notice to the SE, the Department shall have the option of conducting the rebate process and collecting the rebate amounts directly according to CMS drug rebate requirements and principles.

15. Effective January 1, 2006, the SE shall use information provided by the Department indicating recipients who are eligible for Medicare Part D. When a recipient is eligible for Medicare Part D, the SE shall not reimburse providers for any drug item that is included in the coverage of Medicare Part D.

The SE shall continue to cover drug items that are excluded by Medicare Part D and over-the-counter items to the extent they are covered for other Medicaid populations under the contract.

The SE shall not be required to pay any amount toward a recipient co-payment or a drug item paid by Medicare Part D.

4. **Article 2 – Scope of Work, Section 2.4, Subsection f** is amended to add Paragraph 4 which shall read:

Female Residential Treatment Unit – A treatment unit with gender-specific programming for adolescent girls who have a history of high acuity mental/behavioral health issues, including but not limited to histories of violent and psychotic behaviors.

5. **Article 3 – Compensation and Payment, Section 3.4, Subsection c** is amended to read:

For the Medicaid Coordinated Fee-for-Service program, HSD/MAD shall make payment to the SE of an administrative fee of $5.00 per month for each fee-for-service recipient, plus reimbursement for claims by the SE to behavioral health providers.

The administrative fee shall include payment for activities associated with the CFFS program under the previous funding mechanism. This includes: care coordination,
utilization management, provider enrollment, and network maintenance, grievance and appeals, and claims processing. The administrative fee will also include the costs of administering the CFFS drug rebate program on the behalf of the Department.

The SE is responsible for the payment of all CFFS claims. Once data have been submitted to the Department satisfactorily, demonstrating payment or intent to pay (adjudication), the Department will reimburse the SE for the total amount of those payments.

The SE will pay all claims for Assertive Community Treatment (ACT) rendered on behalf of Medicaid-eligible individuals. Both CFFS and Medicaid Managed Care ACT claims will be included in claims/encounter data submitted to the Department for reimbursement. Reimbursement will be at the Medicaid FFS rate.

6. **Article 6 - Enforcement, Section 6.1b, Number 6** is amended to revise the parenthetical citation from Appendix 6.1b.6 to Appendix 2.3m and shall read:

Failure to meet Performance Measures will result in an assessed penalty based upon five percent (5%) of total dollars divided by the prorated number of measures that were not met (Appendix 2.3m).

7. **Article 18 – Records and Audit, Section 18.2 – Other Records** is amended to replace the citation reference to Article 11 with Article 8 and shall read:

The addition, the SE shall retain all recipient medical records, collected data, and other information subject to the Collaborative, State and Federal reporting or monitoring requirements for ten (10) years after the contract is terminated under any provisions of Article 8 of this Agreement or ten (10) years after any pending audit is completed and resolved, whichever is later. These records shall be subject to inspection by the Collaborative, the Department of Finance and Administration and/or any authorized State or Federal entity. Payment under this Agreement shall not foreclose the right of the Collaborative to recover excessive or illegal payments as well as interest, attorney fees and costs incurred in such recovery.

8. **A new article titled, Debarment and Suspension, is added as Article 39** and shall read:

39.1 Pursuant to 45 C.F.R. Part 76, the CONTRACTOR certifies by signing this Agreement, that it and its principals, to the best of its knowledge and belief: (1) are not debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal department or agency; (2) have not, within a three-year period preceding the effective date of this Agreement, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or
destruction of records, making false statements, tax evasion, or receiving stolen property; (3) have not been indicted for, or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with, commission of any of the offenses enumerated above in this Article 39.1; (4) have not, within a three-year period preceding the effective date of this Agreement, had one or more public agreements or transactions (Federal, State or local) terminated for cause or default; and (5) have not been excluded from participation from Medicare, Medicaid or other federal health care programs pursuant to Title XI of the Social Security Act, 42 U.S.C. § 1320a-7.

39.2 The CONTRACTOR’S certification in Article 39.1 is a material representation of fact upon which the DEPARTMENT relied when this Agreement was entered into by the parties. The CONTRACTOR shall provide immediate written notice to DEPARTMENT’S Contract Administrator if, at any time during the term of this Agreement, the CONTRACTOR learns that its certification in Article 39.1 was erroneous on the effective date of this Agreement or has become erroneous by reason of new or changed circumstances. If it is later determined that the CONTRACTOR’S certification in Article 39.1 was erroneous on the effective date of this Agreement or has become erroneous by reason of new or changed circumstances, in addition to other remedies available to HSD, HSD may terminate the Agreement.

39.3 As required by 45 C.F.R. Part 76, the CONTRACTOR shall require each proposed first-tier subcontractor whose subcontract will equal or exceed $25,000, to disclose to the CONTRACTOR, in writing, whether as of the time of award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by any Federal department or agency. The CONTRACTOR shall make such disclosures available to the DEPARTMENT when it requests subcontractor approval from the DEPARTMENT pursuant to Article 15. If the subcontractor, or its principals, is debarred, suspended, or proposed for debarment by any Federal department or agency, the DEPARTMENT may refuse to approve the use of the subcontractor.

9. **Appendix 2.4 d - Section I - Access –Subsection E - Linkage with Criminal Justice System & Department of Corrections**, is amended to add the following paragraph:

The CONTRACTOR shall maintain a contract with the Transitional Reporting Center Program in Espanola to provide treatment and referral services to probationers/parolees assigned to the New Mexico Corrections Department (NMCD) Parole and Probation Department. The CONTRACTOR shall provide $40,000 for these services.

10. **Appendix 2.4 d - Section II – Continuum of Care - , Subsection A -** is amended to add paragraphs 1, 2 and 3 and shall read:

A. The Contractor shall manage its Network in compliance with the BHSD Policy Manual and its Appendices. This shall include use of American Society of Addiction Medicine (ASAM) levels of care as well as any nationally acceptable criteria for
admission, continuation and discharge of persons with mental illness or Co-Occurring Disorders.

1. The CONTRACTOR shall increase alcohol and substance abuse treatment services in Talpa, New Mexico. The CONTRACTOR shall identify a community provider and submit a description of services, projected number of persons to be served and target dates for implementation of these services. All services shall meet criteria as established in Articles 1 through 9 of Appendix 2.4.d. of this contract. The CONTRACTOR shall provide $33,250 for these services.

2. The CONTRACTOR shall increase outpatient substance abuse programming in Taos, Colfax and Union counties. The CONTRACTOR shall identify a community provider and submit a description of the services, projected number of persons to be served and target dates for implementation of these services. All services shall meet criteria as established in Articles 1 through 9 of Appendix 2.4.d. of this contract. The CONTRACTOR shall provide $9,500 for these services.

3. The CONTRACTOR shall increase direct Behavioral Health services provided by DOH providers. Distribution of these funds is at the discretion of the CONTRACTOR. The CONTRACTOR shall provide $43,625 for these services.

11. Appendix 2.4.d – Section II - Continuum of Care, Subsection B – Jail Diversion through Local Forensic Network, letter d, is amended to read:

d. The Contractor shall reimburse professional and service contractors within thirty (30) days of receipt of the request for reimbursement. The Contractor shall reimburse the LFN’s for services approved under the 06 Annual Action Plan and Budget. Projects amounts are approved as follows:

<table>
<thead>
<tr>
<th>Project</th>
<th>Project Amount</th>
<th>Administration</th>
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<tr>
<td>FIC-DAC (NAMI)</td>
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<tr>
<td>FIC (UNM)</td>
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</table>

12. Appendix 2.4d – Section II – Continuum of Care – Subsection B - Jail Diversion through Local Forensic Network, is amended to add Paragraph Number 4 as follows:

4. Forensic Interagency Network

a. The state-wide Forensic Interagency Network (FIN) is a state wide collaborative process which provides to persons with severe mental illness early identification, jail diversion and psychiatric treatment at the least restrictive appropriate level. The process created by the state-wide FIN will provide those who have been institutionalized continued treatment after release.
b. The CONTRACTOR shall act as fiscal agent for the Statewide Forensic Interagency Network and the Statewide FIN’s Executive Director contract.

c. The CONTRACTOR’s specific duties as the Statewide FIN fiscal agency include and are limited to the following:

1. The CONTRACTOR shall within thirty (30) days of receipt of Statewide FIN's written directive, formulate service contracts with the Statewide FIN approved entities, utilizing and/or statewide-FIN approved contractual language, for state-wide FIN approved sums.

2. The CONTRACTOR shall submit a Request for Payment to the DEPARTMENT no later than five (5) working days after receipt of a state-wide FIN service contractor or state-wide Executive Director’s request for reimbursement.

3. The CONTRACTOR shall reimburse state-wide FIN’s service contractors and Executive Directors within five (5) working days of receipt of payment from the DEPARTMENT.

4. The CONTRACTOR shall submit to the state-wide FIN chairperson and to the DEPARTMENT no later than the eighth (8th) day of each month a written report which shall include but is not limited to: service contract updates which address timely contract issuing, timely contractor reimbursement and service contract budget reconciliation.

5. The CONTRACTOR shall, only upon the request of state-wide FIN, send a representative to FIN meetings.

6. The CONTRACTOR shall submit to the DEPARTMENT, no later than the eighth (8th) day of each month, copies of state-wide FIN’s directives, and all materials submitted by the CONTRACTOR to the state-wide FIN.

7. The CONTRACTOR shall provide $27,163 for services and $2,716 for fiscal agent services, for a project total of $29,879.

13. Appendix 2.4 d, Section II – Continuum of Care, Part E – Evidence-Based Practices, Subpart 4 is amended to add Paragraph e which shall read:

e. The CONTRACTOR shall contract with the Albuquerque Supportive Housing Coalition for approved supportive housing projects. The DEPARTMENT shall notify the CONTRACTOR of approved supportive housing projects for release of funds in writing. The CONTRACTOR shall provide $50,000 for these projects.

14. Appendix 2.4 d, Section II – Continuum of Care , Part E – Evidence-Based Practices, is further amended to add Subparts 5 and 6 which shall read:
5. The CONTRACTOR shall implement a pilot Assertive Community Treatment (ACT) service in Dona Ana County for persons with co-occurring disorders (SA/MI) as developed in partnership with Department of Health/Behavioral Health Services Division. The CONTRACTOR shall develop an ACT Service Plan for the community, which shall include identification of ACT provider, a description of the service model to be utilized, projected number of persons to be served and target dates for implementation. The CONTRACTOR shall develop outcome and evaluation measures for project in conjunction with DOH/BHSD. All services shall meet criteria as established in Articles 1 through 9 of Appendix 2.4.d of this contract. The CONTRACTOR shall provide $323,000 in funds for Dona Ana ACT services.

6. The CONTRACTOR shall maintain a contract with TOTAH in Farmington and surrounding areas for detox and behavioral health care services. The CONTRACTOR shall submit a description of the services, projected number of persons to be served and target dates for implementation of these services. All services shall meet criteria as established in Articles 1 through 9 of Appendix 2.4.d. of this contract. The CONTRACTOR shall provide $190,000 for these services.

15. **Appendix 2.4.d - Section II – Continuum of Care** is amended to add Part J and K which shall read:

J. Sexual Assault Services

1. The CONTRACTOR shall increase the contract for sexual assault services with La Pinon Sexual Assault Recovery Services of Southern New Mexico for direct services to sexual assault victims. The CONTRACTOR shall increase La Pinon’s FY06 target numbers of consumers to be served to reflect this increase in funding. The CONTRACTOR shall provide $50,000 for these additional services.

2. The CONTRACTOR shall increase the contract with the Santa Fe Rape Crisis Center for the following services:
   a. The subcontractor (Santa Fe Rape Crisis Center) shall provide professional consultation to the DOH funded providers in Region 2 and their Clinical Directors as needed to serve victims of sexual assault. This professional consultation shall be provided by a licensed behavioral health practitioner.
   b. The subcontractor shall provide two Region specific trainings to the Region 2 Sexual Assault Coordinators. The subcontractor shall submit a copy of the following for each training: training agenda, curriculum, list of attendees, and training evaluations.
   c. The subcontractor shall provide professional consultation to the DOH funded providers in Region 2 as identified by the individual providers or their Clinical Directors. The subcontractor shall provide quarterly reports to the contractor. These reports shall include but not be limited to the following: date consultation provided, by whom and to whom; and the specifics of the consultation provided. These reports shall be forwarded to the State by the 30th day following the end of the quarter.
d. The contractor shall oversee and monitor use of these funds and set target numbers for these services.
e. The CONTRACTOR shall provide $50,000 for these additional services.

K. Supported Employment Initiative

1. Employment services are designed for individuals for whom competitive employment: has not traditionally occurred, has been interrupted or intermittent as a result of a severe disability and who, because of the nature and severity of their disability, need intensive employment services in order to perform work. Mental Health Resources, Inc., was selected as the awardee for $47,750 for specialized Competitive Employment Services, which will enable consumers to obtain and retain employment positions in their communities and/or be engaged in supported employment. The focus is on quick job placement and earning the minimum federal wage or better.

2. The CONTRACTOR shall ensure that Mental Health Resources will comply with the following:

   a. Utilization of the following best practice and/or science-based models:
      • The Boston University Recovery Model;
      • The Vocational Assessment Profile (VAP); and
      • Individual Placement and Support (IPS)

   b. Program submission of monthly data in the format prescribed.

   c. The following performance goals shall be evaluated:
      • continuous monthly employment as documented by each participant;
      • each consumer is provided access to a benefits counselor and,
      • demonstration that 45 consumers were successfully employed by June 30, 2007.

   d. The CONTRACTOR shall ensure that Mental Health Resources conducts an annual IPS self-assessment survey

   e. The CONTRACTOR shall ensure that Mental Health Resources accesses other funding sources, which may include the Division of Vocational Rehabilitation (DVR), the Department of Labor (DOL), and the Human Services Department (HSD) for Category 043 (Medicaid Buy-In Program).

   f. The CONTRACTOR shall ensure that Mental Health Resources establishes a local partnership with the local Department of Labor in each county and with the local field offices of the New Mexico Human Services Department.

   g. The CONTRACTOR shall ensure that Mental Health Resources demonstrates a 5% increase in employed consumers over the previous year’s target.

3. The CONTRACTOR shall ensure that Mental Health Resources provides a monthly progress report describing their efforts in achieving the above items.

4. The CONTRACTOR shall ensure that Mental Health Resources provides an annual summary report that identifies their success in placing a minimum of 45 consumers in competitive job positions. Items to be included in the report are: length of employment, status of employment, salary at the start of the position, number of hours worked weekly, current salary and identification of employee benefits, if any.
5. The CONTRACTOR shall ensure that Mental Health Resources reaches a target figure of 80, unduplicated count, consumers engaged in employment by the end of Fiscal Year 06.

16. **Appendix 3.7 is amended as follows:**

APPENDIX 3.7 – shall be titled COLLABORATIVE FUNDING

Appendix 3.7 – Changes in Capitation Rates, Number 1, paragraphs a and b are amended to read:

a. Any changes to the managed care rates shall be actuarially sound and negotiated and implemented pursuant to Articles 36 (Contract Modification) and 35 (Amendments) of this Agreement.

b. Any changes to the fee-for-service rates shall be negotiated and implemented pursuant to Articles 36 (Contract Modification) and 35 (Amendments) of this Agreement.

Appendix 3.7 – Changes in Capitation Rates, Number 2, is amended to read as follows:

2. HSD/MAD shall compensate the CONTRACTOR for work performed under this Agreement at the rates described in Article 3 and in this Appendix.

Appendix 3.7 – Procedures, Number 3, is amended to read:

3. HSD/MAD shall have the discretion to recoup payments made for members who die prior to the enrollment month for which payment was made; and/or payments for members whom HSD/MAD later determines were not eligible for Medicaid during the enrollment month for which payment was made. HSD/MAD will recoup any duplicate payments made to the SE upon identification of either the HSD/MAD the SE or any other source. To allow for claim submission lags, HSD/MAD will not request a payment recoupment until 120 days has elapsed from the date of which the enrollment/claims payment error was made. In the event of an error, which causes payment(s) to the CONTRACTOR to be issued by HSD/MAD, the CONTRACTOR shall reimburse HSD/MAD within thirty (30) days of written notice of such error for the full amount of the payment, subject to the provision of Article 5, TERM AND LIMITATION OF COST of the agreement. Interest shall accrue at the statutory rate on any amounts not paid and determined to be due after the thirtieth (30) day following the notice. Any process that automates the recoupment procedures will be mutually agreed upon in advance by HSD/MAD and the CONTRACTOR and documented in writing, prior to implementation of a new automated recoupment process. The CONTRACTOR has the right to dispute any recoupment requests in accordance with Article 23.
Appendix 3.7 – CYFD Funding to Purchasing Collaborative is amended to read:

**CYFD Funding To Purchasing Collaborative**

(Based on FY 05 budget; FY 06 funds are contingent on legislative appropriations.)

State general fund for children’s behavioral health services $5,907,894

State general fund for Wraparound Service Agreements $1,053,000

State general fund for Substance Abuse Special Initiative $105,000

Federal Block Grant – MST services for non-Medicaid eligible youth $172,000

And non-managed care (fee for service) Medicaid eligible youth

**Subtotal: Direct CYFD funding to Collaborative** $7,237,894

CYFD state general fund in DOH budget for School Mental Health Initiative $117,000

To 4 Exemplary School-Based Health Centers

**Total to Collaborative from CYFD funds – direct and indirect** $7,089,130

17. **The Table MEDICAID RATES Confidential: Separate Attachments A and B** is amended by changing the title of this Table to:

   Appendix 2.3 m, Performance and Outcome Measures

18. **The newly titled Appendix 2.3 m, Performance and Outcome Measures, Discharge Follow-Up 7 Days,** is amended as follows:

   Benchmark/Standard is amended to read:

   60 percent or more of individuals discharged from psychiatric inpatient facilities receive follow-up services within seven days of discharge from an inpatient facility.

19. **The newly titled Appendix 2.3 m, Performance and Outcome Measures, Discharge Follow-Up 30 Days,** is amended as follows:

   Benchmark/Standard is amended to read:

   90 percent or more of individuals discharged from psychiatric inpatient facilities receive follow-up services within seven days of discharge from an inpatient facility.
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of execution by the State Contracts Officer, below.

VALUE OPTIONS OF NEW MEXICO, INC.

_____________________________________  Date:________________________

Title: ________________________________

STATE OF NEW MEXICO

Approved as to Form and Legal sufficiency:

____________________________________   Date:_______________________

Counsel for the Collaborative

TAXATION AND REVENUE DEPARTMENT

The records of the Taxation and Revenue Department reflect that the CONTRACTOR is registered with the Taxation and Revenue Department of the State of New Mexico to pay gross Receipts and compensating taxes.

ID Number: ___02-235043-008_______________

By___________________________________  Date: _____________________

DEPARTMENT OF FINANCE AND ADMINISTRATION

By: ___________________________________  Date: _____________________

State Contracts Officer
IN WITNESS WHEREOF, the following statutory members of the Behavioral Health Purchasing Collaborative have executed this Agreement on the behalf of their respective agencies and organizations only to the extent of their statutory authority as members of the Behavioral Health Purchasing Collaborative.

Dorian Dodson, Secretary Designate
Children, Youth and Families Department

Date

Michelle Lujan Grisham, Secretary
Department of Health

Date

Pamela S. Hyde, Secretary
Human Services Department

Date