

**FIRST MODIFICATION TO
AUDIT SERVICES FOR STATE EMPLOYEE
AND RETIREE BENEFITS PROGRAM CONTRACT**

**CATEGORY 1- MEDICAL BENEFIT PLAN AUDITS
CATEGORY 3- MENTAL HEALTH/SUBSTANCE ABUSE BENEFIT PLAN AUDITS, AND
CATEGORY 4-PRESCRIPTION DRUG BENEFIT PLAN AUDITS**

This Modification (the "Modification") is made this 27th day of October, 2011, by and between the MARYLAND DEPARTMENT OF BUDGET AND MANAGEMENT (the "Department") and Thomson Reuters (Healthcare) Inc. (hereinafter referred to "Contractor").

WHEREAS, on December 20, 2010, the Department entered into a contract to provide Audit Services for the State of Maryland (the "Services") with Contractor (the "Contract") pursuant to Request For Proposals for Audit Services for Employee and Retiree Benefits Program , Project No. F10B0400010 dated April 26, 2010, as amended (the "RFP"); and

WHEREAS, the Department and Contractor desire to modify the Contract so that Contractor can successfully continue to perform the Services; and

WHEREAS, this Modification affects only CATEGORY 1- MEDICAL BENEFIT PLAN AUDITS.

NOW, THEREFORE, in consideration of the Recitals which are hereby made a substantive part hereof, and the mutual promises and covenants herein contained, the receipt and sufficiency of which are hereby acknowledged, the Department and Contractor hereby mutually agree to the change below.

1. RFP section 3.7.3 is amended as follows, with new language double-underlined below to identify the changes:

3.7.3 Invoice Timing and Procedure

A. An invoice may not be submitted by the Contractor until the Contract Manager (or a designee) has accepted that the applicable Milestone has been successfully completed or achieved. Prior to the submission of an invoice, the Contractor shall submit a written notice to the Contract Manager that the Milestone has been completed. Such notice shall include at a minimum:

- Identification of Milestone;
- An expenditures report or detailed billing report that provides a description of the work performed toward completion of the Milestone and identification of the person performing the work; and
- Certification from an authorized representative of the Contractor that the work has been completely performed as described in the expenditures or detailed billing report. This individual should be the same person who signs invoices submitted to the Department and should be authorized to bind the Contractor to the certification of the work.

B. Milestones for each audit cycle. The Contractor will be paid progress payments based upon successful completion of the following Milestones for each Audit Category during the course of the audit process:

1. Planning and Preparation for On-Site reviews
2. On-Site Reviews
3. Development and Delivery of Draft Audit Report
4. Audit TPA Meetings to discuss Draft Audit Report
5. Final Audit Report

For audits of Category 1-Medical Benefits Plans, Contractor may present a prorated invoice upon completion of each individual TPA being audited.

C. Task Orders (Optional Services). In connection with any Optional Services that are billed on a fixed-rate hourly basis (See Section 3.5), the Contractor shall bill for the hours completed in the prior month. When all work under a Task Order (for optional services) has been completed and accepted, the Contractor may submit an invoice to recover retained amounts in connection with the Task Order.


2. **Scope of Modification.** This Modification amends the Contract as described herein. Except as specifically revised by the terms of this First Modification, all of the terms of the Contract shall remain in full force and effect and are hereby ratified and confirmed.

IN WITNESS THEREOF, the parties have executed this First Modification as of the date hereinabove set forth.


CONTRACTOR:
Thomson Reuters (Healthcare) Inc.

By: 
Emily Twanmo
V.P. Client Services
10/31/2011


Date


Witness/Attest


STATE:
Maryland Department of Budget
and Management

By: 
Procurement Officer
11/7/2011

Date


Witness

Approved for form and legal
Sufficiency this 7th day
of November 2011.


Assistant Attorney General