

Contract # 7891
Change #

I. GENERAL INFORMATION

Agency/Department: AHS/Department of Corrections
Contractor: Prison Health Services, Inc.
Address: 105 Westpark Drive, Suite 200, Brentwood, TN 37027
Fed. ID or Social Security #: 23-2108853
VT Dept of Taxes Business Acct #: F-26619 (if required by law)
Start Date: February 1, 2005 End Date: January 31, 2008
Summary of contract or amendment: Inmate Health Services

II. FINANCIAL INFORMATION

Maximum amt. payable under contract : \$ 29,534,793.00 If renewal prior contract #
If amendment, amount of change: Prior Maximum Amount:
Rate: Prior Rate:
Source of Funds: Gen. Fund 100% Fed. Source % Other % Source
Finance Codes (Appropriation and AID #): 3480004010
Vendor Number: 182150

III. SUITABILITY OF PERSONAL SERVICES CONTRACT

Yes No Does this contract include any supplies, materials, parts or commodities?
 Yes No Does this contractor meet all three parts of the "ABC" definition of independent contractor?
(See Bulletin 3.5). If not, please indicate why this work is being arranged through a contract.
 Yes No Is agency liable for income tax withholding or F.I.C.A.?
 Yes No Should contractor be paid on the state payroll?

IV. PUBLIC COMPETITION

The agency has taken reasonable steps to control the price of the contract and to allow qualified businesses to compete for the work authorized by this contract. The agency has done this through:
 Formal bid or RFP Simplified bid process Other process (explain)
EBB #: CO137 Renewal #:

V. CONFLICT OF INTEREST

I certify that no person able to control or influence award of this contract had a pecuniary interest in its award or performance, either personally or through a member of his or her household, family, or business.
 Yes No Is there an "appearance" of a conflict of interest so that a reasonable person may conclude that this contractor was selected for improper reasons? (If yes, explain)

VI. PAYMENT VERIFICATION

Yes No I want the Financial Operations Division to verify that payments under this contract agree with its payment provisions. If I check "NO", I understand that my agency must insure that payments made are in accordance with the provisions of the contract.

VII. PRIOR APPROVALS REQUIRED OR REQUESTED

Yes No This contract must be approved by the Attorney General under 3 VSA § 311(a)(10) (over \$10,000)
(Yes No Already performed by in-house A.A.G.?)
 Yes No I request the Attorney General to review this contract as to form.
(Yes No Already performed by in-house A.A.G.?)
 Yes No This contract must be approved by the Secretary of Administration.

VIII. AGENCY HEAD CERTIFICATION

I have made reasonable inquiry as to the accuracy of the above information.

12/13/04 *[Signature]*
Date Agency of Department Head

12/14/04 *[Signature]*
Date Approval by Attorney General as to form under 3 VSA § 311(a)(10)

1/5/05 *[Signature]*
Date Approval by Secretary of Administration

[Handwritten notes]
w/attached memo
and amendments
RECEIVED DEC 21 2004
12/17/05

Contract # 7891

Change # 1

Contractor: Prison Health Services, Inc.

Agency: Department of Corrections

This contract is amended only as follows:

The following is added at the end of section II. (W), Pharmaceuticals:

"The State will cause a financial plan and design performance audit to be conducted relative to pharmaceuticals. Said audit will be conducted on or about June 30, 2005. If in the determination of the State, savings can be achieved relative to pharmaceuticals, the State will take the pharmaceutical portion of this contract to bid and reserves the right commencing January 1, 2006 to obtain pharmaceutical products and services from a different provider. In the event that the State opts to obtain pharmaceuticals from a different provider, all other terms of this contract shall remain in effect."

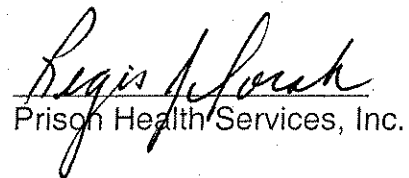
We the undersigned agree to be bound by this amendment.

State of Vermont



Steven M. Gold, Commissioner

Contractor



Regina J. Lynch
Prison Health Services, Inc.

STATE OF VERMONT
STANDARD CONTRACT FOR PERSONAL SERVICES

REV DATE 8/10/95
Contract # 7891
Change #

1. Parties This is a contract for personal services between the State of Vermont, Department of Corrections (hereafter called "State"), and Prison Health Services, Inc. , with principal place of business in Brentwood, Tennessee, (hereafter called "Contractor"). Contractor's form of business organization is a corporation. Contractor is required by law to have a Business Account Number from the Vermont Department of Taxes. Account Number is F-26619.

2. Subject Matter The subject matter of this contract is personal services generally on the subject of health care to inmates. Detailed services to be provided by the Contractor are described in Attachment A.

3. Maximum Amount In consideration of the services to be performed by Contractor, the State agrees to pay Contractor in accordance with the payment provisions specified in Attachment B a sum not to exceed \$29,534,793.00.

4. Contract Term The period of Contractor's performance shall begin on 2/1/05 and end on 1/31/08.

5. Prior Approvals If approval by the Attorney General's Office or the Secretary of Administration is required, (under current law, bulletins, and interpretations), neither this contract nor any amendment to it is binding until it has been approved by either or both such persons.

/ Yes / / Approval by the Attorney General's Office required.

/ No / Approval by the Secretary of Administration required.

6. Amendment No changes, modifications, or amendments in the terms and conditions of this contract shall be effective unless reduced to writing, numbered and signed by the duly authorized representative of the State and Contractor.

7. Cancellation This contract may be cancelled by either party by giving written notice at least 90 days in advance.

8. Attachments This contract consists of 112 pages including the following attachments which are incorporated herein:

- Attachment A - Specifications of Work to be Performed
- Attachment B - Payment Provisions
- Attachment C - "Customary State Provisions", Revised 12/01/03
- Attachment D - Modifications of Maximum Insurance Requirements
- Attachment E - Business Associate Agreement (Revised 12/01/03)
- Attachment F - Final Adopted Rule for Access to Information
- Attachment G - PHS Implementation Plan
- Attachment H - Staffing Matrix
- Attachment I - Stipulation and Agreement - Vermont State Employees Association, dated 07/31/1996
- Attachment J - Settlement Agreement - Goldsmith, et al. v. Dean, et al., dated 04/11/1996
- Attachment K - Staffing Coverage Standards
- Attachment L - Independence, Liability, Hold Harmless Clause

WE THE UNDERSIGNED PARTIES AGREE TO BE BOUND BY THIS CONTRACT.

by the STATE OF VERMONT

Date: Jan 9 2005

Signature: [Signature]
Name: Steven M. Gold, Commissioner
Agency: AHS/Corrections

by the CONTRACTOR

Date: Jan 9 2005

Signature: [Signature]
Regis J. Dorsch
(Please PRINT signature)

APPROVED AS TO FORM:

Attorney General: [Signature]
Date: 12/14/04

Name: Prison Health Services, Inc.
Address: 105 Westpark Drive, Suite 200
Brentwood, TN 37027
Fed. ID/SS#: 23-2108853
Title:

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**ATTACHMENT A
CONTRACT FOR SERVICES
SPECIFICATIONS OF WORK TO BE PERFORMED**

I. Introduction

It is the purpose of this contract to facilitate and enable the delivery of health care services to the Vermont Department of Corrections' (hereinafter DOC) inmates in Vermont. The Contractor shall:

- meet the health care needs of inmates in accordance with applicable state and federal laws;
- deliver all medical services in compliance with current standards set forth by the National Commission on Correctional Health Care (hereinafter NCCHC). At such time as these standards are updated, it is understood that the Contractor shall make necessary adjustments and modifications to ensure that Vermont correctional facilities remain in compliance and retain NCCHC accreditation;
- provide the services as set out in this contract in compliance with the applicable terms of the Settlement Agreement in *Goldsmith, et al versus Dean, et al*, dated April 11, 1996 (Attachment J);
- provide a network sufficient in size, location, and scope to meet all clinical requirements outlined in Chapter Two - Health Care Services. The clinical members of this network must also be credentialed consistent with NCCHC standards;
- participate in applicable state sponsored quality improvement projects as directed by the DOC (e.g., Vermont Program for Quality in Health Care, Diabetes Collaborative);
- incorporate local community providers in its system of care; and
- coordinate activities with the Vermont DOC Health Services Director or designee. In the event of a dispute between the Contractor and the State on a clinically-related matter, the DOC Health Services Director will have final decision making authority.

II. Health Care Services

A. INTAKE SCREENING

Contractor shall conduct a receiving screening on all new commitments (including transfers) immediately upon the inmate's arrival at the DOC facility and before the inmate enters the general population of the facility. This screening shall be conducted by a qualified medical professional and shall include, at a minimum:

- 1) Inquiry into, and documentation of, current and past illnesses, health conditions, and special (including dietary) requirements:
 - any past history of serious infectious or disease including HIV/ AIDS and Hepatitis C;
 - recent symptoms of communicable disease (e.g., chronic cough, hemoptysis, lethargy, weakness, weight loss, loss of appetite, fever, night sweats) suggestive of such illness;
 - past or current mental illness, including hospitalizations;
 - past history of trauma and/or sexual assault/abuse;
 - eligibility for Community Rehabilitation and Treatment (CRT) programs;
 - history of, or current suicidal ideation;
 - dental problems;
 - allergies;
 - medications taken (including last dose) and special health (including dietary) requirements;
 - for females: date of last menstrual period, date of last pap smear, date of last mammogram, current and past pregnancy, and other gynecological problems;
 - routine medical treatment;
 - health insurance coverage;
 - use of alcohol and other drugs (including last use), and any history of associated withdrawal symptoms, detoxification needs and stabilization services for a substance abuse disorder; and
 - other health problems designated by the responsible physician.
- 2) Observation of the following:
 - appearance (e.g., sweating, tremors, anxious, disheveled);
 - behavior, (e.g., disorderly, appropriate, insensible);
 - mental status (e.g., state of consciousness, suicidal ideation, alert, responsive, lethargic), using forms developed by the State;
 - ease of movement;
 - breathing (e.g., persistent cough, hyperventilation); and
 - skin (e.g., trauma markings, bruises, lesions, jaundice, rashes, scars, tattoos, infestations, and needle marks or other indications of drug abuse).
- 3) Administration of a screening test for tuberculosis, as soon as practical after admission.
- 4) Documentation of the findings, date and time the receiving screening is complete.
- 5) Signature and title of the person completing the screening.
- 6) Inmate authorization for treatment.
- 7) Voluntary testing for HIV/ AIDS and Hepatitis C.

All inmates with questionable health conditions will be medically cleared within twelve (12) hours of intake, and before being sent to the general population. Inmates with non-emergent conditions will be referred to the general population with appropriate follow-up referrals established. Inmates requiring immediate intervention will be referred to the appropriate health care staff for evaluation and treatment and will be seen within two (2) hours of intake. Any referral of the inmate for special housing will be implemented in four (4) hours. Any referral for emergency health services will be "stat." Referrals to additional medical specialists will be as appropriate, and timelines will be imposed with regard to the severity of medical need as determined by the referring physician. All inmates who are currently taking prescribed medication upon intake will be medically evaluated and, if medically indicated, those medications will be made available to the inmate in accordance with established protocols (see Section W - Pharmaceuticals for DOC protocols). Contractor staff will be notified of all inmates requiring special housing or having activity restrictions. Dispositions of inmates must be clearly noted on the screening form.

The receiving screening findings will be recorded on a standardized form (to be agreed upon by the parties) that captures essential baseline health information. The intake form will be included in the inmate's health care record. The form will be in compliance with all State and national standards.

B. INMATE ORIENTATION - ACCESS TO HEALTH CARE SERVICES

At the time of initial intake, each inmate will be provided with a written health care services orientation and information on how to access health care services while in the facility. The orientation will include:

- 1) Sick call process and procedures;
- 2) How to access emergency and routine medical, mental and dental health services;
- 3) Medication administration times and procedures;
- 4) Information on chronic care clinics;
- 5) Information on accessing mental health services;
- 6) Information on accessing dental services;
- 7) Information on accessing optometry services;
- 8) Hours of facility health center;
- 9) Information on health services in segregation; and
- 10) Issue and grievance procedures.

a. Incarcerated Inmates with Special Needs

The Contractor shall comply with the Department's ADA policy to ensure proper accommodation for all inmates with physical and/or developmental disabilities.

Inmates with special needs (e.g. non-English speaking, developmentally disabled, illiterate, blind, mentally ill, or deaf) will receive assistance, as required, to help them communicate with health care personnel and to understand how to access health services. Contractor personnel will be trained to adequately explain an inmate's rights to health care services. In addition, signs addressing access to health services will be posted in the intake area and in all inmate housing areas.

b. Incarcerated Females

In addition to the services available to all inmates, the Contractor shall also provide female inmates written information on how to access (a) gynecological and prenatal care, (b) breast examinations and mammograms for age-appropriate or symptomatic inmates, and (c) routine pap tests.

C. HEALTH ASSESSMENT

Inmates housed in a Vermont DOC facility for longer than forty-eight (48) hours will receive a complete health assessment within five (5) days of the inmate's arrival to the facility. If possible, the Contractor shall attempt to communicate and coordinate with community providers who treated the inmate prior to incarceration. The health assessment will be completed by a licensed nurse practitioner, physician's assistant or physician.

The initial health assessment will include:

- 1) A review of the receiving or transfer screening results.
- 2) The collection of additional health data to complete the medical, dental, mental health and immunization histories.¹
- 3) A recording of vital signs (i.e., height, weight, pulse, blood pressure and temperature).
- 4) A complete physical examination as indicated by the inmate's gender, age and risk factors including breast, rectal, testicular exams, HIV screening and an assessment for traumatic brain injury.
- 5) Pelvic, pap and breast examinations for women.
- 6) Laboratory and/or diagnostic tests to detect communicable diseases including venereal diseases and tuberculosis. The Medical Director may approve additional diagnostic procedures and testing such as a urinalysis, when clinically indicated.
- 7) Immunization history and the provision of immunizations as clinically indicated.
- 8) The initiation of therapy and the ordering of other tests and examinations, as clinically appropriate.
- 9) A written referral for substance abuse disorder as clinically indicated.
- 10) A release signed by the inmate to obtain information from the inmate's community provider (if the provider is known) will be obtained within five (5) working days.

The form used to document the findings of the health assessment shall be in compliance with all NCCHC standards. The form will be reviewed and approved by the Contractor's Medical Director and DOC's Health Services Director or his/her designee. In addition, a written authorization for health evaluation and treatment will be obtained from the inmate and witnessed by health care personnel, if a consent has not been obtained prior to this time. This health assessment form will become part of the inmate's permanent health care record.

When the results of the health assessment indicate that the inmate requires further evaluation or treatment, the inmate will be referred to the appropriate physician. The specific time for the follow-up care will be as follows:

- Routine Health Issues - within seven (7) days of the health assessment (or as required by the inmate's treatment plan);
- Urgent Health Issues - within twenty-four (24) hours of the health assessment (or less if required by the severity of the case); and
- Emergent Health Issues - immediate.

¹ The mental health portion of the health assessment shall be developed in collaboration with the DOC Mental Health Provider and the DOC's Health Services Director and health care professional staff.

For re-admitted inmates who have received a health assessment within the previous ninety (90) calendar days, the most recent intake screening, the prior health assessment and laboratory results shall be reviewed. The physician will determine if a complete health assessment is necessary. The extent of the health assessment will be determined by the Contractor's Medical Director.

Physical examinations shall be conducted annually. Women inmates shall be provided: (a) gynecological and prenatal care, including consultation; (b) breast examinations and mammograms for age-appropriate or symptomatic inmates; and (c) routine pap tests.

When an inmate is placed in segregation, the health record will be reviewed within twenty-four (24) hours by a qualified health care professional to determine whether existing medical, dental or mental health needs contraindicate placement in segregation or require accommodation. The health record review will be documented in compliance with NCCHC standards. It is essential that inmates in segregation or close custody be cleared for placement and actively monitored daily during their period of segregation.

The Superintendent or his/her designee will be informed of any functional aspect of an inmate's physical or mental status that may affect security, housing or work assignments or potential for violent, self-injurious or suicidal behavior, consistent with NCCHC standards and DOC policy. The disposition of inmates not medically suited for confinement will be discussed with the Superintendent or his/her designee. Inmates segregated from the general population for disciplinary reasons and those who have been moved by the use of force will be evaluated by the health care staff "stat" but at least within one (1) hour. The evaluation will be documented in the inmate's health care record.

D. INFORMED CONSENT

The Contractor shall ensure that a patient's informed consent is obtained prior to all examinations, treatments and procedures in accordance with applicable State laws and regulations including informed consent of next of kin, guardian or legal custodian when required. Any inmate may refuse health evaluations and treatment. An inmate's refusal of treatment must be documented by a waiver signed by the inmate and must be part of the inmate's medical record.

The Contractor must document its policies and procedures for obtaining informed consent and an inmate's right to refuse treatment. The Contractor must also submit its consent forms to DOC for approval upon execution of the Contract.

E. INMATE WORKERS

Contractor shall examine and provide medical clearance for all inmate workers, including work release inmates. The medical clearance process will be initiated within twenty-four (24) hours of receiving the list of inmates to be cleared. However, the need for laboratory testing may increase the time required to provide medical clearance.

The inmate worker clearance will be documented on a standardized form and include:

- 1) A review of the inmate's health care record.
- 2) Questions regarding the inmate's past medical history, including communicable disease, cardiac problems, pulmonary problems, allergies and back problems.

- 3) Questions regarding current signs and symptoms of illness.
- 4) A physical examination and vital signs.
- 5) Documentation that the inmate has no conditions that preclude work based on criteria provided by the Vermont Department of Health.

Inmate workers will not be allowed to provide health services or work in the health services area, except for cleaning purposes. Inmates working in the health services area must be supervised at all times.

F. SICK CALL

All inmates will have a daily opportunity to request health care. Contractor will implement a sick call system that provides inmates with unimpeded access to health care services. Nursing personnel will collect, triage and respond to all inmate requests daily. Contractor will utilize the established sick call boxes. For inmates who do not have access to the sick call boxes, alternative arrangements will be made for filing sick call requests. The requests will be triaged and the inmates will be scheduled for health care services as medically indicated. The frequency of sick call will be consistent with NCCHC standards and the facility schedules shown in Attachment H.

Contractor shall follow nursing protocols, developed and implemented with the approval of the State, to facilitate the delivery of sick call services by nursing personnel. Health staff will be trained to effectively triage the inmate's condition and implement established protocols. Health services will be provided in a manner that complies with state and federal privacy mandates within the scope of each facility's physical plant. If the inmate's condition requires services beyond the ability of the nurse and/or the established nursing protocols, the inmate will be referred to the appropriate health provider for evaluation and treatment within twenty-four (24) hours.

Contractor shall utilize a three-part sick call request form that allows the inmate's request, triage and disposition information, and the health care encounter to be documented all on one form. The form is printed on no carbon required (NCR) paper to provide additional copies. One copy is kept by the inmate at the time the request is submitted. The second copy may be used for a variety of purposes. For example, if the inmate's request does not require a health care encounter, a written response will be documented on the form and a copy will be returned to the inmate. The original becomes a part of the inmate's permanent record. Sick call services, in compliance with NCCHC standards, will be provided at sufficient levels to allow the health care staff to provide same-day response to urgent inmate requests for health care services. Nursing sick call will be conducted daily. Physician sick call will be conducted according to a set schedule agreed upon by the contractor and the DOC. If the inmate's custody status precludes attendance at sick call, contract staff will consult with facility security staff to facilitate access to health care services within time frames established for inmates in the general population.

Timeliness of the response to sick call requests can be an important indicator of quality of care. Failure by Contractor to respond to sick call requests consistent with DOC requirements will result in penalties (see Chapter Five, Section Q - Performance Guarantees). Contractor may be charged \$50 per each sick call request outstanding for more than forty-eight (48) hours from Monday to Friday. Contractor shall make a good faith effort to meet the forty-eight (48) hour standard from Saturday to Sunday, but consistent with the NCCHC standards for sick call response times, Contractor will be held to a maximum of seventy-two (72) hours from Saturday to Sunday before a penalty will be taken.

The Contractor will monitor sick call responses as part of their continuous quality improvement (CQI) process.

G. HEALTH IMPROVEMENT AND DISEASE PREVENTION

Inmates benefit from individual instruction in self-care and in ways to maintain their optimal health. Health staff are expected to provide health education during all inmate encounters. Contractor's CQI process will monitor the delivery and documentation of inmate education, including the topics reviewed, and reference materials provided. As specific populations are identified, educational programs will be established to address health needs in culturally appropriate and gender responsive group settings.

The Contractor shall coordinate all health improvement and disease prevention activities with the DOC and the Vermont Department of Health. The health improvement and disease prevention program shall include smoking cessation, diabetes management including dietary needs, effects of drug and alcohol use, stress management, sexually transmitted diseases, HIV/AIDS and Hepatitis. Instructional methods shall include classes, audiotapes, videotapes, brochures, or pamphlets. The DOC Health Services Director and the Vermont Department of Health will review and approve all educational materials. As emerging issues are identified, new prevention topics and activities shall be added.

Contractor must be willing to coordinate inmate education programs with educators from the community (i.e., Public Health Nurses). The Contractor shall act as a consultant for facility staff in the development of health education/promotion groups or classes. HIV risk reduction activities shall be coordinated with other State agents and contractors, as authorized by the DOC and the Vermont Department of Health.

The Contractor shall include a detailed description of its health improvement and disease prevention program in its CQI program description.

H. FIRST AID KITS

Contractor will provide and maintain First Aid Kits for Contractor staff and inmates in custody. The First Aid Kits must be secured with a plastic tear away lock. Each time the lock is broken, utilizing staff will initiate a supply request to health care services. Nursing staff will check and replenish the contents of each kit on a monthly basis and when requested. The monthly kit checks will be documented as required by NCCHC standards. The location and contents of the first aid kits will be approved by the Contractor's Medical Director, Program Manager and the correctional facility superintendents.

I. EMERGENCY SERVICES

Contractor is required to provide an immediate response to inmates in an emergency situation. Contractor will have twenty-four (24) hour physician telephone on-call coverage and specific written policies and procedures to address emergency response and the emergent transfer of inmates. The Contractor also must develop a coordinated protocol with the DOC Mental Health Provider to respond to mental health care emergencies.

Contractor shall sub-contract or maintain written agreement(s) with one or more local hospitals to provide emergency services to inmates on a twenty-four (24) hour basis and inpatient hospitalization for all inmates in custody (subject to conditions described in Section J below). Additionally, arrangements will be made for Advanced Cardiac transportation and Basic Life Support transportation with local EMS and ambulance services. Contractor shall be responsible for the emergency transport of inmates.

Contractor shall ensure that an inmate's medical chart accurately reflects and documents services provided by outside health care providers, as well as any emergency services provided by the Contractor.

The Contractor shall provide and document emergency medical care necessary to stabilize any injured DOC employee, contract employee, volunteer or visitor who is injured or becomes ill while onsite at a DOC facility. Any required follow-up care will be the responsibility of the person receiving the emergency care.

a. Emergency Care for Work Release Inmates

In the event that a work release inmate requires urgent/emergent care, Contractor shall provide care at the most appropriate facility (community or DOC) based on the inmate's health condition.

For inmates injured while on work release, whose injuries are covered under workers' compensation insurance, Contractor shall be responsible for coordinating follow-up care and case management services with the employer's workers' compensation insurer until either the inmate's treating physician has released him/her to return to work or until the inmate is discharged from the DOC, whichever occurs first. Contractor may or may not provide care for the work-related injury at a DOC facility, depending upon Contractor's arrangements with the State's workers' compensation insurer.

Contractor retains responsibility for delivering all medically appropriate care, regardless of inmate's access to third party coverage. Contractor will work with the DOC to develop a specific policy and procedure to ensure that work release inmates receive appropriate urgent/emergent care, and to ensure case management and follow-up care provision and coordination.

J. HOSPITALIZATION AND PAYMENTS TO HEALTH CARE PROVIDERS

Contractor shall establish written agreements with local hospitals to provide services when an inmate's condition requires inpatient hospitalization beyond the scope of the facility to manage. Contractor Utilization Review personnel will monitor the condition of inmates in local hospital(s) daily.

Contractor shall identify the need, schedule, and coordinate any inpatient hospitalization and related services for State correctional facility inmates. Contractor shall also coordinate with the DOC Mental Health Provider any hospitalization of inmates requiring mental health care services.² Inmates may be subsequently transferred to a State correctional facility infirmary or other appropriate setting when medically appropriate and practicable. Contractor shall ensure that an inmate's medical chart accurately reflects and documents services provided by outside health care providers.

Under no circumstances shall Contractor limit or delay access to inpatient hospitalization for inmates identified as needing this level of care. If the State believes that the Contractor is not transferring inmates needing inpatient hospitalization in timely fashion, the DOC Health Services Director and Contractor Medical Director shall review and resolve any dispute. Failure to reach resolution may be grounds for termination of the contract.

² If a mental health provider admits a patient to a hospital or other health care facility for psychiatric treatment, s/he must inform the Contractor immediately.

a. Provider Payments

The Contractor must have in place contracts or written agreements with hospitals for both inpatient and outpatient services and must negotiate payment rates with these facilities that are adequate to ensure the provision of services to the incarcerated population. The Contractor will be responsible for payment of all inpatient hospital claims for inmates. The contractor will be responsible for all costs not covered by Medicaid, Vermont Health Access Plan (VHAP) or other payors. Some costs may be offset for inmates who are eligible for VHAP³ or workers' compensation during a period of hospitalization.

Contractor shall make good faith efforts to adjudicate (reimburse, deny or request additional information) all clean hospital (and other community-based providers) claims within thirty (30) days of the Contractor's receipt of the claims. Failure to promptly reconcile and pay clean claims may result in penalties (see Chapter Five, Section Q - Performance Guarantees) or may be grounds for contract termination. All hospital/ community provider claims thirty (30) days or more in arrears shall be reported to the DOC as a part of the Contract.

or's monthly quality improvement reporting

K. INFIRMARY SERVICES

Contractor shall staff and utilize the infirmary beds available at several of the Vermont DOC facilities for non-acute admissions of inmates who may require a higher level of medical attention. Inmates requiring respiratory isolation will be housed in a designated negative air pressure room.

The scope of services provided in the infirmary will be organized so that inmates have appropriate classification, housing and treatment. NCCHC defines an infirmary as "an area within the confinement facility accommodating two or more inmates for a period of twenty-four (24) hours or more, expressly set up and operated for the purpose of providing skilled nursing for persons who are not in need of hospitalization."

The infirmaries may be used for convalescent, medical observation and skilled nursing care. The requirements of national standards vary depending upon the housing classification, the degree of services provided and the defined scope of service. The infirmary beds will be classified and the scope of services will be defined according to policies and procedures covering areas including, but not limited to:

- 1) Twenty-four (24) hours a day direct nursing observation will include daily, or more frequent (if medically indicated) recording of vital signs and nurses' notes, based on the inmate's condition. Inmates will always be able to gain a health care professional's attention, either through visual or auditory signals.
- 2) Admission to, and discharges from the infirmary will be controlled by the Contractor's Medical Director.
- 3) A physician will be available by telephone twenty-four (24) hours per day, seven (7) days per week, three hundred and sixty-five (365) days per year.
- 4) All nursing services will be under the direction of a Nurse Manager, who will be on-site forty (40) hours per week. Staffing levels will be appropriate for the number of inmates, the severity of their illnesses and the level of care required for each, but no less than the staffing reflected in Attachment H.

³ The State of Vermont Agency of Human Services determines eligibility for VHAP in accordance with the provisions of its State Plan for Medical Assistance. All eligibility determinations, including denials, are binding on the Contractor.

- 5) A separate and complete infirmary medical record will be initiated upon admission and incorporated into the inmate's health care record upon discharge. The record will include:
 - admitting orders that include the admitting diagnosis, medication, diet, activity restrictions, any required diagnostic tests, and the frequency of vital sign follow-up;
 - a complete documentation of the care and treatment given;
 - the medication administration record; and
 - a discharge plan and discharge notes.
- 6) Services will be provided according to an established manual of infirmary nursing policies and procedures. The manual will be consistent with the Vermont's Nurse Practice Act and licensing requirements.
- 7) The health care staff, in conjunction with Facility Superintendent, will be responsible for ensuring that the infirmary area is clean and safe for the provision of health care services.

L. SERVICES FOR INCAPACITATED PERSONS

Only after medical clearance by designated community providers has been obtained, including all required signatures, shall the Contractor provide a medical screening and assistance to incapacitated persons brought to a correctional facility. The Contractor shall provide an intake screening and observation services to these persons in accordance the policies and procedures agreed to and approved by the State.

M. SPECIAL NEEDS - CHRONIC AND CONVALESCENT

a. General

In providing health care services to the State's incarcerated population, Contractor recognizes that there may be incarcerated individuals who require chronic and/or convalescent treatment, including inmates 55 years and older. It is the State's expectation that the Contractor will provide these services in a manner that incorporates principles of case and disease management for complex cases (see section below), and promotes maximum progress and healing. "Chronic" is defined as health care services rendered to an inmate over a long period of time for ongoing medical conditions including, but not limited to, diabetes mellitus, hypertension, asthma and epilepsy. "Convalescent" is defined as medical services rendered to an inmate patient to assist in recovery from an acute illness or injury.

Health care programs provided by Contractor shall require that inmates requiring chronic or convalescent care receive timely follow-up, evaluation, treatment and education about the preventive activities available. Inmates with chronic conditions will be evaluated every three (3) months, in chronic-care clinics, or more frequently if clinically indicated.

Contractor personnel will collaborate with DOC's Health Services Director to develop individual chronic treatment plans and disease protocols, which will be individualized to address an inmate's specific needs. The treatment plans will outline the inmate's course of care and will define and dictate the nursing staff responsible for day-to-day health care service delivery and inmate education.

Under no circumstances shall Contractor limit or delay access to chronic/convalescent treatment for inmates identified as needing this level of care. If the State believes that the Contractor is not providing chronic/convalescent treatment in timely fashion, the State Health Services Director and Contractor Medical

Director shall review and resolve any dispute. Failure to reach resolution may be grounds for termination of the contract.

b. Case Management of Complex Cases

Active case management is essential for ensuring that inmates with complex medical, mental health and/or social needs receive necessary services in an effective and coordinated manner. The Contractor will have a system in place within the facilities for providing case management to complex medical cases. The decision about who is to receive active case management will be made jointly by the Contractor and the DOC's Executive Health Services Committee. The Committee will meet to review cases and make determinations about adding or removing inmates from case management. Examples of cases that will be candidates for active case management include, but not be limited to, inmates with HIV/AIDS, Hepatitis C, fragile elderly inmates, insulin-dependent inmates, and inmates with high-risk pregnancies.

Case managers will have education and training in the delivery and monitoring of health services, and be responsible for all of the following:

- 1) Performing a needs assessment and developing individual treatment plans (under the supervision of a physician, as appropriate) that address, as applicable, diet, exercise, medication, type and frequency of medical follow-up and adjustment of treatment modality.
- 2) Monitoring inpatient hospitalizations and conducting discharge planning from both the hospital and/or facility.
- 3) Coordinating post-discharge follow-up services, including within non-acute settings such as rehabilitation facilities and nursing homes.

Case managers will also be responsible for ascertaining whether an inmate has health insurance from any source, including individual or employer-sponsored coverage (self, spouse and/or family), automobile coverage (if admitted with vehicle-related injuries), workers' compensation (if injured while on work release), military coverage (TRICARE), Veterans Administration, Medicaid, or Medicare coverage. If so, the case manager will document the name of the insurer, coverage type, group/policy number, expiration date, and other information necessary for filing a claim. The Contractor will then facilitate collection on the State's behalf.

In those cases where third party reimbursement is available, inmates shall be encouraged, but not required, to sign insurance claim forms.

For inmates injured while on work release, whose injuries are covered under workers' compensation insurance, Contractor shall be responsible for coordinating follow-up care and case management services with the employer's workers' compensation insurer until either the inmate's treating physician has released him/her to return to work or until the inmate is discharged from the DOC, whichever occurs first. Contractor may or may not provide care for the work-related injury at a DOC facility, depending upon Contractor's arrangements with the State's workers' compensation insurer. Contractor retains responsibility for delivering all medically appropriate care, regardless of inmate's access to third party coverage.

If an inmate does not have any other insurance covering health care services, the Contractor will assist the inmate in completing a VHAP (Medicaid) application to be signed and placed in the inmate's health record.

To the extent possible, with or without third party reimbursement, the Contractor shall attempt to coordinate with community providers who treated the inmate prior to incarceration.

N. COMMUNICATION ON SPECIAL NEEDS

To effectively meet the needs of inmates with special medical and mental health needs, it is absolutely essential that positive, open and continue communication exists between the Contractor's staff and the DOC's staff. Regular channels of communication must be established and maintained between Contractor's health care staff and the Facility Superintendent and facility staff to ensure a continuum of care for sick inmates, while maintaining the security and the health and safety of other inmates and facility staff.

Contractor's health care staff and DOC facility administration will communicate no less than weekly about inmates who are:

- chronically ill;
- on dialysis;
- adolescents in adult facilities;
- infected with serious communicable diseases;
- physically disabled;
- diagnosed with traumatic brain injury;
- pregnant;
- frail or elderly;
- terminally ill;
- mentally ill or suicidal;
- developmentally disabled; or
- seriously ill with significant health conditions.

This communication is vital in order facilitate accurate classification of inmates, which is important for protecting the health and safety of the inmate, other inmates and staff.

O. SPECIAL NEEDS TREATMENT PLANS

The Contractor will develop and maintain treatment plans for inmates with special needs as listed in Section M. These treatment plans will include, at a minimum:

- 1) the frequency of follow-up for medical evaluation and adjustment of treatment modality;
- 2) the type and frequency of diagnostic testing and therapeutic regimens; and
- 3) instructions about diet, exercise, adaptation to the correctional environment, and medications, when appropriate.

Special needs will be listed on the master problem list in each inmate's medical record. The Contractor will maintain an ongoing list of special needs inmates, and will make this information continuously available to facility administration and the DOC Executive Health Committee.

P. SUICIDE AND SELF-INJURY PREVENTION PROGRAM

Multiple corrections' disciplines (security, physical health, and mental health care) play an important role in suicide and self-injury prevention. These roles must be coordinated in terms of philosophy and in operations. The Contractor has a significant role to play and shall have policies and procedures that are aligned with, and subordinate to, DOC policy, directives and procedures.

Contractor must coordinate with the State and its agents in the delivery of a comprehensive suicide and self-injury prevention program promulgated by the DOC and designed to identify, respond to, monitor, and treat suicidal and self-injurious inmates. The suicide and self-injury prevention program must include written policies and procedures that address key components of the program.

At a minimum, key components include those defined by NCCHC, and are as follows:

- training
- identification
- referral
- evaluation
- housing
- monitoring
- communication
- intervention
- notification
- reporting
- review
- critical incident debriefing

Contractor must perform quality monitoring activities at least quarterly in order to assess adherence to the program.

Q. HOSPICE CARE

The Contractor shall coordinate with the Department and community organizations in the coordination and delivery of hospice services to inmates. The hospice care unit will be located at the Southern State Correctional Facility in Springfield, Vermont. The DOC Health Services Director will assist in the coordination of the Contractor's care of hospice patients with other organizational units in the DOC, and with community organizations regarding aspects of care for these inmates, including the use of medical furlough.

The Contractor's staff working in the hospice program should be qualified health care professionals with training in basic hospice theory and techniques. The Contractor shall ensure that enrollment in the program is an inmate's informed choice, and that an independent evaluation by a physician not directly involved in the inmate's care is completed prior to enrollment. The DOC Health Services Director will approve all transfers to the hospice unit.

R. DIAGNOSIS, CONSULTATION AND TREATMENT

Contractor's health delivery systems will be designed to allow the physician time to concentrate on those inmates with significant health conditions. Contractor shall provide follow-up and treatment for health problems identified by screening or diagnostic tests. When appropriate, nursing protocols will be implemented. If an inmate's health condition cannot be appropriately addressed with a nursing protocol, the inmate will be referred to the Medical Director by the attending nursing staff.

Contractor's Medical Director and DOC's Health Services Director will be available for second opinions and to review consultation requests. Contractor shall coordinate all necessary hospitalization, monitoring, diagnostic testing, prescriptions and specialty consultations to appropriately address an inmate's health condition.

S. OBSTETRIC AND GYNECOLOGY SERVICES

The Contractor shall provide annual gynecological consultations and perform pap and breast examinations on all female inmates, unless contra-indicated by a qualified medical professional. Annual mammograms shall be performed on all female inmates over forty (40) years of age, unless contra-indicated by a qualified medical professional.

Pregnant inmates require close supervision and perinatal care by the Contractor. The Contractor shall also develop a plan to meet the special needs of pregnant inmates.

Currently, the Dale Correctional Facility and Southeast State Correctional Facility house all female inmates. The Contractor's staffing at these facilities should include an OB/GYN trained health care practitioner who is qualified to meet the needs of the inmates in these facilities.

T. SPECIALTY OUTPATIENT SERVICES

Contractor shall develop a network of qualified medical specialists to provide inmates with necessary access to health services. Contractor shall enter into written agreements with said specialists who practice in the local areas, and provide the DOC Health Services Director with a current list of all specialists to be utilized.

For HIV-positive inmates, treatment shall be coordinated through the Infectious Diseases Unit at Fletcher Allen Health Care. The Contractor shall make every reasonable effort to comply with the clinical management protocols for inmates who are HIV-positive, as directed by the Infectious Diseases Unit, including providing protease inhibitor drug treatment, as clinically indicated. Disputes over specifics of inmate care shall be resolved by the DOC's Health Services Director. The Contractor shall contact (if the inmate gives consent) a local AIDS Services Organization to facilitate transitional care for inmates with HIV/AIDS who are being released from the correctional system.

Contractor shall arrange for qualified medical specialists to visit the facilities so that inmates may be maintained within the security of the Contractor facility. If necessary, an outside referral will be made for services that cannot be provided at the facility. To the degree possible, diagnostic testing will be performed on-site. A referral process will be initiated to provide specialists with all pertinent information necessary for timely diagnosis and treatment. The medical specialist will receive diagnostic testing results, substantive patient history and clinical findings, in the form of a written referral.

Contractor shall be responsible for scheduling, authorizing and coordinating all specialty services. Contractor will coordinate the movement of inmates to off-site appointments with the Vermont DOC facility superintendents and/or their designees. All inmates returning from outside hospital stays or clinic visits will be seen by a medical professional immediately upon return, and a progress note regarding the review will be documented in the inmate's health record. Contractor shall ensure that an inmate's medical chart accurately reflects and documents services provided by the outside health care provider(s).

Under no circumstances shall Contractor limit or delay access to specialty services for inmates identified as requiring this care. If the DOC believes that the Contractor is not providing specialty services in a timely fashion, DOC's Health Services Director and the Contractor's Medical Director shall review and resolve any dispute. Failure to reach resolution may be grounds for termination of the contract or the impositions of financial penalties reflected in Chapter 5, Section Q - Performance Guarantees.

U. ANCILLARY SERVICES

Contractor shall establish and maintain a comprehensive range of ancillary support services. Contractor shall identify the need, coordinate and pay for all supporting diagnostic testing and examinations, both inside and outside the State correctional facilities. All subcontractors will be required to meet state and local licensure requirements and provide proof of Professional Liability insurance.

a. Laboratory Services

Contractor shall contract with a laboratory to provide diagnostic testing. Laboratory testing will include routine, special chemistry and toxicology analysis. The laboratory will meet all requirements of the State of Vermont for HIV specimen handling, testing and reporting.

All services provided shall meet standards set forth by the American College of Pathology. Services will include timely pickup and delivery and accurate reporting within a reasonable time frame with provisions for stat lab testing as necessary.

Requests are to be initiated by a phone call to the laboratory. A log will be maintained to document the type and number of specimens sent, and those returned. A lost specimen will be reported immediately, so that the lab may be repeated. A physician will review, date and initial laboratory results. Once reviewed, the results will be filed in the inmate's health care record. When discrepancies exist, the physician will re-evaluate the inmate and re-order the laboratory tests, as appropriate. Crisis levels will be reported to the physician immediately. Each month the laboratory will provide Contractor with an itemized statement of the service rendered the prior month.

The laboratory service will meet all State of Vermont requirements for medical pathology. Contractor shall establish a policy and procedure manual for all laboratory testing performed on-site. Laboratory testing performed on-site or off-site will be in compliance with the Clinical Laboratory Improvement Amendments of 1988.

b. Radiology Services

A radiology technician will be on-site to provide radiology service on a scheduled basis. Inmates will be referred off-site for procedures beyond the scope of service provided on-site. A Board-Certified radiologist will read the studies in a timely manner. The radiology report will be documented and maintained in the

inmate's health care record. The Contractor's Medical Director will review, initial and date all radiology reports. A verbal notification of all positive findings will be furnished to the Medical Director or his/her designee within three (3) working days; this verbal notification is to be followed up by a written notice of findings within ten (10) working days.

c. Diet Therapy

Special diets will be available to inmates when medically indicated and prescribed by a physician. Contractor personnel will complete a Therapeutic Diet Order form and forward it to dietary services. The order will include the type of diet and the duration for which the diet is to be provided. The inmate's orientation to the therapeutic diet will be documented in the health care record. In accordance with NCCHC standards, Contractor shall coordinate reviews of all diets at least every six (6) months with a registered dietitian.

d. EKG Services

Contractor shall provide EKG services and necessary EKG equipment. The EKG contract will provide for immediate reading and reporting of results of EKG. Nursing staff will receive in-service training related to EKG services.

e. Medical Prosthetics

Contractor shall establish contracts with local prosthetic companies to provide prosthetic devices to inmates as medically indicated. The contract will require the company representative to make preliminary measurements and fittings for prosthetics on-site. Prosthetics will be chosen according to community standards, but also must conform to security requirements of the DOC.

V. OPTICAL SERVICES

Contractor shall respond to the self-reported need or medical referral for optical intervention and schedule, coordinate and pay for the dispensing, evaluation, and fitting services of an optometrist. Inmates requesting health care services for visual problems will be evaluated using the Snellen eye chart by nursing staff. If a visual deficiency beyond 20/40 is identified, the inmate will be referred to Contractor's optical service provider.

Contractor shall provide one (1) set of eyeglasses to inmates if prescribed and deemed necessary by the optometrist. Inmates requiring treatment and services beyond the scope of services offered on-site will be transported to specialists in the community. Inmates shall be eligible to receive follow-up eye exams every two (2) years.

Contact lenses and tinted lenses will be provided by the Contractor only in response to a verified medical need and not for cosmetic purposes.

The Contractor shall not provide replacement eyeglasses more frequently than every two (2) years unless medically indicated. If the eyeglasses are lost or damaged due to the inmate's negligence, he/she will be responsible for the cost of replacement. The Contractor will only provide a replacement when the need occurs through no fault of the inmate.

W. PHARMACEUTICALS

Contractor shall provide a total pharmaceutical system in compliance with NCCHC standards that is sufficient to meet the needs of the DOC inmates. Contractor shall also be responsible for the acquisition, storage and administration of pharmaceuticals. Policies, procedures and practices addressing pharmaceuticals will be in compliance with all applicable state and federal regulations regarding dispensing, administering, and procuring pharmaceuticals.

A cost-effective agreement with a pharmaceutical vendor will be established. If an agreement is established with a national vendor, a contract or other arrangement will also be established with local pharmacies to provide time-sensitive access to all medications. Under the capitated model, expenses for psychotropic medications will be billed back to the State with a pass through of any discount negotiated and received by the Contractor from the pharmacy vendor.

The pharmaceutical system will have the following components and comply with NCCHC standards:

- 1) Medication ordered by a qualified provider (physician, psychiatrist, nurse-practitioner, dentist) will be appropriately labeled and will be in unit-dose packaging.
- 2) A pharmaceutical inventory will be established to facilitate the initiation of pharmaceutical therapy upon the physician's order. An inventory control system will be implemented to ensure the availability of necessary and commonly prescribed medications, and to protect against the loss of pharmaceuticals. All pharmaceuticals will be prepared, maintained and stored under secure conditions.
- 3) An adequate and proper supply of antidotes and emergency medications will be available.
- 4) Addictive, abusable, and/or psychotropic medication will be administered in crushed or liquid form, when the need for such is so determined by DOC requirement, the prescriber and/or nurse manager.
- 5) Monthly Quality Improvement (QI) monitoring of medication administration records and physician prescribing reports. Quarterly reviews will be completed by a consulting pharmacist using a Pharmacy & Therapeutics (P&T) format.
- 6) Compliance with security and training requirements of the facility and DOC.
- 7) An automatic stop order system for certain categories of drugs (i.e. antibiotics, controlled substances, pain medications).
- 8) The use of generic brand medications whenever possible, unless otherwise specified by the prescribing provider.
- 9) A physician will evaluate each inmate prior to re-ordering medications.

Contractor will maintain a formulary listing the available medications. The formulary must be submitted to the DOC's Health Services Director or designee for review and approval before being implemented.

Compliance with the formulary will be encouraged. However, if the DOC Health Services Director or Contractor Medical Director determines that the most effective treatment is a non-formulary medication, this medication will be made available to the inmate. Non-formulary medications will be obtained by completing a non-formulary request form.

The Contractor will be responsible for monitoring the use and availability of all pharmaceuticals. Specifically, the Contractor must ensure timely availability of all pharmaceuticals that are part of an inmate's treatment

plan, and shall report all occurrences of drug unavailability as a part of its monthly CQI reporting. The Contractor is subject to performance penalty of \$1,000 for every occurrence of not providing pharmaceutical drugs in within two (2) hours of the date and time medication is scheduled to be dispensed for an inmate's ongoing treatment plan (e.g., insulin for insulin-dependent diabetics, protease inhibitors for HIV/AIDS patients, etc.). For newly ordered prescriptions, Contractor may also be penalized if prescriptions are not delivered within forty-eight (48) hours of order receipt, from Monday through Friday and seventy-two (72) hours from Saturday through Sunday, or within one (1) hour of receipt of a "stat" provider's order. (See Chapter Five, Section Q - Performance Guarantees.)

Contractor shall perform quality improvement monitoring and tracking of physicians' prescriptive data to provide for safe, cost effective and efficient pharmacy services.

a. Medications for Work Release Inmates

Contractor shall ensure that work release inmates have access to all necessary medications. Contractor shall make every effort to provide medications at a DOC facility, but may provide medications on a keep on person basis in accord with DOC policy and procedures.

Contractor will work with the DOC to develop a specific policy and procedure for dispensing medications to work release inmates.

b. Medications Prescribed by Mental Health Providers

All mental health medications will be billed as incurred to the state on a monthly basis, with a pass-through of any discounts negotiated and received by the Contractor. Budgeted amounts for mental health medications included in this contract (and reflected in the Price Provisions, Attachment B) are \$240,000 in Year 1, \$270,000 in Year 2 and \$300,000 in Year 3. Contractor will not bear any risk for these medications.

c. Methadone and Buprenorphine at DOC Facilities

Contractor shall provide physicians certified to dispense Buprenorphine as part of its narcotic withdrawal program at DOC facilities.

Contractor shall work with the DOC and its Mental Health Provider to ensure that methadone facilitation is available to inmates, as determined by and in agreement with DOC policy. While Contractor shall not be responsible for the provision of methadone, it is responsible for identifying potential candidates, communicating the need for treatment and coordinating methadone treatment with the Mental Health Provider for DOC inmates.

X. MEDICATION ADMINISTRATION

The Contractor shall maintain a medication administration system that meets the DOC's needs. Once a medication order has been written, nursing staff will transcribe the order onto the medication administration record and inform the pharmacy of the medication order. If the prescribed medication is available in the stock supply, the medication therapy will be initiated on the next medication round. Contractor shall ensure that medications ordered "stat" will be obtained and administered within one (1) hour.

Medication will be administered to inmates by nurses or other authorized personnel three (3) times daily or as ordered. Medications will be either administered at a health services unit or delivered to each inmate housing area, as jointly determined by the Contractor and DOC. It is understood that security considerations, architecture and facility custody level impact the method for distributing medications. Facility superintendents will be actively involved in the discussions and determination of most appropriate method at each site. Contractor may use the State's self-carry protocol. Inmates will have access to over-the-counter medications during scheduled medication rounds.

The administration of each medication will be documented on a medication administration record. Documentation on the medication administration record will clearly indicate those instances when an inmate refuses a medication or is not available to receive a medication. Medication administration times will be adjusted to meet the needs of inmates who participate in work details or classes. If an inmate refuses a specific medication three (3) times, the inmate will be counseled and requested to sign a refusal form.

Contractor's medication administration program shall contain internal controls to provide for re-order prior to the expiration of the initial order, if required. The system must ensure the provision of continuous pharmaceutical therapy.

Y. DENTAL SERVICES

The Contractor shall provide access to dental services in accordance with NCCHC standards and State law. The Contractor's sub-contractor arrangements with dental providers shall be in conformance with Vermont Statute 26 V.S.A. Chapter 13 § 722.

Contractor shall provide on-site dental services which include preventive and restorative care. The Contractor will provide a schedule, by facility, to the State with the hours that dentists will be on-site actually seeing patients (i.e., exclusive of time used for set-up and dismantlement of equipment and for administrative activities). The hours across all facilities must equal at least eighty (80) hours.

The initial dental appraisal and instruction in oral hygiene will be conducted at the time of the initial health assessment by trained registered nurses and within five (5) days of admission. The Contractor's provision of a dental screening for all referred inmates shall be conducted by a licensed dentist within timeframes established in the Settlement Agreement (Attachment J) and NCCHC standards, whichever may be shorter. If the Contractor is unable to provide on-site assessment, screening and/or treatment within these timeframes, inmates shall receive services through local community dentists, with costs for said services to be borne by the Contractor.

In the case of a re-admitted inmate who has received a dental examination within the past six (6) months, the Contractor shall assure that a licensed dentist determines the need for an additional dental evaluation. Nurses who provide dental screening and oral hygiene instruction will receive in-service training from a licensed dentist under contract to, or employed by the Contractor.

Inmates may request dental services by submitting a sick call request. The nurses will triage the requests and submit them to a licensed dentist. Inmates will be seen based on the list of dental priorities. Inmates who require treatment beyond the capabilities of the Contractor's licensed dentist will be referred to a dental specialist in the community. Dental prostheses will be provided as determined by the dentist in accordance with the accepted community standard of care.

Z. MATERIALS, SUPPLIES AND EQUIPMENT

Contractor shall provide all medical, dental and office supplies necessary for the provision of health services. Contractor shall provide all necessary supplies and equipment to carry out the terms of the contract. Supplies will include, but not be limited to, forms, books, health care record folders and forms, pharmaceuticals, prosthetics, dental hand instruments, needles and sharps, special medical items, diagnostic devices, containers and medical waste receptacles, inmate education materials, personnel protective equipment, and program manuals.

In addition, all necessary office equipment and supplies will be provided by the Contractor. Contractor shall make arrangements to have the necessary equipment and supplies delivered to the DOC's facilities within one (1) month of contract implementation (date service delivery begins). The DOC owns certain pieces of equipment (i.e., dental chairs) which may be used by the contractor.

Contractor shall ensure that the health care services area is safe, secure (e.g., doors and cabinets locked), and sanitary for the provision of medical and dental care. In addition, all diagnostic equipment and patient items will be maintained in working order, as defined by the manufacturer. The DOC will receive copies of all inspection reports for such equipment.

AA. INVENTORY CONTROL

All syringes, needles and sharps will be stored and maintained within security regulations and guidelines set forth by NCCHC standards, VOSHA requirements, and CDC guidelines. The use of each needle, syringe or scalpel will be documented on a perpetual inventory record. All syringes, needles, sharps and dental instruments will be accounted for daily.

At each change of shift, two nurses will count all narcotics and any other items subject to abuse. If the count is correct, each nurse will sign the control record. The DOC Health Services Director, Contractor Medical Director, Director of Nursing and the State Correctional Facility Administration will be notified of all unaccounted for discrepancies as soon as practicable, not to exceed twenty-four (24) hours.

AB. CONTAMINATED WASTE

Contractor will be responsible for the disposal of all contaminated waste. This may include waste generated outside the facility when an inmate is on temporary authorized absence. Contractor will contract with a company authorized to provide for the disposal of all biohazardous and contaminated waste. Biohazardous and contaminated waste will be maintained in accordance with the guidelines established by OSHA.

AC. HEPATITIS TREATMENT

It is recognized by the Parties that Hepatitis in general, and Hepatitis C specifically, represent an increasingly serious public health threat to inmates nationally and in Vermont. It is agreed that the Contractor will provide appropriate treatment, consistent with NCCHC and/or CDC guidelines, according to protocols developed by the Contractor and the State. The State Health Services Director shall make final decisions concerning inmate eligibility for treatment under these protocols.

III. PERSONNEL SERVICES

A. OVERVIEW

Contractor will identify the need for, schedule, coordinate and pay for all non-emergency and emergency medical and dental care rendered to inmates incarcerated in state correctional facilities, consistent with NCHC standards, Vermont State statutes and applicable Federal statutes, and the determination of the Vermont DOC Health Services Director.

Contractor shall hire qualified health care staff as defined in this contract to provide a comprehensive health care program to meet the medical and dental needs of the inmates housed within the DOC, according to coverage schedules for each of the facilities per the Staffing Matrix (Attachment H). It shall be the Contractor's final responsibility to fill all posts in accordance with the staffing standards and coverage schedules per the Staffing Matrix, exclusive of posts filled by State employees.

If for any reason these posts are not filled by the Contractor with permanent employees within thirty (30) days after a post has become vacant (as scheduled in the Staffing Matrix), Contractor may be penalized as set forth in Chapter Five, Section Q - Performance Guarantees, for each day or part thereof that the post is not filled.

Contractor is also expected to provide interim per diem staffing of health professionals trained to provide health services within a correctional setting for all health services-related positions vacant beyond one (1) week due to illness, disability, disciplinary actions, and/or staff departures. Failure by the Contractor to fill these posts with per diem employees while a search is being conducted for a permanent replacement may also result in a penalty.

Contractor must also ensure that no shift is left uncovered. Attachment K - Staffing Coverage Standards reflects the minimum staffing required by facility, by shift, by type of clinical staff for Contractor to avoid a penalty under this provision. Contractor may, at its discretion and cost, fill clinical positions within higher practice level professionals without penalty. However, the DOC will be billed at the lower level rate. Clinical staff cannot be asked to operate outside of their scope of practice to cover a shift. Failure by the Contractor to cover a shift will result in a penalty.

The Contractor must ensure that all personnel are licensed, certified and/or registered in conformance with Vermont laws and regulatory requirements. The Contractor will be responsible for the cost of any education required to maintain licensure and credentialing. A personnel file may be established for each employee or subcontractor. Each professional employee's file will contain current licensure and/or certification documentation.

The health care staff will work as part of the multidisciplinary treatment team with Contractor's Medical Director and Regional Manager/Director. The health care staff will be provided with the necessary training and resources to be proactive in addressing the inmates' health care needs, as described in Chapter Two - Health Care Services.

Contractor employees will be provided with a copy of Contractor's personnel policies. All Contractor personnel must comply with these policies and all other policies and work rules of the DOC in order to ensure continued employment with Contractor.

a. Vermont Health Employees

The health care staff currently classified as Vermont State Employees assigned to the State Correctional facilities will be permitted to retain their state employment status. The State and Contractor shall comply with the terms of the Stipulation and Agreement between the State and the Vermont State Employees Association, dated July 31, 1996 (Attachment I). It is expressly understood and agreed that the Contractor is not a party to nor obligated to any contract or agreement with and between the State of Vermont and the Vermont State Employees Association. The State agrees to hold harmless and indemnify the Contractor in any dispute arising under the terms of said contracts and/or agreements. The DOC agrees to waive any and all penalties related to staffing for one or more of the positions in the contract designated as being filled by a State employee in the event of a work action or stoppage by the Vermont State Employees Association.

B. FORENSIC ACTIVITIES

The Contractor shall abide by applicable NCCHC standards for forensic activity. Contractor health care staff shall not be responsible for participating in security activity, including shake-downs, adversarial proceedings involving DOC staff or inmates, body cavity searches or any other security function that is inconsistent with their role as health care staff and acceptable correctional healthcare practices.

C. PROGRAM MANAGER

Six (6) full-time Program Manager(s) shall be hired by the Contractor to provide management and administrative support to the program and serve as the intermediary between Contractor and the State. Professional qualifications for the position of Program Manager shall include an undergraduate degree, preferably in Health Services Administration or a minimum of five (5) years administrative experience in a correctional health care delivery setting.

The Program Manager or designee shall be on-call twenty-four (24) hours per day, seven (7) days per week, three hundred and sixty-five (365) days per year. The Program Managers shall provide support, information and assistance to Contractor's Medical Director and Nurse Manager, to facilitate the accomplishment of all contract goals.

The Program Manager shall be available to DOC facility administrators on a daily basis. S/he shall also manage the day-to-day activities of the health care services program, such as recruitment and retention of staff, staff work schedules, data gathering and reporting, budget monitoring, and the management of health care records.

The Program Manager shall ensure the availability of professional resources and services to meet the health care needs of the inmate population. It shall be responsibility of the Program Manager to establish an efficient and effective multidisciplinary health care team. The Program Manager shall make available to the facility superintendent and DOC Health Services Director a monthly health care services staffing schedule for each facility prior to the initiation of the schedule. This report shall include the number of full-time, part-time and relief staff by day, shift and location.

Serving as Contractor's direct liaison to the Facility Administrator and local DOC staff, the Program Manager shall conduct monthly meetings with DOC Health Services Director to evaluate statistics, program needs, contract issues, and coordination between custody and health care staff. S/he shall also be responsible for

monitoring compliance with the DOC's policies and procedures, Contractor's health care services policies and procedures, state and national standards and contract requirements, including compliance with the applicable terms of the Settlement Agreement.

D. REGIONAL MANAGER/DIRECTOR

Contractor shall hire a Regional Manager/Director, who will be responsible for coordinating with Vermont DOC Health Services Director, Facility Superintendents and Facility Executive the implementation of programs that provide all inmates with unimpeded access to quality health services in a timely manner, consistent with the requirements of the Settlement Agreement. The professional requirements for the role of Regional Manager/Director include a minimum of five (5) years experience as a registered nurse, with at least one (1) year of clinical experience in correctional health care, and demonstrated management experience in a health care or other setting.

The Contractor's Regional Manager/Director shall be the liaison between the DOC's central office and the Contractor's central office, as well as with the DOC's Mental Health Services Contractor and other community organizations. S/he will be responsible for the management and administration of all Vermont DOC health care operations, with contract-wide authority to ensure that Contractor successfully meets all contractual obligations.

S/he shall assist the Program Manager in the clinical management and evaluation of site operations, participate in coordinating start-up activities for the contract and routinely visit all DOC facilities to evaluate clinical and nursing programs. The Regional Manager/Director shall also assist the Program Manager and site Nursing Managers in the development and implementation of clinical programs, provide technical assistance in achieving and maintaining health care unit accreditation, and follow-up on site evaluation reports to ensure corrective action has been accomplished.

The Regional Manager/Director will also provide the State correctional facilities with consultation services upon request. Consultation may be provided on a variety of topics, to include: employee health programs, construction planning, new facility staffing plans, communicable disease management, inmate fee-for-service and inmate copayment programs and legislative issues. In addition, s/he shall respond to emerging situations requiring regional support action, consult with the Vermont Commissioner of Health or designee on plans, actions, and time table of corporate or regional response and be involved in "trouble shooting" at DOC facilities as requested or directed.

E. MEDICAL DIRECTOR

Contractor will appoint and employ a Medical Director for each site who will be the designated Responsible Health Authority. The Medical Director shall be responsible for arranging all levels of health care and overseeing the delivery of health care services. S/he shall work closely with the DOC Health Services Director. All medical judgment shall rest with the Contractor's Medical Director subject to consultation with the DOC Health Services Director on complex or unusual cases. The Medical Director shall ensure that a physician is on-call twenty-four (24) hours per day, seven (7) days per week, three hundred and sixty-five (365) days per year.

The Medical Director shall serve as the chairperson of the Quality Improvement Committee and monitor the quality of care provided to the DOC. The Medical Director shall also be responsible for monitoring the

practice patterns of all health care staff. The Medical Director shall work closely with the Program Manager and DOC Health Services Director to establish and maintain compliance with contract requirements, and all national and state health care standards addressing health care in correctional facilities.

F. JOB DESCRIPTIONS

The Program Manager shall be assigned responsibility for a specific facility to coordinate the management of the health care system for that facility with the Medical Director. To ensure the proper functioning of the facility's health care staff, job descriptions will be developed for each position. The appropriate job description will be reviewed with each employee. The employee will be required to acknowledge and sign off on the job description. The job description will be used for performance reviews and will be updated annually.

G. RECRUITMENT PRACTICES

The DOC will have the opportunity participate in the selection of all senior-level positions for the contract, including but not limited to the six Program Manager, Regional Manager/Director, Medical Directors and Director of Nursing. After the Contractor has selected a final candidate, the Health Services Director of the DOC may, at his/her discretion, interview the candidate. Contractor may not extend a final offer to a candidate prior to the DOC approval.

In addition to the Contractor's clinical staff (such as registered nurses, licensed practical nurses, and physician assistants) identified for each facility in the Staffing Matrix (Attachment H), it will establish a pool of additional clinical staff to provide adequate coverage for routine clinical employee absences such as sick and vacation leave, consistent with the Staffing Coverage Standards delineated in Attachment K. The Contractor's pool will be of sufficient size to address all routine absences.

To successfully staff its health care programs, Contractor is urged to utilize professional recruiters to identify the qualifications and experience that are needed to provide quality services in the DOC environment. Successful applicants will be selected to complement the health care program and the mission of the DOC. Qualifications and preferences will be matched with employment criteria to identify suitable candidates for each position. The applicant database will include:

- credentials
- licensure
- certification
- training
- geographic preference
- practice setting preference
- experience

Contractor recruiters shall utilize display and classified advertising, direct mail, electronic/internet posting, and participation in appropriate professional conferences and health care expositions. When recruiting for site-specific positions, placements in local newspapers and magazines will be utilized.

The State and Contractor shall coordinate recruitment efforts as needed to ensure an optimal, qualified staffing complement is in place at each facility.

H. LICENSURE/CERTIFICATION

Contractor physicians shall meet all licensure provisions and requirements of the Vermont Medical Practice Board. Contractor employees performing professional health care services shall be CPR-certified (including bi-annual re-certification) and shall maintain all necessary licensure and/or certification to practice their specialty. Each applicant's background, licensure/certification, work history, and personal and professional references shall be screened by experienced credentials specialists. Independent references shall be secured to provide a balanced reporting of the candidate's qualifications and performance history.

The Medical Directors and Program Manager will be responsible for furnishing the State with copies of licenses and certificates for all health care services staff, upon request. A copy will be maintained in the employee's Contractor personnel file. In addition to verifying that all personnel have the proper license and credentials at the time they are hired, the Contractor shall ensure that all professional licenses and credentials are kept current and adhere to NCCHC standards. By using a chronological alert system, Contractor shall maintain up-to-date references, copies of licenses and CPR certifications for all licensed professionals. Documentation of current licensure and annual CPR re-certification will be made available to the DOC Health Services Director. Such documentation shall include all information relative to any pending sanctions or complaints filed with state or professional licensing boards.

I. STATE OVERSIGHT

All Contractor personnel, subcontractors and agents will be required to successfully complete pre-employment security background checks and clearance by the State. Upon successful completion of the pre-employment security background check and clearance and acceptance of an employment offer, the Program Manager of each facility shall immediately inform the Superintendent of the name, job title and assignment of each newly-hired health care services staff member.

The DOC shall have the right to reject employment and or services of any person or firm retained by Contractor, when it is determined that such action is in the best interest of the DOC. The Superintendent shall have the right to request the termination of any health care services staff member who fails to abide by the facility's institutional operating procedures, or for any other just cause.

The DOC shall be responsible for providing security to Contractor personnel at all times that they are engaged in health care duties at a state correctional facility.

J. PERFORMANCE REVIEW

Contractor shall utilize an employee evaluation system. The Program Manager and/or the Nurse Manager shall complete a performance assessment for each newly hired employee before the ninetieth (90th) day of employment. The assessment will include a recommendation to offer the employee permanent employment status, to extend the probationary period, or to terminate the employee. The Program Manager or designee shall complete a performance review on all employees, at least annually. An employee may, however, be evaluated at any time, including an evaluation as to the employee's ability to help the State comply with the

Settlement Agreement, as deemed necessary by the Contractor or State. Upon completion of the written performance evaluation, the supervisor will schedule a meeting with the employee as part of the review. The employee will be allowed to either agree or disagree with the evaluation, but will be required to sign and acknowledge the evaluation. The employee will receive a copy of the evaluation; the original is forwarded to the central office to be filed in the employee's permanent record. The DOC shall be notified immediately of all health care staff evaluations that reflect sub-standard performance, as well as Contractor's action plan to immediately correct health care staff performance.

Contractor shall also participate in performance evaluations for health care staff employed by the State, consistent with the terms of the Stipulation and Agreement between the Vermont State Employees Association and the State (Attachment I).

K. STAFF TRAINING AND RETENTION

Contractor shall support a well-developed staff training and professional development program to ensure a strong foundation for performance and consistency in the provision of health care services.

The Contractor shall develop and implement a comprehensive staff retention program, including a program specifically oriented to nursing staff. At a minimum, Contractor's retention program must require all new staff to complete a thirty (30) day orientation period under supervision of an experienced employee. During this thirty (30) day orientation period, all new staff will be closely supervised and will not be on a shift by themselves. All new employees will also be required to complete a series of training modules which include an introduction to Vermont's correctional system, a review of DOC's policies and procedures (including mental health policies and protocols) and security training.

a. Orientation Training for New Employees

The Contractor orientation program for new employees is presented in three segments: (1) DOC Orientation, (2) Contractor Employee Orientation, and (3) On-the-Job Orientation. Each employee hired after February 1, 2005 must successfully complete all three segments of the orientation program.

1) DOC Orientation

Contractor shall commit five days of DOC orientation training for all newly-hired full-time staff (except Nurse Managers) within six months after the hire date. Newly-hired Nurse Managers shall receive DOC orientation training within one month after the hire date.

The State and Contractor⁴ shall jointly develop a five-day DOC orientation training curriculum. The curriculum shall include applicable training sessions from the Vermont Correctional Academy, as well as training healthcare provision in a correctional setting, and other designated specialty training. The DOC orientation training curriculum shall be developed no later than May 1, 2005. Prior to the development of the DOC orientation training curriculum, Contractor and the DOC shall ensure that staff receive adequate orientation either through attendance at the Vermont Correctional Academy's first week of basic training or through some other DOC-approved process.

⁴ The Executive Health Committee, comprised of State, Contractor and Mental Health Provider representatives is responsible for the DOC orientation training curriculum. Assistance will be provided by the DOC Human Resources Department staff.

Contractor shall work with the DOC to ensure that all employees receive an orientation to the correctional facility within the first week of the employee's start date. The orientation shall include:

- security policies and procedures;
- health care service facilities and equipment;
- schedule of services provided by the Contractor;
- emergency procedures; and
- all other information pertinent to the efficiency of the facility's health care services.

All employees shall be required to sign a statement that they are familiar with the institution's operating procedures and policies.

2) Contractor Employee Orientation

Contractor employees will receive a detailed orientation to the Contractor's programs, policies, procedures and personnel benefits. In addition to the general employee orientation, an orientation to the administrative, medical records, pharmaceuticals, clinical services, infection control, quality improvement, emergency procedure issues specific to the assigned DOC facility will also take place within the first week after an employee's start date. The pharmaceutical module of the orientation program will require licensed nurses to take a post-test used to establish the employee's knowledge base and determine if individualized training is necessary.

3) On-the-Job Orientation

New employees shall receive an in-depth orientation to the post for which they are hired. The new employee shall work with an employee who has experience in that area, allowing them to participate in the daily routine of their new position. Each new employee will have an identified supervisor assigned.

Throughout the orientation process, new clinical staff (registered nurses, licensed practical nurses, physician assistants, etc.) shall be required to complete a proficiency checklist, addressing the clinical skills required for the position. The orientation will be completed when proficiency is verified by the clinical supervisor of the new employee. Clinical proficiency verification will be completed upon the clinical supervisor's dated signature on the proficiency checklist. The proficiency checklist shall be completed within the first week after the employee's start date.

Although an employee may have been hired for a specific post, new employees shall be oriented to each area in the health care services unit within one month after the employee's start date. This is done to familiarize the employee with all aspects of the health care delivery system.

b. Ongoing Training

Contractor will seek to retain qualified staff to ensure a fully staffed, experienced employee matrix at each facility. Contractor's continuing education program shall build on the foundation established in the orientation process. Contractor employees shall be encouraged to further their professional development by attending seminars, lectures and conferences. The Contractor shall provide all health care staff with paid time off to attend continuing education classes and training, in compliance with NCCHC standards.

Quality Improvement studies, incident reports, inmate grievances and infection control review findings will be used to identify educational topics specifically needed by a facility. The Contractor educational program will also contain specific programs designed to acquaint employees with Contractor's goals and objectives, policies

and procedures, nursing protocols and programs. Contractor's central office personnel will be utilized to augment these educational programs.

Contractor shall provide a health care reference library at each major health care services area. The library will contain professional reference books and current periodicals. Reference materials will include but not be limited to:

- *National Commission on Contractor Health Standards for Health Services in State Contractor Facilities;*
- *Illustrated Medical Dictionary;*
- *Physicians Desk Reference;*
- *Textbook of Medical-Surgical Nursing;* and
- *Current Medical Diagnosis and Treatment.*

The Contractor shall develop an employee grievance resolution policy and process that provides all Contractor staff with a confidential forum to address work-related issues. Quality Assurance/Improvement reports to the DOC will describe the number and kind of employee grievances by facility on a monthly basis.

IV. ANCILLARY SERVICES

A. CORRECTION STAFF EDUCATION

Contractor shall provide training to all DOC Correctional Officers with respect to basic identification of inmates requiring immediate medical attention and shall be consistent with NCCHC standards. This will include training with regard to symptom recognition (shortness of breath, choking, bleeding, etc.) and the appropriate steps for triaging and obtaining medical services for the inmate on an urgent or emergent basis. Training will include in-person orientations and written materials.

Contractor shall conduct in-service education and training sessions for Corrections staff, at each facility, on a quarterly basis. The training curricula will be approved by DOC's Health Services Director and should include, at a minimum:

- administration of first aid;
- recognizing the need for emergency treatment;
- recognizing acute manifestations of chronic illnesses;
- recognizing chronic medical and disabling conditions;
- recognizing signs and symptoms of mental illness and psychological trauma;
- recognizing sign and symptoms of traumatic brain injury;
- recognizing signs and symptoms of dementia;
- medication side-effects and administration;
- infectious and communicable diseases;
- cardiopulmonary resuscitation;
- recognizing suicidal behavior and procedures/protocols for suicide prevention;
- smoking cessation;
- stress management;
- hepatitis A, hepatitis B and hepatitis C;
- HIV;
- Tuberculosis;
- utilization of the Contractor's services; and
- procedures for the delivery of emergency, acute and chronic illness services by Contractor staff.

The Contractor will also develop, in conjunction with the DOC Mental Health Provider, education on mental health topics as requested by the State. These topics may include:

- mental health;
- substance abuse; and
- suicide prevention.

B. STAFF VACCINATIONS

The Contractor is responsible for the provision and administration of Hepatitis B vaccine and TB testing items for use with security staff and/or other staff who are identified as being at significant risk of infection (as designated under the OSHA Blood-borne Pathogens mandate). Contractor's nurses will give these injections and maintain appropriate documentation of their administration.

In addition, the Contractor's nurses will administer diphtheria-tetanus vaccines when (1) injuries require a booster and (2) on a preventative basis (every ten (10) years) to security staff. The costs for such services and associated vaccines will be based upon the Contractor's accepted price for this service, and paid in accordance with the Additional Monthly Charges procedure delineated in Attachment B - Payment Provisions.

C. COORDINATION WITH THE DEPARTMENT OF HEALTH

The Contractor will be required to coordinate and work collaboratively with the Vermont Department of Health. The Contractor will be expected to cooperate with the any program or training module offered by the Vermont Department of Health. The Department of Health will provide on-going guidance to the Contractor and DOC on a variety of issues including the following:

- quality assurance activities;
- infection control;
- critical incident investigations;
- detection and prevention of HIV/AIDS;
- dissemination of public health information and education for inmates and staff; and
- response to public health threats.

In addition, the Contractor will coordinate and work collaboratively with the Vermont Department of Health in its implementation of an independent monitoring process for Quality Assurance and Quality Improvement.

V. Administrative Services

A. POLICIES AND PROCEDURES

The Contractor shall develop site-specific policies and procedures, which will be reviewed annually by the DOC. An electronic copy of each facility's policies and procedures shall be sent to the DOC within the two (2) weeks of contract implementation, February 1, 2005. These policies and procedures will be posted on the DOC's website.

The Contractor's policies and procedures are subordinate to the DOC's policies and procedures. The DOC will review all Contractor policies and procedures to ensure compliance with all federal and state laws and regulations, NCCHC standards and all DOC policies and procedures (including mental health policies and procedures). As necessary, the DOC will request changes to the Contractor's policies and procedures. Completion of formal policy review and development shall occur within four (4) months of February 1, 2005.

Compliance with DOC policies and procedures will be monitored through CQI reporting and through scheduled and unscheduled audits by the Department or the Vermont Department of Health.

B. CONTRACT IMPLEMENTATION AND INITIATION ORIENTATION

a. Implementation

As part of its proposal, Contractor submitted a Gantt chart summarizing key implementation tasks and anticipated timeframes for the completion of these tasks. In consultation with the DOC, Contractor developed a more detailed implementation plan delineating key milestones and associated start and end dates for the period prior to contract implementation - February 1, 2005. This revised implementation plan is included as Attachment G of the contract.

Contractor shall meet with DOC representatives weekly to report implementation status, issues and adherence to implementation timeframes reflected in Attachment G. The State and/or its designees shall monitor Contractor's readiness throughout the implementation period, and may issue requests for corrective action plans, as appropriate, should Contractor fail to meet key milestones that jeopardize successful implementation by February 1, 2005.

In the event that Contractor fails to be fully operational by contract implementation, February 1, 2005, Contractor may be charged up to \$25,000 per day until full operational status has been achieved. On February 1, 2005, the Vermont DOC Administration will notify Contractor in writing of its assessment of operational status - fully operational or non-compliant. Compliance shall be based upon completion of the key milestones in Attachment G, as determined by the VDOC. The DOC shall detail all compliance shortfalls by facility and function. Contractor will develop detailed corrective action plans for all non-compliant facilities and functions within five calendar days of receipt of the DOC operational assessment letter.

Once the DOC has notified Contractor in writing that full operational status has been achieved, this provision (and its associated performance guarantee) will no longer be applicable for the remainder of the contract.

b. Orientation

The State will review all proposed policies, procedures and program materials in advance of Contractor's use. Contractor central office personnel will conduct an orientation program for the State addressing Contractor's policies, procedures, programs and personnel benefits in January 2005. All Contractor employees and at least one DOC representative will attend this pre-contract initiation orientation program.

Contractor's six (6) Program Managers, Regional Administrator, Medical Director, and Director of Nursing, will be on-site at the time of contract initiation to assist on-site personnel and ensure the proper implementation of Contractor's programs. Contractor's Quality Improvement Director and Information Systems Director will be on call and available as needed during the contract initiation period.

C. CONSULTATION

The Program Managers shall provide support, information and assistance to local management personnel, including the Contractor's Medical Director, to facilitate the accomplishment of all contract goals and will meet regularly with the DOC administrators to discuss health services and contract issues. The Contractor's Regional Manager/Director will be responsible for coordinating with representatives of the DOC, especially facility management staff (e.g., Superintendents, assistants and Supervisors of Security), to implement programs that provide all inmates with unimpeded access to health care services in a timely manner, and are consistent with the requirements of the Settlement Agreement.

The Contractor's Regional Manager/Director will provide the State correctional facilities with consultation services upon request. Consultation may be provided on a variety of topics, to include: employee health programs, construction planning, new facility staffing plans, communicable disease management, inmate fee-for-service and inmate copayment programs and legislative issues. Consultation will include furnishing the DOC Health Services Director with copies of all sub-contracted services and a rationale for the selection of each vendor.

D. MEDICAL RECORDS

a. General

Contractor shall maintain a problem-oriented health record, consistent with state regulations and community standards of practice. The health record will include medical, dental, chemical dependency, and mental health care information, and will be stored separately from custody records.

A health record will be initiated during the inmate's first health care encounter and shall contain complete and accurate records of health care services provided during the individual's incarceration.

An inmate's health record will be available for reference during health care encounters. Documentation will be in the SOAP format, legible and completed with the date, time and place of the encounter. The health care provider's signature and title will be recorded for each encounter.

Each form and document in the health record shall contain identification information including the inmate's name, race, sex, date of birth, and the name of the facility presently maintaining the inmate's health record.

All outside health services, such as laboratory results, or physician consultation reports, will be filed as part of each inmate's permanent health care record.

The Contractor must ensure that health records are kept current. Each encounter between a health care provider and an inmate must be documented in the health record by the end of each staff shift to ensure that the providers coming onto the next shift are aware of the medical status of any inmate treated during the prior shift.

Health records for inmates transferred to other facilities within the State of Vermont must be securely transferred to the receiving facility within four (4) hours of the inmates transfer. Inmates transferred to out-of-state facilities must have complete health records physically accompany them on the out-of-state transfer.

The health records of discharged inmates will be maintained in accordance with the laws of the State of Vermont and policies of the DOC. Existing health records will be incorporated into the new health record on an inmate's return to the DOC from both the community and from out-of-state facilities.

At a minimum, the standardized health care record shall contain the following information:

- identifying information (i.e., inmate name, date of birth, gender)
- problem list containing medical and mental health diagnoses and treatments as well as known allergies;
- completed intake/receiving screening form;
- health assessment form;
- progress (SOAP) notes of all significant findings, diagnoses, treatments and referrals;
- provider orders;
- accommodations requested by or offered to inmates with special needs;
- results of screenings and assessments and treatment plans developed to address substance abuse and addiction issues;
- inmate requests for health care services, including illnesses and injuries;
- medications administration records;
- reports of laboratory, radiology and other diagnostic studies;
- informed consent and refusal forms;
- release of information forms;
- place, date and time of health care encounters;
- health provider's name and title;
- hospital reports and discharge summaries;
- intra-system and inter-system transfer summaries;
- specialized treatment plans;
- consultation forms;
- Health Services reports;
- immunization records, if applicable;
- inmate medical grievance forms; and
- documentation of all medical, dental and mental health care services provided, whether from inside or outside the facility.

b. HIPAA Compliance

To comply with standards promulgated under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), including the Standards for the Privacy of Individually Identifiable Health Information, Contractor must enter into a Business Associate's Agreement with the DOC (an example of Vermont's template Business Associate's Agreement is included as Attachment E).

Health records for inmates at each facility must be maintained in a secure location consistent with the confidentiality and security needs of the institution. Health records shall be maintained in a confidential and HIPAA-compliant manner at all times consistent with the Agency of Human Services Rule #96-23 (Attachment F). The Contractor must ensure that all health records are kept secure and intact. Health records and reports are, and will remain, the property of the DOC.

Because PHI may be used or disclosed without authorization for specialized government functions, a correctional institution or a law enforcement official with lawful custody of an inmate may have access to PHI for the health and safety of such individual, other inmates, officers or other employees at the correctional institution, or persons responsible for such inmate's transportation or otherwise for the administration and maintenance of the safety, security, and good order of the correctional institution. Information necessary for the classification, security and control of inmates will be shared with the appropriate Corrections personnel. In any criminal or civil litigation where the physical or mental condition of an inmate is at issue, Contractor will provide full and unrestricted access to and copies of the appropriate health care record to the State within the scope of legal and regulatory requirements and in accordance with the DOC's policies, procedures and directives.

E. TREATMENT PROTOCOLS

The Contractor shall employ treatment protocols for chronic conditions common among the Vermont inmate population. The treatment protocols should be designed and implemented to ensure appropriate utilization of clinically proven, cost effective treatment modalities. The protocols should be further implemented in a manner that ensures that treatment is provided in a generally consistent manner for all inmates requiring medical care for a particular condition. The protocols used should be consistent with those of national level organizations that develop clinical protocols for their own use and as guides for others, including those developed by federally-qualified Health Maintenance Organizations. The use of NCCHS clinical guidelines for chronic disease management in correctional institutions is also recommended.

F. CONTINUOUS QUALITY IMPROVEMENT PROGRAM

Contractor shall implement a continuous quality improvement program as set forth by NCCHC standards.

Contractor's CQI shall address health, environmental and safety issues. The Contractor shall perform quality assurance measurements, compile reports, and monitor the compliance with the CQI program and the contract. The format of such reports generated for the DOC will be subject to approval by the DOC Health Services Director.

All CQI reports will be received within fifteen (15) working days from the close of each month. Failure by the Contractor to provide such reports within the prescribed time period will result in a penalty of \$1,000 per month for each month that the report is not received. (See "Performance Guarantees" - Chapter 5, Section Q.)

The CQI program will be overseen by a QI Committee, which will be chaired by the Contractor's Medical Director. The QI Committee will meet monthly and will be attended by the nursing staff, dental staff, medical records staff and Contractor administrative personnel. The QI Committee will review all reports prepared by the Contractor for the DOC.

The multi-disciplinary QI committee is also responsible for monitoring inmate health, the control and prevention of communicable diseases, and safety and sanitation in the facility environment. The primary purpose of the committee is to identify problems and opportunities for improvement, based upon the data collected in the monitoring process, including from inmate grievances. The Contractor shall develop a written Quality Improvement Manual that includes policies and procedures for all aspects of the QI program. A copy of the manual shall be approved by the DOC Health Services Director no later than fifteen (15) days prior to the start of service delivery under this contract. Updates to the manual shall be provided to the DOC Health Services Director on a quarterly basis thereafter. The Contractor's QI manual will be used to provide in-service training to its staff.

In addition to monthly QI committee meetings, quarterly meetings will be conducted with the DOC central office through the Executive Health Services Committee (EHSC) to communicate CQI findings and to describe actions taken to resolve problems that are specific to health care services. The EHSC will include the DOC's Health Services Director, State Chief Nursing Officer, Contractor's Program Manager, and Contractor's Medical Director.

The Executive Health Committee will conduct monitoring and evaluating activities to ensure operation of the ongoing CQI problem-solving mechanism designed to monitor and improve inmate health. The Executive Health Committee will conduct mortality and morbidity reviews and special case reviews and will assure timely communication and resolution of problems as they arise. The Committee may establish work groups to address specific clinical or systems issues. In addition, all policies and procedures related to the delivery of health care services will be reviewed by the Executive Health Committee.

The comprehensive CQI shall contain the following components:

- risk management;
- infection control;
- utilization of services and cost containment;
- inmate grievances; and
- quality monitoring.

- 1) **RISK MANAGEMENT** - Contractor shall establish a logical and thorough system of policies and procedures to minimize exposure to liability. Risk management activities focus on the identification of clinical events which have or may have the potential of placing the inmate, health care provider, or the facility at risk. Identified risk areas are investigated and analyzed to develop policies and procedures that reduce risk and maintain a safe clinical setting. The CQI shall include a safety component to provide a safe environment for inmates, employees and visitors. Contractor shall work with DOC officials to establish a process to systematically monitor and evaluate the environment. The QI committee will work to maintain a safe environment and reduce the risk of accidental injuries.
- 2) **INFECTION CONTROL** - Contractor's infection control policies and procedures shall focus on the prevention, identification and control of diseases acquired in the facility setting or brought in from the outside community. The infection control program will address hand washing, housekeeping,

decontamination, disinfection and sterilization of equipment and supplies, medical isolation, infectious and parasitic laundry, infectious waste, pest control and parasite infected environments. The primary functions of the infection control program are:

- the management of communicable disease surveillance and treatment;
- daily reading of tuberculosis tests;
- reporting of communicable diseases and conditions (e.g., tuberculosis, sexually transmitted diseases, and hepatitis);
- collection, evaluation and reporting of epidemiological data for trends;
- development of effective systems for identification, prevention and control of communicable disease;
- ensure adequate community follow-up and coordination after inmates are released from the facility; and
- provide education to inmates and Contractor employees on communicable diseases, including symptoms, transmission and analysis.

Contractor's infection control program will emphasize surveillance activities to facilitate the identification, prevention and control of communicable diseases. Surveillance activities are also used to identify the health education needs of all who live and work in the DOC. Contractor's infection control volume data reporting forms will be designed to facilitate the collection of data on a variety of infection control issues, to include:

- inmates testing positive for venereal disease;
- inmates testing positive for HIV;
- inmates diagnosed with AIDS;
- inmates testing positive for TB; and
- inmates testing positive for hepatitis.

Contractor shall develop an extensive infection control manual and protocols to provide a resource for on-site staff. A copy of the infection control manual will be placed in each nursing area.

- 3) UTILIZATION OF SERVICES - COST CONTAINMENT - Contractor will establish a utilization review program to use of health care resources in a cost-effective manner. Policies and procedures will be established to ensure the delivery of health care services in an effective and efficient manner, with an emphasis placed on the triage process to appropriately channel inmates to health care providers who can appropriately evaluate and treat the presenting condition.

Contractor personnel shall collect and monitor statistical data to detect potential problems. Volume data reporting forms will be used to report data and to track the utilization of health care services on a year-to-date basis. Significant variances will be reviewed for problem identification. Contractor's central office personnel will monitor the utilization of all health care services provided off-site, as compared to national data on incarcerated populations, and will be readily available for telephone consultations. Contractor shall provide State Administrators with a report identifying those inmates transferred off-site to the hospital emergency department, and a status report on all inmates in local hospitals and the DOC infirmary. Contractor's volume data reporting forms will also be used to prepare a monthly narrative report to the DOC Health Services Director on the types and numbers of services provided, including:

- intake medical screenings
- health assessments
- inmate requests for service inmates seen at nursing sick call
- inmates seen by the physician

- inmates seen by the nurse practitioner
- inmates seen by the dentist
- inmates seen by the psychiatrist
- inmates seen by the psychiatric nurse practitioner
- infirmary admissions, patient days, average length of stay
- off-site hospital admissions
- medical specialty consultation referrals
- diagnostic studies
- percentage of inmates on medications
- inmate mortality
- health care services manpower report, hours worked at each post
- problems identified and actions taken or planned, with timeframes to resolve them,
- number and type of employee grievances by facility

Each month Contractor shall provide the State Administrators with a report on the costs accrued and/or paid for all outside and off-site treatment for each affected inmate. In addition, a cumulative total cost will also be provided for the contract term.

Contractor shall use on-site pre-admission testing prior to hospital admission, second opinions for all planned major surgery, and capitation or hourly type subcontracts with medical specialty providers. With the exception of life threatening emergencies, all hospitalizations will be pre-authorized and accompanied by concurrent review designed to minimize the necessary length of stay in the hospital. Contractor shall assure that the Medical Director or designee may interrupt this process should it become necessary to treat an inmate in a more emergent fashion. Retrospective reviews will also be completed.

- 4) ISSUE RESOLUTION AND GRIEVANCE PROCESS - When inmates believe they have not received a level or type of health care to which they are otherwise entitled, they shall have access to a resolution process which will expedite answers to their questions and additional care as determined. The Contractor shall have policies and procedures for a formal process to respond to these inmate issues. The contractor shall ensure that all inmates have access to this process in writing and that they understand it. In cases where a disability may limit an inmate's understanding of the process, accommodations will be provided. A standardized form shall be used for the filing of inmate issues, unless disability accommodations require other means. Inmates may request, and must be provided assistance, in completing the form.

The Department will develop an Ombudsman program (separate from the Contractor's issue resolution process) to ensure the inmates, their families, and advocacy organizations in the community have access to an individual who can assist them in the resolution of inmate complaints about their health care. The Contractor shall cooperate with the Ombudsman in resolving grievances and other issues. This program is not seen as a replacing or pre-empting the DOC's grievance process as relates to health care complaints.

The Contractor shall propose an issue resolution process that at a minimum:

- includes policies and procedures that are consistent with the Department's policies and procedures;
- coordinates with DOC's Ombudsman program; and
- ensures the Nurse Manager for each facility is available at least once weekly to meet with the Ombudsman and inmates.

The Nurse Manager shall be the initial arbiter of all issues and shall work with inmates to resolve complaints and issues. The Nurse Manager shall have an excellent working relationship with the

Ombudsman, who will act as a mediator between the inmate and the Contractor to resolve issues and grievances.

All issues received by the Contractor must be entered into an automated issue log. The log must include at a minimum:

- the date the issue was filed;
- the name and identification number of the inmate filing the issue;
- the nature of the issue;
- the categorization of the issue (routine or urgent);
- any investigation conducted by the Contractor; and
- the resolution of the issue and date of resolution.

Inmates may file a formal grievance with the DOC at any time. All routine and urgent grievances will be resolved by the DOC in accordance with its policies and procedures. Urgent grievances are defined as those complaints that involve an immediate need on the part of the inmate for health care services to prevent permanent disability or loss of bodily functions, or for severe pain. Urgent grievances shall be resolved in consultation with the Contractor's Medical Director or his/her designee.

The inmate will be notified in writing of the resolution of the grievance in accordance with DOC policies and procedures.

The Contractor must provide monthly reports to the DOC on the number, categorization (routine or urgent), type and disposition of all issues it receives from inmates; and provide Facility Superintendents on-going access to the automated issues log.

5) **QUALITY MONITORING** - Contractor's unit based CQI will monitor, evaluate and improve health care services delivery. It will also provide its data, data analyses, and performance improvement plans to the Vermont Department of Health for use in its independent DOC Quality Assurance/Improvement process. Contractor has developed monitoring tools designed to meet the specific needs of the DOC. The monitoring tools address the following areas:

- Special inmate events which warrant further evaluation based on the potential of a serious outcome. The review of special inmate events focuses on both health care management and continuity of care.
- Health care records review, with special attention given to discharge summaries, laboratory and diagnostic tests, the appropriate use of protocols, processing of medical records, medical record retention processes and compliance with national standards.
- Physician record reviews performed on a specified number of randomly selected medical records by a physician to review the treatment being provided, determine if it is appropriate, and make changes in the individualized treatment plan. A summary of the medical record reviews will be presented each month to the CQI committee by the Medical Director.
- Focused studies performed to monitor specific areas of concern for the purpose of problem identification in a variety of functional areas such as medication reviews, contract services and chronic management, including:
 - chest pain
 - consultations
 - dental services

- EKG
- history and physicals
- intake screening
- medical record
- medication administration
- mortality review
- patient education
- suicide precautions

G. INTERFACE WITH DOC'S MENTAL HEALTH SERVICES PROVIDER

The Contractor shall establish procedures to ensure an ongoing active interface with the DOC's mental health provider system. The Contractor shall designate a liaison to work with mental health providers in establishing routine and emergency lines of communication and developing procedures to ensure that ongoing coordination of services occurs. The purpose of the interface between the parties is to ensure coordination of care occurs for inmates being treated for both physical and mental health problems. The Contractor shall establish treatment teams in conjunction with the mental health providers as appropriate and necessary to ensure an efficient and effective level of care coordination.

a. Alcohol and Substance Abuse Services

Inmates admitted to the DOC under the influence of drugs and/or alcohol and those with significant histories related to the use of drugs and alcohol will be referred for further substance abuse counseling. The counseling will be used to evaluate the inmate and determine the need for substance abuse counseling and treatment. This process shall include protocols that involve the DOC Mental Health Provider in inmate evaluation and, if necessary, treatment plan development. Contractor shall assist in discharge planning in anticipation of release from the DOC.

b. Detoxification

Incapacitated persons brought to a correctional facility pursuant to 33 V.S.A. Section 708 (d)(1) & (2) shall be screened by medical staff. Treatment related to their detoxification shall be provided by the Contractor according to protocols agreed upon by the Contractor and the State. Detoxification treatments shall include the DOC Mental Health Provider in inmate evaluation and, if necessary, treatment plan development. Individuals committed under the influence of alcohol or drugs will be kept under close observation. The nursing staff will utilize established nursing protocols to monitor intoxicated individuals during the detoxification period. If the individual indicates a history or exhibits signs of an intense detoxification period, a physician will evaluate the inmate to determine whether hospitalization for evaluation and treatment is appropriate.

c. Mental Health Services

The DOC's contractual and State mental health care providers shall provide all services related to the mental health needs of inmates, including assessment, diagnosis and treatment. Contractor shall support these activities as agreed upon with the State and refer inmates to mental health care providers as necessary. Contractor shall work collaboratively and cooperatively with these providers to ensure open lines of communication and comprehensive care for inmates receiving medical and mental health care services. The Contractor's Medical Director and the DOC Mental Health Provider's Psychiatric Director shall ensure that inmates are not referred for mental health treatment in lieu of needed and appropriate medical services.

Weekly meetings shall be held to discuss treatment plans in cases involving both the Contractor and DOC Mental Health Provider. Meeting minutes documenting all discussion and decisions shall be sent to the Executive Health Committee. Any unresolved disagreements over the appropriate course of treatment for an inmate shall be forwarded to the Executive Health Committee for final determination.

d. Crisis Intervention and Suicide Prevention

Contractor shall assist the DOC Mental Health Provider in providing training for the correctional and health care services staff in the identification of signs and symptoms of suicidal behavior. Contractor shall participate in the continued development and implementation of suicide prevention programs with the DOC Mental Health Provider.

When an inmate is suspected of being at risk of harm to himself/herself, Contractor shall (1) contact the DOC Mental Health Provider or other designated provider, (2) coordinate with the State for the close observation of the inmate for suicidal behavior until a mental health care provider is able to assess the inmate's mental health status, and (3) assist other personnel in safety-related activities. Contractor shall document all relevant information and interactions with suicidal inmates and include relevant information in the inmate's medical chart.

H. DISASTER MANAGEMENT

Contractor shall work in conjunction with the DOC to develop a health care disaster plan for each facility and to ensure that the roles of Contractor staff are clearly understood in disaster situations. The health care services disaster plan will be coordinated with the facility's disaster plan to provide an effective and effective and efficient response to all disaster situations. Contractor personnel will work cooperatively with State correctional facility personnel to establish evacuation and disaster policies and procedures specifically for the DOC. The facility-specific policies and procedures will be used for in-service training.

I. MANAGEMENT INFORMATION SYSTEM

Within thirty (30) days of commencement of the contract, Contractor shall evaluate the system in use by the DOC. Contractor will report to the DOC whether historical data maintained on the current system must be converted to be used by Contractor. If necessary, data conversion of all existing files must be completed within seven (7) days of contract commencement, and within twenty-four (24) hours for the seven (7) day period before contract commencement.

The principal data collection tool is the patient encounter log. Specified inmate encounters are recorded in the log on a daily basis, including:

- patient scheduling
- chronic tracking and follow-up
- infectious inmate follow-up
- statistical workload summary
- input for clinical quality improvement

Additional data required under this contract include:

- monthly volume and types of services
- utilization review (input to the review committee)
- comparison with prior periods and target work load plans
- pharmacy dispensing and utilization
- manpower utilization data system
- clinical CQI
- diagnostic aggregate data
- issue/complaint log data

Data collection from each site and compilation for the region will be supervised by the Program Manager. Monthly summary reports will be generated and made available for discussion at each QI Committee meeting. Significant variations will be investigated and discussed by the committee, with the goal of modifying utilization trends to identify problems at an early stage.

Any enhancement by the Contractor of its corporate management information systems shall be made available to the State within six (6) months of implementation at any correctional facilities operated by the Contractor. Any software purchased specifically for operations within the State, along with all historical data files shall remain the property of the State. In the event that the Contractor ceases operations under this contract, software, management information systems, and data files used in the daily management of the program shall remain available and accessible to the State for a period not to exceed six (6) months.

J. PURCHASING PROCEDURES

Contractor shall assume total responsibility for purchasing all perishable and non-perishable medical and pharmaceutical supplies. Every effort will be made to purchase medical supplies from Vermont vendors. The individual authorized to conduct Contractor's contracted purchasing program shall be the assigned Program Manager. The Program Manager shall act as the day-to-day liaison between the DOC and Contractor regarding purchasing issues.

K. INSURANCE

Refer to Attachment C, Section 6 and Attachment D.

L. ACCREDITATION PLAN

The Contractor's accreditation plan must include the following elements:

- Contractor shall survey and assess the NCCHC accreditation potential of any non-accredited sites (or new sites) within ninety (90) days of commencement of the contract (or new site)
- Non-accredited sites must receive at least provisional accreditation within eight (8) months of commencement of the contract (or opening of a new site)
- Contractor shall maintain accreditation for all accredited sites

Contractor's Regional Manager/Director (or designee) will collaborate with the Contractor's Program Manager, Medical Director, Director of Nursing, and DOC administrators to ensure that all policies, procedures and programs are in compliance with the most current NCCHC standards for health care services in jails and prisons. In addition, the Regional Manager/Director (or designee) will perform on-site accreditation reviews periodically throughout the contract to ensure continued standards compliance. The Regional Manager/Director (or designee) will instruct the State staff in the proper use of the evaluation tool.

The evaluation tool will be used when establishing or revising policies and procedures, to ensure continued compliance with NCCHC standards. Contractor will establish and implement a corrective action plan with specific completion dates and benchmarks for any discrepancies or shortcomings regarding standards compliance. The corrective action plan and all necessary documentation will be submitted to the State for review.

If the parties agree that subsequent changes in the NCCHC standards have significant cost implications, the parties reserve the right to amend the contract.

M. OTHER OPERATIONAL AND FINANCIAL DATA REPORTING

Contractor must submit a series of operational and financial reports, using report formats and transmission methods as defined in collaboration with the State. All annual reporting shall be according to the State's Fiscal Year (July 1 to June 30). Most annual and quarterly reports are due from the Contractor and any subcontractors to the DOC within forty-five (45) days after the end of each reporting period. Facility-specific operational and financial reports must be submitted, as well as an aggregated report for the entire system.

The State reserves the right to request additional or different reporting information from the Contractor throughout the term of the contract, on either an ad hoc or regular basis.

The DOC and the Vermont Department of Health will conduct scheduled and unscheduled contract audits to verify and validate the delivery of services provided by the Contractor. These audits will be scheduled at least one week in advance. The Contractor shall make available detailed personnel records, attendance data, staff vacancy reports and other relevant information as required by the audit team.

a. Operational Reports

Contractor shall prepare the following operational reports, using State-approved templates. These reports are due by the fifteenth (15th) of each month for the previous month:

Monthly

- Contractor Operational Variance Reports – Contractor shall compile a comparison by facility (as well as a summary report of all facilities) of projected versus actual units of services provided, by service type. For all variances greater than ten (10) percent, an explanation of the negative or positive variance must accompany the report. The following are required in the variance reports:
 - Number of receiving screenings, initial and annual history and physical examinations, and initial dental screenings processed in the period.
 - Number of units of other health care services rendered by major category of service (e.g., inpatient hospital days, outpatient hospital procedures, infirmary days, primary care provider encounters,

specialist physician encounters, surgical procedures, pharmaceutical prescriptions dispensed, and dental procedures) during the period.

- Service Disposition/Lag Reports – Contractor shall report on the:
 - Number of sick call requests received, the number of requests not requiring a health care encounter or denied, and the number of days from an inmate’s initial sick call request until a health care encounter occurs.
- Inmate Complaints/Grievances – Summary of inmate complaints/grievances by category (urgent or routine), type and disposition. Data shall also be provided to DOC to enable it to determine if inmate grievances were resolved timely.

Quarterly

- QI Reports – As described in the preceding section.
- External Physician Referral Reports – The number of referrals to outside physician providers by major specialty (cardiologist, pulmonology, gastroenterology, gynecology, neurology, nephrology, oncology and hematology, ophthalmology, urology, general surgeons, specialty surgeons, infectious diseases, orthopedics, rheumatology, endocrinology, and other) with associated diagnoses will be tracked and reported by the Contractor. Included in the report, will be the number of days from initial referral to an external provider until the encounter occurs.
- External Facility/Other Providers Reports – The number of referrals to outside facility/other providers by type (hospitals, outpatient surgery centers, others) with associated diagnoses will be tracked and reported by the Contractor. Included in the report, will be the number of days from initial referral to an external provider for a specific clinical service to the date the service is provided.
- Dental Utilization Reports – The number of dental encounters by type (emergency, routine) and facility, as well as the number of inmates on the dental service waiting list within each facility. Included in the report will be the number of days from initial referral for a specific dental service to the time that the dental service is rendered.
- Inmate Patient Demographic Profile Report – A summary of inmate demographics under treatment (age, sex, race, etc.), along with the healthcare services delivered will be reported. Included in this report will be data specific to the chronic and convalescent populations, and the number of special needs/chronic treatment plans developed.
- Infirmary Admissions Reports – Number of infirmary admissions and days by diagnosis.
- Food Service Worker Clearance Reports – Number of inmate food service worker medical clearances performed.
- Staff Vaccinations Reports – Number of staff vaccinations provided by type.

b. Financial Reporting

The Contractor will submit quarterly and annual financial statements, using state-furnished templates, which specifically report the Contractor’s performance under its contract with the Department. The statements will be prepared in accordance with generally accepted accounting procedures. In addition to the contract specific financial statements, the Contractor will also submit the entire organization’s quarterly and annual financial

statements. Quarterly reports are due forty-five (45) days after quarter end close. Final annual financial statements are due ninety (90) days after the close of the contract period.

Three months prior to the end of the contract term, the Contractor shall submit the next year's annual budget, including case load and service volume assumptions, annual cash plan and profit and loss statement to the State for review and approval for the following contract year.

N. CLAIMS PROCESSING

The Contractor must have a claims processing system that can accurately adjudicate all types of provider claims, including hospitals, physicians, ancillary providers, etc.

Clean claims must be processed (reimbursed, denied or responded to) within thirty (30) days of receipt. The Contractor must have in place a process for specifying missing information when provider claims are denied due to incomplete status. All claim denials must include detailed information on the reasons for the denial and the provider's right to appeal.

Failure to promptly reconcile and pay clean hospital/community-based provider claims within thirty (30) days of the Contractor's receipt of the claim may be grounds for financial penalties (see Chapter 5, Section Q) and/or contract termination. All provider claims thirty (30) days or more in arrears shall be reported to the DOC as a part of the Contractor's monthly quality improvement reporting.

Pharmacy claims may be processed by the Contractor's pharmacy vendor.

O. INMATE TRANSFERS BETWEEN VERMONT DOC FACILITIES AND OUT-OF-STATE FACILITIES

a. Transfers between Vermont DOC Facilities

The protocol for preparation of clinical information for inmate transfers between Vermont DOC facilities includes:

- Preparation of the medical record inserted into a plain brown folder placed in a sealed envelope with the inmate's name and the phrase "CONFIDENTIAL - MEDICAL/ MENTAL HEALTH INFORMATION"
- A supply of all prescription medications ranging from one (1) to seven (7) days or whatever quantity remains on the inmate's prescription card

These materials are to be provided by the sending facility to the DOC transport team at the time of the inmate's transfer.

b. Transfers Out-Of-State

The protocol for preparation of clinical information for inmate transfers between the Vermont DOC and another state's facility includes:

- Assembly of a photo-copy of the medical and mental health records which include all records for a minimum of one (1) year from the date of the out-of-state (OOS) medical clearance (i.e., a medical clearance date of 10/25/04 will include all medical and mental health records from 10/25/03). Diagnostic and

laboratory results for up to five (5) years are also to be sent with the health records. The following health care record documents must be included:

- problem list
 - current history and physical
 - all information related to conditions currently under treatment
 - relevant labs and data
 - chronic care clinic notes and notes relating to specific conditions
 - copy of immunization record
 - TB test results writing in millimeter
 - mental health care information including mental health evaluation, treatment plan, and notes related to any ongoing clinical care
- Contractor shall retain the original health care record documents, but make a copy to be inserted into a plain brown folder placed in a sealed envelope with the inmate's name and the phrase "CONFIDENTIAL - MEDICAL/MENTAL HEALTH INFORMATION." The records designated for OOS will be organized in a multi-part medical chart folder by the "sending facility" (a sending facility is defined as the Vermont DOC facility where the inmate was lodged at the time the medical clearance was performed.) Each Vermont DOC facility health center that performs OOS transfers will be provided with such folders (available for re-order from the DOC Central Office).
 - The photocopied medical record assembled into the folder must physically accompany the inmate upon his transfer out-of-state. Out-of-state health records will be logged out to the OOS transport agency using a chain of custody form that will be completed at the staging facility by the Nurse Manager or his/her designee.
 - A supply of all prescription medications ranging from four (4) to seven (7) days, depending upon the State's agreement with the receiving State's facility.

P. MORTALITY REVIEWS

The Contractor shall coordinate with the State in the acquisition and submission of all relevant information concerning the death of any inmate within ten (10) working days of the death, unless extenuating circumstances require law enforcement investigation. This shall include preparation of mortality reviews and other requirements mandated by NCCHC standards, state policies, and state and federal laws. Should a law enforcement investigation be required, the DOC shall extend the timeframe for completion of the mortality review, notifying Contractor of the revised mortality review due date. Failure to meet these mandates may result in a penalty of up to \$5,000.

Q. PERFORMANCE GUARANTEES

All medical services shall be delivered in compliance with standards set forth by the NCCHC. At such time as these standards are updated, it is understood the standards promulgated under these performance guarantees will be adjusted to ensure that Vermont DOC facilities remain in compliance with NCCHC standards, and retain NCCHC accreditation.

Contractor is obliged to self-report all performance shortfalls that would trigger a penalty. Reports are due to the DOC within five (5) business days after month-end close. Contractor may send a formal request to the DOC requesting that a penalty be reconsidered or reduced due to extenuating circumstances. Should

Contractor choose to submit such a request, the DOC will render a decision within five (5) business days of receipt of Contractor's request.

At the discretion of the Vermont DOC, performance guarantee penalties may be waived. Should the DOC elect to waive a penalty, such waiver does not preclude the DOC from exercising its rights to enforce a penalty in the future.

a. NCCHC Accreditation

Contractor is required to maintain NCCHC accreditation for every current and future facility in the State system. If certification accreditation by the NCCHC is lost at any time, a \$500 penalty per day/per non-accredited facility will be assessed against the vendor until the non-accredited facility(ies) receives either a provisional accreditation or is fully accredited. If the NCCHC issues a provisional accreditation, the \$500 per day/per facility will be waived up to one hundred and eighty (180) days. The beginning and ending dates of the penalty will be governed by any written communication from the NCCHC. Any date within any calendar month will serve as the beginning and end dates and each inclusive month of non-accreditation will be assessed the penalty.

It is understood that the Southern State Correctional Facility is newly-opened and has not been accredited to date. The Parties shall develop a plan for the accreditation by NCCHC of this site no later than eight (8) months following the commencement of the contract.

b. Access to Dental Services

Failure by the Contractor to meet dental hourly requirements or to adequately control the size of the waiting list for dental services may result in a financial penalty up to \$1,000 per occurrence. The size of the penalty will be determined based on the extent to which the Contractor has failed to maintain adequate service accessibility, and will be the subject of contract negotiation. The Contractor shall provide access to dental services according to the following standards:

- urgent care: within 24 hours; and
- routine care: within 28 calendar days of the sick call request.

Inmates with dental emergencies (i.e. facial fractures, uncontrolled bleeding, and infections not responsive to antibiotics) shall receive immediate medical care, which may include emergency transportation to a hospital, outpatient or inpatient facility.

c. Operational and Financial Reports

Failure by the Contractor to provide required operational and financial reports within prescribed time periods may result in a penalty of \$1,000 per report per month for each month that any report is not received timely. The DOC, at its sole discretion, may permit additional time for the submission of required reports under extenuating circumstances beyond the Contractor's control.

d. Pharmaceutical Drug Availability

Failure to provide prescription drugs to inmates in accordance with contract standards will result in a penalty. For purposes of this performance guarantee, the following standards shall be applied:

- Ongoing treatment plans - Within two (2) hours of the date and time the medication is scheduled to be dispensed;
- Newly ordered prescriptions - Within forty-eight (48) hours from Monday through Friday, and within seventy-two (72) hours from Saturday through Sunday of a provider's non-"stat" order; and
- "Stat" order - Contractor shall provide "stat" orders within one (1) hour of receipt of a "stat" order.

Failure to provide DOC inmates with medications based on the above time-standards will result in a penalty of \$1,000 per occurrence. The Contractor shall report each instance of non-compliance as a part of its monthly CQI reporting.

e. Staffing Standards and Coverage

It shall be the Contractor's final responsibility to fill all posts in accordance with the staffing standards and coverage schedules per the Staffing Matrix (Attachment H), exclusive of posts filled by State employees. Failure by the Contractor to fill these posts with permanent employees within thirty (30) days after a post has become vacant (as scheduled in the Staffing Matrix), may result in a penalty as follows:

- Registered Nurses, Licensed Practical Nurses, Licensed Nursing Assistants, Nurses Aide, Dental Assistant, and Medical Secretary/ Administrative Assistant- \$250 for each day or part thereof that the post is not filled.
- Physicians, Physician Assistant, Nurse Practitioner, Dentist, Program Manager and Regional Director - \$500 for each day or part thereof that the post is not filled.

Contractor is expected to provide interim per diem staffing of health professionals trained to provide health services within a correctional setting for all health services-related positions vacant beyond one (1) week due to illness, disability, disciplinary actions, and/or staff departures. Failure by the Contractor to fill these posts with per diem employees may result in a penalty of \$500 for each day that the post is not filled.

Contractor must also ensure that no shift is left uncovered. Attachment K - Staffing Coverage Standards reflects the minimum staffing required by facility, by shift, by type of clinical staff for Contractor to avoid a penalty under this provision. Contractor may, at its discretion and cost, fill clinical positions within higher practice level professionals without penalty. Clinical staff cannot be asked to operate outside of their scope of practice to cover a shift. Failure by the Contractor to cover a shift will result in a penalty of \$1,000 for each uncovered shift.

f. Sick Call Timeliness

Contractor shall provide sick call services, in compliance with NCCHC standards, to allow the health care staff to provide same-day response to urgent inmate requests for health care services. Contractor will be charged \$50 per each sick call request outstanding for more than forty-eight (48) hours of the request during a week day (Monday through Friday) Contractor shall make a good faith effort to meet the forty-eight (48) hour standard from Saturday to Sunday, but consistent with the NCCHC standards for sick call response times, Contractor will be held to a maximum of seventy-two (72) hours from Saturday to Sunday before a penalty will be taken.

g. Implementation Plan

In the event that Contractor fails to be fully operational by February 1, 2005, Contractor may be charged up to \$25,000 per day until full operational status has been achieved. The size of the penalty shall be proportionate to Contractor's shortfall in operational readiness. On February 1, 2005, the Vermont DOC Administration will notify Contractor in writing of its assessment of operational status - fully operational or non-compliant.

Compliance shall be based upon completion of the key milestones in Attachment G, as determined by the VDOC. The DOC shall detail all compliance shortfalls by facility and function. Contractor will develop detailed corrective action plans for all non-compliant facilities and functions within five calendar days of DOC operational assessment letter.

Once the DOC has notified Contractor in writing that full operational status has been achieved, this performance guarantee will not longer be applied throughout the remainder of the contract period.

h. Hospital/Community Provider Clean Claims Payment

All payments to hospitals and other community providers should be made within thirty (30) days of the Contractor's receipt of a clean claim. Failure to promptly reconcile and pay hospital/community provider claims shall be grounds for penalties or contract termination. All clean claims thirty (30) days or more in arrears shall be reported to the DOC as a part of the Contractor's monthly quality improvement reporting, and may be assessed twenty (20) percent of the gross claim amount.

i. Access to Specialty Services

Under no circumstances shall Contractor limit or delay access to specialty services for inmates identified as requiring this care. If the DOC believes that the Contractor is not providing specialty services in a timely fashion, the DOC's Health Services Director and the Contractor's Medical Director shall review and resolve all disputes. Should the resolution find in favor of the inmate's need for specialty services, the DOC Health Services Director and Contractor's Medical Director shall also agree upon a target date when services will commence. Failure by Contractor to provide access to these services on the target date may result in a penalty of \$1,000 per day for every day after the target date until services commence. Failure to reach a resolution may result in a penalty of \$5,000 per incident, and ultimately may be grounds for termination.

j. Mortality Review Timeliness

The Contractor shall coordinate with the State in the acquisition and submission of all relevant information concerning the death of any inmate within ten (10) working days of the death, unless extenuating circumstances require law enforcement investigation. This shall include preparation of mortality reviews and other requirements mandated by NCCHC standards, state policies, and state and federal laws. Should a law enforcement investigation be required, the DOC shall extend the timeframe for completion of the mortality review, notifying Contractor of the revised mortality review due date. Should Contractor fail to acquire and submit information before or on the due date, or meet NCCHC standards, state policies, state and federal laws governing mortality reviews, a penalty of up to \$5,000 per occurrence may be taken.

**ATTACHMENT B
CONTRACT FOR SERVICES
PAYMENT PROVISIONS**

Contractor agrees to invoice the State for services no less frequently than monthly. The Contractor agrees to render an invoice to the State by fifteen (15) days following the last day of the month in which the service was provided. The State will not be liable for payments for any service invoiced after the 15-day limit.

Upon the Contractor's successful performance of the terms set forth in Attachment A, the State agrees to pay the Contractor according to the procedures described below.

The Contractor will submit two monthly invoices: one for the base services and one for additional monthly charges for mental health medications, Hepatitis B and Diphtheria/Tetanus immunizations and tuberculosis testing services for DOC staff, as well as incremental charges for the assessment and observation of incapacitated persons.

1) Base Payment

Contractor's base payment is a capitated Per Inmate Per Month (PIPM) amount multiplied by the total number of DOC inmates. The following is a schedule of the at-risk pricing for the contract period. Under the capitated, at-risk model, Contractor shall be paid on a per inmate per month basis for no fewer than 1,600 ADP, even if the ADP drops below 1,600.

Time Period	PIPM	Average Payment	ADP (Average Daily Population)	Annual Costs
2/1/05 - 1/31/06	\$ 451.03	\$ 741,937	1,645	\$ 8,903,244
2/1/06 - 1/31/07	\$ 478.78	\$ 787,590	1,645	\$ 9,451,075
2/1/07 - 1/31/08	\$ 510.16	\$ 839,206	1,645	\$ 10,070,474

The Contractor shall submit an invoice the first day of the month for services provided in the previous month. Resolution of any issues regarding the ADP used for a base month payment shall be addressed and reconciled in the following month. The State shall reimburse the Contractor within thirty (30) days of receipt of the Contractor's invoice. The State shall discuss all deductions and performance penalties with the Contractor in advance of payment. If the State does not pay the invoice within thirty (30) days of receipt, it will pay the Contractor an additional 1.5 percent per month of the invoiced amount for late charges.

a. Prepayment/Performance Guarantee

Contractor has proposed two options for reducing service delivery costs: (1) prepayment of base monthly fee at the beginning of each month, and (2) the use of a Performance Guarantee in place of a traditional performance bond. Should the DOC elect one or both options, the proposed reduction in cost is shown in the following table:

Cost Savings Options	Year 1 (2005/2006)	Year 2 (2006/2007)	Year 3 (2007/2008)
Prepayment	\$ 70,562	\$ 72,679	\$ 74,859
Performance Guarantee	\$ 23,446	\$ 24,889	\$ 26,520

2) Additional Monthly Charges

Additional monthly charges are invoiced separately from services included in the base payment. The Contractor shall submit an invoice the tenth day of the month for services provided in the previous month. The additional monthly charges for incidental adjustment services shall adhere to the following schedule by service.

Incidental Services Per Encounter	Year 1 (2005/2006)	Year 2 (2006/2007)	Year 3 (2007/2008)
Mental Health Medications ⁵ (including those mentioned in Att A, Section W, Subpart c)	\$ 240,000.00	\$ 270,000.00	\$ 300,000.00
Hepatitis B Vaccine ⁶	\$ 69.00	\$ 75.21	\$ 81.98
Diphtheria/Tetanus Vaccine	\$ 1.00	\$ 1.09	\$ 1.19
TB Testing	\$ 10.00	\$ 10.90	\$ 11.88
Incapacitated Persons Assessment and Observation ⁷	\$ 27.30	\$ 28.66	\$ 30.09

The State shall reimburse the Contractor following a reconciliation for cost of services provided and any applicable adjustments to the invoice. The reconciliation shall include:

- Deductions for performance penalties - Contractor shall report any deficiencies or occurrences that might result in a penalty provided for in this contract's performance guarantees. The State shall independently evaluate Contractor's service delivery for any deficiencies or occurrences that might result in a penalty.

⁵ Amount is the maximum annual budgeted amount. Any amounts over this maximum will be directly paid by VDOC. Components covered under Mental Health Medications to be reimbursed include: acquisition costs as well as back-up pharmacy expenses, courier service and dispensing fees.

⁶ Contractor's price per Hepatitis B shot (\$23.00 in Year 1) multiplied by three, the required number of shots to achieve full immunization.

⁷ This amount includes a \$5,000 annual aggregate offsite cap. Any offsite savings under this \$5,000 annual cap will be refunded to VDOC. Any offsite expense in excess of the annual aggregate cap will be the financial responsibility of VDOC.

- Any deficiencies in performance may result in payment reductions as delineated in Chapter Five, Section Q – Performance Guarantees. The State shall discuss all proposed performance penalties with the Contractor in advance of invoice payment.
- Changes in VHAP Policy – PHS’ price proposal incorporated projected VHAP program payment of certain inpatient expenses currently covered under the program. In the event of a change in federal and/or state policy and inmate participation in the VHAP program is substantially altered, the Parties will agree to negotiate a contract amendment responding to the changing fiscal environment.

All adjustments will be fully documented and discussed with Contractor prior to the issuance of an adjusted payment by the State.

3) Miscellaneous Provisions

It is understood and agreed that Contractor’s proposal was based on utilization data furnished by DOC and the current community standards of care applicable to providing health care services to the incarcerated population. In the event, over the term of the agreement, there are any changes in the standards of care or in the conditions-related representations by the DOC, Contractor shall be entitled to request an amendment.

Contractor’s cost proposal is predicated upon the DOC providing mental health care services. Should the DOC fail to provide these services, Contractor shall seek an amendment to the contract.

Change in Standard of Care or Scope of Services: The price in this contract reflects the scope of services as outlined herein, and the current community standard of care with regard to healthcare services. Should there be any change in or modification of inmate distribution, standards of care (e.g., changes in HIV/AIDS therapy, Hepatitis B therapy, etc.), scope of services, or available workforce pool that results in material costs to the Contractor, the costs related to such changes or modifications are not covered in this contract, and shall be negotiated with the State. If the parties are unable to reach a mutual agreement on these costs within thirty (30) days from either party’s request to negotiate, either party may terminate this contract by providing the other party with ninety (90) days written notification thereof.

Force Majeure: Neither the State nor the Contractor shall be held responsible for any delay or failure in performance (other than payment obligations) to the extent that such delay or failure in performance is caused by fire, flood, hurricane, explosion, war, strike, labor action, terrorism, embargo, governmental regulation, riot, civil or military authority, acts of God, acts or omissions of carriers or other similar causes beyond their control.

Additionally, it is hereby agreed and understood that this contract has no minimum amount. The Contractors’ services will be required on an “as needed” basis.

4) Contractor shall submit all invoices to:

Vermont Department of Corrections
 103 South Main Street
 Waterbury, VT 05671-1001

**ATTACHMENT C
CONTRACT FOR SERVICES
CUSTOMARY STATE CONTRACT PROVISIONS (Revised 12/01/03)**

1. **Entire Agreement.** This contract represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
2. **Applicable Law.** This contract will be governed by the laws of the State of Vermont.
3. **Appropriations.** If this contract extends into more than one fiscal year of the state (July 1 to June 30), and if appropriations are insufficient to support this contract, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriations authority.
4. **No Employee Benefits for Contractors.** The Contractor understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation and sick leave, workers compensation or other benefits or services available to State employees, nor will the State withhold any federal or state taxes except as required under applicable tax laws, which shall be determined in advance of execution of the contract. The Contractor understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Contractor, and information as to contract income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
5. **Independence, Liability.** The Contractor will act in an independent capacity and not as officers or employees of the State. The Contractor shall indemnify, defend and hold harmless the State and its officers and employees from liability and any claims, suits, judgments, and damages, which arise as a result of the Contractor's acts and/or omissions in the performance of services under this contract. The Contractor shall notify its insurance company and the State within 10 days of receiving any claim for damages, notice of claims, pre-claims, or service of judgments or claims, for any act or omissions in the performance of this contract. See Attachment L for independence liability hold harmless clause.
6. **Insurance.** Before commencing work on this contract the Contractor must provide certificates of insurance to show that the following minimum coverage are in effect. The Contractor must notify the State no more than 10 days after receiving cancellation notice of any required insurance policy. It is the responsibility of the Contractor to maintain current certificates of insurance on file with the State through the term of the contract. Failure to maintain the required insurance shall constitute a material breach of this contract.

Workers Compensation: With respect to all operations performed, the Contractor shall carry workers compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the contract, the Contractor shall carry general liability insurance having all major divisions of coverage including, but not limited to:

- Premises - Operations
- Independent Contractors' Protective
- Products and Completed Operations
- Personal Injury Liability
- Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Per Occurrence
\$3,000,000 General Aggregate
\$1,000,000 Products/Completed Operations Aggregate
\$ 50,000 fire Legal Liability

Automotive Liability: The Contractor shall carry automotive liability insurance covering all owned, non-owned and hired vehicles used in connection with the contract. Limits of coverage shall not be less than: \$1,000,000 Combined single limit.

Professional Liability: Before commencing work on this contract and throughout the term of this contract, the Contractor shall procure and maintain professional liability insurance for any and all services performed under this contract, with minimum coverage of \$1,000,000 per occurrence and \$3,000,000 general aggregate.

No warranty is made that the coverage and limits listed herein are adequate to cover and protect the interests of the Contractor for the Contractor's operations. These are solely minimums that have been set to protect the interests of the State.

7. **Reliance by the State on Representations:** All payments by the State under this contract will be made in reliance upon the accuracy of all prior representations by the Contractor, including but not limited to bills, invoices, progress reports and other proofs of work.
8. **Records Available for Audit.** The Contractor will maintain all books, documents, payroll, papers, accounting records and other evidence pertaining to costs incurred under this agreement and make them available at reasonable times during the period of the contract and for three years thereafter for inspection by any authorized representatives of the State or Federal government. If any litigation, claim or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved. The State, by any authorized representative, shall have the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this contract.
9. **Fair Employment Practices and Americans with Disabilities Act:** Contractor agrees to comply with the requirement of Title 21 V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Contractor shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Contractor under this contract. Contractor further agrees to include this provision in all subcontracts.
10. **Set Off:** The State may set off any sums which the Contractor owes the State against any sums due the Contractor under this contract; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.
11. **Taxes Due to the State.**
 - a. Contractor understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.

b. Contractor certifies under the pains and penalties of perjury that, as of the date the contract is signed, the Contractor is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.

c. Contractor understands that final payment under this contract may be withheld if the Commissioner of Taxes determines that the Contractor is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.

d. Contractor also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Contractor has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Contractor has no further legal resource to contest the amounts due.

12. **Child Support.** (Applicable if Contractor is a natural person, not a corporation or partnership.) Contractor states that, as of the date the contract is signed, he/she:
- is not under any obligation to pay child support; or
 - is under such an obligation and is in good standing with respect to that obligation; or
 - has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.
- Contractor makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Contractor is a resident of Vermont, Contractor makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.
13. **Subcontractors.** The Contractor shall not assign or subcontract the performance of this agreement or any portion thereof to any other contractor without the prior written approval of the State. Contractor also agrees to include in all subcontract agreements a tax certification in accordance with paragraph II above.
14. **No Gifts or Gratuities.** Contractor shall not give title or possession of any thing of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this contract.
15. **Copies.** All written reports prepared under this contract will be printed using both sides of the paper.
16. **Access to Information.** The Contractor agrees to comply with the requirements of AHS Rule No. 96-23 concerning access to information. The Contractor shall require all of its employees performing services under this contract to sign the AHS affirmation of understanding or an equivalent statement.
17. **Suspension and Debarment.** Non-federal entities are prohibited by Executive Orders 12549 and 12689 from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include procurement contracts for goods or services equal to or in excess of \$100,000 and all non-procurement transactions (sub-awards to sub-recipients). By signing this contract, current Contractor certifies as applicable, that the contracting organization and its principals are not suspended or debarred by GSA from federal procurement and non-procurement programs.
18. **Health Insurance Portability & Accountability Act (HIPAA).** The confidentiality of any health care information acquired by or provided to the independent contractor shall be maintained in compliance with any applicable state or federal laws or regulations.

19. **Abuse Registry.** The Contractor agrees not to employ any individual to care for elderly or disabled adults if there has been a substantiation of abuse, neglect, or exploitation against that individual. The Contractor will check the Adult Abuse Registry in the Department of Aging and Disabilities for the names of all such current or prospective employees.

20. **Voter Registration.** When designated by the Secretary of State, the Contractor agrees to become a voter registration agency as defined by 17 V.S.A. §2103 (41), and to comply with the requirements of State and Federal law pertaining to such agencies.

**ATTACHMENT D
CONTRACT FOR SERVICES
MODIFICATION OF MAXIMUM INSURANCE REQUIREMENTS**

The requirements contained in Attachment C, Section 6 are hereby modified:

No Modifications

Type of Insurance Coverage:

Modifications:

Reasons for Modifications:

Approval:

Assistant Attorney General: _____

Date: _____

ATTACHMENT E
CONTRACT FOR SERVICES
BUSINESS ASSOCIATE AGREEMENT (REVISED 12/01/03)

THIS BUSINESS ASSOCIATE AGREEMENT (“AGREEMENT”) IS ENTERED INTO BY AND BETWEEN THE STATE OF VERMONT, AGENCY OF HUMAN SERVICES, OPERATING BY AND THROUGH ITS DEPARTMENT OF CORRECTIONS (“COVERED ENTITIES”) AND PRISON HEALTH SERVICES, INC (“BUSINESS ASSOCIATE”), AS OF 02/01/05 (“EFFECTIVE DATE”).

Preliminary Statement. Covered Entity and Business Associate have entered into the Contract to which this Business Associate Agreement is an attachment pursuant to which Business Associate provides to Covered Entity certain services (“Services”) which may require the use and/or disclosure of health information. For the avoidance of any doubt, “Services” includes all work performed by the Business Associate for or on behalf of Covered Entity. This Agreement supplements and is made a part of the Contract.

The parties enter into this Agreement to comply with standards promulgated under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), including the Standards for the Privacy of Individually Identifiable Health Information, at 45 CFR Parts 160 and 164 (“Privacy Rule”), and the Security Standards, at 45 CFR Parts 160 and 164 (“Security Rule”).

Agreement. In consideration of the foregoing, and in consideration of the desire of Covered Entity to continue receiving Services, and of Business Associate to continue providing Services, the parties agree as follows:

1. **Definitions.** All capitalized terms in this Agreement have the meanings identified in this Agreement, 45 CFR Part 160, or 45 CFR Part 164. The term “Individual” includes a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g). All references to PHI mean Protected Health Information. All references to Electronic PHI mean Electronic Protected Health Information.
2. **Permitted and Required Uses/Disclosures of PHI.**
 - 2.1 Except as limited in this Agreement, Business Associate may use or disclose PHI to perform the Services, provided that any use or disclosure would not violate the minimum necessary policies and procedures of Covered Entity. Business Associate shall not use or disclose PHI in any manner that would constitute a violation of the Privacy Rule if used or disclosed by Covered Entity in that manner. Business Associate may not use or disclose PHI other than as permitted or required by this Agreement or as Required by Law.
 - 2.2 Business Associate may make PHI available to its employees who need access to provide Services (provided that Business Associate makes such employees aware of the use and disclosure restrictions in this Agreement and binds them to comply with such restrictions). Business Associate may only disclose PHI for the purposes authorized by this Agreement: (a) to its agents (including subcontractors), in accordance with Sections 6 and 14; or (b) as otherwise permitted by Section 3.
3. **Business Activities.** Business Associate may use PHI received in its capacity as a “Business Associate” to Covered Entity, if necessary, for its proper management and administration or to carry out its legal responsibilities. In addition, Business Associate may disclose PHI received in its capacity as “Business Associate” to Covered Entity, for its proper management and administration or to carry out its legal responsibilities, if a disclosure is Required by Law, or: (a) Business Associate obtains reasonable written assurances (via a written contract) from the person to whom the information is to be disclosed that the PHI shall remain confidential and be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person; and (b) the person promptly notifies

Business Associate (who in turn will promptly notify Covered Entity) in writing of any instances of which it is aware in which the confidentiality of the PHI has been breached. All uses and disclosures of PHI for the purposes identified above must be of the minimum amount of PHI necessary to accomplish such purposes.

4. **Safeguards.** Business Associate shall implement and use appropriate safeguards to prevent the use or disclosure of PHI, other than as provided for by this Agreement. Business Associate shall identify in writing, upon request from Covered Entity, all of the safeguards that it uses to prevent impermissible uses or disclosures of PHI.
5. **Reporting.** Business Associate shall report in writing to Covered Entity any use or disclosure of PHI in violation of this Agreement by Business Associate or its agents (including subcontractors). Business Associate shall provide such written report promptly after it becomes aware of any such use or disclosure. Business Associate shall provide Covered Entity with the information necessary for Covered Entity to investigate any such use or disclosure. Business Associate may use PHI to report violations of law to appropriate federal and state authorities, consistent with 45 CFR 164.502(j)(1).
6. **Agreements by Third Parties.** Business Associate shall ensure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate on behalf of, Covered Entity, agrees in a written contract to the same restrictions and conditions that apply through this Agreement to Business Associate, with respect to such PHI. By way of example, the written contract must include those restrictions and conditions set forth in Section 12. Business Associate must enter into the written contract before any use or disclosure of PHI by such agent, and such written contract must identify Covered Entity as a direct and intended third party beneficiary, with the right to enforce any breach of the contract concerning the use or disclosure of PHI. Business Associate shall provide a copy of the written contract to Covered Entity upon request. Business Associate may not make any disclosure of PHI to any agent without the prior written consent of Covered Entity.
7. **Access to PHI.** Business Associate shall provide access to PHI in a Designated Record Set to Covered Entity or, as directed by Covered Entity, to an Individual, to meet the requirements under 45 CFR 164.524. Business Associate shall provide such access in the time and manner reasonably designated by Covered Entity. Business Associate shall promptly forward to Covered Entity for handling any request for access to PHI that Business Associate directly receives from an Individual.
8. **Amendment of PHI.** Business Associate shall make any amendments to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 CFR 164.526, whether at the request of Covered Entity or an Individual. Business Associate shall make such amendments in the time and manner reasonably designated by Covered Entity. Business Associate shall promptly forward to Covered Entity for handling any request for amendment to PHI that Business Associate directly receives from an Individual.
9. **Accounting of Disclosures.** Business Associate shall document disclosures of PHI and all information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528. Business Associate shall provide such information to Covered Entity, or as directed by Covered Entity, to an Individual, to permit Covered Entity to respond to an accounting request. Business Associate shall provide such information in the time and manner reasonably designated by Covered Entity. Business Associate shall promptly forward to Covered Entity for handling any accounting request that Business Associate directly receives from an Individual.

10. **Books and Records.** Subject to the attorney-client and other applicable legal privileges, Business Associate shall make its internal practices, books, and records (including policies and procedures and PHI) relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity available to the Secretary in the time and manner designated by the Secretary. Business Associate shall make the same information available to Covered Entity (without regard to the attorney-client or other applicable legal privileges), upon request, in the time and manner reasonably designated by Covered Entity, so that Covered Entity may determine whether Business Associate is in compliance with this Agreement.

11. **Termination.**

11.1 This Agreement commences on the Effective Date and shall remain in effect until terminated by Covered Entity, or until all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, subject to Section 15.12.

11.2 If Business Associate breaches any material term of this Agreement, Covered Entity may either: (a) provide an opportunity for Business Associate to cure the breach, and Covered Entity may terminate each Services Agreement, without liability or penalty, if Business Associate does not cure the breach within the time specified by Covered Entity; or (b) immediately terminate each Services Agreement, without liability or penalty, if Covered Entity believes that cure is not reasonably possible; or (c) if neither termination nor cure are feasible, Covered Entity shall report the breach to the Secretary. Covered Entity has the right to seek to cure any breach by Business Associate and this right, regardless of whether Covered Entity cures such breach, does not lessen any right or remedy available to Covered Entity at law, in equity, or under this Agreement or any Services Agreement, nor does it lessen Business Associate's responsibility for such breach or its duty to cure such breach.

12. **Return/Destruction of PHI.**

12.1 Business Associate shall, in connection with the expiration or termination of a Services Agreement, return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, and pertaining to that Services Agreement, that Business Associate still maintains in any form or medium (including electronic), within thirty (30) days after such expiration or termination. Business Associate shall not retain any copies of such PHI. Business Associate shall certify for Covered Entity, in writing, when all PHI has been returned or destroyed, and that Business Associate does not continue to maintain any PHI, with such certification to be provided during such thirty (30) day period.

12.2 Business Associate shall provide to Covered Entity notification of any conditions that Business Associate believes make the return or destruction of PHI infeasible. If Covered Entity agrees that return or destruction is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

13. **Notice/Training.** Business Associate understands that: (a) there may be civil or criminal penalties for misuse or misappropriation of PHI; and (b) violations of this Agreement may result in notification by Covered Entity to law enforcement officials and regulatory, accreditation, and licensure organizations. If requested by Covered Entity, Business Associate shall participate in information security awareness training regarding the use, confidentiality, and security of PHI.

14. **Security Rule Obligations.** The following provisions of this Section 14 apply to the extent that Business Associate creates, receives, maintains or transmits Electronic PHI on behalf of Covered Entity.

- 14.1 Business Associate shall implement and use administrative, physical, and technical safeguards that reasonably and appropriately protect the Confidentiality, Integrity and Availability of the Electronic PHI that it creates, receives, maintains or transmits on behalf of Covered Entity. Business Associate shall identify in writing, upon request from Covered Entity, all of the safeguards that it uses to protect such Electronic PHI.
- 14.2 Business Associate shall ensure that any agent, including a subcontractor, to whom it provides Electronic PHI agrees in a written contract to implement and use administrative, physical, and technical safeguards that reasonably and appropriately protect the Confidentiality, Integrity and Availability of the Electronic PHI. Business Associate must enter into the written contract before any use or disclosure of Electronic PHI by such agent, and such written contract must identify Covered Entity as a direct and intended third party beneficiary, with the right to enforce any breach of the contract concerning the use or disclosure of Electronic PHI. Business Associate shall provide a copy of the written contract to Covered Entity upon request. Business Associate may not make any disclosure of Electronic PHI to any agent without the prior written consent of Covered Entity.
- 14.3 Business Associate shall report in writing to Covered Entity any Security Incident pertaining to such Electronic PHI (whether involving Business Associate or an agent, including a subcontractor). Business Associate shall provide such written report promptly after it becomes aware of any such Security Incident. Business Associate shall provide Covered Entity with the information necessary for Covered Entity to investigate any such Security Incident.
- 14.4 Business Associate shall comply with any reasonable policies and procedures Covered Entity implements to obtain compliance under the Security Rule.

15. **Miscellaneous.**

- 15.1 Notwithstanding anything to the contrary in any Services Agreement, in no event shall any provision limiting Business Associate's liability to Covered Entity, including, but not limited to, provisions creating a cap on damages, excluding certain types of damages, limiting available remedies, or shortening a statute of limitations, present in any Services Agreement, apply with respect to any breach by Business Associate of any term of this Agreement.
- 15.2 In the event of any conflict or inconsistency between the terms of this Agreement and the terms of any Services Agreement, the terms of this Agreement shall govern, with respect to its subject matter. Otherwise, the terms of each Services Agreement continue in effect.
- 15.3 Any reference to "promptly" in this Agreement shall mean no more than seven (7) business days after the circumstance or event at issue has transpired. A reference in this Agreement to a section in the Privacy Rule or Security Rule means the section as in effect or as amended or renumbered.
- 15.4 Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to it of a use or disclosure of PHI in violation of any provision of this Agreement.

- 15.5 Business Associate shall cooperate with Covered Entity to amend this Agreement from time to time as is necessary for Covered Entity to comply with the Privacy Rule, the Security Rule, or any other standards promulgated under HIPAA.
- 15.6 Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule, Security Rule, or any other standards promulgated under HIPAA.
- 15.7 In addition to applicable state law, the parties shall rely on applicable federal law (e.g., HIPAA, the Privacy Rule and Security Rule) in construing the meaning and effect of this Agreement.
- 15.8 This Agreement may be amended or modified, and any right under this Agreement may be waived, only by a writing signed by an authorized representative of each party.
- 15.9 Nothing express or implied in this Agreement is intended to confer, upon any person other than the parties hereto, any rights, remedies, obligations or liabilities whatsoever. Notwithstanding the foregoing, the Covered Entity in this Agreement is the Agency of Human Services, operating by and through its Department of Corrections. Covered Entity and Business Associate agree that the term "Covered Entity", as used in this Agreement, also means any other Department, Division or Office of the Agency of Human Services, to the extent that such other Department, Division, or Office has a relationship with Business Associate that would require, pursuant to the Privacy or Security Rules, entry into an agreement of this type.
- 15.10 As between Business Associate and Covered Entity, Covered Entity owns all PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity.
- 15.11 Business Associate shall abide by the terms and conditions of this Agreement with respect to all PHI it receives from Covered Entity, or creates or receives on behalf of Covered Entity, even if some of that information relates to specific Services for which Business Associate may not be a "Business Associate" of Covered Entity under the Privacy Rule.
- 15.12 The provisions of this Agreement that by their terms encompass continuing rights or responsibilities shall survive the expiration or termination of this Agreement. For example: (a) the provisions of this Agreement shall continue to apply if Covered Entity determines that it would be infeasible for Business Associate to return or destroy PHI, as provided in Section 12.2; and (b) the obligation of Business Associate to provide an accounting of disclosures, as set forth in Section 9, survives the expiration or termination of this Agreement, with respect to accounting requests (if any) made after such expiration or termination.
- 15.13 This Agreement constitutes the entire agreement of the parties with respect to its subject matter, superseding all prior oral and written agreements between the parties in such respect.

ATTACHMENT F

CONTRACT FOR SERVICES Agency of Human Services Rule # 96-23 Final Adopted Rule for Access to Information

Definition.

“Agency” means the Agency of Human Services or any of the offices, departments or programs that comprise the Agency.

“AHS” means the Vermont Agency of Human Services.

“Client” means an individual or family who is voluntarily served by a department, office, program, Contractor or grantee of the Agency of Human Services.

“Contractor” means an individual or entity with whom the Agency or any of its departments, offices, or programs has a contract to provide personal services.

“Employee” means any person who works in a full-time, part-time, temporary or contractual position for the Agency or any of its departments, offices, or programs.

1.6 “Grantee” means an individual or entity with whom the Agency or any part thereof has a grant to provide personal services.

1.7 “Program” means a set of services, (such as determining and processing ANFC benefits, verifying and setting up delivery for WIC foods) for which the Agency bears fiscal responsibility.

1.8 “Administrative Obligations” means activities pursuant to federal or state laws or regulations (such as verification of eligibility, verification of service delivery, detection of fraud, monitoring of quality assurance, audit of expenditure reports) which provide for accountability in the use of public funds.

Basic Principles

Presumption of Confidentiality

All information specific to, and identifying of, individuals and families is presumed to be confidential and subject to these standards. Employees shall not disclose the information unless a specific exception to the presumption applies or the disclosure is authorized by the client, a court or as otherwise authorized by law or rule.

Existing Statutes

These rules are not intended to expand or diminish current provisions in law relating to disclosure of confidential information.

Information Collection

Employees shall collect and record only that information needed to fulfill the goal of

serving the client and meeting administrative or legal obligations.

Informing Clients

At the initial meeting with each client, or within two weeks, employees shall review and offer to provide the rules for access to information to the client.

Permissible Disclosures

Client consent

No information about a client shall be released without prior consent from the client, unless directly connected with the administration of a program or necessary for compliance with federal or state laws or regulations.

Sharing "Non-identifiable" Information

Information that does not identify a client may be used for statistical research, forecasting program needs, or other such purposes.

Public Information

Information defined as public by 1 VSA & 317 or other applicable statute is available to the public. The procedures in the public records statute shall be followed before public information is released.

Information Sharing for Administrative Purposes

Employees may share information which is necessary to satisfy the Agency's administrative obligations. Departments will develop written agreements limiting the kinds of information to be shared when programs are jointly administered by different Departments. No information shall be released to a person or entity that is out of state, unless directly connected with the administration of a program or necessary for compliance with federal or state laws or regulations.

Disclosure Without Consent in Limited Circumstances

Employees must release sufficient information to comply with mandatory reporting requirements for cases involving the abuse, neglect, or exploitation of children and persons who are elderly or who have disabilities. Information may be released without consent when Vermont law creates a duty to warn identified individuals of potential harm to their person or property, in response to court orders, or to investigate or report criminal activity as required by federal or state law or regulation. Only information relevant to the situation shall be disclosed. The employee shall document the date, purpose and content of the report, the name, address and affiliation of the person to whom the information was released, and shall notify the client that the information was disclosed.

AHS Rule 96-23 Procedures Related to Consent

Obtaining Informed Consent

Prior to releasing confidential information the Agency shall obtain the client's informed

consent. This includes providing information about consent in a language and format understandable to the client. Reasonable accommodations shall be made for special needs based on the individual or family's education, culture, or disability. Employees shall inform clients that granting consent is not a pre-requisite for receiving services, and shall explain that they may apply for services separately.

Consent of Minors to Release of Information

Employees shall obtain the consent of a minor client to release information concerning treatment for which parental consent is not required.

Format for Consent to Share Information

Consent for the sharing or release of information shall ordinarily be in writing. If an emergency situation requires granting of verbal consent, written consent shall be obtained at the next office visit or within thirty days, whichever comes sooner. Required information will include:

1. Names of the people about whom information may be shared.
2. A checklist of the kinds of information to be shared.
3. A checklist of the departments within the Agency to receive the information.
4. A statement or date covering expiration of consent.
5. A statement about procedures for revoking consent.
6. Signature of individuals covered by the consent, or their parents or guardians.
7. Signature of the individual explaining the consent process with their position and job title.
8. A space to provide individualized instructions.

A copy of the consent form shall be provided to all signatories.

Client Access to Records

Unless prohibited by federal or state law or regulation, clients shall be permitted to view and obtain copies of their records. Each department within the Agency shall have written procedures which permit clients to verify personal information they have provided for accuracy and completeness and for placing amendments to the information in their files. Employees shall take reasonable steps to present records in a form accessible to the client, including but not limited to large type format or verbal review. A fee not to exceed the actual cost of copying may be charged for records exceeding 10 pages. This fee shall be waived if it would prohibit access.

AHS Rule 96-23 Procedures to Protect Confidentiality

Staff Training

All AHS employees and all AHS volunteers and interns, shall be instructed in these rules. AHS shall train their Contractors and grantees who shall, in turn, provide the same instruction for their employees, interns, and volunteers.

Response to Requests for Information

An employee shall not respond to requests from outside the Agency for information

about clients even to acknowledge that the person is a client, unless authorized. If a client has consented to or requests that information be released, the employee shall comply with the request.

Designated Individual

Each agency or department shall appoint one or more trained staff members to be responsible for responding to all requests for client information when there is no written consent to release, and no statutory or administrative authority permitting release of the requested information. These individuals shall be specially trained in maintaining confidentiality. A list of the designated individuals for each department and office shall be maintained in the Attorney General's Office, Human Services Division.

Affirmation of Understanding

Employees shall sign an affirmation that they will comply with these rules. This affirmation shall be part of their personnel files. Supervisors shall review this affirmation during annual evaluations. Violation of these rules shall result in disciplinary action.

Written Agreements with Grantees or Contractors

The following assurance, or one similar to it, will be included in all AHS grants/contracts signed after these rules have been approved:

[Grantee/Contractor] agrees to comply with the requirements of AHS Rule No. 96-23 concerning access to information. The Contractor shall require all of its employees to sign the AHS Affirmation of Understanding or an equivalent statement.

Client Referrals

When referring a client to another agency for services, if the referral does not meet the criteria for permissible disclosures under Section 3.4, the initial agency shall obtain the consent of the client for the referral and alert the receiving agency that confidential client information accompanies the referral.

Documentation of Disclosure

Requests for disclosures of client information shall be maintained in the client's file if the request does not meet the definition of a permissible disclosure under Section 3.4. Employees shall document in writing any information actually disclosed, along with the name of the person/agency to whom it was disclosed and the date of the disclosure. When permissible disclosures are made under Section 3.4, documentation may be limited to the name of the department/agency/program to whom the disclosure was made.

Information Systems

Computerized Information

When developing a computerized data system, the Agency shall:

1. Develop security procedures consistent with the rule;
2. Instruct staff in the security procedures;
3. Inform clients if a computerized system is being used;

4. Establish written agreements with participating agencies outlining procedures for sharing and protecting information.
5. Develop security procedures in relation to the transmission of information.

Security Procedures

The Agency shall develop a protocol which is consistent with the requirements of this rule to safeguard confidential client information. Contractors and grantees shall also develop a protocol or shall adopt the protocol of the Agency. The protocol shall be designed to safeguard written information, data in computer systems, and verbal exchange of information. The protocol shall prohibit unauthorized access to records and include an appropriate disciplinary process for violations of the security rules.

Procedures

Written procedures for implementing these rules shall be used as the basis for employee Instruction and shall be available for review in the Agency Central Office.

AGENCY OF HUMAN SERVICES
103 South Main Street
Waterbury, Vermont 05676

AFFIRMATION OF UNDERSTANDING STATEMENT

As a Contractor for the State of Vermont, I affirm that I have read the Agency of Human Services (AHS) Rule No. 96-23 concerning Access to Information, and that I agree to comply with the requirements of AHS Rule No. 96-23.

I shall require all of my employees performing services under this contract, to sign an affirmation of understanding statement. Employee statements need not be sent to the State. However, they shall remain in Contractor's personnel records. The State can request copies of such documents if necessary.

Prison Health Services, Inc.

Name of Company (Print or type)

Date

Authorized Signature

Title

Attachment G

PHS Implementation Plan

ID	Task Name	Start	End
1	Contract Awarded ⁸	12/15/04	12/15/04
2	Establish management meeting schedule and implementation agenda	12/15/04	12/17/04
3	Review implementation time frame and confirm with PHS team and DOC	12/15/04	1/31/05
4	Inform PHS subcontractors of contract award	12/15/04	12/31/04
5	Establish Pharmacy Services	12/6/04	12/24/04
6	Arrange for Back-up Pharmacy Services	12/15/04	1/10/05
7	Contact local health department and other community resources	12/15/04	12/20/04
8	Obtain current employee list and provide to PHS human resource department	11/15/04	11/22/04
9	Begin and complete facility assessment tours - all sites to include inventory of medical supplies	11/29/04	12/17/04
10	Inform CMS personnel of contract award	11/29/04	12/17/04
11	Finalize PHS and operational teams to include on site Management Team	12/6/04	1/19/05
12	Facility tours status report to client	12/22/04	12/22/04
13	Review employee retention potential with PHS resources unit and DOC	11/29/04	12/22/04
14	Negotiate and finalize facility staffing and service matrix	12/6/04	12/22/04
15	Interview and make offers to current employees	12/15/04	12/22/04
16	Interview and make offers to new employees	12/15/04	12/31/04
17	Develop post orders and job responsibilities to each shift to include clinical aspects and submit to client	12/15/04	1/12/05
18	Obtain security clearance for PHS staff from client	12/15/04	1/17/05
19	Submit names of management team to client for approval	12/6/04	1/3/05
20	Develop staff meeting schedule and provide copy to client	1/4/05	1/17/05
21	Regional Director start date	1/3/05	1/3/05
22	Medical Director/Physicians start date (if new staff)	1/17/05	1/17/05
23	Program Managers start date	1/17/05	1/17/05
24	RN/LPN start date (if new staff)	1/17/05	1/17/05
25	Administrative assistants start date (if new staff)	1/24/05	1/24/05
26	New staff orientation and training	1/17/05	1/31/05
27	Pharmacy Inservice for Staff	1/17/05	1/31/05
28	Orient all current employees to PHS policies to include approved protocols, PHS utilization review	1/3/05	1/24/05
29	Establish site personnel files	1/4/05	1/24/05
30	Establish payroll system - installation of Chronos clock	1/17/05	1/31/05

⁸ Implementation dates contained in this Attachment may be adjusted, with DOC approval, should the contract award date be delayed beyond December 15, 2004.

ID	Task Name	Start	End
31	Develop emergency telephone numbers and contact information and provide to client (for both implementation and operational teams)	12/15/04	1/17/05
32	Orient staff to PHS Information System requirements as needed	1/24/05	1/31/05
33	Develop in-service training annual schedule	1/4/05	1/31/05
34	Complete review of all client's current policies, procedures, manuals and forms	12/6/04	1/3/05
35	Develop new policies and procedures, manuals and forms as needed, review with client and obtain approval	12/22/04	1/17/04
36	Develop work schedules and assignments	12/20/04	12/31/04
37	Provide proposed service schedule for client for approval	12/6/04	12/31/04
38	Develop on-call schedules as required and provide to client	12/6/04	12/31/04
39	Review and develop chronic care clinic schedules and submit to client for informational purposes	12/15/04	12/31/04
40	Obtain insurance certificates and coordinate insurance requirements with corporate counsel and provide copies to client	12/15/04	12/31/04
41	Order all medical supplies	1/10/05	1/21/05
42	Order all office supplies to include forms relevant to providing services specific to client	1/10/05	1/24/05
43	Establish petty cash fund	1/17/05	1/31/05
44	Coordinate the transition of Health Service program from current provider to ensure continuity	12/15/04	1/31/05
45	Coordinate fiscal responsibility with current provider ⁹	12/15/04	2/14/05
46	Meet with Mental Health Provider	1/17/05	1/21/05
47	Assist in determining the requirements necessary for interface with facility MIS system	12/15/04	1/14/05
48	Coordinate, receive and install new computers	12/15/04	1/21/05
49	Install phones, fax machines, computer lines (assuming DOC network integration. If not achievable, CMS land lines will be maintained).	12/15/04	1/21/05
50	Facilitate communication access (telephones, pagers)	1/4/05	1/17/05
51	Transfer Patient Information via medication administration records for DOC inmates as of 1/15/05	1/15/05	1/21/05
52	Transfer Patient Information daily via medication administration records for DOC inmates with intakes after 1/15/05	1/15/05	1/31/05
53	Test MIS system for reporting capabilities to meet contract requirements	1/14/05	1/31/05

⁹ Process requires reconciliation between the estimated supplies and equipment to be purchased by the Contractor from the incumbent and supplies and equipment left on-site as of February 1, 2005. Contractor shall complete reconciliation and compensate the incumbent no later than February 14, 2005.

Attachment H

Staffing Matrix

A. CORRECTIONAL FACILITIES SUMMARY - HOURS PER WEEK PER POSITION

Provider Type	Caledonia	Chittenden	Dale	Marble Valley	Northern State	NE Regional	NW State	SE State	Southern State
Physicians	2	10	6	8	16	6	16	8	20
Physician Assistant	4	0	0	8	16	12	12	0	0
Nurse Practitioner	0	20	8	0	0	0	0	12	24
Registered Nurse	40	152	168	40	112	56	112	40	488
LPN	0	136	88	152	152	136	152	168	224
Nurses Aide	0	112	0	0	0	0	0	0	0
Dentist	4	16	4	12	16	8	16	4	16
Dental Assistant	4	16	4	12	16	8	16	4	16
Dental Hygienist	0	0	0	0	0	0	0	0	0
Medical Secretary/ Administrative Assistant	0	160 ¹⁰	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Program Manager	14	40	13.3	20	40	13.3	40	20	40
Vermont Regional Director	0	40	0	0	0	0	0	0	0

¹⁰ Contractor will staff a total of 160 hours per week for medical secretary/administrative assistant positions. The location of these positions has yet to be determined. Upon completion of facility site visits performed during implementation, Contractor will assign 120 hours per week of medical secretary/administrative assistant time to other DOC facilities.

B. INDIVIDUAL FACILITIES

1) Caledonia

POSITION	MON	TUE	WED	THU	FRI	SAT	SUN	TBS*	HRS/ WK	FTE
DAY SHIFT										
Medical Director	2								2	0.05
Dentist		4							4	0.10
Dental Assistant		4							4	0.10
Physician Assistant			4						4	0.10
Program Manager	8		6						14	0.35
Administrative Ass't									0	0.00
Registered Nurse	8	8	8	8	8				40	1.00
Licensed Practical Nurse									0	0.00
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-DAY</i>									68	1.70
EVENING SHIFT										
Registered Nurse									0	0.00
Licensed Practical Nurse									0	0.00
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-EVENING</i>									0	0.00
NIGHT SHIFT										
Registered Nurse									0	0.00
Licensed Practical Nurse									0	0.00
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-NIGHT</i>									0	0.00
<i>TOTAL HOURS/FTE PER WEEK</i>									68	1.70

*TBS = To be scheduled

2) Chittenden

POSITION	MON	TUE	WED	THU	FRI	SAT	SUN	TBS*	HRS/ WK	FTE
DAY SHIFT										
Vermont Regional Director	8	8	8	8	8				40	1.00
Medical Director	2	2	2	2	2				10	0.25
Dentist	4	4	4	4					16	0.40
Dental Assistant	4	4	4	4					16	0.40
Nurse Practitioner	4	4	4	4	4				20	0.50
Program Manager	8	8	8	8	8				40	1.00
Administrative Ass't	8	8	8	8	8			120	160	4.00
Registered Nurse	8	8	8	8	8				40	1.00
Licensed Practical Nurse	8	8	8	8	8	8	8		56	1.40
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-DAY</i>									398	9.95
EVENING SHIFT										
Registered Nurse	8	8	8	8	8	8	8		56	1.40
Licensed Practical Nurse	8	8	8	8	8				40	1.00
Licensed Nursing Ass't	8	8	8	8	8	8	8		56	1.40
<i>TOTAL HOURS/FTE-EVENING</i>									152	3.80
NIGHT SHIFT										
Registered Nurse	8	8	8	8	8	8	8		56	1.40
Licensed Practical Nurse	8	8	8	8	8				40	1.00
Licensed Nursing Ass't	8	8	8	8	8	8	8		56	1.40
<i>TOTAL HOURS/FTE-NIGHT</i>									152	3.80
<i>TOTAL HOURS/FTE PER WEEK</i>									702	17.55

*TBS = To be scheduled

3) Dale

POSITION	MON	TUE	WED	THU	FRI	SAT	SUN	TBS*	HRS/ WK	FTE
DAY SHIFT										
Medical Director	2		2		2				6	0.15
Dentist		2		2					4	0.10
Dental Assistant		2		2					4	0.10
Nurse Practitioner	2	2		2	2				8	0.20
Program Manager		5			8				13	0.33
Administrative Ass't									0	0.00
Registered Nurse	8	8	8	8	8	8	8		56	1.40
Licensed Practical Nurse	8	8	8	8	8	4	4		48	1.20
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-DAY</i>									139	3.48
EVENING SHIFT										
Registered Nurse	8	8	8	8	8	8	8		56	1.40
Licensed Practical Nurse	8	8	8	8	8				40	1.00
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-EVENING</i>									96	2.40
NIGHT SHIFT										
Registered Nurse	8	8	8	8	8	8	8		56	1.40
Licensed Practical Nurse									0	0.00
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-NIGHT</i>									56	1.40
<i>TOTAL HOURS/FTE PER WEEK</i>									291	7.28

*TBS = To be scheduled

4) Marble Valley

POSITION	MON	TUE	WED	THU	FRI	SAT	SUN	TBS*	HRS/ WK	FTE
DAY SHIFT										
Medical Director	2	2		2	2				8	0.20
Dentist	4		4		4				12	0.30
Dental Assistant	4		4		4				12	0.30
Physician Assistant	2	2		2	2				8	0.20
Program Manager	8		8		4				20	0.50
Administrative Ass't									0	0.00
Registered Nurse	8	8	8	8	8				40	1.00
Licensed Practical Nurse	8	8	8	8	8	8	8		56	1.40
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-DAY</i>									156	3.90
EVENING SHIFT										
Registered Nurse									0	0.00
Licensed Practical Nurse	8	8	8	8	8	8	8		56	1.40
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-EVENING</i>									56	1.40
NIGHT SHIFT										
Registered Nurse									0	0.00
Licensed Practical Nurse	8	8	8	8	8				40	1.00
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-NIGHT</i>									40	1.00
<i>TOTAL HOURS/FTE PER WEEK</i>									252	6.30

*TBS = To be scheduled

5) Northern State

POSITION	MON	TUE	WED	THU	FRI	SAT	SUN	TBS*	HRS/ WK	FTE
DAY SHIFT										
Medical Director	6		6		4				16	0.40
Dentist		8		8					16	0.40
Dental Assistant		8		8					16	0.40
Physician Assistant		8		8					16	0.40
Program Manager	8	8	8	8	8				40	1.00
Administrative Ass't									0	0.00
Registered Nurse	8	8	8	8	8	8	8		56	1.40
Licensed Practical Nurse	8	8	8	8	8	4	4		48	1.20
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-DAY</i>									208	5.20
EVENING SHIFT										
Registered Nurse	8	8	8	8	8	8	8		56	1.40
Licensed Practical Nurse	8	8	8	8	8	4	4		48	1.20
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-EVENING</i>									104	2.60
NIGHT SHIFT										
Registered Nurse									0	0.00
Licensed Practical Nurse	8	8	8	8	8	8	8		56	1.40
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-NIGHT</i>									56	1.40
<i>TOTAL HOURS/FTE PER WEEK</i>									368	9.20

*TBS = To be scheduled

6) Northeast Regional

POSITION	MON	TUE	WED	THU	FRI	SAT	SUN	TBS*	HRS/ WK	FTE
DAY SHIFT										
Medical Director	2		2		2				6	0.15
Dentist		4		4					8	0.20
Dental Assistant		4		4					8	0.20
Physician Assistant	4		4		4				12	0.30
Program Manager			5		8				13	0.33
Administrative Ass't									0	0.00
Registered Nurse	8	8	8	8	8	8	8		56	1.40
Licensed Practical Nurse	8	8	8	8	8				40	1.00
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-DAY</i>									143	3.58
EVENING SHIFT										
Registered Nurse									0	0.00
Licensed Practical Nurse	8	8	8	8	8	8	8		56	1.40
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-EVENING</i>									56	1.40
NIGHT SHIFT										
Registered Nurse									0	0.00
Licensed Practical Nurse	8	8	8	8	8				40	1.00
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-NIGHT</i>									40	1.00
<i>TOTAL HOURS/FTE PER WEEK</i>									239	5.98

*TBS = To be scheduled

7) Northwest State

POSITION	MON	TUE	WED	THU	FRI	SAT	SUN	TBS*	HRS/ WK	FTE
DAY SHIFT										
Medical Director	6		6		4				16	0.40
Dentist		8		8					16	0.40
Dental Assistant		8		8					16	0.40
Physician Assistant		6		6					12	0.30
Program Manager	8	8	8	8	8				40	1.00
Administrative Ass't									0	0.00
Registered Nurse	8	8	8	8	8	8	8		56	1.40
Licensed Practical Nurse	8	8	8	8	8	4	4		48	1.20
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-DAY</i>									204	5.10
EVENING SHIFT										
Registered Nurse	8	8	8	8	8	8	8		56	1.40
Licensed Practical Nurse	8	8	8	8	8	4	4		48	1.20
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-EVENING</i>									104	2.60
NIGHT SHIFT										
Registered Nurse									0	0.00
Licensed Practical Nurse	8	8	8	8	8	8	8		56	1.40
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-NIGHT</i>									56	1.40
<i>TOTAL HOURS/FTE PER WEEK</i>									364	9.10

*TBS = To be scheduled

8) Southeast State

POSITION	MON	TUE	WED	THU	FRI	SAT	SUN	TBS*	HRS/ WK	FTE
DAY SHIFT										
Medical Director	4		2		2				8	0.20
Dentist		2		2					4	0.10
Dental Assistant		2		2					4	0.10
Nurse Practitioner		6		6					12	0.30
Program Manager		8		8	4				20	0.50
Administrative Ass't									0	0.00
Registered Nurse	8	8	8	8	8				40	1.00
Licensed Practical Nurse	8	8	8	8	8	8	8		56	1.40
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-DAY</i>									144	3.60
EVENING SHIFT										
Registered Nurse									0	0.00
Licensed Practical Nurse	8	8	8	8	8	8	8		56	1.40
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-EVENING</i>									56	1.40
NIGHT SHIFT										
Registered Nurse									0	0.00
Licensed Practical Nurse	8	8	8	8	8	8	8		56	1.40
Licensed Nursing Ass't									0	0.00
<i>TOTAL HOURS/FTE-NIGHT</i>									56	1.40
<i>TOTAL HOURS/FTE PER WEEK</i>									256	6.40

*TBS = To be scheduled

9) Southern State

POSITION	MON	TUE	WED	THU	FRI	SAT	SUN	TBS*	HRS/ WK	FTE
DAY SHIFT										
Medical Director	4	4	4	4	4				20	0.50
Dentist		8		8					16	0.40
Dental Assistant		8		8					16	0.40
Nurse Practitioner	8		8		8				24	0.60
Program Manager	8	8	8	8	8				40	1.00
Administrative Ass't									0	0.00
Registered Nurse	16	16	16	16	16	16	16		112	2.80
Licensed Practical Nurse	16	16	16	16	16	16	16		112	2.80
Licensed Nursing Ass't									0	0.00
RN - Infirmary	8	8	8	8	8	8	8		56	1.40
TOTAL HOURS/FTE-DAY									396	9.90
EVENING SHIFT										
Registered Nurse	16	16	16	16	16	16	16		112	2.80
Licensed Practical Nurse	8	8	8	8	8	8	8		56	1.40
Licensed Nursing Ass't									0	0.00
RN - Infirmary	8	8	8	8	8	8	8		56	1.40
TOTAL HOURS/FTE-EVENING									224	5.60
NIGHT SHIFT										
Registered Nurse	16	16	16	16	16	8	8		96	2.40
Licensed Practical Nurse	8	8	8	8	8	8	8		56	1.40
Licensed Nursing Ass't									0	0.00
RN - Infirmary	8	8	8	8	8	8	8		56	1.40
TOTAL HOURS/FTE-NIGHT									208	5.20
TOTAL HOURS/FTE PER WEEK									828	20.70

*TBS = To be scheduled

STIPULATION AND AGREEMENT

NOW COMES the State of Vermont, Department of Corrections, the Department of Personnel, and the Vermont State Employees' Association, Inc. representing the affected employees, by and through their respective representatives, who do hereby stipulate and agree to the following in furtherance of their public-private partnership endeavor with regard to the provision of medical services for the Department of Corrections. This Stipulation and Agreement shall be considered to be part of the Corrections Bargaining Unit Agreement.

1. That, the current, classified service, Corrections Department incumbents in the classes listed below will continue employment in classified positions, when the contractor commences responsibility for providing correctional health care services to the State.

Correctional Health Care Specialist A

Correctional Health Care Specialist B

Practical Nurse

Patient Care Intern

2. That, the contractor (or delegated representative thereof) shall be the immediate supervisor(s) of classified employees, in the above listed classes, for all purposes under the contract and/or any rules and regulations, and that the provisions of the Supervision of Classified Employees article of the Corrections contract shall be waived in this case. The contractor shall be deemed to be the delegated representative of the appointing authority for these employees for all purposes, except that corrective action and/or disciplinary actions will be imposed in collaboration with the Commissioner of Corrections or his delegated representative.

3. That, all other provisions of the collective bargaining unit agreement (including the process for implementing work schedule and work shift changes) will be applicable to classified incumbents in these positions, except as otherwise indicated herein.

4. That, the parties agree to expedite discipline and performance evaluation/corrective procedures, grievances, or schedule/shift change procedures by means of the existing contractual Alternative Dispute Resolution (ADR) process, if applicable, or in some other mutually agreeable manner. Neither party necessarily waives its right to appeal to the Vermont Labor Relations Board in appropriate cases.

5. That, the parties agree to establish a "corrections health care" labor - management committee to discuss issues and questions of mutual concern. Regular contract provisions relating to labor/management committees will apply.

6. That, neither party waives any statutory or contractual right, prerogative or privilege with respect to the disposition of positions in the above listed classes when they next

Stipulation and Agreement
Page 2

become vacant. Neither party is restrained or restricted in the exercise of any such right, prerogative or privilege, by the terms of this Stipulation and Agreement.

7. That, the contractor shall not actively recruit classified employees to work directly for it.

FOR THE VSEA: *[Signature]*

7/30/96
Date

FOR THE VERMONT DEPARTMENT OF CORRECTIONS:

[Signature] 30 July, 1996
Date

FOR THE VERMONT DEPARTMENT OF PERSONNEL:

[Signature] 7/31/96
Date

SETTLEMENT AGREEMENTI. PREAMBLE

WHEREAS, on December 13, 1993, the National Prison Project ("NPP") of the American Civil Liberties Union ("ACLU") brought an action pursuant to 28 U.S.C. § 1331, §§ 1343(a)(3) and (4), §§ 2201 and 2202, 42 U.S.C. § 1983, and § 12101 et seq. to redress the alleged deprivations of rights protected by federal law and by the First, Fourth, Fifth, Eighth, Ninth and Fourteenth Amendments of the United States Constitution, Goldsmith, et al. v. Dean, et al., No. 2: 93-CV-383 (D.Vt. filed Dec. 13, 1993) (the "lawsuit" or the "litigation"); and

WHEREAS, on March 9, 1994, the plaintiff class was certified as "persons who are now or who will in the future be confined in Vermont prisons and all persons who are now or will in the future be subject to the policies and practices of the Vermont Department of Corrections and the Vermont Parole Board with respect to the Vermont Treatment Program for Sexual Aggressors and the Violent Offender Program;" and,

WHEREAS, the named plaintiffs and the class they represent seek to remedy alleged unconstitutional and unlawful conditions of confinement through declaratory and injunctive relief, and

WHEREAS, the defendants to this lawsuit dispute the standing of the plaintiffs to bring this suit and the allegations that they have violated plaintiffs' rights and deny any liability, and have asserted various defenses to the plaintiffs' claims, and do not admit or concede by entering into this Agreement that any of the plaintiffs' rights under the United States or Vermont Constitutions or under any law or regulation are or have been violated by the State, and

WHEREAS, nothing in this Agreement is intended to, nor shall be construed as, an

admission of liability of or by any party, and

WHEREAS, the plaintiffs and the defendants are involved in the discovery phase of the litigation as of the date of this Agreement; and

WHEREAS, it is mutually advantageous for both parties to settle this dispute without further discovery or a trial;

NOW THEREFORE, in consideration for the mutual covenants contained herein the parties to this Agreement agree as follows:

II. DEFINITIONS

1. "Facilities" means the facilities of the DOC, which currently are:
 - a. Northwest State Correctional Facility ("NWSCF" at St. Albans);
 - b. Northeast Regional Correctional Facility ("NERCF" at St. Johnsbury);
 - c. Southeast State Correctional Facility ("SESCF" at Windsor);
 - d. Chittenden Regional Correctional Facility ("CRCF" at So. Burlington);
 - e. Marble Valley Regional Correctional Facility ("MVRCF" at Rutland);
 - f. Woodstock Regional Correctional Facility ("WRCF" at Woodstock);
 - g. Northern State Correctional Facility ("NSCF" at Newport);
 - h. The Caledonia Community Work Camp ("CCWC" at St. Johnsbury).

2. "Impartial Expert" or "Experts" shall mean the consultant or consultants chosen by the parties whose function shall be to determine whether the State has achieved substantial compliance with the terms of Section IV of the Agreement for those substantive areas assigned to that Impartial Expert.

3. The "Parties" shall mean the State and the Plaintiffs.

4. "Plaintiffs' Counsel" shall mean Mitchell L. Pearl, Esq., Langrock, Sperry & Wool,

Vermont, and staff attorneys of the National Prison Project of the American Civil Liberties Union Foundation, Washington, D.C.

5. "Plaintiffs" shall mean the plaintiff class.

6. "State" shall mean the named defendant(s) to this lawsuit, except the independent medical care providers named in the December 13, 1993, Complaint.

7. "State's Counsel" shall mean the Attorney General for the State of Vermont or his designee.

III PROCEDURE

A. Dismissal Of Action

8. Upon signing the Agreement, the Parties shall seek approval of this Agreement from the Court pursuant to Fed.R.Civ.P. 23(e).

9. Upon the District Court's approval, this action shall be dismissed pursuant to Fed.R.Civ.P. 41(a)(1)(ii). As to the independent medical care providers named in the December 13, 1993 Complaint, this action shall be dismissed with prejudice.

B. Effective Date Of Agreement

10. This Agreement shall become effective upon: (a) approval of the Agreement by the Court; and, (b) dismissal of the action as provided above.

C. Litigation During 24-Month Compliance Period

11. Except as expressly allowed in ¶ 31, below, in the case of fire safety at WRCF, from the date of approval of this Agreement and during the 24-month compliance period provided herein, plaintiffs, individually or as a class, shall not file any action or seek an injunction in either state or federal court, under any federal or state law cause of action, on the basis of any allegation

of fact or claim set forth in the December 13, 1993 Complaint.

12. Nothing in §§ 9 or 11 shall preclude an individual from seeking exclusively on his or her own behalf: (a) damages for a specific claim based upon operative facts occurring either before or after the effective date of this Agreement, or; (b) equitable relief based upon operative facts existing after the effective date of this Agreement, including but not limited to claims relating to the Vermont Treatment Program for Sexual Aggressors ("VTPSA"). In addition, paragraph 11 shall not preclude any individual or individuals from seeking relief under Vermont State law provided that the relief sought is not based on any allegation of fact or claim set forth in the December 13, 1993 Complaint.

13. In any action brought pursuant to § 12(b), above, for declaratory or injunctive relief relating to VTPSA, the Parties shall not object to the admissibility of the record of proceeding in the class-action Goldsmith, et al. v. Dean, et al., Civ. Action No. 2: 93-CV-293 (D.Vt.), except as to relevance. Nothing in this paragraph shall limit a party's right to object on any grounds to the weight a court should give to the record.

D. Determination of Substantial Compliance and Impartial Experts

14. In order to determine whether the State has reached substantial compliance with the terms of Section IV of the Agreement, the parties agree to the appointment of no more than four (4) Impartial Experts as provided herein.

15. An Impartial Expert or Impartial Experts shall: (a) monitor the State's compliance with the specific terms of Section IV of this Agreement; and, (b) at the conclusion of the 24-Month Compliance Period decide whether the State is in substantial compliance with Section IV of this Agreement. The 24-Month Compliance Period shall be defined as follows: (a) it shall

begin on the effective date of this Agreement and shall end on the last day of the 24th month following; (b) if the last day of the 24-Month Compliance Period is not the last business day of the month, then the compliance period shall continue through the last business day of the month; and, (c) if, because of an Impartial Expert's unavoidable inability to make his or her final determination of substantial compliance as provided for by this Agreement, a determination of substantial compliance has not been made upon the expiration of the 24-Month Compliance Period, the Impartial Expert may extend for a reasonable period not to exceed sixty days the expiration date of the 24-Month Compliance Period as to the necessary subject areas to allow for the Impartial Expert to make promptly his or her final determination of substantial compliance. The Impartial Expert shall promptly notify the Parties in writing of the extension.

16. Nothing in this Agreement shall change the State's obligation to comply with the specific fire safety provisions relating to the WRCF, as provided in §§ 38 & 39, below, within nine months from the effective date of this Agreement.

17. The Parties agree to the selection of the following Impartial Experts for the corresponding compliance areas: Robert Powitz, Section IV (B) and to select an Impartial Expert acceptable to the Parties as to Section IV (A) as it relates to the WRCF and the SESCO; Allen Breed, Section IV (C); and, Ronald Shansky, M.D., Section IV (D) & (E).

18. Except as provided in § 39, below, as it applies to the WRCF, the determination of whether the State is in substantial compliance with the terms of Section IV of this Agreement shall occur on the last day of the 24-Month Compliance Period.

19. Each Impartial Expert's determination of substantial compliance shall take into account the extent to which the State has achieved and sustained compliance during the course of

the 24-Month Compliance Period.

20. Six months following the effective date of this Agreement, and every nine months thereafter during the 24-Month Compliance Period, the Impartial Expert(s) shall conduct on-site tours of the Vermont Facilities. The Impartial Expert assigned to determine compliance with the Fire Safety provisions of Section IV of this Agreement shall conduct an on-site tour of the WRCF nine months following the effective date of this Agreement in addition to his or her regular on-site tours, and shall prepare a report that complies with the provisions of ¶ 24, below and includes a statement indicating whether the State is in compliance with the requirements of ¶¶ 38 & 39, below, as they pertain to the WRCF. The State has a responsibility to permit, but does not have a responsibility to guarantee, an Impartial Expert's attendance at these agreed-upon intervals. Plaintiffs' Counsel and the State's Counsel may each select representatives to accompany the Impartial Experts during these on-site visits. Plaintiffs' Counsel shall not select as representatives any employee, agent, contractor, and/or representative in any capacity of the State of Vermont.

21. The State shall pay fees, expenses and costs associated with the work of the Impartial Experts up to, but in no event exceeding, the total aggregate amount of \$45,000.00 per year.

22. The Impartial Expert(s) may review all documents not privileged under Vermont State law, speak with any Defendant or staff member at the DOC Facilities, and may engage in private conversations with any class member.

23. Following each of the on-site visits referenced above, each of the Impartial Experts shall prepare a written interim report of his or her findings within thirty (30) days and shall send one copy each to Plaintiffs' and the State's Counsel.

24. Within thirty (30) days following an Impartial Expert's final on-site visit, as to those specific areas to which the Impartial Expert has been assigned, the Impartial Expert shall prepare a report including a statement indicating whether, in the Impartial Expert's opinion, the State is in substantial compliance with the specific terms of Section IV of this Agreement.

25. An Impartial Expert's determination of substantial compliance shall take into account the extent to which exceptions to compliance are isolated or noncontinuing in nature, or are unintentional, or are the temporary result of actions by members of the plaintiff class, and are addressed by corrective action.

26. A finding of substantial compliance in one or more of the subject areas set forth in Section IV of this Agreement shall not be defeated by findings of non-compliance with any other subject area or areas.

27. In the event that an Impartial Expert learns at any time of conditions that may pose imminent and significant health or safety risks to the plaintiffs, he or she shall immediately report such conditions to the Commissioner of the Department of Corrections and to counsel to the parties.

28. If counsel to either party communicates with an Impartial Expert, counsel shall promptly prepare and produce to counsel to the other party memoranda of conversations and copies of all written communications with the Impartial Expert.

29. The State shall afford the Impartial Experts reasonable access to the State's Facilities, documents, staff and inmates and the parties shall provide their full cooperation to the Impartial Experts, to enable them to carry out their responsibilities.

E. Effect Of A Determination Of Substantial Compliance.

30. If, upon the expiration of the 24-Month Compliance Period, or in the case of fire safety at WRCF, following the nine month on-site tour pursuant to ¶ 20, above, and ¶¶ 38 & 39, below, an Impartial Expert finds that the State is in substantial compliance with any of the subject areas of Section IV of this Agreement, as to any such subject area such a finding shall be a complete defense to any class action complaint by the plaintiffs, having the same effect as a dismissal with prejudice by stipulation of the class action Goldsmith, et al. v. Dean, et al., Civ. Action No. 2: 93-CV-293 (D.Vt.), pursuant to Fed.R.Civ.P. 41(a)(1)(ii).

31. If, upon the expiration of the 24-Month Compliance Period, or in the case of fire safety at WRCF, following the nine month on-site tour pursuant to ¶ 20, above, and ¶¶ 38 & 39, below, an Impartial Expert finds that the State is not in substantial compliance with any of the subject areas of Section IV of this Agreement, the plaintiffs may file a complaint seeking relief with respect to those areas for which that Impartial Expert has determined that the State is not in compliance.

32. The parties agree to accept and be bound by the determinations of the Impartial Experts.

F. Plaintiffs' Counsel Access To Clients

33. During the 24-Month Compliance Period of this Agreement, Plaintiffs' counsel reserve their right to meet with their clients privately.

G. Remedies and Expiration Of Agreement

34. Either of the Parties may commence, by and through the Plaintiffs' or the State's Counsel, an action to enforce the terms of Section III and V of this Agreement; provided however

that : (a) any such action for breach of this Agreement shall be filed in the Washington Superior Court in the state of Vermont; and, (b) the exclusive remedy available in any such action shall be limited to specific performance.

35. Prior to filing any such action under the preceding paragraph, the Parties shall make good faith efforts to resolve the dispute.

36. In any such action described in ¶ 34, above, each party shall bear its own costs and fees.

37. Except for §§ 26, 30, 31, 32, 89, and Section VI, this Agreement shall expire and be of no force or effect upon the expiration of the 24-Month Compliance Period.

IV. COMPLIANCE AREAS

A. Fire Safety

38. The State shall comply with the Vermont Fire Prevention and Building Code, which incorporates by reference and amends relevant portions of the (a) Building Officials and Code Administrators National Building Code; (b) National Fire Prevention Association ("NFPA") National Fire Prevention Code; and, (c) NFPA Life Safety Code, as it is applied to the Vermont prison system by the State of Vermont Department of Labor and Industry.

39. Within nine months of the effective date of this Agreement the State will make specific physical plant modifications to the WRCF which are necessary to comply with ¶ 38, above, in response to the Department of Labor and Industry Audit for the WRCF dated January 5, 1996, a copy of which shall be provided to the Impartial Expert assigned to determine compliance with the Fire Safety provisions of this Agreement. Prior to the expiration of the 24-Month Compliance Period, the State will make specific physical plant modifications to the SESCOF

which are necessary to comply with ¶ 38, above, in response to the Department of Labor and Industry Audit for the SESCOF dated January 5, 1996, a copy of which shall be provided to the Impartial Expert assigned to determine compliance with the Fire Safety provisions of this Agreement.

40. If a failure by the State to meet the requirements of ¶¶ 38 & 39, above, is due to unavoidable construction delay(s) beyond the control of the State, and work is otherwise proceeding to completion, the Impartial Expert may, in his discretion, extend for up to sixty (60) days the nine-month compliance period established for the WRCF.

B. Environmental Health and Safety

41. The State shall sufficiently maintain and repair, as needed, plumbing at WRCF, CRCF, NERCF, MVRCF, NWSCF, and SESCOF.

42. The State shall sufficiently maintain and clean, as needed, the ventilation systems at CRCF, NERCF, MVRCF, WRCF, and NWSCF.

43. The State shall sufficiently maintain the heating system so that it is capable of regulating temperatures throughout the facilities at WRCF, MVRCF, NERCF, and SESCOF.

44. The State shall take reasonable measures, including necessary repairs, to avert the backup of sewage at WRCF, CRCF, and SESCOF.

45. The State shall sanitize mattresses between users and replace or repair, as needed, torn and dirty mattresses at WRCF, CRCF, NERCF, MVRCF, and SESCOF.

46. The State shall provide mattresses made of fire retardant material at WRCF.

47. The State shall provide, as needed, inmates with mattresses that fit the bedframes at MVRCF.

48. The State shall maintain a program for vermin and insect control and extermination in the kitchen and food storeroom at WRCF.

49. The State shall require that kitchen workers cover their hair at CRCF.

50. The State shall repair, as needed, any leaks to the roof over B and D pods at MVRCF.

51. The State shall repair, as needed, windows at MVRCF.

52. The State shall maintain sufficient food temperatures at MVRCF.

53. The Impartial Expert touring the facilities referenced herein, i.e., WRCF, CRCF, MVRCF, NERCF, SESCF, and NWSCF, in addition to monitoring the State's substantial compliance with the specific items listed herein, shall determine whether the State maintains sufficient levels of environmental health and safety at these facilities.

C. Crowding and Systemic Correctional Issues

1. Exercise

54. The State shall make available, for those inmates housed in the general population with a custody and security rating of medium or lower, and with no disciplinary sanction limiting outside recreation in force, not less than seven hours of outside recreation per week, except in emergency or adverse weather conditions not conducive to outside recreation. The State shall provide all prisoners with access to out-of-cell time, during which the prisoners may exercise, no less than one hour per day, five days per week.

2. Overcrowding of Women Prisoners

55. The State shall provide adequate and safe housing for women prisoners.

3. Americans With Disabilities Act

56. The State shall ensure, to the extent required by the Americans with Disabilities Act (ADA), that inmates with disabilities are not excluded from participation in, or denied the benefits of services, programs, or activities because of their disabilities.

4. Use of Force and Restraints

57. The State shall videotape cell extractions and uses of force in accordance with DOC Directive No. 413.02, dated September 22, 1993, and shall maintain these videotape records of any cell extractions and uses of force in the DOC's possession upon the effective date of this settlement agreement and any recorded during the 24-Month Compliance Period for at least as long as necessary to allow reasonable access to the videotapes by the Impartial Experts.

58. The State shall forbid the restraint of inmates by securing an inmate's hands behind his or her back and securing the inmate's ankles to his or her wrists.

5. Areas Not Designed As Living Areas

59. Areas in DOC Facilities not originally designed and built for housing inmates shall not be utilized for the housing of inmates without necessary redesign and remodeling.

D. Medical Care

1. Standard of Care

60. The State shall provide inmates with health care in accordance with constitutional standards. Nothing set forth below shall prevent the State from implementing additional procedures which will improve the provision of health care to inmates.

2. Quality Assurance

61. The State shall establish and maintain a system to assure the quality of medical

care for inmates. The quality assurance program shall be designed to ensure that the provision of medical care to inmates meets the standard set forth above in ¶ 60.

3. Medical Administration

62. The State shall employ or otherwise contract for a licensed physician or a team comprised of a physician and other medical professionals with a Health Care Organization (HCO) to serve as Medical Director to the State's prison system. The Medical Director or HCO shall institute centralized health care policies and shall review health care staffing levels and operations at each facility and shall be responsible for overseeing the quality assurance program. In addition, the Medical Director shall oversee the clinical treatment of prisoners.

63. The State shall maintain adequate policies, directives and procedures for medical care throughout the system, including policies, directives and procedures for the treatment of inmates with chronic diseases and inmates who require specialty care.

64. The State shall maintain liaisons with local hospitals. The State shall ensure an adequate and appropriate response for all inmates who need immediate medical attention and shall maintain 24-hour access to emergency room care.

4. Intake

65. The State shall conduct timely and adequate intake screening for inmates by qualified medical personnel. The screening shall include an appropriately administered test for tuberculosis.

66. The State shall use best efforts: (a) to screen newly-admitted female inmates for sexually-transmitted diseases; and, (b) to provide such inmates with pap tests and urinalysis pregnancy screening.

67. The State shall conduct an intake physical assessment by qualified medical personnel.

5. Eyeglasses

68. The State shall provide eyeglasses to inmates in accordance with DOC Procedure No. 412PP, dated March 2, 1992.

6. Dental Care

69. The State shall provide dental care to treat inmates' known serious dental needs.

70. The State shall schedule a comprehensive dental screening of all prisoners within 60 days of admission.

71. The State shall provide toothbrushes, toothpaste, and dental floss for all prisoners, except when reasonably deemed a security, custody, or safety risk by the DOC.

7. Medical Records

72. The State shall maintain a standardized format for medical records including, but not limited to:

- a. lab test results;
- b. medical flow charts;
- c. medical history, and;
- d. physical exam information.

73. The State shall protect the confidentiality of medical records and medical information.

8. Therapeutic Diets

74. The State shall maintain therapeutic diets based upon medical staff orders.

9. CPR Training

75. The State shall provide CPR training for all medical staff and correctional officers.

10. Infectious Disease Training

76. The State shall provide training to corrections and medical staff on infectious diseases such as tuberculosis, hepatitis and AIDS.

11. HIV Care

77. The State shall offer voluntary testing for AIDS and shall provide appropriate care to HIV positive inmates.

12. Women's Health Care

78. The State shall provide women prisoners access to: (a) gynecological and prenatal care; (b) breast examinations and mammograms for age-appropriate or symptomatic inmates; and, (c) routine pap tests.

13. Medication Distribution.

79. The State shall maintain an appropriate medication distribution system. The State shall ensure that asthmatic inmates have access to inhalers and inmates with coronary conditions have access to nitroglycerin or other prescribed medication.

E. Mental Health Care

80. The State shall provide prisoners with mental health care in accordance with constitutional standards. Nothing shall prevent the State from doing more than what is required in this Agreement.

81. The State shall maintain policies and directives for screening, evaluation, housing, and treatment of inmates with serious mental illnesses and those indicating withdrawal from alcohol and drugs. This paragraph does not apply to individuals lodged pursuant to 33 V.S.A. §708(d)(1) & (2).

82. A suicide risk assessment shall be conducted by appropriately trained staff during the admission process utilizing the current Initial Needs Survey form, a copy of which shall be provided to the Impartial Expert assigned to evaluate compliance with this Mental Health Section.

83. The State shall maintain a system to assure the quality of mental health care for inmates. The quality assurance program shall be designed to ensure that the provision of mental health care to inmates meets the standard set forth above in ¶ 80.

84. All inmates shall be adequately screened for any signs of serious mental illness.

85. The State shall maintain liaisons with local hospitals. The State shall ensure an adequate and appropriate response for all inmates who need immediate mental health care, and shall maintain 24-hour access to on-call emergency mental health care.

86. The State shall maintain written policies, directives and procedures for suicide prevention.

87. The State shall maintain appropriate policies, directives, and procedures governing distribution and review of psychoactive medication; informed consent; and, evaluation, observation and treatment of suicidal prisoners.

88. The State shall provide a Secure Care Unit ("SCU") and an Intermediate Care Unit ("ICU"), to be adequately staffed with qualified mental health professionals and specially trained correctional personnel.

V. ATTORNEYS' FEES

89. Without any admission, implication, or suggestion by the State of liability or that the plaintiffs are a prevailing party pursuant to 42 U.S.C. §1988, the State agrees to pay and the plaintiffs agree to accept a payment of one hundred ninety five thousand dollars (\$195,000.00) to

be made in three payments, the first to occur on or before July 1, 1996 in the amount of twenty five thousand dollars (\$25,000.00), the second to occur on or before June 30, 1997 in the amount of \$85,000.00 and the third to occur on or before July 31, 1997 in the amount of \$85,000.00 to the National Prison Project, in full satisfaction of any and all claims or demands for any and all fees, costs, and/or expenses that the National Prison Project, its agents, assigns, or those acting in its place, have claimed in the past, have now, or could have in the future, up to and including the expiration of the 24-Month Compliance Period, in full settlement of any and all potential fee and cost demands that have been or could be made by the plaintiffs in the action Goldsmith, et al. v. Dean, et al., Civ. Action No. 2:93-CV-383 (D.Vt.).

VL MISCELLANEOUS

90. This Agreement is a document which all parties have negotiated and drafted and since all parties participated equally in drafting its terms, the general rule of construction interpreting a document against the drafter shall not be applied in future interpretation of this Agreement.

91. This Agreement represents the entire and only Agreement between the parties in Goldsmith, et al. v. Dean, et al., Civ. Action No. 2: 93-CV-383 (D.Vt.). All prior agreements, representations, statements, negotiations, and understandings shall have no effect.

92. No changes, modifications, or amendments to the terms and conditions of this Agreement shall be effective unless reduced to writing, numbered and signed by Plaintiffs' Counsel and the State's Counsel.

93. The law of the State of Vermont regarding the construction of contracts shall govern any dispute regarding the construction of this Agreement.

94. None of the terms contained in this Agreement, such as "agree," "shall," "will," "establish," "implement," "continue," "maintain," and/or any combination or modification of these terms as used in this Agreement, nor the assumption of any obligation contained within the Agreement, imply that the State is not now doing or must do any of the items contained in this Agreement in order to comply with the United States or Vermont Constitutions or any statute or regulation.

95. The Court's approval of the dismissal of this action is sought to comply with Rule 23(e) of the Federal Rules of Civil Procedure. This Settlement Agreement is not a consent decree nor do the parties intend it to be construed as such. It does not operate as an adjudication of the merits of the litigation.

96. This Agreement shall not be construed as contemplating, requiring or causing the relinquishment or ceding of any control by the State of Vermont over any facility or activity of the DOC.

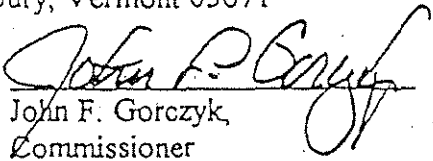
97. The terms of this contract are not severable and the finding that any terms contained herein are illegal or void shall work to defeat all of the terms contained herein.

98. By the signatures below and for the consideration contained herein, the Parties agree to be bound by the terms and conditions of this Agreement.

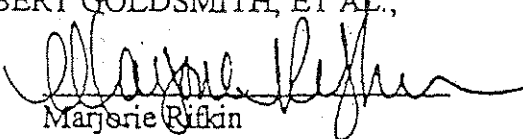
VII. Authority

99. The undersigned representatives of each party to this private agreement certify that each is fully authorized by the party or parties he or she represents to enter into the terms and conditions of this settlement agreement and to execute and bind that party to it.

STATE OF VERMONT
DEPARTMENT OF CORRECTIONS
103 South Main Street
Waterbury, Vermont 05671

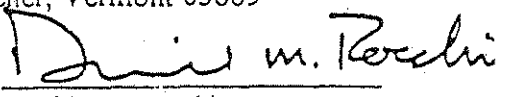
By: 
John F. Gorczyk,
Commissioner
For the Defendants

DATED: 4/11/96

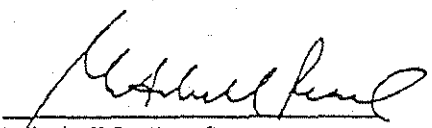
ROBERT GOLDSMITH, ET AL.,
By: 
Marjorie Rifkin
Attorney for Plaintiffs
National Prison Project ACLU Foundation
1875 Connecticut Avenue, N.W. Suite 410
Washington, D.C. 20009

DATED: 4/11/96

JEFFREY L. AMESTOY
ATTORNEY GENERAL
109 State Street
Montpelier, Vermont 05609

By: 
David M. Rocchio
Assistant Attorney General
For the Defendants

DATED: April 11, 1996

By: 
Mitchell L. Pearl
Attorney for Plaintiffs
Langrock Sperry & Wool
15 South Pleasant Street
Middlebury, Vermont 05753

DATED: 4/11/96

Attachment K

Staffing Coverage Standards

Shift	Caledonia		Chittenden		Dale		Marble Valley		Northern State		Northeast Regional		Northwest State		Southeast State		Southern State			
	Title	Hours/Week	Title	Hours/Week	Title	Hours/Week	Title	Hours/Week	Title	Hours/Week	Title	Hours/Week	Title	Hours/Week	Title	Hours/Week	Title	Hours/Week		
Day	PA	4	NP	20	NP	8	PA	8	PA	16	PA	12	PA	12	NP	12	NP	24		
	RN	40	RN	40	RN	56	RN	40	RN	56	RN	56	RN	56	RN	40	RN	72		
																	RN-Infirm	56		
			LPN	56	LPN	48	LPN	56	LPN	48	LPN	40	LPN	48	LPN	56	LPN	56	LPN	72
Evening			RN	56	RN	56			RN	56			RN	56					RN	72
																			RN-Infirm	56
			LPN	40	LPN	40	LPN	56	LPN	48	LPN	56	LPN	48	LPN	56	LPN	56	LPN	56
			LNA	56																
Night			RN	56	RN	56													RN	56
																			RN-Infirm	56
			LPN	40			LPN	40	LPN	56	LPN	40	LPN	56	LPN	56	LPN	56	LPN	56
			LNA	56																

The above matrix reflects Contractor's Staffing Matrix (Attachment H) for PAs, NPs, RNs, LPNs and LNAs with the reduction of forty hours per week or the equivalent of one (1) FTE per shift for the highlighted positions. The intent of Attachment K is to provide a definition of an uncovered shift. For highlighted positions, Contractor will be in compliance if only one (1) of two (2) scheduled individuals of the same title are present for the shift. Should Contractor be unable to fill all positions as scheduled in Attachment K, a performance penalty will be incurred. Contractor may, at its discretion, fill clinical positions with higher practice level professionals - charging the DOC at the cost of the regularly scheduled health profession - without penalty.

Attachment L Independence, Liability, Hold Harmless Clause

According to Attachment C, Paragraph 5, Independence, Liability: "The Contractor will act in an independent capacity and not as officers or employees of the State. The Contractor shall indemnify, defend and hold harmless the State and its officers and employees from liability and any claims, suits, judgments and damages, which arise as a result of the Contractor's acts and/or omissions in the performance of services under this contract."

Attachment C, Paragraph 5 of this contract pertaining to defense and indemnification is intended by the parties to include (i) defense of all claims, and/or lawsuits, including but not limited to actions for damages and/or for declaratory or injunctive relief, to the extent that they contain allegations that arise as a result of the Contractor's negligence in the performance of services under this contract and/or intentional misconduct in the performance of services under this contract (intentional misconduct to include, without limitation, any intentional violation of law or duty of care to any inmate) whether or not the Contractor, an employee of the Contractor, or a subcontractor of the Contractor is a named party to the action and (ii) indemnification to the extent that any such claim or lawsuit results in a final determination, and/or settlement, that liability arose as a result of the Contractor's negligence in the performance of services under this contract and/or intentional misconduct in the performance of services under this contract (intentional misconduct to include, without limitation, any intentional violation of law or duty of care to any inmate) whether or not the Contractor, an employee of the Contractor, or a subcontractor of the Contractor is a named party to the action. The parties do not intend Paragraph 5 to include liability or defense for allegations that arise as a result of the acts (including intentional misconduct), omissions, policies, procedures or any other conduct attributable to the State, its agents, officers or employees.

If the Office of the Attorney General or other representative of the State tenders, in writing, a claim and/or lawsuit to Contractor for defense and indemnification in accordance with the aforementioned paragraph, the Contractor shall respond, in writing, to the Attorney General or State within ten (10) business days of such tender. In the event a response to the claim or suit is required prior to the expiration of the ten (10) business days period of time, including but not limited to court action, the Contractor will be so notified. The Contractor's response to the Attorney General's or State's tendering of any such claim or lawsuit shall include an acknowledgment of receipt of the claim and/or lawsuit, a response on whether Contractor will accept or decline the tendering of any such claim and/or lawsuit and, if accepted, the identity of counsel retained to defend any such claim and/or lawsuit.

In the event the Contractor does not comply with any aspect of this provision, and such non-compliance also constitutes a material violation of this provision, as so determined either judicially or by mutual agreement of the parties, the Contractor shall be responsible for any and all costs and/or fees that were reasonably-incurred by the Attorney General's Office and/or the State as a direct consequence of such non-compliance.

The Contractor agrees to cooperate with the Office of the Attorney General and the State in the investigation and handling of any claim and/or lawsuits filed by inmate(s), and/or other person(s) and/or entity or entities in connection with the Contractor's performance of services under this contract. The Office of the Attorney General and the State will monitor the defense of all claims and/or lawsuits and the Contractor and defense counsel shall cooperate fully with such monitoring. The Office of the Attorney General and the State retain the right to participate, at their own expense, in the defense and/or trial of any claim and/or lawsuit where the Contractor is providing the defense and indemnification of such claim and/or lawsuit. The Office of the Attorney General and the State shall have the right to approve all proposed settlements of such claims and/or lawsuits, which are being made against the State and/or State employees. In the event the Office of the Attorney General or the State withholds such approval to settle any such claim and/or lawsuit then, the Contractor shall proceed with the defense of the claim and/or lawsuit but, under those circumstances, the Contractor's liability and indemnification obligations shall be limited to the amount of the proposed settlement.

