

AMENDMENT NUMBER 1
to the
NORTH CAROLINA
REPLACEMENT MEDICAID MANAGEMENT
INFORMATION SYSTEM CONTRACT
RFP #30-DHHS-1228-08-R

THIS AMENDMENT NUMBER 1 to the North Carolina Replacement Medicaid Management Information System Contract (this "Amendment") is entered into by and between Computer Sciences Corporation, a Nevada corporation ("Vendor") and the North Carolina Department of Health and Human Services (NC DHHS) and is effective as of the later of the dates of signature applied by the Parties below. Capitalized terms used but not defined herein shall have the meanings set forth in the North Carolina Replacement Medicaid Management Information System Contract awarded as of December 22, 2008 and entered into by and between Vendor and NC DHHS (the "Contract").

WHEREAS, Vendor and NC DHHS desire to amend the Contract on the terms set forth herein;

NOW, THEREFORE, in consideration of the premises, covenants and agreements herein contained, and intending to be legally bound hereby, Vendor and NC DHHS hereby agree as follows:

SECTION 1

AMENDMENT OF THE CONTRACT

Section 1.1 Revision to Section 40.5.2.6 of the RFP. The second sentence of RFP Section 40.5.2.6 is hereby deleted and replaced with the following:

Vendor shall complete all re-credentialing and credentialing of up to 50,000 providers by no later than April 19, 2010.

Section 1.2 Revision to Cost Proposal Table S/Introduction. The Introduction to Table S of Vendor's Cost Proposal (page Table S/Introduction-1) is hereby amended to add the following as its final text:

Notwithstanding the price estimations set forth in Tables S and T that are based upon the servicing of 38,000 providers in State Fiscal Years 2008-2009 and 2009-2010, by April 19, 2010 Vendor shall complete verification, credentialing and re-credentialing of up to 50,000 providers at the same per-provider-serviced rate as is set forth in Table S for State Fiscal Years 2008-2009 and 2009-2010.

Section 1.3 Revision to “Third Party Material” Subsection of RFP Section 30.11. The final paragraph of the “Third Party Material” Subsection of RFP Section 30.11 is hereby deleted in its entirety and replaced with the following paragraph:

With respect to all stand alone, non-government owned third party software code, audio/visual/print materials, or data compilations which Vendor uses in its Fiscal Agent operations on behalf of the State, as soon as commercially practicable following initiation of the Turnover Phase (but in any event no later than the end of the Turnover Phase), or following termination of the Contract if there is no Turnover Phase, Vendor shall obtain at its sole expense (to the extent that it has not already done so) fully paid, perpetual, irrevocable licenses permitting the State, and others with the State’s authorization and on the State’s behalf, to continue to use such materials without interruption when the Vendor ceases to use them on behalf of the State, unless the State has independently acquired such rights.

Section 1.4 Revision of Exhibit E.2-3 of Vendor’s Best and Final Offer dated May 30, 2008. The Review and Acceptance Cycle Exhibit (Exhibit E.2-3) set forth in Vendor’s Best and Final Offer dated May 30, 2008, including its footnotes, is hereby deleted and replaced in its entirety with the table and footnotes set forth in Exhibit 1 of the Amendment.

Section 1.5 Revision of Data Accession List Paragraph of RFP Section 30.11. The paragraph immediately following the heading, “Data Accession List,” in RFP Section 30.11 is hereby deleted and replaced in its entirety with the following paragraph:

The Vendor shall prepare and deliver to the State a Data Accession List (DAL) that sets forth all State Material then in existence and held by or on behalf of the Vendor, other than State Material that is identified in the Contract Data Requirements List (CDRL) or that is created and stored in the ordinary course of day to day operation of the Replacement MMIS (such as claims data and the like). The Vendor shall deliver a new or revised DAL at the same times that delivery of a new or revised Inventory is required pursuant to the preceding paragraph. Vendor may submit the DAL in a form that is integrated with the Inventory, provided that the elements of the DAL and the elements of the Inventory are distinctly identified as such and can be viewed, sorted and extracted as if they were independent lists. The Vendor shall maintain a continuously updated archive of the material listed on the DAL throughout the duration of the Contract. The Vendor shall promptly provide a copy of the archive to the State in each instance that the State may request one. Throughout the duration of the Contract and thereafter, the Vendor shall retain in confidence at least one (1) copy of the archive until the State directs the Vendor to deliver all remaining copies to the State or to destroy the copies then remaining in the Vendor’s possession.

Section 1.6 Rebaselining of Integrated Master Schedule. All versions of the Integrated Master Schedule adopted by the Parties prior to the effective date of this Amendment are hereby superseded and replaced by the Integrated Master Schedule bearing the electronic file

name "NCMMIS IMSv3.0 20090609.mpp" and recorded on the CD-ROM that is attached to this Amendment as its Exhibit 2. Each Party shall have no liability to the other to the extent that such liability arises, or is asserted to arise, from a Party's failure to timely act in accordance with any Integrated Master Schedule adopted by the Parties prior to the effective date of this Amendment.

Section 1.7 Revision to Section 30.6.4(d) of the RFP. The following text is hereby added at the end of RFP Section 30.6.4(d):

Notwithstanding the foregoing, changes to the IMS which do not affect the scope or price of the Services, and which do not change the Targeted Operational Start Date, shall not require the Parties' execution of a Contract amendment. Such changes to the IMS shall become binding on the Parties if and when, in his or her discretion, the Replacement MMIS Contract Administrator notifies the Vendor's Contract Manager that the State approves the changes as documented by the Parties in a specified, revised version of the IMS. Notwithstanding the terms of Section 30.6.3, the Replacement MMIS Contract Administrator may give such notice by letter or email.

SECTION 2

MISCELLANEOUS

Section 2.1 Entire Agreement; Assignment. The Contract, as amended by this Amendment, (a) constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, among the parties with respect to the subject matter thereof and (b) shall not be assigned by operation of law or otherwise.

Section 2.2 Validity. If any provision of this Amendment is held invalid or unenforceable, the remainder of this Amendment shall not be affected thereby, and to such end, the provisions of this Amendment are agreed to be severable.

Section 2.3 Governing Laws, Jurisdiction, And Venue. The validity, construction, and interpretation of the Contract, as amended by this Amendment, and any of its terms or provisions, as well as the rights, duties, and performance of the Parties to the Contract, are governed by the laws of North Carolina, exclusive of its conflicts of laws provisions. Solely with respect to the Contract, as amended by this Amendment, Vendor agrees and submits to the exclusive jurisdiction of the Federal or State courts situated in North Carolina and agrees, solely for such purpose, that the only venue for any legal proceedings shall be Wake County, NC. The place of the Contract, as amended by this Amendment, and all transactions, agreements relating to it, and their situs and forum, shall be Wake County, NC, where all matters, whether sounding in contract or tort, relating to its validity, construction, interpretation, and enforcement, shall be determined.

Section 2.4 Descriptive Headings. The descriptive headings herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Amendment.

Section 2.5 Signatures. This Amendment may be executed in two (2) or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement. Copies of signatures transmitted via facsimile shall constitute original signatures for all purposes of this Amendment.

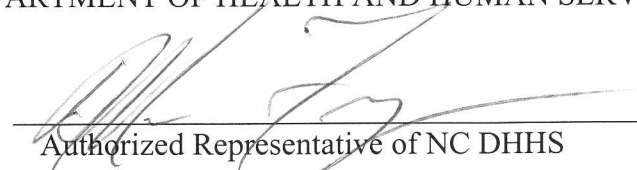
Section 2.6 References to the Contract. From and after the execution of this Amendment, all references in the Contract to "this Contract," "hereof," "herein" and similar terms shall mean or refer to the Contract, as amended by this Amendment, and all references in other documents to the Contract shall mean the Contract, as amended by this Amendment.

Section 2.7 Amendment. This Amendment shall not be modified, supplemented or terminated in any manner whatsoever, except by an instrument in writing signed on behalf of the parties hereto.

Section 2.8 Ratification and Confirmation. The Contract is hereby ratified and confirmed and, except as herein amended, remains in full force and effect.

IN WITNESS WHEREOF, each of the parties has caused this Amendment to be duly executed on its behalf as of the dates set forth below.

STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

BY: 
Authorized Representative of NC DHHS

DATE: 6/30/09

COMPUTER SCIENCES CORPORATION

BY: 
Dianne R. Sagner
Senior Manager of Contracts
Replacement MMIS Contract Manager

DATE: 6/26/09

Exhibit 1 of Amendment

Exhibit E.2-3. Our Review and Acceptance Cycle

IMS Activity	Duration
Activities to Develop CDRL	(per IMS) days
Concurrent Collaboration w/NC DHHS Personnel	(per IMS) days
Submit CDRL to NC DHHS for Review	1 Day
Obtain Feedback from NC DHHS staff	20 days ¹
Incorporate Feedback	5 days
Submit Final Deliverable	0 days ²
Receive Acceptance from NC DHHS	10 days

The IMS shall establish dates for review and acceptance of each Deliverable and Milestone in accordance with the sequence and duration of events set forth in Exhibit E.2-3 above. Each of the day spans indicated above consists only of State business days. A Deliverable, or materials documenting the achievement of a Milestone, shall be timely submitted if it is received by the State no later than 11:59:59 p.m. on the day specified for delivery.

If a Party completes a step of the review cycle prior to the day scheduled for its completion under the IMS, the other Party shall endeavor in good faith to undertake the next step of the review cycle prior to the time scheduled for that step in the IMS, but the other Party nevertheless shall not be deemed overdue in completing the next step unless and until that Party fails to meet the scheduled date for completing that step in the IMS.

If, within the 10 day period for the final step of the review and acceptance cycle set forth in the IMS, the State notifies Vendor that the State rejects the Deliverable or Milestone, then notwithstanding the preceding paragraph and regardless of how many days have transpired since Vendor first submitted the Deliverable or documentation of the Milestone, Vendor shall have three (3) State business days from the receipt of such notification to correct the deficiencies and resubmit the Deliverable or Milestone to the State. The State shall have five (5) State business days immediately thereafter to inspect, test and reevaluate the resubmitted Deliverable or Milestone. If the State once again rejects the Deliverable or Milestone, then as many times as necessary, the Parties shall repeat the foregoing steps of three State business days of correction followed by five State business days of reevaluation, until the State accepts the Deliverable or Milestone, or until a Party resorts to the dispute resolution process set forth in RFP Section 30.36.

¹ The standard review cycle for all CDRLs is 20 State working days, however Team CSC and NC DHHS will review this standard for specific time sensitive deliverables as appropriate.

² 0 days indicates an event, Milestone or CDRL in the IMS.