

CONTRACT AMENDMENT NO. 1

Original Contract Routing Number 2016000000000002089

1. PARTIES

This Amendment to the above-referenced Original Contract (hereinafter called the "Contract") is entered into by and between Magellan Medicaid Administration, Inc. (Magellan), 11013 W. Broad Street, Suite 500, Glen Allen, VA 23060, (hereinafter called "Contractor"), and the STATE OF COLORADO, acting by and through the Department of Health Care Policy and Financing, 1570 Grant Street, Denver, Colorado 80203 (hereinafter called "Department" or "State").

2. EFFECTIVE DATE AND ENFORCEABILITY

This Amendment shall not be effective or enforceable until it is approved and signed by the Colorado State Controller or designee (hereinafter called the "Effective Date.") The Department shall not be liable to pay or reimburse Contractor for any performance hereunder, including, but not limited to, costs or expenses incurred, or be bound by any provision hereof prior to the Effective Date.

3. FACTUAL RECITALS

The Parties entered into the Contract to develop and install the Pharmacy Benefits Management System (PBMS) and to provide services related to the PBMS. The purpose of this Amendment is to revise payment structure related for State Fiscal Year 2016-17 due to the postponement of Go-Live.

4. CONSIDERATION

The Parties acknowledge that the mutual promises and covenants contained herein and other good and valuable consideration are sufficient and adequate to support this Amendment.

5. LIMITS OF EFFECT

This Amendment is incorporated by reference into the Contract, and the Contract and all prior amendments thereto, if any, remain in full force and effect except as specifically modified herein.

6. MODIFICATIONS

The Contract and all prior amendments thereto, if any, are modified as follows:

A. Section 7, PAYMENTS TO CONTRACTOR, subsection A. Maximum Amount, is hereby deleted in its entirety and replaced with the following:

A. Maximum Amount

The maximum amount payable under this Contract to Contractor by the State is shown in the following table, as determined by the State from available funds. Payments to Contractor are limited to the unpaid obligated balance of the Contract at the rates set forth in **Exhibit E, Compensation and Quality Maintenance Payments**. The maximum amount payable by the State to Contractor is:

State Fiscal Year 2015-16	\$4,909,615.35
State Fiscal Year 2016-17	\$4,741,950.65
State Fiscal Year 2017-18	\$3,165,000.00
State Fiscal Year 2018-19	\$2,925,000.00
State Fiscal Year 2019-20	\$2,925,000.00
State Fiscal Year 2020-21	\$2,925,000.00
State Fiscal Year 2021-22	\$2,925,000.00
State Fiscal Year 2022-23	\$2,925,000.00
State Fiscal Year 2023-24	\$925,000.00
Total for All State Fiscal Years	\$28,366,566.00

The State Fiscal Year amounts in the table in this section are based on State appropriations. Based on the timing of the invoicing and payment, the Contractor may receive amounts paid in a different State Fiscal Year than when the amounts were actually earned by the Contractor. Any changes to the maximum amount payable under the Contract or Quality Maintenance Payments Specified in Exhibit E, shall require a formal written amendment, in accordance with State Fiscal Rules and State Controller Policies and Guidelines.

B. Exhibit E, COMPENSATION AND QUALITY MAINTENANCE PAYMENTS, Section 1.1.1.1., is hereby deleted in its entirety and replaced with the following:

1.1.1.1. Monthly Contract Stage Payment Table:

Contract Stage	Monthly Contract Stage Payment Amount*	Maximum Number of Monthly Payments	Stage Maximum Payment Amount*
PBMS Implementation Contract Stage	\$553,846.15 every month except October (11 payments) \$478,846.15 due for October 2015 and October 2016 (2 payments)	13	\$7,049,999.95
PBMS Implementation Contract Stage DDI One-Time November 1, 2016 – November 30, 2016	\$279,390.00	1	\$279,390.00
PBMS Modified Ongoing Operations (including	\$190,544.00	4	\$762,176.00

\$30,000.00/month for Call Center Staff) November 1, 2016 – February 28, 2017			
PBMS Ongoing Operations and Enhancement Contract Stage – Year 1 (SFY2016-17) March 1, 2017 – June 30, 2017	\$237,500.00	4	\$950,000.00
PBMS Ongoing Operations and Enhancement Contract Stage – Year 2 (SFY2017-18)	\$237,500.00 every month except October (11 payments) \$162,500.00 due for October 2017 (1 payment)	12	\$2,775,000.00
PBMS Ongoing Operations and Enhancement Contract Stage – Year 3 (SFY2018-19)	\$237,500.00 every month except October (11 payments) \$162,500.00 due for October 2018 (1 payment)	12	\$2,775,000.00
PBMS Ongoing Operations and Enhancement Contract Stage – Year 4 (SFY2019-20)	\$237,500.00 every month except October (11 payments) \$162,500.00 due for October 2019 (1 payment)	12	\$2,775,000.00
PBMS Ongoing Operations and Enhancement Contract Stage – Year 5 (SFY2020-21)	\$237,500.00 every month except October (11 payments) \$162,500.00 due for October 2020 (1 payment)	12	\$2,775,000.00
PBMS Ongoing Operations and Enhancement Contract Stage – Year 6 (SFY2021-22)	\$237,500.00 every month except October (11 payments) \$162,500.00 due for October 2021 (1 payment)	12	\$2,775,000.00
PBMS Ongoing Operations and Enhancement Contract Stage – Year 7 (SFY2022-23)	\$237,500.00 every month except October (11 payments) \$162,500.00 due for October 2022 (1 payment)	12	\$2,775,000.00

PBMS Ongoing Operations and Enhancement Contract Stage – Year 8 (SFY2023-24)	\$237,500.00 every month except October (3 payments) \$162,500.00 due for October 2023 (1 payment)	4	\$875,000.00
*Does not include Quality Maintenance Payment or postage. Includes reduction of \$75,000.00 each October as described in Exhibit E, Section 1.1.1.2.4			

7. START DATE

This Amendment shall take effect on its Effective Date.

8. ORDER OF PRECEDENCE

Except for the Special Provisions and the HIPAA Business Associates Addendum, in the event of any conflict, inconsistency, variance, or contradiction between the provisions of this Amendment and any of the provisions of the Contract, the provisions of this Amendment shall in all respects supersede, govern, and control. The most recent version of the Special Provisions incorporated into the Contract or any amendment shall always control other provisions in the Contract or any amendments.

9. AVAILABLE FUNDS

Financial obligations of the state payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, or otherwise made available to the Department by the federal government, state government and/or grantor.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

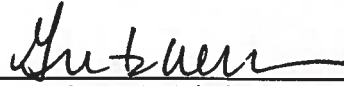
THE PARTIES HERETO HAVE EXECUTED THIS AMENDMENT

Persons signing for Contractor hereby swear and affirm that they are authorized to act on Contractor's behalf and acknowledge that the State is relying on their representations to that effect.

CONTRACTOR:
Magellan Medicaid Administration, Inc.

STATE OF COLORADO:
John W. Hickenlooper, Governor

By: 
Signature of Authorized Officer

By: 
Susan E. Birch, MBA, BSN, RN
Executive Director
Department of Health Care Policy and
Financing

Date: 12/22/2016

Date: 12/29/16

Gregory S. Kaupp
Printed Name of Authorized Officer

LEGAL REVIEW:
Cynthia H. Coffman, Attorney General

SVP, General Manager-Government Markets
Printed Title of Authorized Officer

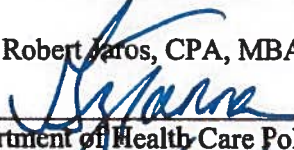
By: _____
Date: _____

ALL CONTRACTS REQUIRE APPROVAL BY THE STATE CONTROLLER

CRS §24-30-202 requires the State Controller to approve all State Contracts. This Contract is not valid until signed and dated below by the State Controller or delegate. Contractor is not authorized to begin performance until such time. If Contractor begins performing prior thereto, the State of Colorado is not obligated to pay Contractor for such performance or for any goods and/or services provided hereunder.

STATE CONTROLLER:

Robert Jaros, CPA, MBA, JD

By: 
Department of Health Care Policy and Financing

Date: 12/29/16

