

Tab 1

Board and Ad Hoc Member List

**Florida Healthy Kids Corporation
Board and Ad Hoc Member List**

OFFICERS:

Scott Fennell

Board Chair

Florida Department of Financial Services

Peter Claussen, DDS

Board Vice Chair

Florida Dental Association Representative

Philip Boyce

Board Secretary/Treasurer

Florida Hospital Association Representative

MEMBERS:

Jose Armas, MD

Child Health Policy Expert Representative

Peggy Aune, EdD

Florida Department of Education

Commissioner Dave Eggers

Florida Association of Counties Representative

Robert English, MD, FAAP, FACC, FSCAI

Florida Chapter of the American Academy of
Pediatrics

Andrea Gary

Children's Medical Services Representative
Department of Health

Robert Karch, MD, MPH, FAAP

Florida Department of Health Representative

Brian Meyer

Delegate
Florida Agency for Health Care Administration

Amra A. Resic, MD, FAFP

Florida Academy of Family Physicians Representative

Bridget Royster

Delegate

Department of Children and Families

AD HOC MEMBERS:

Steve Freedman, PhD

University of South Florida College of Public Health

Paul Whitfield

Florida Department of Financial Services

Tab 2

Consent Agenda

**FLORIDA HEALTHY KIDS CORPORATION
BOARD OF DIRECTORS MEETING
June 19, 2025**

Consent Agenda

Behind Tab II is the Consent Agenda. As you know, these items are considered routine and are enacted by one motion. There will be no separate discussion of these items unless removal of the item from the Consent Agenda is requested by a Board Member, at which time we will take it off the agenda and discuss it separately. You have all been provided with copies of the items in advance of today's meeting, and the supporting documents for each of these items are in the Consent Agenda located behind the referenced tab in your materials.

**Consent Item (1)
Approve Minutes of the Board of Directors Meeting – March 5, 2025**

Tab A

Summary: The Board of Directors of the Florida Healthy Kids Corporation (FHKC) met at Hotel Duval in Tallahassee, Florida on March 5, 2025. The agenda included a welcome and introduction from the Chair; election of Board officers; as well as reports from the Chair, Chief Executive Officer, Operational Efficiency and Quality Committee, Finance and Audit Committee, and Community Outreach and Marketing Committee. The Board voted to approve the Corporate Governance documents, Maximus current contract amendment, KPMG management consulting services contract amendment, Amendment to FY 2024-25 approved budget, full pay program, and follow-up on prior internal audit findings.

**Consent Item (2)
Approve Minutes of the Finance and Audit Committee Meeting – May 16, 2025**

Tab B

Summary: The Finance and Audit Committee met by Microsoft Teams on May 16, 2025. The agenda included a welcome and introduction from the Chair and a review of the year-to-date financial activity. The Committee voted to approve the amendment to FY 2024-2025 budget, the FY 2025-2026 proposed budget, the internal audit reports, the Internal Auditor contract amendment, and the medical and dental services contracts.

Tab A

Board of Directors
Meeting Minutes

March 5, 2025

FLORIDA HEALTHY KIDS CORPORATION
Board of Directors Meeting
Microsoft Teams
March 5, 2025
9:00 A.M. – 1:00 P.M.

Board of Directors Present:

Mr. Scott Fennell, Chair
Dr. Peter Claussen, Vice Chair
Mr. Philip Boyce, Secretary/Treasurer
Dr. Jose Armas, Child Health Policy Expert
Dr. Peggy Aune, Florida Department of Education
Dr. Robert English, Florida Chapter of the American Academy of Pediatrics
Ms. Andrea Gary, Children's Medical Services Designee, Florida Department of Health
Dr. Robert Karch, Florida Department of Health Designee
Mr. Brian Meyer, Agency for Health Care Administration Designee
Dr. Steve Freedman, Ad Hoc Board Member
Mr. Paul Whitfield, Ad Hoc Board Member

Board of Directors Absent:

Commissioner Dave Eggers, Florida Association of Counties
Ms. Erica Floyd Thomas, Florida Department of Children & Families Designee
Dr. Amra Resic, Florida Academy of Family Physicians

Others in attendance:

Daniel Acloque, MCNA
Tyreana Andre, Florida Healthy Kids Corporation
Kendra Aracena, MCNA
Lucia Arellano, Simply Healthcare Plans
Catherine Beeche, Florida Healthy Kids Corporation
Leon Biegalski, Florida Healthy Kids Corporation
Hugh Black, Florida Healthy Kids Corporation
Precious Boatwright, Florida Healthy Kids Corporation
Michael Brennan, Agency for Health Care Administration
Ashley Carr, Florida Healthy Kids Corporation
Frank Castaneda, Community Care Plan
Tiffany Cooper, MCNA
Olivia Davidson, Florida Healthy Kids Corporation
DeDe Davis, MCNA
David DiSalvo, KPMG
Vickie Dugat, USF/Connecting Kids to Coverage
Jeff Dykes, Florida Healthy Kids Corporation
Kenneth Fisher, Maximus
Katie Fuller, Florida Healthy Kids Corporation
Suzetta Furlong, Florida Healthy Kids Corporation
Joseph Gaines, Canopy Consulting & Management Group

Cassandra Garza, USF/Connecting Kids to Coverage
Daralice Gomez, Simply Healthcare Plans
Brittany Gray, DentaQuest
Jena Grignon, Florida Healthy Kids Corporation
Erik Harris, Maximus
Laura Herold, Florida Healthy Kids Corporation
Jon Ingram; Law, Redd, Crona & Munroe
Keenan Jenkins, Florida Healthy Kids Corporation
Gisella Lamkin, Maximus
Mike Lapitan, KPMG
Lindsay Lichti, Florida Healthy Kids Corporation
Aaron Mathews, Florida Healthy Kids Corporation
Shane McPherson, Florida Healthy Kids Corporation
Moline Parke Wilson, MCNA
Christina Parmer, Maximus
Bryan Peters, Florida Office of Insurance Regulation
Stacy Plymale, DentaQuest
Arvind Rampersaud, Community Care Plan
Lupe Rivero, Community Care Plan
Debbie Shoup, Florida Healthy Kids Corporation
Matt Sirmans, Florida Healthy Kids Corporation
Kristin Snyder, Liberty Dental Plan
Sammie Spence, DentaQuest
Lindsay Sullivan, Aetna
Rifat Sultana, Agency for Health Care Administration
Harry Sundberg, Maximus
Chloe Swicegood, Sachs Media
Mayre Thompson, MCNA
David Tillotson, Florida Healthy Kids Corporation
Anne Tills, Maximus
Jay Wells, Maximus
Ryan West, Florida Healthy Kids Corporation
Shannon Windle, Maximus

MINUTES:

I. Welcome and Introductions

Scott Fennell, Board Chair

Scott Fennell, Board Chair, called the meeting of the Florida Healthy Kids Corporation (FHKC or Corporation) Board of Directors (Board) to order at 9:00 a.m. Mr. Fennell reminded Board members of their fiduciary duty to act in the best interests of FHKC and the children and families it serves. He also reminded members of their primary duty to exercise independent judgment for the overall benefit of the Corporation and not for the constituency, association, or agency they otherwise represent. Precious Boatwright called the roll and determined a quorum was present.

Mr. Fennell recognized Ryan West, Chief Executive Officer, who thanked the outgoing Board Chair, Dr. Stephanie Haridopolos, for her leadership while leading the Board with a fierce advocacy for Florida's children. He highlighted a few of the major accomplishments under her leadership: passing of the bill in 2019 to recombine risk pools which significantly lowered costs for families in the program, passage of SB 348 which removed the cap on CHIP benefits, and passage of HB 121 (KidCare+). Ashley Carr, Chief Marketing Officer, read a heartfelt statement from Dr. Haridopolos to the Board.

Mr. Fennell acknowledged Jon Ingram of Law, Redd, Crona & Munroe as a presenter.

II. Consent Agenda

Leon Biegalski, Florida Healthy Kids Corporation

Leon Biegalski, Chief Legal Officer, was recognized to present the items on the Consent Agenda. Mr. Fennell offered the Consent Agenda for consideration as a single motion. Dr. Peter Claussen moved the motion; Dr. Jose Armas seconded the motion.

**ACTION: Approve the Consent Agenda.
 This motion was approved.**

III. Executive Reports

Chair Report

Mr. Scott Fennell, Board Chair

Dr. Peggy Aune, FHKC BOD, Florida Department of Education

Mr. Fennell began his report by sharing a story from one of the CHIP families FHKC serves. This story was submitted to the Corporation by one of the health plans to showcase the program's real-life impact.

A. Election of Board Officers

Mr. Fennell presented the slate of officers for the Board election. Each officer wished to remain in their respective positions. Mr. Fennell opened the floor to other nominations and discussion. Hearing none, he proceeded with the election.

Mr. Fennell asked for a motion to approve the election of Dr. Peter Claussen for Vice Chair and Mr. Philip Boyce for Secretary/Treasurer. Dr. Robert Karch moved the motion; Dr. Robert English seconded the motion.

**ACTION: Approve the Election of Dr. Peter Claussen for Vice Chair and Mr.
 Philip Boyce for Secretary/Treasurer.
 This motion was approved.**

B. School Health Services

Dr. Peggy Aune, FHKC Board of Directors member who represents Florida Department of Education (FDOE) presented information on School Health Services, the Mental Health Assistance Program, and Resiliency Education. School health services are intended to minimize health barriers to learning.

For School Health Services, school districts are required by Florida Statute to provide a plan for delivery of school services, accountability and outcome indicators, strategies for assessing and blending financial resources, the establishment of a data system, policies for communicable diseases and immunizations, and other information.

Mental health assistance programs are required by Florida Statute to be implemented by each school district. Plans must include training teachers and other staff to respond to and detect mental health issues, as well as connecting children and families to appropriate services for delivering evidence-based mental health care treatment to children. Funding has risen from \$75 million in SFY 2019-2020 to \$180 million in SFY 2024-2025.

C. Resiliency Florida

Resiliency Florida is led by the FDOE. Florida is leading a first-in-the-nation approach that empowers students to persevere and overcome life's inevitable challenges. FDOE developed state education standards and resources to equip students with skills that build resiliency. There are over 40 parent resources available at [BuildResiliency.org](https://www.buildresiliency.org), and the program includes training for a Resiliency Coach and volunteers helping in Florida schools.

The FDOE has joined the ranks of state agencies supporting First Lady DeSantis' Hope Florida project. FDOE focuses on education, specifically for children aged three to five.

Chief Executive Officer Report

Ryan West, Florida Healthy Kids Corporation

Leon Biegalski, Florida Healthy Kids Corporation

Dr. Steve Freedman, FHKC Board of Directors

A. Corporate Governance Documents

The Corporation puts forth the governance documents for annual review and approval by the Board. Mr. Biegalski started with a review of the Committee charters. There were no changes to the Community Outreach and Marketing or the Finance and Audit Committee charters.

The Internal Audit Committee charter had two changes – changing “consulting services” and “consulting and advisory services” to “advisory services” and removing the reference to the IIA Code of Ethics and Standards and referencing instead “applicable ethics and standards.”

Recommendations for the Operational Efficiency and Quality Committee are as follows – removal of vendor exemption requests as it is covered by the Physician Credentialing Committee and adding “Contract amendments pertaining only to rate or cost adjustments are reviewed by the Finance and Audit Committee.”

There were several changes to the Code of Conduct and Ethics: “Standard” was added to the title and where applicable matching the CFR, added a header to Separate Conflict and Gifts/Gratuity into separate sections, while including the federal requirement of disciplinary actions for violations in both sections, updated who updates in criminal history can be provided to, updated personnel titles, added definitions to the attestation page and disclosure page, and changed headers on the disclosure page.

Mr. Fennell asked for a motion to approve all Corporate documents except for the Corporate Bylaws. Philip Boyce moved the motion; Dr. Claussen seconded the motion.

ACTION: Approve All Corporate Documents Except for the Corporate Bylaws.
This motion was approved.

The Corporate Bylaws were submitted for review and approval separately from the Corporate Governance Documents due to different voting requirements. Mr. Biegalski informed the Board that a new section regarding the noticing timeframes for emergency meetings was added. As well as an explanation of what constitutes and emergency. Conforming changes were made throughout.

Mr. Fennell asked for a second as the motion to approve the Corporate Bylaws had been made by the recommendation of the Finance and Audit Committee. Mr. Boyce seconded the motion.

ACTION: Approve the Corporate Bylaws.
This motion was approved.

B. Dr. Freedman Presentation

Dr. Freedman presented the FHKC the pen used by Governor Bob Martinez to sign the legislative act creating the Corporation. Mr. West thanked Dr. Freedman and said it would be put on display at the office as a representation of what it means to the coverage of Florida’s children.

C. Hurricane Relief

Mr. West informed the Board about the impact to the Corporation due to the hurricane relief provided to KidCare families. Due to miscommunication with Maximus more premium credits were issued than expected. Processes have been put in place to ensure this does not happen again. Mr. West reported the impact to Corporate funds to date is less than \$400,000, but we anticipate the total impact to be around \$1 million more than initially anticipated when this mitigation exercise is concluded; the Corporation will provide

an update during the May board meeting. As a reminder – the Board initially approved more than \$6 million in corporate funds to cover family premiums in affected counties.

FHKC is working with the Governor and budget staff to seek reimbursement for the relief provided to the affected families. Mr. West proposed four options to be considered by the Board on how to approach hurricane relief going forward. These included:

- 1) Continuing current practices of providing premium credits to every account in a FEMA designated county
- 2) Request families call in to receive a premium credit
- 3) Narrow the FEMA-designated counties to the direct path of the storm (exclude peripheral counties where damage is not significant)
- 4) Limit relief to CHIP families only (exclude full-pay families)

The next Board meeting is in late May, but it is Mr. West's goal is to have a solidified plan in place prior to the beginning of the hurricane season on June 1. Guidance is sought with today's discussion, and any further thoughts prior to the May Board meeting.

Mr. Boyce asked how the hardest hit areas are determined. Mr. West responded staff would bring a recommendation to the Executive Committee regarding the counties and the Committee could accept, reject, or modify the counties. Mr. West said staff will create a quantifiable approach to present at the May Board meeting and intends to communicate this to the Board prior to the meeting. Dr. Freedman suggested the Florida Division of Emergency Management as an advisory source.

Dr. Freedman believed it would put an undue burden on people to have them calling for premium relief during a storm. Mr. West pointed out the call centers may potentially be in affected areas. He expressed these were options and the Board could decide to continue with the current process. Dr. Freedman asked if there was a way to get placed on the legislative emergency fund to avert billing them for premium relief. Mr. West responded that the value of using Corporation funds allows FHKC to act right away.

Ms. Gary appreciated the options and felt keeping the decisions family-centered was important in whatever option moving forward, ensuring the families know the credit is an option allows them to prioritize whatever is going on at the moment.

Mr. Meyer cautioned the Board not to make a reactionary change, but to center the decision on the best interest of the families.

D. KidCare+

FHKC is currently waiting for a resolution to the 1115 Waiver and the ongoing litigation which has become intertwined. The latest update on the litigation is that AHCA filed a lawsuit against CMS for exceeding its authority contrary to federal law – CMS has until mid-March to respond. Mr. West will provide an update on this at the May Board meeting.

E. New Maximus Contract Implementation

The installation of the new Maximus system has been delayed, and Mr. West outlined several reasons for this delay. Testing for the federal hub system, and CMS streamlining rules analysis pulled resources from the project. Reconfiguration of the current system for HB 121 also pulled resources from this project, as the new system implementation began prior to the enactment of HB 121. Additionally, the new tiers and premiums added to the implementation scope and timeline. These changes also require adjustments to a few contracts. At this point in time, the goal is to launch the system in late 2025. The reason for this necessary delay is to achieve our goal of a clean launch with little or no disruption.

IV. Operational Efficiency and Quality Committee Report

Dr. Peggy Aune, Chair

Suzetta Furlong, Florida Healthy Kids Corporation

Lindsay Lichti, Florida Healthy Kids Corporation

Mr. Fennell recognized Dr. Peggy Aune, Chair of the Operational Efficiency and Quality Committee to provide the Report. She provided a summary of the meeting and recognized Suzetta Furlong, Chief Operating Officer, and Lindsay Lichti, Deputy Director of Plan Management, to provide the Report.

A. Maximus Current Contract Amendment

The Twelfth Addendum with PSI Services Holding LLC d/b/a Maximus, the current third-party administrator for eligibility and enrollment, is to extend the contract while work for the new system continues. This contract will end when the new contract takes effect.

Mr. Boyce asked if it had the same terms and conditions. Ms. Furlong responded yes.

Mr. Fennell asked for a motion to approve the Maximus current contract amendment. Mr. Boyce moved the motion; Dr. Claussen seconded the motion.

**ACTION: Approve the Maximus Current Contract Amendment.
 This motion was approved.**

B. KPMG Management Consulting Services Contract Amendment

Amendment Four continues the contract which is needed due to KPMG's work as support for project management and testing for implementation of the new system. It will be with the same terms and conditions. The not-to-exceed fee is the same for this fiscal period.

Mr. Fennell asked for a motion to approve the KPMG Management consulting services contract amendment. Dr. Claussen moved the motion; Dr. English seconded the motion.

**ACTION: Approve the KPMG Management Consulting Services Contract
 Amendment.
 This motion was approved.**

C. Annual Technical Report

Qsource, the external quality review organization, completed the reports for each plan as well as an annual technical report summarizing all activities. The first three EQRO reports are protocols mandated by the federal Centers for Medicare and Medicaid Services (CMS) and the fourth, network adequacy validation, is required by federal regulation. There were no major concerns found. The full report is available upon request.

Dr. Aune asked if the network adequacy in rural areas regarding time and distance captured operating hours. Ms. Lichti responded it did not.

D. Chief Operating Officer Report

Maximus met or exceeded five of their six call center performance standards, reached 94 percent or higher for eligibility processing performance standards, and met all six of the financial standards at 100 percent for 2024.

Enrollment is climbing and has increased by 81 percent since the lowest point in May 2023, which is attributed to the pandemic.

V. Finance and Audit Committee Report

Philip Boyce, Chair

Jeff Dykes, Florida Healthy Kids Corporation

Jon Ingram; Law, Redd, Crona & Munroe

Mr. Fennell recognized Mr. Boyce, Chair of the Finance and Audit Committee to provide the Report. He provided a summary of the meeting and recognized Jeff Dykes, Chief Financial Officer, to provide the Report.

A. Amendment to FY 2024-25 Approved Budget

This is the second budget amendment of the fiscal year to align the Corporation's budget with the state's budgeting system, to make necessary adjustments based on the December SSEC conferences, and to make adjustments due to the hurricane premium credits for Hurricane Helene and Hurricane Milton, and budget adjustments due to updated budget expectations for medical, dental, and contracted TPA administrative services, and incorporated capitation rate adjustments for the new capitation rates for January to June as we bridge the carriers to a fiscal year contract basis. In net, the adjustments to the operating budget increased revenues by approximately \$25.2 million. The amended operating budget is balanced.

Initially, the Board approved \$6.5 million for premium credits at the October meeting primarily for November coverage. Due to issues with the execution of the premium credit, a worst-case scenario of approximately \$14 million is shown in the proposed budget. The budget request does not account for the positive activity we are seeing due to the Corporation's mitigation efforts.

Mr. Dykes informed the Board of the fiscal impact mitigation process targeting the credits given in error. This strategy is designed to reduce the overall fiscal impact on public funds

and the use of the Corporation's private funds without jeopardizing coverage for the affected participants. The process is proving effective, the impact at this point (with three months of reportable information) is less than \$400,000; based on this existing data and extrapolating to future months, we estimate the total impact may be around \$1 million, in addition to the original \$6.5 million budgeted.

The use of Corporate funds may be lower than the budgeted amount of \$14 million and closer to about \$7.5 million. Depending on the level of reimbursement by the legislature for the Board approved credits of \$6.5 million, there may be a dramatic drop in the impact of Corporate funds. Mr. Dykes expressed appreciation for the work of the carriers, the Corporation's Kidcare partners, and Maximus to assist with the mitigation strategy to protect public and Corporate funds.

Mr. Boyce asked if the mitigation time period was twelve months. Mr. Dykes said it may be as long as twelve months, and may carry into the next fiscal year, but a decision will be made at some point to stop the process, and he will keep the Board apprised of this decision.

Mr. Fennell asked for a second as the Finance and Audit Committee approval acted as a motion to amend the budget. Dr. Claussen seconded the motion.

**ACTION: Approve the Amendment to FY 2024-25 Approved Budget.
 This motion was approved.**

B. Year-to-Date Financial Activity

Mr. Dykes stated he normally presents financial statements no more than two months in arrears, but due to the hurricane premium credit issue combined with the mitigation efforts, this normal presentation would not fairly represent the financial statements.

Therefore, Mr. Dykes presented the Corporation's interim financial statements through September. These statements show that revenues and expenses were within the operating budgets and use of corporate funds were within budget. The full-pay program experienced first quarter gains of \$181,000. Net Position increased by \$131,000 to a balance of \$17.2 million. The Corporation's financial activity was normal considering all first quarter transactions. Excluding the premium credits, all financial activity since September has occurred as expected.

Mr. Dykes stated the reconciliations are close to be completed, and he anticipates providing financial statements through March, and possibly April, at the May Board meeting.

C. Full Pay Program

Mr. Dykes provided a general background of the program, explaining it is an insurance choice that provides medical and dental coverage for Florida's children who do not qualify for CHIP due to exceeding income limitations. The program is subsidized by public funds and funded through the per child monthly premiums.

The level of premium subsidization is approximately \$275 per child per month for FY 2025-26. Until KidCare+ is implemented, it is projected an average of 28,000 children will be enrolled in the program in the upcoming FY. After implementation, it is estimated that one third of the full pay program enrollment will be eligible for CHIP leaving an estimated 19,000 in the full pay program. Due to program cost increases driven by healthcare trend, increasing administration costs, and ensuring continued compliance with legislative expectations, the Corporation is at a point where premiums need adjustment to ensure program solvency. The last premium adjustment was approved by the Executive Committee with an effective date of February 1, 2023.

The proposed per child monthly premium is \$276.00 with dental coverage (which is optional for those in the full-pay program – typically we see roughly 87% of the population utilizing this option), an increase of \$16.50 (6.4 percent); the proposed per child monthly premium is \$256 without dental coverage, an increase of \$11.50 (4.7 percent). This increase is closely aligned with the increase two years ago.

The premiums were developed to reflect a two-year life cycle, consistent with past rate adjustments. Following federal regulations, these proposed premiums include a reinvestment of the medical loss ratio rebates to dampen the amount of premium adjustments to families.

The new premiums will be due June 1, 2025, for coverage effective July 1, 2025, and are intended to last through mid-calendar year 2027. Marketing has prepared an omnichannel communications plan to give adequate notice to families of the premium adjustments and Maximus will be trained with information to answer questions.

Mr. Fennell asked for a second as the Finance and Audit Committee recommendation acted as a motion to approve the Full Pay program premium adjustment. Dr. Claussen seconded the motion.

**ACTION: Approve the Full Pay Program Premium Adjustment.
 This motion was approved.**

D. Follow-up on Prior Internal Audit Findings

Mr. Boyce introduced Jon Ingram of Law, Redd, Crona & Munroe, to address the report on corrective actions regarding prior findings related to cybersecurity and internal audit Reports 24 and 25.

Report #24-01 was a follow-up to prior findings from the May 2021 Ernst & Young HIPAA and MARS-E Assessment Report. One observation of Report #24-01 related to network design and architecture was in progress. Corrective action is still in progress, and management expected to have it fully addressed 60 days from the end of January.

There were two observations and recommendations from Report #25-01 addressing areas not already covered in the Ernst & Young report. It was found in the follow-up that management has fully addressed those.

Mr. Fennell asked for a second as the Finance and Audit Committee recommendation acted as a motion to approve the follow-up on prior Internal Audit findings. Mr. Boyce seconded the motion.

**ACTION: Approve the Follow-up on Prior Internal Audit Findings.
This motion was approved.**

VI. Community Outreach and Marketing Committee Report

Ashley Carr, Florida Healthy Kids Corporation

A. Hope Florida

FHKC has placed Hope Florida information and the website link on the KidCare parent portal to partner families with other resources within the social services system. Since the initiative began in July 2024, there have been almost 4,800 people utilizing the link from the portal. There have also been over 500 transfers from the call center to Hope Florida.

B. Florida KidCare Website

Ms. Carr announced the new KidCare Website, floridakidcare.org. It launched December 16, 2024, with no interruption of services. It has received more than 670,000 views since going live.

Key Benefits:

- Combined two existing sites – floridakidcare.org and healthykids.org
- In-house ownership and management of website
- Year one hosting savings is \$16,000 and maintenance savings is \$3,200

C. Insurance 101 Campaign

Health Insurance 101 campaign launches in the Spring. It will run from March to June 2025. This will help families with the transition from Medicaid to CHIP by providing education on monthly payments, co-pays, and deductibles. The informational landing page will provide a custom partner toolkit and an informational question and answer series highlighting key insurance terminology. This initiative was started by Dr. Haridopolos.

The Cold and Flu Campaign ran from October 2024 through February 2025. The campaign resulted in almost 2 million impressions, over 2,000 link clicks, and 500 social media interactions. The campaign encourages routine vaccinations to help keep students healthy and in school. Cold and flu are some of the biggest drivers to school absences.

D. Net Promoter Score

The Net Promoter score is a single question survey tool that is used to measure customer sentiment. FHKC received an incredible response with this survey.

One month snapshot:

- 1,829 surveys completed
- 1,529 promoters (rated 9 or 10) – 94 percent rated a 10
- 172 passives (rated 7 or 8) – 65 percent rated 8
- 128 detractors (0 – 6 rating)

Mr. Boyce asked if some have stated not being satisfied with a provider/network, could that be a question. Ms. Carr said during the pilot phase they are looking at ways to potentially tweak and that is one of them. The process is looking at ways to capture or retool some of those responses.

E. Family Feedback Survey

FHKC partnered with Treasure Coast Food Bank to launch a pilot of the survey beginning January 1, 2025. The goal of this survey is to leverage partner relationships to capture candid and direct family feedback about concerns they may have. Families were surveyed after they had been enrolled for at least six months. The pilot will run for a few more months to see if the responses begin to differ from the Net Promoter survey.

Dr. Freedman asked if there were any questions about provider access or quality of care. Ms. Carr said there is a question that asks broadly whether your child was able to access the services they need. It allowed for a more specific response.

VII. Other Business

Mr. West addressed CFO Patronis leaving office after eight years and highlighted his advocacy on many issues around Florida and his steadfast support for Healthy Kids and healthcare.

Mr. Fennell opened the floor to public comment. Hearing none, he opened the floor to the Board extending the opportunity to share any announcements.

Mr. Fennell shared the next Board meeting will be May 22 in Orlando. With no other business to discuss, Mr. Fennell requested a motion to adjourn the meeting. Dr. Claussen moved the motion. Mr. Boyce seconded the motion. The meeting adjourned at 11:40 a.m.

ACTION: Adjourn Meeting.
This motion was approved.

Tab B

Finance and Audit Committee Meeting Minutes

May 16, 2025

FLORIDA HEALTHY KIDS CORPORATION

Finance and Audit Committee

May 16, 2025 – 11:00 a.m.

Teleconference

COMMITTEE MEMBERS PRESENT:

Philip Boyce, Chair

Paul Whitfield, Vice-Chair

Ray Berry

Commissioner Dave Eggers

Celeste Harden

OTHER PERSONS IN ATTENDANCE:

Lucia Arellano, Simply Healthcare Plans

Leon Biegalski, Florida Healthy Kids Corporation

Hugh Black, Florida Healthy Kids Corporation

Precious Boatwright, Florida Healthy Kids Corporation

Catherine Beeche, Florida Healthy Kids Corporation

Frank Castaneda, Community Care Plan

Ashley Carr, Florida Healthy Kids Corporation

Jeff Dykes, Florida Healthy Kids Corporation

Delia Finnerty, Law, Redd, Crona & Monroe

Katie Fuller, Florida Healthy Kids Corporation

Jena Grignon, Florida Healthy Kids Corporation

Daralice Gomez, Simply Healthcare Plans

Laura Herold, Florida Healthy Kids Corporation

Kaitlyn Hunt, Florida Healthy Kids Corporation

Jon Ingram, Law, Redd, Crona & Monroe

Keenan Jenkins, Florida Healthy Kids Corporation

Lindsay Lichti, Florida Healthy Kids Corporation

Jack McDermott, Florida Healthy Kids Corporation

Shane McPherson, Florida Healthy Kids Corporation

Arvind Rampersaud, Community Care Plan

Darryl Rudell

Debbie Shoup, Florida Healthy Kids Corporation

Matt Sirmans, Florida Healthy Kids Corporation

Sammie Spence, DentaQuest

Lindsay Sullivan, Aetna

Kumara Tadepalli, Florida Healthy Kids Corporation

David Tillotson, Florida Healthy Kids Corporation

John Wells, Maximus

Ryan West, Florida Healthy Kids Corporation

MINUTES:

I. Welcome and Introductions

Mr. Philip Boyce, Chair, called the meeting of the Finance and Audit Committee (Committee) to order around 9:00 a.m. Ms. Precious Boatwright called the roll, and determined a quorum was present.

II. Year-to-Date Financial Activity

Mr. Boyce announced the Corporation's finance team has made significant headway in "unraveling" the complex accounting effects of the hurricane premium credits. He then introduced CFO Jeff Dykes.

Mr. Dykes started with a recap: the unintended hurricane premium credits combined with the fiscal impact of the mitigation process needed a multi-month reconciliation to ensure financial statements are fairly stated. The reconciliation process is dependent on enrollment and financial data provided by the Corporation's TPA, Maximus.

The initial plan was to have Maximus begin reporting during the February/March period, however, circumstances dictated this start in May. This delay was authorized by management to ensure accurate accounting journal entries to make the Corporate financials current and accurate. Conversations are also underway with the Corporation's auditor to ensure this process is concluded by the end of the fiscal year for a timely audit.

Therefore, the Corporation does not have financial statements that include the mitigation efforts at this time. The financials excluding the effects of the hurricane credits show revenues and expenditures are within budget for both operations and use of Corporate funds, although an amendment will follow in today's meeting for additional consulting services for the FY 24-25 budget.

The Corporation's Title XXI program is revenue neutral, the full-pay program is financially performing as intended, and other aspects of the Corporation's accounting and financial operations are in check.

As for the fiscal impact mitigation strategy – these efforts have proven successful. The mitigation strategy included a full or partial "claw back" of funds for kids enrolled unintentionally who did not utilize services; without these measures, the Corporate funds would have been reduced by an additional \$7.5 million. The new data shows that about 5,500 kids of this population sought health care services in November for an impact to Corporate funds of \$475,000 or 6.3% of the estimated \$7.5 million – avoiding costs of approximately \$7 million. This data is only for HealthyKids; Mr. Dykes reported he expects the impact for Medikids and CMS to be lower. This process is ongoing as there still is some run-out possibility – but this should be "exceedingly small."

In a related issue, the Board of Directors initially voted to use \$6.5 million in Corporate funds for the hurricane premium credits; and the Corporation requested reimbursement for these funds from the legislature. Because the 2025 legislative process is ongoing, we do not know the amount (if any) of this reimbursement.

The Corporation ended the 23-24 fiscal year with a net position of \$17.1 million. Due to the success of the mitigation efforts, we are expecting the net position to be around \$11 to \$11.5 million excluding any potential reimbursements.

Ms. Celeste Harden asked specifically about an exhibit (row 28) that showed Hurricane Premium Credits of \$13.975 million. She asked whether the \$6.5 million the Board approved is within this number. Mr. Dykes confirmed “yes.”

Ms. Harden then asked about the breakout (between state/federal) of that \$6.5 million. Mr. Dykes stated this is normally based on the FMAP which is about 30% state (general revenue) and 70% federal funds. However, because some of these premiums are for full-pay programs (no federal match) – it is more like \$5.5 million from the state (general revenue).

Ms. Harden asked about what the Corporation’s “best guess” is for recovering this \$6.5 million. Mr. Dykes said he could not guess the amount – however -- the Governor’s recommended budget included about half this amount; the House’s budget bill showed \$0 reimbursement, and the Senate bill was for the full reimbursement of \$6.5 million.

Ms. Harden then asked if she understood this correctly – of the original cost estimate of an additional \$7.4 million, our expectations are this could end up around \$1 million; Mr. Dykes confirmed “yes.”

III. Amendment to Fiscal Year 2024-2025 Approved Budget*

Mr. Boyce directed the Committee to Tab 1 for the third and final amendment for the FY 24-25 budget. He introduced Mr. Dykes.

Mr. Dykes stated most of the adjustments are due to KidCare caseload and expenditures social services estimating conferences held February 12th and 24th.

Based on trend data following the December estimating conferences, the Corporation has made a slight downward correction to the Corporation’s CHIP and Full Pay enrollment projections and realigns the projected distribution of the CHIP and full-pay enrollments to better assess the level of premium subsidization for the full pay program.

Adjustments were also made for expectations for the medical, dental, and contracted TPA administrative services costs.

This budget amendment also proposes an increase to line 12 – Professional & Consulting Services for increased actuarial consulting support in response to legislative staff

requests, and for increased consulting services to support the TPA transition; there is a budget surplus for employee costs due to vacancies.

The adjustments to the approved operating budget decrease revenues by \$3.2 million, or less than 1 percent; there is no change in the calculated Change in Fund Net Position.

This amendment also proposes adjustments to the use of the Corporation's private funds. TPA Services (Line 25) is increased by \$189,000, or \$63,000 per month to continue TPA payment subsidizations due to postponing transition to the new contract.

Consulting Support (Line 26) is being zeroed out due to analyses showing all payments for consulting services for the remainder of the fiscal year can be absorbed by the operating budget, and therefore, avoids the unnecessary use of the Corporation's private funds.

Before the vote, Mr. Boyce had a question about the reason for the additional TPA expenses (\$63K a month). Mr. Dykes said the original contracted "go live" date was April 1, 2025 – so this includes three additional months of payment through the end of the fiscal year.

Mr. Harden asked if this will continue into the next fiscal year, and do you have a "go live" date. Mr. Dykes said it does go into the next fiscal year, and the launch date is looking like the "mid-part" of the next fiscal year, or a little later.

Mr. Boyce asked again about the \$63K payment and its relationship with the contract extension. Mr. Dykes said this "separate and apart" from the extension. The \$63K goes back to 2018 when the Corporation renegotiated the contract with Maximus due to liquidated damages (assessed against Maximus) with some budget effects. Legislative staff used this mechanism so the liquidated damages are invested back into the contract – thus the use of Corporate funds in addition to the original contract amount.

The motion was made by Dave Eggers and seconded by Mr. Boyce. The motion was adopted unanimously.

ACTION: Amendment to Fiscal Year 2024-2025 Approved Budget

IV. Fiscal Year 2025-2026 Proposed Budget*

Mr. Boyce stated the next item (associated with Tab 2) is the operating budget and use of Corporate funds for the upcoming 2025-26 fiscal year. He introduced Mr. Dykes.

Mr. Dykes stated he will provide a "hi-level" review – but additional detail is provided in the line-item detail (Exhibit 1). The Operating Budget is based on the February 2025 KidCare caseload and expenditures estimating conferences, contractual arrangements, analyses, and general spending expectations.

The 2025 legislative session is still in progress, therefore the General Appropriations Act is not finalized, but we have no reason to believe the Corporation's funding will be different. The budget is highly dependent on actual enrollment, revenue, and carrier payments agreements. The proposed budget excludes projected revenues and expenditures associated with the implementation of HB 121.

Enrollment is expected to grow by 6,200 kids, or 3.7 percent, by fiscal year-end 2026. This will bring the Healthy Kids enrollment in June 2026 to an estimated 172,000 kids.

Column C shows the proposed budget by line item and is compared to the recently approved budget amendment in Column B. Lines 1-4 are the operating revenue sources and budgeted at \$75 million, or 16 percent higher than the current fiscal year. Estimated revenue for the fiscal year of around is \$540 million – this is the first year the Corporation expects revenues over one-half billion dollars. Non-operating revenue is not included (MLR rebates, interest earnings, and liquidated damages).

Public funds of \$431 million representing about 80 percent of projected operating revenue with participant premiums being the other 20 percent, or \$108 million. Lines 6-8, payments for Medical Carriers, Dental Carriers and Service Organizations paid from the operating budget represent 98.7 percent of total budget.

Lines 9-20 are budgeted items for in-house administration. There is very little change from the prior budget except for the operating lease, which has an automatic 3% escalator built in. The budget for in-house administration is \$7 million, which will be sufficient to cover operational obligations through the fiscal year, and this represents about 1.3 percent of the total operating budget.

The proposed operating budget addresses carrier payments for child medical and dental insurance coverage and outsourced services (such as the TPA) to support the Corporation's mission and legal requirements.

This budget provides adequate funding for communications, marketing, outreach, and strategic partnerships to promote the KidCare program, and provides adequate funding for expenditures associated with general administrative support, employee costs, consultants, and other necessary operational activities. There is no increase or decrease in the calculated Change in Fund Net Position.

As for the Corporation's private funds, Line 25 – TPA Services – is used to subsidize the current monthly contractual TPA payments. Line 26 – Consulting Support – is a reserve for consulting support; we use this (operating budget) before Corporate funds. Line 27 – KidCare plus Enhanced Marketing Campaign – was initially approved by the Board at a meeting in summer 2023, in connection with House Bill 121. This balance has been carried-over.

In total, the proposed use of the Corporation's private funds is approximately \$1.6 million dollars. This budget combined with the operating budget means total annual spend will be around \$541 million.

Mr. Eggers had a question about the salaries and benefits line; it appears the vacancies are not being filled. Is this due to the market or by choice? And what does the \$142K increase represent?

Mr. Dykes stated money is being moved out of the current year budget, in anticipation that we can fill many of these positions during the next fiscal year. Several years ago the Board authorized 29 full-time positions. Today we are around 23 filled positions.

Mr. Eggers followed up and asked – are our salaries putting the Corporation at a competitive disadvantage? What about regular escalation on the salaries?

Mr. Dykes said we are currently holding salaries flat (at FY 24-25 rates), employee health care costs are increasing. We are watching developments at the Capitol; the Corporation typically brings to the attention of the Board this outcome with a desire to mirror this result.

Ms. Harden asked about the enrollment and why it appears the federal funding is showing the highest increase. Mr. Dykes said the Corporation prepares enrollment assumptions and presents these to the estimating conference, but ultimately it is a vetting process that is approved by the conferees. The "delta" between federal and state funds is really due to the 70/30 match (FMAP).

Ms. Harden then asked about the consulting services – which are increased this year (budget amendment), but being reduced for FY 25-26. Mr. Dykes responded there are several contracts being paid under this ledger code – actuarial support, TPA transition consulting, external/internal auditors, outside legal counsel, payroll systems. Some of these are non-recurring, therefore this budget could be lower in the future.

Ms. Harden noted there does not seem to be anything for the hurricane premium credits. Does this mean the run-out will be finished by June? Mr. Dykes said probably not – but the volume of run-out claims will be insignificant.

Ms. Harden asked about the additional \$63K payment for the TPA. Mr. Dykes said the budget takes a conservative approach and assumes the Corporation will be making payments through April 2026.

At this point the meeting was extended by motion.

Mr. Eggers moved to approve the FY 25-26 budget Mr. Barry seconded. The motion was approved unanimously.

ACTION: Fiscal Year 2025-2026 Proposed Budget

V. Internal Audit Reports

Mr. Boyce introduced Jon Ingram of Law, Reed, Crona and Munroe to discuss two internal audit reports associated with Tab 3.

He began with the audit of payroll and related HR processes. This audit focused on payroll controls from October 2023 to September 2024. The core of the procedures analyzed payroll and controls for the 21 employees employed at the time of the beginning of the audit scope, as well as new hires during the audit period, and controls related to terminated employees. For the general test, they analyzed four specific pay periods.

Law Redd concluded the files and other documentation were complete and in compliance with Corporation processes, policies and procedures. There were no exceptions, observations, or recommendations.

The next audit was the Sachs Communications contract monitoring audit. This involved procedures and controls over the procurement and monitoring of this contract. This included monitoring deliverables and vendor payment requests, specifically deliverables for the 2024 calendar year.

Law Redd concluded processes and procedures have been documented for both the procurement and monitoring of the contract. Law Redd also performed an evaluation of the approval of payments, and the Corporation demonstrated compliance with management policies.

Mr. Barry moved the motion to approve both internal audits; Mr. Boyce seconded. The motion was approved unanimously.

ACTION: Approve the Internal Audit Reports

VI. Internal Audit Contract Amendment*

Mr. Boyce introduced Mr. Dykes for this item. Mr. Dykes stated the initial term of this contract was for two years starting July 1, 2021. The contract specified the Corporation could renew the contract for up to two years in multiple or single-year increments.

Based on determinations that Law Redd Crona and Monroe was performing satisfactorily, the Corporation previously renewed the term of the contract through Fiscal Year 24-25.

Given the quality of Law Redd's in-depth audits successfully performed over the last four years, their knowledge and understanding of the Corporation's operations, and their satisfactory performance, the Corporation believes it is within its best interests to amend the contract to extend services for the FY 25-26 fiscal year under the same terms and conditions, including the fee structure.

The Corporation will look to pursue a procurement in early 2026 for a new internal audit services contract effective July 1, 2026.

Mr. Boyce moved the motion for approval, Ms. Harden seconded. The motion was passed unanimously.

ACTION: Internal Audit Contract Amendment

VII. Medical Services Contract Amendment*

VIII. Dental Services Contract Amendment*

Mr. Boyce started by stating the committee's focus is on budget sufficiency for any contracts, including adjusting annual rates. He then recognized Mr. Dykes.

Mr. Dykes stated the Operational Efficiency and Quality Committee has the responsibility to address all (non-rate) substantive provisions of these contract amendments and for those for dental services.

As we expected, all three medical carriers show needed rate increases driven by medical and pharmacy trends, especially specialty drugs, and full-pay experience. Mr. Dykes mentioned a study by the Corporation's actuaries regarding acuity comparing the CHIP and full-pay population. The study showed the Corporation's full-pay population was about twice as sick as the subsidized population.

In total, the recommended rate increase on a blended state-wide basis is 9.1%, which means the statewide PMPM would be \$231.65, which is less than the conference outcome of \$231.99.

Mr. Dykes stated there is a demonstrated level of budget sufficiency, which was vetted during the February estimating conference where the Corporation's actuary explained this in greater detail. This is what was recommended at the conference, and recommended to the Board of Directors.

Mr. Boyce expressed his desire to vote on the medical and dental rates together as they encompass the same concepts.

Mr. Dykes stated this was fine, and wanted to add the actuary used the same concepts when developing the dental rates. However, the blended increase across all carriers is higher – 23.2%. The reason for this is very high utilization of dental care among the Corporation's population. One factor is the kids who transitioned from Medicaid during the redetermination process – their behavior seems much different than the historical population.

In addition, it appears we are still seeing some post-pandemic catch-up services. This phenomenon is not unique to Florida, or the KidCare program. Despite this increase, it takes the blended PMPM to \$19.12 – which is below the conference PMPM of \$19.20.

Mr. Harden had a question about the dental rate increase – how does the 23.2% compare to the last dental rate increase? Mr. Dykes did not have this information on hand and promised to forward this out to the group following the meeting.

Mr. Harden also asked about the medical rates. Mr. Dykes said it is 9.1% and we are seeing significant effect due to the subsidization of the full-pay program.

Mr. Eggers moved for approval of both the medical and dental contract amendments; Ms. Harden seconded the motion. The motion passed unanimously.

IX. Other Business

Mr. Boyce thanked each member for their participation. Mr. Boyce made a motion to adjourn the meeting. Mr. Barry seconded the motion. The meeting was adjourned.

Tab 3

AHCA Contract Amendment

**STATE OF FLORIDA
AGENCY FOR HEALTH CARE ADMINISTRATION
STANDARD CONTRACT**

THIS CONTRACT is entered into between the State of Florida, **AGENCY FOR HEALTH CARE ADMINISTRATION**, hereinafter referred to as the "**Agency**", whose address is 2727 Mahan Drive, Tallahassee, Florida 32308, and **FLORIDA HEALTHY KIDS CORPORATION** hereinafter referred to as the "Corporation", whose address is 1203 Governors Square Boulevard, Suite 400, Tallahassee, Florida 32301, to provide **service description**.

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**STATE OF FLORIDA
AGENCY FOR HEALTH CARE ADMINISTRATION
STANDARD CONTRACT**

I. THE VENDOR HEREBY AGREES:

A. General Provisions

1. To provide services according to the terms and conditions set forth in this Contract, **Attachment I**, Scope of Services, and all other attachments named herein which are attached hereto and incorporated by reference (collectively referred to herein as this "Contract").
2. To perform as an independent vendor and not as an agent, representative or employee of the Agency.
3. To recognize that the State of Florida, by virtue of its sovereignty, is not required to pay any taxes on the services or goods purchased under the terms of this Contract.

B. Florida Department of State

To be registered with the Florida Department of State as an entity authorized to transact business in the State of Florida by the effective date of this Contract.

C. MyFloridaMarketPlace

1. Each Vendor doing business with the State of Florida for the sale of commodities or contractual services as defined in Section 287.012, Florida Statutes (F.S.), shall register in MyFloridaMarketPlace, in compliance with Rule 60A-1.033, Florida Administrative Code (F.A.C.).
2. This Contract has been exempted by the Florida Department of Management Services from paying the transaction fee per Rule 60A-1.031(7)(a and b), F.A.C.

D. Federal Laws and Regulations

1. This Contract contains Federal funds, therefore, the Vendor shall comply with all applicable Federal requirements pertaining to procurement, including but not limited to Chapter 2 of the Code of Federal Regulations (CFR) and any other final or interim rules.
2. This Contract contains Federal funding in excess of **\$100,000.00**, therefore, the Vendor must, upon Contract execution, complete the Certification Regarding Lobbying Form, **Attachment III**. If a Disclosure of Lobbying Activities Form, Standard Form LLL, is required, it may be obtained from the Agency's Contract Manager. All disclosure forms as required by the Certification Regarding Lobbying Form must be completed and returned to the Agency's Procurement Office.
3. Pursuant to 2 CFR 376, the Vendor must, upon Contract execution, complete the Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion Contracts/Subcontracts Form, **Attachment IV**.

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E. Prohibition of Gratuities

To certify that no elected official or employee of the State of Florida has or shall benefit financially or materially from this Contract in violation of the provisions of Chapter 112, F.S. This Contract may be terminated if it is determined that gratuities of any kind were either offered or received by any of the aforementioned parties.

F. Audits/Monitoring

1. The Agency may conduct, or have conducted, performance and/or compliance reviews, reviews of specific records or other data as determined by the Agency. The Agency may conduct a review of a sample of analyses performed by the Vendor to verify the quality of the Vendor's analyses. Reasonable notice shall be provided for reviews conducted at the Vendor's place of business.
2. Reviews may include, but shall not be limited to, reviews of procedures, computer systems, recipient records, accounting records, and internal quality control reviews. The Vendor shall work with any reviewing entity selected by the Agency.
3. During this Contract period, these records shall be available at the Vendor's office at all reasonable times. After this Contract period and for ten (10) years following, the records shall be available at the Vendor's chosen location subject to the approval of the Agency. If the records need to be sent to the Agency, the Vendor shall bear the expense of delivery. Prior approval of the disposition of the Vendor and subcontractor records must be requested and approved by the Agency. This obligation survives termination of this Contract.
4. The Vendor shall comply with all applicable Federal requirements pertaining to procurement, including but not limited to Chapter 2 of the CFR and any other final or interim rules with respect to audit requirements of Federal contracts administered through State and local public agencies.
5. The Vendor shall maintain and file with the Agency such progress, fiscal and inventory reports as specified in **Attachment I**, Scope of Services, and other reports as the Agency may require within the period of this Contract. In addition, access to relevant computer data and applications which generated such reports should be made available upon request.
6. The Vendor shall ensure that all related party transactions are disclosed to the Agency Contract Manager.
7. The Vendor shall include these aforementioned audit and record keeping requirements in all approved subcontracts and assignments.
8. The Vendor shall annually submit information security compliance documentation as agreed upon, in writing, between the Vendor and the Agency (Examples: SOC 2 Type II, FedRAMP certification, HITRUST certification, ISO certifications).

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STANDARD CONTRACT**

G. Inspection of Records and Work Performed *(Modified from original Agency Standard Contract)*

1. The Agency and its authorized representatives shall, at all reasonable times, have the right to enter the Vendor's premises, or other places where duties under this Contract are performed. All inspections and evaluations shall be performed in such a manner as not to unduly delay work. Persons duly authorized by the Agency and federal auditors, pursuant to 45 CFR, Part 74 and/or 45 CFR, Part 92, shall have full access to and the right to examine any of said records and documents.
2. The Vendor shall retain all financial records, medical records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to performance under this Contract for a period of ten (10) years after termination of this Contract, or if an audit has been initiated and audit findings have not been resolved at the end of ten (10) years, the records shall be retained until resolution of the audit findings.
3. Refusal by the Vendor to allow access to all records, documents, papers, letters, other materials or on-site activities related to this Contract performance shall constitute a breach of this Contract.
4. The right of the Agency and its authorized representatives to perform inspections shall continue for as long as the Vendor is required to maintain records.
5. The Vendor shall be responsible for all storage fees associated with all records maintained under this Contract. The Vendor is also responsible for the destruction of all records that meet the retention schedule noted above.
6. Failure to retain all records as required may result in cancellation of this Contract. The Agency shall give the Vendor advance notice of cancellation pursuant to this provision and shall pay the Vendor only those amounts that are earned prior to the date of cancellation in accordance with the terms and conditions of this Contract. Performance by the Agency of any of its obligations under this Contract shall be subject to the successful Vendor's compliance with this provision.
7. In accordance with Section 20.055, F.S., the Vendor and its subcontractors shall cooperate with the Office of the Inspector General in any investigation, audit, inspection, review or hearing; and shall grant access to any records, data or other information the Office of the Inspector General deems necessary to carry out its official duties.
8. The rights of access in this Section must not be limited to the required retention period but shall last as long as the records are retained.

H. Accounting

1. To maintain an accounting system and employ accounting procedures and practices that conform to generally accepted accounting principles and standards or other comprehensive basis of accounting principles as acceptable

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AGENCY FOR HEALTH CARE ADMINISTRATION
STANDARD CONTRACT**

to the Agency. For costs associated with specific contracts under which the Agency must account to the federal government for actual costs incurred, the costs and charges for that contract will be determined in accordance with generally accepted accounting principles.

2. To submit annual financial audits (or parent organization's annual financial audits with organizational chart) to the Agency within thirty (30) calendar days of receipt.

I. Public Records Requests

1. To comply with Section 119.0701, F.S., if applicable, and all other applicable parts of the Florida Public Records Act.
2. To keep and maintain public records that ordinarily and necessarily would be required in order to perform services under this Contract.
3. To provide the public with access to public records on the same terms and conditions that the Agency would provide the records and at a cost that does not exceed the cost provided in Section 119.07, F.S., or as otherwise provided by law.
4. To upon request from the appropriate Agency custodian of public records, provide the Agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost in Section 119.07, F.S., or as otherwise provided by law.
5. To ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of this Contract term and following completion of this Contract if the Vendor does not transfer the records to the Agency.
6. To not collect an individual's social security number unless the Vendor has stated in writing the purpose for its collection. The Vendor collecting an individual's social security number shall provide a copy of the written statement to the Agency and otherwise comply with applicable portions of Section 119.071(5), F.S.
7. To meet all requirements for retaining public records and transfer, at no cost, to the Agency all public records in possession of the Vendor upon termination of this Contract and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the Agency in a format that is compatible with the information technology systems of the Agency.
8. If the Vendor does not comply with a public records request, the Agency shall enforce Contract provisions in accordance with this Contract.
9. **IF THE VENDOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES,**

**STATE OF FLORIDA
AGENCY FOR HEALTH CARE ADMINISTRATION
STANDARD CONTRACT**

**TO THE VENDOR'S DUTY TO PROVIDE PUBLIC RECORDS
RELATING TO THIS CONTRACT, CONTACT THE AGENCY
CUSTODIAN OF PUBLIC RECORDS FOR THIS
CONTRACT. THE AGENCY CUSTODIAN OF PUBLIC
RECORDS FOR THIS CONTRACT IS THE CONTRACT
MANAGER.**

J. Communications *(Modified from original Agency Standard Contract)*

1. Notwithstanding any term or condition of this Contract to the contrary, the Vendor bears sole responsibility for ensuring that its performance of this Contract fully complies with all State and Federal law governing the monitoring, interception, recording, use or disclosure of wire, oral or electronic communications, including but not limited to the Florida Security of Communications Act, Section 934.01, et seq., F.S.; and the Electronic Communications Privacy Act, 18 U.S.C. Section 2510 et seq. (hereafter, collectively, "Communication Privacy Laws").
2. Prior to intercepting, recording or monitoring any communications which are subject to Communication Privacy Laws, the Vendor must:
 - a. Submit a plan which specifies in detail the manner in which the Vendor will ensure that such actions are in full compliance with Communication Privacy Laws (the "Privacy Compliance Plan"); and
 - b. Obtain written approval, signed and notarized by the Agency Contract Manager, approving the Privacy Compliance Plan.
3. No modifications to an approved Privacy Compliance Plan may be implemented by the Vendor unless an amended Privacy Compliance Plan is submitted to the Agency, and written approval of the amended Privacy Compliance Plan is signed and notarized by the Agency Contract Manager. Agency approval of the Vendor's Privacy Compliance Plan in no way constitutes a representation by the Agency that the Privacy Compliance Plan is in full compliance with applicable Communication Privacy Laws, or otherwise shifts or diminishes the Vendor's sole burden to ensure full compliance with applicable Communication Privacy Laws in all aspects of the Vendor's performance of this Contract. Violation of this term may result in sanctions and/or liquidated damages.
4. The Vendor agrees that it is the custodian of any and all recordings for purposes of the Public Records Act, Chapter 119, F.S., and is solely responsible for responding to any public records requests for recordings. This responsibility includes gathering, redaction, duplication and provision of the recordings as well as defense of any actions for enforcement brought pursuant to Section 119.11, F.S.

K. Background Screening

1. To ensure that all Vendor employees including managing employees that have direct access to personally identifiable information (PII), protected health

**STATE OF FLORIDA
AGENCY FOR HEALTH CARE ADMINISTRATION
STANDARD CONTRACT**

information (PHI), or financial information have a County, State, and Federal criminal background screening comparable to a Level 2 background screening as described in Section 435.04, F.S., completed with results prior to employment.

2. Per Section 435.04(1)(a), F.S., Level 2 screening standards include, but need not be limited to, fingerprinting for statewide criminal history records checks through the Department of Law Enforcement, and national criminal history records checks through the Federal Bureau of Investigation, and may include local criminal records checks through local law enforcement agencies.
3. If the Vendor employee or managing employee was employed prior to the execution of this Contract, the Vendor shall ensure that the County, State, and Federal criminal background screening comparable to a Level 2 background screening is completed with results prior to the employee accessing any PII, PHI, or financial information.
4. Any Vendor employee or managing employee with background results that are unacceptable to the State as described in Section 435.04, F.S., or related to the criminal use of PII as described in Section 817, F.S., or has been subject to criminal penalties for the misuse of PHI under 42 U.S.C. 1320d-5, or has been subject to criminal penalties for the offenses described in Section 812.0195, F.S., Section 815, F.S., Section 815.04, F.S., or Section 815.06, F.S., shall be denied employment or be immediately dismissed from performing services under this Contract by the Vendor unless an exemption is granted.
5. Direct access is defined as having, or expected to have, duties that involve access to PII, PHI, or financial information by any means including, but not limited to, network shared drives, email, telephone, mail, computer systems, and electronic or printed reports.
6. To ensure that all Vendor employees including managing employees that have direct access to any PII, PHI or financial information have a County, State, and Federal criminal background screening comparable to a Level 2 background screening completed with results every five (5) years.
7. To develop and submit policies and procedures related to this criminal background screening requirement to the Agency for review and approval within thirty (30) calendar days of this Contract execution. The Vendor's policies and procedures shall include a procedure to grant an exemption from disqualification for disqualifying offenses revealed by the background screening, as described in Section 435.07, F.S.
8. To keep a record of all background screening records to be available for Agency review upon request.
9. Failure to comply with background screening requirements shall subject the Vendor to liquidated damages as described **Attachment I**, Scope of Services.

**STATE OF FLORIDA
AGENCY FOR HEALTH CARE ADMINISTRATION
STANDARD CONTRACT**

L. Monitoring

1. To provide reports as specified in **Attachment I**, Scope of Services. These reports will be used for monitoring progress or performance of the contractual services as specified in **Attachment I**, Scope of Services.
2. To permit persons duly authorized by the Agency to inspect any records, papers, documents, facilities, goods and services of the Vendor which are relevant to this Contract.

M. Indemnification

The Vendor agrees to indemnify, defend, and hold harmless the Agency, as provided in this Clause.

1. Scope. The Duty to Indemnify and the Duty to Defend, as described herein (collectively known as the “Duty to Indemnify and Defend”), extend to any completed, actual, pending or threatened action, suit, claim or proceeding, whether civil, criminal, administrative or investigative (including any action by or in the right of the Vendor), and whether formal or informal, in which the Agency is, was or becomes involved and which in any way arises from, relates to or concerns the Vendor’s acts or omissions related to this Contract (inclusive of all attachments, etc.) (collectively “Proceeding”).
 - a. Duty to Indemnify. The Vendor agrees to hold harmless and indemnify the Agency to the full extent permitted by law against any and all liability, claims, actions, suits, judgments, damages and costs of whatsoever name and description, including attorneys’ fees, arising from or relating to any Proceeding.
 - b. Duty to Defend. With respect to any Proceeding, the Vendor agrees to fully defend the Agency and shall timely reimburse all of the Agency’s legal fees and costs; provided, however, that the amount of such payment for attorneys’ fees and costs is reasonable pursuant to rule 4–1.5, Rules Regulating The Florida Bar. The Agency retains the exclusive right to select, retain and direct its defense through defense counsel funded by the Vendor pursuant to the Duty to Indemnify and Defend the Agency.
2. Expense Advance. The presumptive right to indemnification of damages shall include the right to have the Vendor pay the Agency’s expenses in any Proceeding as such expenses are incurred and in advance of the final disposition of such Proceeding.
3. Enforcement Action. In the event that any claim for indemnity, whether an Expense Advance or otherwise, is made hereunder and is not paid in full within sixty (60) calendar days after written notice of such claim is delivered to the Vendor, the Agency may, but need not, at any time thereafter, bring suit against the Vendor to recover the unpaid amount of the claim (hereinafter “Enforcement

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Action"). In the event the Agency brings an Enforcement Action, the Vendor shall pay all of the Agency's attorneys' fees and expenses incurred in bringing and pursuing the Enforcement Action.

4. Contribution. In any Proceeding in which the Vendor is held to be jointly liable with the Agency for payment of any claim of any kind (whether for damages, attorneys' fees, costs or otherwise), if the Duty to Indemnify provision is for any reason deemed to be inapplicable, the Vendor shall contribute toward satisfaction of the claim whatever portion is or would be payable by the Agency in addition to that portion which is or would be payable by the Vendor, including payment of damages, attorneys' fees and costs, without recourse against the Agency. No provision of this part or of any other section of this Contract (inclusive of all attachments, etc.), whether read separately or in conjunction with any other provision, shall be construed to: (i) waive the State or the Agency's immunity to suit or limitations on liability; (ii) obligate the State or the Agency to indemnify the Vendor for the Vendor's own negligence or otherwise assume any liability for the Vendor's own negligence; or (iii) create any rights enforceable by third parties, as third party beneficiaries or otherwise, in law or in equity.

N. Insurance

1. To the extent required by law, the Vendor shall be self-insured against, or shall secure and maintain during the life of this Contract, Worker's Compensation Insurance for all its employees connected with the work of this Contract and, in case any work is subcontracted, the Vendor shall require the subcontractor similarly to provide Worker's Compensation Insurance for all of the latter's employees unless such employees engaged in work under this Contract are covered by the Vendor's self-insurance program. Such self-insurance or insurance coverage shall comply with the Florida Worker's Compensation law. In the event hazardous work is being performed by the Vendor under this Contract and any class of employees performing the hazardous work is not protected under Worker's Compensation statutes, the Vendor shall provide, and cause each subcontractor to provide, adequate insurance satisfactory to the Agency, for the protection of its employees not otherwise protected.
2. The Vendor shall secure and maintain Commercial General Liability insurance including bodily injury, property damage, personal and advertising injury and products and completed operations. This insurance will provide coverage for all claims that may arise from the services and/or operations completed under this Contract, whether such services and/or operations are by the Vendor or anyone directly, or indirectly employed by it. Such insurance shall include a Hold Harmless Agreement in favor of the State of Florida and also include the State of Florida as an Additional Named Insured for the entire length of this Contract and hold the State of Florida harmless from subrogation. The Vendor shall set the limits of liability necessary to provide reasonable financial protections to the Vendor and the State of Florida under this Contract.
3. All insurance policies shall be with insurers licensed or eligible to transact business in the State of Florida. The Vendor's current insurance policy(ies) shall contain a provision that the insurance will not be canceled for any reason except

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after thirty (30) calendar days written notice. The Vendor shall provide thirty (30) calendar days written notice of cancellation to the Agency's Contract Manager.

4. The Vendor shall submit insurance certificates evidencing such insurance coverage prior to execution of this Contract.

O. Assignments and Subcontracts *(Modified from original Agency Standard Contract)*

Pursuant to Section 624.91, F.S., the Vendor's Board has all the powers necessary to carry out the duties and responsibilities of the Statute including all contracting authority. The Vendor shall procure goods and services, including but not limited to amendments, in compliance with its bylaws and applicable laws.

P. Subcontracting *(Modified from original Agency Standard Contract)*

1. The Vendor maintains all subcontracting authority as described in Standard Contract, **Section I**, THE VENDOR HEREBY AGREES, **Item O**. Assignments and Subcontracts.
2. The Vendor is responsible for all work performed under this Contract. No subcontract that the Vendor enters into with respect to performance under this Contract shall in any way relieve the Vendor of any responsibility for performance of its duties. The Vendor shall assure that all tasks related to the subcontract are performed in accordance with the terms of this Contract.
3. All payments to subcontractors will be made by the Vendor.

Q. Return of Funds

To return to the Agency any overpayments due to unearned funds or funds disallowed pursuant to the terms of this Contract that were disbursed to the Vendor by the Agency. The Vendor shall return any overpayment to the Agency within forty (40) calendar days after either discovery by the Vendor, its independent auditor, or notification by the Agency, of the overpayment.

R. Purchasing

1. P.R.I.D.E.

It is expressly understood and agreed that any articles which are the subject of, or required to carry out, this Contract shall be purchased from the corporation identified under Chapter 946, F.S., if available, in the same manner and under the same procedures set forth in Section 946.515(2) and (4), F.S.; and for purposes of this Contract the person, firm, or other business entity carrying out the provisions of this Contract shall be deemed to be substituted for this Agency insofar as dealings with such corporation are concerned.

The "Corporation identified" is PRISON REHABILITATIVE INDUSTRIES AND DIVERSIFIED ENTERPRISES, INC. (P.R.I.D.E.) which may be contacted at:

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P.R.I.D.E.
12425 28th Street North, Suite 300
St. Petersburg, FL 33716
info@pride-enterprises.org
(727) 556-3300
Toll Free: 1-800-643-8459
Fax: (727) 570-3366

2. RESPECT of Florida

It is expressly understood and agreed that any articles that are the subject of, or required to carry out, this Contract shall be purchased from a nonprofit agency for the blind or for the severely handicapped that is qualified pursuant to Chapter 413, F.S., in the same manner and under the same procedures set forth in Section 413.036(1) and (2), F.S.; and, for purposes of this Contract the person, firm, or other business entity carrying out the provisions of this Contract shall be deemed to be substituted for this Agency insofar as dealings with such qualified nonprofit agency are concerned.

The "nonprofit agency" identified is RESPECT of Florida which may be contacted at:

RESPECT of Florida
2475 Apalachee Parkway, Suite 205
Tallahassee, Florida 32301-4946
(850) 487-1471
www.respectofflorida.org

S. Procurement of Products or Materials with Recycled Content

It is expressly understood and agreed that any products which are required to carry out this Contract shall be procured in accordance with the provisions of Section 403.7065, F.S.

T. Civil Rights Requirements/Vendor Assurance

The Vendor assures that it will comply with:

1. Title VI of the Civil Rights Act of 1964, as amended, 42 United States Code (U.S.C.) 2000d et seq., which prohibits discrimination on the basis of race, color, or national origin.
2. Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794, which prohibits discrimination on the basis of handicap.
3. Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. 1681 et seq., which prohibits discrimination on the basis of sex.
4. The Age Discrimination Act of 1975, as amended, 42 U.S.C. 6101 et seq., which prohibits discrimination on the basis of age.

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5. Section 654 of the Omnibus Budget Reconciliation Act of 1981, as amended, 42 U.S.C. 9849, which prohibits discrimination on the basis of race, creed, color, national origin, sex, handicap, political affiliation or beliefs.
6. The Americans with Disabilities Act of 1990, Public Law (P.L.) 101-336, which prohibits discrimination on the basis of disability and requires reasonable accommodation for persons with disabilities.
7. Chapter 409, F.S.
8. Rule 62-730.160, F.A.C. pertaining to standards applicable to generators of hazardous waste.
9. All applicable standards, orders or regulations issued pursuant to the Clean Air Act, 42 United States Code (U.S.C.) 7401 et seq.
10. The Medicare-Medicaid Fraud and Abuse Act of 1978.
11. Other Federal omnibus budget reconciliation acts.
12. The Balanced Budget Act of 1997.
13. All regulations, guidelines, and standards as are now or may be lawfully adopted under the above statutes.

The Vendor agrees that compliance with this assurance constitutes a condition of continued receipt of or benefit from funds provided through this Contract, and that it is binding upon the Vendor, its successors, transferees, and assignees for the period during which services are provided. The Vendor further assures that all contractors, subcontractors, subgrantees, or others with whom it arranges to provide services or benefits to participants or employees in connection with any of its programs and activities are not discriminating against those participants or employees in violation of the above statutes, regulations, guidelines, and standards.

U. Equal Employment Opportunity (EEO) Compliance

To not discriminate in its employment practices with respect to race, color, religion, age, sex, marital status, political affiliation, national origin, or handicap.

V. Discrimination

Pursuant to Section 287.134(2)(a), F.S., an entity or affiliate who has been placed on the Discriminatory Vendor List may not submit a Bid, Proposal, or Reply on a contract to provide any goods or services to a public entity; may not submit a Bid, Proposal, or Reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit Bids, Proposals, or Replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity. The Florida Department of Management Services is

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responsible for maintaining the Discriminatory Vendor List. Questions regarding the Discriminatory Vendor List may be directed to the Florida Department of Management Services, Office of Supplier Diversity at (850) 487-0915.

W. Requirements of Section 287.058, Florida Statutes *(Modified from original Agency Standard Contract)*

1. To submit bills for fees or other compensation for services or expenses in detail sufficient for a proper pre-audit and post-audit thereof.
2. Where applicable, to submit bills for any travel expenses in accordance with Section 112.061, F.S. The Agency may establish rates lower than the maximum provided in Section 112.061, F.S.
3. To provide units of deliverables, including reports, findings, and drafts, in writing and/or in an electronic format agreeable to both Parties, as specified in **Attachment I**, Scope of Services, to be received and accepted by the Contract Manager prior to payment.
4. To comply with the criteria and final date, as specified herein, by which such criteria must be met for completion of this Contract.
5. This Contract shall begin upon execution by both Parties or **BEGIN DATE**, (whichever is later) and end on **END DATE**, inclusive.
6. In accordance with Section 287.057(14), F.S., this Contract may be renewed for a period that may not exceed three (3) years or the term of the original Contract, whichever period is longer. Renewal of this Contract shall be in writing and subject to the same terms and conditions set forth in the initial Contract. A renewal Contract may not include any compensation for costs associated with the renewal. Renewals are contingent upon satisfactory performance evaluations by the Agency, are subject to the availability of funds, and optional to the Agency.
7. The Vendor agrees that the Agency may unilaterally cancel this Contract for refusal by the Vendor to allow public access to all documents, papers, letters, or other material made or received by the Vendor in conjunction with this Contract, unless the records are exempt from Section 24(a) of Article I of the State Constitution and the Florida Public Records Act, Chapter 119, F.S.
8. The financial consequences that the Agency must apply if the Vendor fails to perform in accordance with this Contract are outlined in **Attachment I**, Scope of Services.

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X. Final Invoice

The Vendor must submit the final invoice for payment to the Agency no more than **NUMBER** calendar days after this Contract ends or is terminated. If the Vendor fails to do so, all right to payment is forfeited and the Agency will not honor any requests submitted after the aforesaid time period. Any payment due under the terms of this Contract may be withheld until all reports due from the Vendor and necessary adjustments thereto have been approved by the Agency.

Y. Use of Funds for Lobbying Prohibited

To comply with the provisions of Section 216.347, F.S., which prohibits the expenditure of Contract funds for the purpose of lobbying the Legislature, the judicial branch or a State agency.

Z. Public Entity Crime

A person or affiliate who has been placed on the Convicted Vendor List following a conviction for a public entity crime may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, F.S., for category two, for a period of thirty-six (36) months from the date of being placed on the Convicted Vendor List.

AA. Health Insurance Portability and Accountability Act

1. To comply with the Department of Health and Human Services Privacy Regulations in the CFR, Title 45, Sections 160 and 164, regarding disclosure of protected health information as specified in **Attachment II**, Business Associate Agreement.
2. The Vendor must ensure it meets all Federal regulations regarding required standard electronic transactions and standards for privacy and individually identifiable health information as identified in the Health Insurance Portability and Accountability Act (HIPAA) of 1996 and the Health Information Technology for Economic and Clinical Health Act (HITECH) of 2009 and associated regulations.
3. The Vendor shall conduct all activities in compliance with 45 CFR 164 Subpart C to ensure data security, including, but not limited to encryption of all information that is confidential under Florida or Federal law, while in transmission and while resident on portable electronic media storage devices. Encryption is required and shall be consistent with Federal Information Processing Standards (FIPS), and/or the National Institute of Standards and Technology (NIST) publications regarding cryptographic standards.

BB. Confidentiality of Information *(Modified from original Agency Standard Contract)*

1. The Vendor shall not use or disclose any confidential information, including

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social security numbers that may be supplied under this Contract pursuant to law, and also including the identity or identifying information concerning a Medicaid recipient or services under this Contract for any purpose not in conformity with State and Federal laws, except upon written consent of the recipient, or his/her guardian.

2. All personally identifiable information, including Medicaid and Children's Health Insurance Program (CHIP) information, obtained by the Vendor shall be treated as privileged and confidential information and shall be used only as authorized for purposes directly related to the administration of this Contract. The Vendor must have a process that specifies that patient-specific information remains confidential, is used solely for the purposes of data analysis or other Vendor responsibilities under this Contract, and is exchanged only for the purpose of conducting a review or other duties outlined in this Contract.
3. Any patient-specific information received by the Vendor can be shared only with those agencies that have legal authority to receive such information and cannot be otherwise transmitted for any purpose other than those for which the Vendor is retained by the Agency. The Vendor must have in place written confidentiality policies and procedures to ensure confidentiality and to comply with all Federal and State laws (including the HIPAA and HITECH Acts) governing confidentiality, including electronic treatment records, facsimile mail, and electronic mail).
4. The Vendor's subcontracts must explicitly state expectations about the confidentiality of information, and the subcontractor is held to the same confidentiality requirements as the Vendor. If provider-specific data are released to the public, the Vendor shall have policies and procedures for exercising due care in compiling and releasing such data that address statutory protections of quality assurance and confidentiality while assuring that open records requirements of Chapter 119, F.S., are met.
5. The Vendor and its subcontractors shall comply with the requirements of Section 501.171, F.S. and shall, in addition to the reporting requirements therein, report to the Agency any breach of personal information.
6. Any releases of information to the media, the public, or other entities require prior approval from the Agency.

CC. Employment

The Vendor shall comply with Section 274A of the Immigration and Nationality Act. The Agency will consider the employment by any contractor of unauthorized aliens a violation of this Act. If the Vendor knowingly employs unauthorized aliens, such violation shall be cause for unilateral cancellation of this Contract. The Vendor shall be responsible for including this provision in all subcontracts with private organizations issued as a result of this Contract.

DD. Work Authorization Program

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The Immigration Reform and Control Act of 1986 prohibits employers from knowingly hiring illegal workers. The Vendor shall only employ individuals who may legally work in the United States (U.S.) – either U.S. citizens or foreign citizens who are authorized to work in the U.S. The Vendor shall use the U.S. Department of Homeland Security's E-Verify Employment Eligibility Verification system, <https://e-verify.uscis.gov/emp>, to verify the employment eligibility of all new employees hired by the Vendor during the term of this Contract and shall also include a requirement in its subcontracts that the subcontractor utilize the E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor performing work or providing services pursuant to this Contract.

EE. Scrutinized Companies Lists

Pursuant to Section 287.135, F.S. the Vendor certifies that:

1. If this Contract reaches or exceeds **\$1,000,000.00**, it has not been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List and does not have business operations in Cuba or Syria; and
2. For contracts of any amount, it has not been placed on the Scrutinized Companies that Boycott Israel List and is not engaged in a boycott of Israel.

The Vendor agrees that the Agency may immediately terminate this Contract if the Vendor is found to have submitted a false certification or is placed on the lists defined in Sections 215.473 or 215.4725, F.S., or engages in a boycott of Israel, during the term of this Contract.

FF. Performance of Services

The Vendor shall ensure all services provided under this Contract will be performed within the borders of the United States and its territories and protectorates. State-owned Data (data collected or created for or provided by the Agency) will be processed and stored in data centers that are located only in the forty-eight (48) contiguous United States.

GG. Venue

1. In the event of any legal challenges to this Contract, the Vendor agrees and will consent that hearings and depositions for any administrative or other litigation related to this Contract shall be held in Leon County, Florida. The Agency, in its sole discretion, may waive this venue for depositions.
2. Respondents (and their successors, including but not limited to their parent(s), affiliates, subsidiaries, subcontractors, assigns, heirs, administrators, representatives and trustees) acknowledge that this Contract (including but not limited to exhibits, attachments, or amendments) is not a rule nor subject to rulemaking under Chapter 120 (or its successor) of the Florida Statutes and is not subject to challenge as a rule or non-rule policy under any provision of Chapter 120, F.S.

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3. This Contract shall be delivered in the State of Florida and shall be construed in accordance with the laws of Florida. Wherever possible, each provision of this Contract shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision shall be found ineffective, then to the extent of such prohibition or invalidity, that provision shall be severed without invalidating the remainder of such provision or the remaining provisions of this Contract.
4. The exclusive venue and jurisdiction for any action in law or in equity to adjudicate rights or obligations arising pursuant to or out of this Contract for which there is no administrative remedy shall be the Second Judicial Circuit Court in and for Leon County, Florida, or, on appeal, the First District Court of Appeal (and, if applicable, the Florida Supreme Court). Any administrative hearings hereon or in connection herewith shall be held in Leon County, Florida.

HH. Use of Funds for Diversity, Equity, and Inclusion Prohibited *(Modified from original Agency Standard Contract)*

No State funding under this Contract is being provided for, promoting, advocating for, or providing training or education on "Diversity, Equity, and Inclusion" (DEI). DEI is any program, activity, or policy that classifies individuals on the basis of race, color, sex, national origin, gender identity, or sexual orientation and promotes differential or preferential treatment of individuals on the basis of such classification, or promotes the position that a group or an individual's action is inherently, unconsciously, or implicitly biased on the basis of such classification.

II. THE AGENCY HEREBY AGREES:

A. Contract Amount

To pay for contracted services according to the conditions of **Attachment I**, Scope of Services, in an amount not to exceed **\$AMOUNT**, subject to the availability of funds. The State of Florida's performance and obligation to pay under this Contract is contingent upon an annual appropriation by the Legislature.

III. THE VENDOR AND AGENCY HEREBY MUTUALLY AGREE:

A. Termination

1. Termination at Will

This Contract may be terminated by the Agency upon no less than thirty (30) calendar day's written notice, without cause, unless a lesser time is mutually agreed upon by both Parties. Said notice shall be delivered by certified mail, return receipt requested, or in person with proof of delivery.

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2. Termination Due to Lack of Funds

In the event funds to finance this Contract become unavailable, the Agency may terminate this Contract upon no less than twenty-four (24) clock hours' written notice to the Vendor. Said notice shall be delivered by certified mail, return receipt requested, or in person with proof of delivery. The Agency will be the final authority as to the availability of funds. The Vendor shall be compensated for all acceptable work performed up to the time notice of termination is received.

3. Termination for Breach

- a. Unless the Vendor's breach is waived by the Agency in writing, the Agency may, by written notice to the Vendor, terminate this Contract upon no less than twenty-four (24) clock hours' written notice. Said notice shall be delivered by certified mail, return receipt requested, or in person with proof of delivery. If applicable, the Agency may employ the default provisions in Rule 60A-1.006(3), F.A.C.
- b. Waiver of breach of any provisions of this Contract shall not be deemed to be a waiver of any other breach and shall not be construed to be a modification of the terms of this Contract. The provisions herein do not limit the Agency's right to remedies at law or to damages.

B. Contract Managers *(Modified from original Agency Standard Contract)*

1. The Agency's Contract Manager's contact information is as follows:

**Serina Frazier
Agency for Health Care Administration
2727 Mahan Drive
Tallahassee, Florida 32308-5403
(850) 412-3424
Serina.Frazier@ahca.myflorida.com**

2. The Vendor's Contract Manager's contact information is as follows:

**Leon M. Biegalski
Chief Legal Officer
Florida Healthy Kids Corporation
1203 Governors Square Boulevard, Suite 400
Tallahassee, Florida 32301
(850) 701-6100
Biegalskil@healthykids.org**

3. The Vendor shall notify the Agency Contract Manager in writing within five (5) business days of a Contract Manager change. Either party may notify the other by email of a change to a designated Contract Manager and provide the contact information for the newly designated contact. Such notice is sufficient to effectuate this change without requiring a written amendment to the Contract.

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C. Renegotiation or Modification

1. Modifications of provisions of this Contract shall only be valid when they have been reduced to writing and duly signed during the term of this Contract. The Parties agree to renegotiate this Contract if Federal and/or State revisions of any applicable laws, or regulations make changes in this Contract necessary.
2. The rate of payment and the total dollar amount may be adjusted retroactively to reflect price level increases and changes in the rate of payment when these have been established through the appropriations process and subsequently identified in the Agency's operating budget.

3. Preferred Pricing

The Vendor represents and warrants that the prices and terms for its services under this Contract are no less favorable to the Agency than those for similar services under any existing contract with any other party. The Vendor further agrees that, within ninety (90) calendar days of the Vendor entering into a contract or contract amendment or offering to any other party services similar to those under this Contract under prices or terms more favorable than those provided in this Contract, the Vendor will report such prices and terms to the Agency, which prices or terms shall be effective as an amendment to this Contract upon the Agency's written acceptance thereof. Should the Agency discover such other prices or terms, the same shall be effective as an amendment to this Contract retroactively to the earlier of the effective date of this Contract (for other contracts in effect as of that date) or the date they were first contracted or offered to the other party (for subsequent contracts, amendments or offers) and any payment in excess of such pricing shall be deemed overpayments. The Vendor shall submit an affidavit no later than July 31st of each year during the term of this Contract attesting that the Vendor is in compliance with this provision, as required by Section 216.0113, F.S.

D. All Terms and Conditions

This Contract and its attachments as referenced herein contain all the terms and conditions agreed upon by the Parties.

This Contract is and shall be deemed jointly drafted and written by all Parties to it and shall not be construed or interpreted against the Party originating or preparing it. Each Party has the right to consult with counsel and has either consulted with counsel or knowingly and freely entered into this Contract without exercising its right to counsel.

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IN WITNESS THEREOF, the Parties hereto have caused this **number (#)** page Contract, which includes any referenced attachments, to be executed by their undersigned officials as duly authorized. This Contract is not valid until signed and dated by both Parties.

VENDOR NAME

**STATE OF FLORIDA, AGENCY FOR
HEALTH CARE ADMINISTRATION**

SIGNED

BY: _____

NAME: _____

TITLE: _____

DATE: _____

SIGNED

BY: _____

NAME: _____

TITLE: _____

DATE: _____

SIGNED

BY: _____

NAME: _____

TITLE: **General Counsel,
Approved as to form and
legality**

DATE: _____

FEDERAL ID NUMBER (or SS Number for an individual): **NUMBER**

VENDOR FISCAL YEAR ENDING DATE: **DATE**

List of Attachments included as part of this Contract:

Specify Type	Letter/ Number	Description
Attachment	I	Scope of Services (NUMBER Pages)
Attachment	II	Business Associate Agreement (4 Pages)
Attachment	III	Certification Regarding Lobbying (1 Page)
Attachment	IV	Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Contracts/Subcontracts (1 Page)

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ATTACHMENT I SCOPE OF SERVICES

I. Service(s) to be Provided

A. Background

The Agency for Health Care Administration (Agency) is responsible for administration of the Children's Health Insurance Program (CHIP) in the State of Florida. In accordance with Title 42 Code of Federal Regulations (CFR) Part 457, the Agency is solely responsible for ensuring compliance with the CHIP State Plan and all CHIP federal and state rules and regulations.

In 1990, the Florida Legislature enacted the Florida Healthy Kids Corporation Act, Section 624.91, Florida Statutes (F.S.), establishing the Florida Healthy Kids Corporation (Corporation), a not-for-profit organization, to facilitate a program to bring health insurance coverage to children. The Florida Healthy Kids Corporation Act also established a Board of Directors with complete fiscal control over the Vendor and responsibility for all Vendor operations. The Vendor is a component unit of the State of Florida and, as such, its financial information is included in the State of Florida's financial statements.

The 1998 Florida Legislature enacted the Florida KidCare Act, Sections 409.810 - 409.821, F.S., in response to the passage of Title XXI of the Social Security Act in 1997 – the State Children's Health Insurance Program. The Vendor and three (3) state agencies, the Agency for Health Care Administration, Department of Children and Families, and the Department of Health form the core of the Florida KidCare partnership

B. Overview/Purpose

The Vendor utilizes state general revenue and tobacco settlement funds along with federal matching dollars under Title XXI of the Social Security Act (CFDA # 93.767; GRANT #1105FL5021) to administer Florida KidCare. This Agreement between the Agency and the Vendor shall facilitate the distribution of state general revenue, tobacco settlement funds, and federal CHIP matching funds as appropriated each state fiscal year to the Vendor through the General Appropriations Act (GAA), and for expenses related to the administration of the Florida KidCare program that are conducted by the Vendor.

II. Manner of Service (s) Provision:

A. Services Provided by the Agency

1. Distribute appropriated federal funds that are specifically designated for contracting with the Vendor for the Healthy Kids program.
2. Release appropriated general revenue and tobacco settlement funds in quarterly advances to the Vendor.

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ATTACHMENT I
SCOPE OF SERVICES

3. Release funding under this agreement to Florida Healthy Kids Corporation in an amount not exceeding **\$2,656,107,377.00** (two billion, six hundred fifty-six million, one hundred seven thousand, three hundred seventy-seven dollars). The funding for July 1, 2025, through June 30, 2030, is based on February 24, 2025, KidCare Expenditure Social Services Estimating Conference actual and projected appropriations. (see **Table A**, Florida Healthy Kids Program Funding).
4. **Florida KidCare Administrative Services and Funding**
 - a. Reimburse the Vendor for Florida KidCare administrative services on a monthly basis for the actual costs statutorily allowed, subject to available funding. Florida KidCare administrative expenses are determined using a cost allocation method based on the percentage of actual enrollment in the MediKids and CMS Health Plan.
 - b. The Florida KidCare program administrative services funding amounts listed in **Table B**, Florida KidCare Administrative Services Funding, represents the total state general revenue, tobacco settlement and federal matching funds in this Agreement and shall not exceed **\$24,719,197.00** (twenty-four million, seven hundred nineteen thousand, one hundred ninety-seven dollars. The funding for July 1, 2025, through June 30, 2030, is based on February 24, 2025, KidCare Expenditure Social Services Estimating Conference actual and projected appropriations. (see **Table B**, Administrative Expenses for the Florida KidCare Program)
 - c. Reimburse the Vendor for any MediKids Full Pay administrative payment shortage through an adjustment on the following month's premium remittance.
 - d. Confer and cooperate with the Vendor's legal counsel with regard to any pending litigation brought by, or filed against, the Vendor or a third party in relation to the Florida KidCare program administrative activities covered under this Agreement.
5. **General Provisions**
 - a. Provide written notice at least fourteen (14) calendar days prior to any scheduled on-site Agency monitoring activities. The Agency shall coordinate such activities with the Vendor to ensure appropriate staff and resource availability.
 - b. Provide the Vendor with a written copy of its monitoring reports, including any findings, within thirty (30) calendar days of the conclusion of any monitoring activities. The Agency shall also provide the Vendor with an opportunity to respond in writing within thirty (30) calendar days to any such findings. If warranted due to the Vendor's response, the Agency has the discretion to amend the final report.
 - c. Inspect any records, papers, and documents of the Vendor that are relevant to this Agreement.

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- d.** Serve as the single point of contact for communications with the CMS for all CHIP policies, rules and regulations, and include the Vendor as appropriate.
- e.** Provide the Vendor with final drafts of all CHIP state plan amendments for review and comment fifteen (15) calendar days in advance of submission to CMS and copy the Vendor on any submission.
- f.** In the event of an overpayment by the Vendor to the Agency, the Agency shall refund (subject to the availability of funds) the overpayment to the Vendor within thirty (30) calendar days of discovery or accept a reduction in future payments equal to the overpayment.
- g.** Provide CHIP federal award notification information for each sub-award and sub-award modification in accordance with 2 CFR Part 200, Subpart D, Section 200.331(a).
- h.** Initiate a legislative budget amendment by reimbursing the Vendor if the projected expenditures listed in Table A and/or Table B exceed annual appropriations.
- i.** Review all Florida KidCare outreach materials for compliance with CHIP policies, rules and regulations and approve or deny the content of such materials within three (3) business days. Items not approved or denied within three (3) business days are deemed approved unless prohibited by law. Such deemed approval shall not constitute an amendment to this contract.
- j.** Provide the Vendor with at least ninety (90) calendar days' notice, when possible, of any file format changes or vendor changes that would affect the Florida KidCare Evaluation Report and the Core Set of Children's Health Care Quality Measures for Medicaid and CHIP files unless otherwise approved by Agency
- k.** Identify Florida KidCare Evaluation Report and the Core Set of Children's Health Care Quality Measures for Medicaid and CHIP data needs and provide changes to reporting requirements to the Vendor at least ninety (90) calendar days, when possible before the expected reporting change unless approved by Agency.

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TABLE A FLORIDA HEALTHY KIDS PROGRAM FUNDING				
July 1, 2025– June 30, 2030				
	General Revenue	Tobacco	Trust Fund	Total
State Fiscal Year 2025-2026 (Projected)				
	\$127,420,337.00	\$0.00	\$297,957,561.00	\$425,377,898.00
State Fiscal Year 2026-2027 (Projected)				
	\$143,111,111.00	\$0.00	\$330,861,705.00	\$473,972,816.00
State Fiscal Year 2027-2028 (Projected)				
	\$159,540,232.00	\$0.00	\$366,421,864.00	\$525,962,096.00
State Fiscal Year 2028-2029 (Projected)				
	\$176,018,109.00	\$0.00	\$407,555,758.00	\$583,573,867.00
State Fiscal Year 2029-2030 (Projected)				
	\$194,813,431.00	\$0.00	\$452,407,269.00	\$647,220,700.00
2025-2030 TOTAL	\$800,903,220.00	\$0.00	\$1,855,204,157.00	\$2,656,107,377.00

TABLE B ADMINISTRATIVE EXPENSES FOR THE FLORIDA KIDCARE PROGRAM				
July 1, 2025 - June 30, 2030				
	General Revenue	Tobacco	Federal Funds	Total
State Fiscal Year: 2025 – 2026 (Projected)				
	\$1,541,368.00	\$0.00	\$3,604,287.00	\$5,145,655.00
State Fiscal Year: 2026 – 2027 (Projected)				
	\$1,701,382.00	\$0.00	\$3,933,686.00	\$5,635,068.00
State Fiscal Year: 2027 – 2028 (Projected)				
	\$1,729,883.00	\$0.00	\$3,973,137.00	\$5,703,020.00
State Fiscal Year: 2028 – 2029 (Projected)				
	\$1,732,390.00	\$0.00	\$4,011,038.00	\$5,743,428.00
State Fiscal Year: 2029 – 2030 (Projected)				
	\$750,100.00	\$0.00	\$1,741,926.00	\$2,492,026.00
2025-2030 TOTAL	\$7,455,123.00	\$0.00	\$17,264,074.00	\$24,719,197.00

B. Services Provided by the Vendor

1. Adhere to all of the requirements and regulations of CHIP. Federal funds shall be used for purposes outlined and approved by the federal government and the federal agencies responsible for oversight of this program.
2. Receive an annual allocation of state general revenue, tobacco settlement funds, and federal CHIP matching funds through the state's GAA and use state and federal funds only for the purposes set forth in Sections 624.91 and 624.915 and Part II of Chapter 409, F.S., and subsequent revisions, thereto.
3. Expend no portion of the funds it receives from the Agency through any grants and aids appropriation category for the purpose of lobbying the United States

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Congress, pursuant to 31 U.S. Code § 1352 or the Florida Legislature, or any state agency, pursuant to § 216.347, F.S.

4. Expend no portion of the funds it receives from the Agency for the purpose of paying for meals or refreshments except as otherwise permitted under Section 624.91, F. S
5. Submit all CHIP related invoices (monthly and quarterly) and reports to the Agency in the format recommended by the Agency's Bureau of Financial Services, as required by the Centers for Medicare and Medicaid Services (CMS).
6. **Florida KidCare Administrative Services and Funding**
 - a. Perform administrative activities directly or through a contracted administrator for the Florida KidCare components (Healthy Kids, MediKids, and Children's Medical Services Managed Care Health Plan (CMS Health Plan) and Medicaid for Children) as authorized by state law. This includes, but is not limited to, the following duties:
 - (i) Screen applications for potential Florida Medicaid eligibility and transmit electronic files to the Department of Children and Families (DCF) for Florida Medicaid eligibility determination.
 - (ii) Perform enrollment services, process applications, perform data matches, and determine CHIP and full-pay eligibility.
 - (iii) Provide customer service, including administering the Florida KidCare Customer Service toll-free telephone number of (1-888-540-5437) directly or through a subcontracted entity.
 - (iv) Provide CHIP premium billing services, collect premium payments, and process and disburse premium refunds.
 - (v) Provide Florida KidCare enrollment and financial data.
 - (vi) Conduct annual renewals for re-determining CHIP eligibility.
 - (vii) Provide applicant and enrollee protections through the Florida KidCare Dispute Review Process, in accordance with Rule 59G-14.001, Florida Administrative Code.
 - (viii) Develop, maintain, and furnish Florida KidCare operational policies and procedures manuals for all aspects of this Agreement to the Agency and the Florida KidCare partners upon request.
 - b. Transmit MediKids electronic managed care choice files and electronic eligibility files to the Agency, or its designee, in accordance with the frequency and due date established between the Agency and Vendor.

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- c.** Transmit to and receive from the Florida Department of Health (DOH) electronic data for CMS Health Plan clinical eligibility decisions and the electronic eligibility files to the Florida Department of Health (DOH), or its designee, in accordance with the frequency and due date established between DOH and Vendor.
- d.** Remit all applicable MediKids and CMS Health Plan premium payments to the Agency by the 15th of each month, following the month of collection and retain the full premium payment when a child enrolled in the subsidized MediKids program or CMS Health Plan has a sibling with subsidized Healthy Kids coverage.
- e.** Retain an administrative fee for the collection of the MediKids Full Pay premium on a per member per month rate multiplied by the number of MediKids Full Pay monthly enrollment.
- f.** Submit a MediKids Full Pay administrative fee reconciliation, using a cost allocation method based on the percentage of actual enrollment to total enrollment within thirty (30) calendar days of the end of each fiscal month indicating an overage or shortage amount.
- g.** Reimburse the Agency for any MediKids Full Pay administrative payment overage by subtracting the adjustment on the following month's premium remittance.
- h.** Consult the Florida KidCare partners and other appropriate parties prior to implementing policies affecting the CHIP State Plan. The Florida KidCare partners will retain policy-making responsibilities for their respective programs and will consult with each other regarding the feasibility of policy changes affecting their programs.
- i.** Notify the KidCare partners of any significant systematic or operational issues within three (3) business days of discovery of the occurrence.
- j.** Assign each MediKids applicant one identification number. The enrollee's unique identification number must remain the same if the enrollee moves to another city/county or reapplies for health insurance coverage.
- k.** Transmit Healthy Kids and CMS Health Plan monthly enrollment data for the Federally Facilitated Marketplace Minimum Essential Coverage file to the Agency, or its designee, at intervals mutually agreed upon by Vendor and DCF.
- l.** Transmit electronic files of individuals ineligible for CHIP coverage to the Federally Facilitated Marketplace through DCF at intervals mutually agreed upon by Vendor and DCF.
- m.** Confer and cooperate with the Agency's legal counsel with regard to any pending litigation brought by or filed against the Agency in relation to the Florida KidCare program administrative activities covered under this Agreement.

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7. General Provisions

- a.** Submit preliminary financial statements to the Agency's Chief Financial Officer and Project Manager no later than August 10th each year.
- b.** Submit final unaudited financial statements to the Agency Project Manager prior to September 30th each year to allow the Agency to meet the requirements of Section 216.103, F.S.
- c.** Secure and pay for the services of an independent certified public accountant (CPA) to:
 - (i)** Perform an annual audit of the Vendor's financial records and operations for each fiscal year ending June 30th.
 - (ii)** Comply with all pertinent laws, regulations, and contracts relating to its financial operations.
 - (iii)** Submit the final audited financial statements to the Agency Project Manager no later than November 15th of each year.
- d.** Return to the Agency any overpayments due to unearned funds or funds disallowed pursuant to the terms of this Agreement that were disbursed to the Vendor by the Agency. The Vendor shall return any overpayment to the Agency within thirty (30) calendar days after either discovery by the Vendor, its independent auditor, or notification by the Agency of overpayment. The Agency and the Vendor will agree on a mutually acceptable repayment method.
- e.** Use the Florida KidCare logo for materials, brochures, and other written or electronic information pertaining to the KidCare program. All Florida KidCare outreach materials shall include the Florida KidCare logo image. All Florida KidCare outreach materials shall be submitted to the Agency for compliance review and approval prior to distribution, and the Agency will respond with an approval or denial within three (3) business days. Items not approved or denied within three (3) business days are deemed approved unless prohibited by law. Such deemed approval shall not constitute an amendment to this contract.
- f.** Provide written documentation and justification to the Agency to initiate a budget amendment to reimburse the Vendor for actual expenditures related to administrative services. Should a budget amendment not be approved, the Vendor reserves the right to sever any or all of those administrative services not specific to the Vendor's responsibilities under Section 624.91, F.S. The Vendor shall cooperate with the Agency to transfer functions to another entity if a budget amendment is not approved.

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- g.** Provide the Agency's Florida KidCare Program evaluator with the data needed for the annual Florida KidCare Evaluation Report and the Core Set of Children's Health Care Quality Measures for Medicaid and CHIP. This data includes, but is not limited to, the quarterly encounter extracts from the health and dental plans, and enrollment and application data from the third party administrator. The Vendor shall ensure the data provided to the evaluator is accurate, complete, and presented in the format required by the Agency. The Vendor shall perform a quality assessment and submit the data on the due date established by the Agency for inclusion in the Agency's annual Florida KidCare Program Evaluation Report.
- h.** Validate the medical loss ratio and calculate an amount to be refunded, in the event a MCO achieves an MLR less than eighty-five (85%), in a manner consistent with 42 CFR 457.1203 and in accordance with 42 CFR 438.8. The Vendor shall return the MLR refund amounts to the Agency for deposit into the designated state and federal account.

C. Deliverables

Deliverables are included as **Exhibit A**, Deliverables, to this Attachment.

D. Reporting

1. General Reporting Requirements

The Vendor shall adhere to reporting requirements included in this Section. The Agency reserves the right to direct the Vendor to amend or update its reports and/or report formats in accordance with the best interests of the Agency and at no cost to the Agency. The Agency will notify the Vendor of such modification, in writing.

All electronic transmission of reports and supporting documentation containing Protected Health Information (PHI) as defined by the Health Insurance Portability and Accountability Act (HIPAA) must be encrypted to meet the HIPAA privacy standards. Unless otherwise directed by the Agency, all electronic reports shall be formatted utilizing Microsoft Word or Excel, version 2013 or greater. Supporting documentation may be submitted in Adobe PDF format. The Vendor shall maintain the capability to upgrade its electronic report format as directed by the Agency.

Report formats shall be finalized and approved by the Agency no later than thirty (30) calendar days after execution of the Contract resulting from this solicitation, unless otherwise agreed to by the Agency.

The Vendor shall develop reports, using formats approved in advance by the Agency, complying with the requirements established by the Agency. When reporting requirements are not established in the resulting Contract, the Agency shall provide the Vendor with instructions and submission timetables. The

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Agency reserves the right to modify reporting formats and submission timetables resulting from changing priorities or management direction.

All reports shall be developed and produced at no cost to the Agency.

2. Monthly Reporting

- a.** The Vendor shall submit monthly reports. At a minimum, monthly reports shall include the following:
 - i.** MediKids Files: Transmit MediKids eligibility files (Regular, 1st Supplemental, and 2nd Supplemental) and the Daily MediKids Choice File to the Agency with complete and appropriate supporting documentation. Files must be transmitted on a monthly basis (eligibility files) and daily (Choice File).
 - ii.** CMS Health Plan Files: Transmit to and receive from the Florida Department of Health (DOH) electronic data for CMS Health Plan clinical eligibility decisions and the electronic eligibility files to the Florida Department of Health (DOH), or its designee, in accordance with the frequency and due date established between DOH and Vendor.
 - iii.** Premium Payments: Submit MediKids and CMS Health Plan premium payment files accompanied by complete supporting documentation on or before the 15th of the month following the reporting period.
 - iv.** Healthy Kids Regular Federal Invoice: Submit the invoice for medical, dental, and administrative expenditures, indicating the State portion of the expenses along with all required supporting documentation and reconciliation data between the 20th and the last calendar day of the month.
 - v.** Healthy Kids Total Federal Invoice: Submit the invoice for medical, dental, and administrative expenditures that includes the final reconciliation of previously billed administrative expenses along with all required supporting documentation and a reconciliation of the administrative expenses between the 8th and 12th day of the month.
 - vi.** Florida KidCare Administrative Expenditures Invoice: Submit the invoice detailing the Florida KidCare administrative expenditures along with appropriate and complete supporting documentation on or before the last calendar day of the following month.

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3. Quarterly Reporting

- a.** The Vendor shall submit quarterly reports. For purposes of the resulting Contract, quarterly reporting will be based on resulting Contract year quarters. At a minimum, quarterly reports shall include the following:
 - i.** Healthy Kids Quarterly State Advance Invoice: Submit the invoice for the quarterly state advance, including a detailed reconciliation that must clearly identify the balance of unspent funds and include adjustments based on the most recent KidCare Expenditures SSEC and any prior period reconciliations.
- b.** Quarterly reports shall be due fifteen (15) calendar days before the beginning of the following quarter.

4. Annual Reporting

- a.** The Vendor shall submit an annual report to the Agency. At a minimum, annual reports shall include the following:
 - i.** Preliminary Financial Statements: Submit the preliminary financial statements for the fiscal year along with complete and appropriate supporting documentation annually, on or before the 10th of August.
 - ii.** Final Unaudited Financial Statements: Submit the final unaudited financial statements along with complete and appropriate supporting documentation annually, on or before the 30th of September.
 - iii.** Final Audited Financial Statements: Submit the final audited financial statements along with complete and appropriate supporting documentation annually, on or before the 15th of November.
 - iv.** Preliminary End-of-Fiscal-Year Funding Reconciliation: Submit the preliminary funding reconciliation for the end of the fiscal year along with complete and appropriate supporting documentation annually, on or before the 10th of August.
 - v.** Final End-of-Fiscal-Year Funding Reconciliation Submit the final funding reconciliation for the end of the fiscal year along with complete and appropriate supporting documentation annually, on or before the 30th of September.
 - vi.** Florida KidCare Program Evaluation Data: Provide accurate data for inclusion in the Agency's annual Florida KidCare Program Evaluation Report accompanied by complete supporting documentation on or before the due date established by the Agency.

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5. Ad Hoc Analysis and Reports

- a. The Agency reserves the right to request the Vendor to conduct ad hoc analyses and provide ad hoc reports. In such instances, the Agency will make the request in writing and will establish a deadline for submission.
- b. Ad hoc analyses and reporting shall be provided at no cost to the Agency.
- c. The Vendor shall provide ad hoc reports on an as needed basis at no additional cost to the Agency. Ad hoc reports may be requested on any aspect of the data collected by the Vendor.
- d. Ad hoc reports shall be submitted to the Agency within fourteen (14) calendar days from the time of the request, unless the Agency directs the Vendor to provide the data or information in less than fourteen (14) calendar days.

At the Agency's request, the variables calculated as part of ad hoc reports may be required for inclusion in standard reports.

E. Monitoring

- 1. During each Contract period, the Agency will conduct monitoring and evaluation of the Vendor's compliance with the requirements of this Contract. The review will cover all Vendor functions as outlined in the Standard Agreement and Scope of Services.
- 2. Monthly Desk Reviews and Meetings: The Agency's Contract Manager will perform a monthly desk review of all reports submitted to the Agency as specified herein **Sub-Section D.**, Reporting. The Contract Manager must:
 - a. Evaluate timeliness and accuracy of eligibility decisions and verify that all required supporting documentation is provided.
 - b. Confirm that premium payment records and remittance data are complete and submitted by the due dates.
 - c. Verify that invoices are submitted on time with complete reconciliation and supporting documentation in adherence with due dates specified in **Exhibit A.**, Deliverables.
 - d. The Contract Manager will attend key meetings and use updates from meetings to verify the ongoing performance of the Vendor's contracted functions. The key meetings include:
 - i. FHKC Board Meetings
 - ii. FHKC Committee Meetings
 - iii. Monthly KidCare Partner Meetings
 - iv. KidCare Caseload and Expenditures SSEC Meetings

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- e. Provide timely feedback to the Vendor regarding any deficiencies. And apply corrective actions where necessary and monitor their implementation.
 - f. Maintain detailed logs of all monitoring activities, findings, and any actions taken to ensure compliance.
 - g. Assess the promptness and fairness in handling grievances and ensure that grievance documentation is thorough and in compliance with contractual requirements.
 - h. Must fill out the Monitoring Evaluation Form every quarter which includes tasks and deliverables as specified in this Attachment and Quality of Service Rating (QSR) based on service tasks and deliverables being delivered on time and as defined in the contract task list and limits for the period being evaluated.
- 3. Evaluation Criteria for Deliverables:
 - a. All deliverables must be submitted by the due dates specified in **Exhibit A., Deliverables**.
 - b. Submit all the invoices and reports to the Agency in the format recommended by the Agency's Bureau of Financial Services, as required by the Centers for Medicare and Medicaid Services (CMS) as mentioned herein **Sub-section B., Services Provided by the Vendor, Item 5**.
 - c. Each submission must include all required data and the necessary supporting documentation.
 - d. Data and figures in enrollment reports, invoices, and reconciliations must be correct and verifiable.
 - e. Any identified issues or discrepancies must be promptly addressed by the Vendor.

III. Method of Payment:

This is a Cost-Reimbursement Contract. Payments will be made through three invoice types: state funding for Quarterly advances, federal funding for monthly Regular and Total federal expenditures and mixed funding for the KidCare Administrative expenses. The Agency shall pay the Vendor, in arrears, upon the completion and acceptance of deliverables in accordance with the deliverables schedule specified in **Exhibit A, Deliverables**.

A. Invoicing

- 1. Invoices and all supporting documents shall be submitted on the Vendor's letterhead to the Agency's designated Contract Manager within fifteen (15) calendar days of completion and Agency approval of deliverable(s).

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Invoice(s) shall include, at a minimum:

- a. Invoice date;
 - b. Invoice number;
 - c. Agency's Contract number;
 - d. Description of the services rendered;
 - e. Date(s) on which services were rendered;
 - f. Payment remittance address; and
 - g. Other supporting documentation as requested by the Agency.
2. Payments will be authorized only for services that are in accordance with the terms and conditions of this Contract.
3. Appropriate documentation as determined by the Agency shall be submitted to support invoices.
4. Invoices shall not be approved for payment by the Agency until reports and deliverables from the Vendor are received as specified in this Contract.

B. State Funding - Quarterly State Advance Invoice

1. The Vendor shall:
 - a. Submit a Healthy Kids Quarterly State Advance Invoice and Reconciliation in accordance with the frequency and due date listed in **Table C**, Quarterly State Advance Schedule.
 - b. Submit a reconciliation of quarterly advanced state funds within sixty (60) calendar days from the end of this Agreement in an Agency approved method.
 - c. Return all unspent advanced funds to the Agency no later than sixty (60) calendar days from the end of this Agreement in an Agency approved repayment method.
 - d. Return interest earned on advanced state surplus funds to the Agency on a quarterly basis within forty-five (45) calendar days of the quarter measured. Provide supporting financial documentation for the period interest was earned.
2. The Agency shall:
 - a. Calculate the advance payment due to the Vendor considering unspent advanced state funds remaining from the previous quarterly advances and the state funds required to match the projected Healthy Kids federal funding expenditures.

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- b. Disburse quarterly advance payments to the Vendor each quarter in accordance with **Table C**, Quarterly State Advance Schedule, subject to availability of funds.
- c. **Table C**, Quarterly State Advance Schedule, lists the schedule for payments and reconciliations for the fiscal year quarterly state advanced funds. The payment and reconciliation schedule for subsequent quarters, beyond the dates included in **Table C**, Quarterly State Advance Schedule, follows the same schedule for the full term of this Agreement.
- d. If authorized in the General Appropriations Act, the Department of Financial Services (DFS) solicit the Department of Financial Services (DFS) for the advance of State funds and make payments on a reimbursement basis when DFS does not approve subsequent quarterly advance payments as set forth in Subsections 216.181(16) (a) and (b), F.S.

TABLE C QUARTERLY STATE ADVANCE SCHEDULE			
Quarter	Payment Type	Payment Date	Invoice and Reconciliation Due Date
July - September	Twenty-five percent (25%) of the appropriations used for payment of advanced funds to Florida Healthy Kids Corporation (FHKC) with adjustments based on the outcome of the most recent KidCare Expenditures SSEC with adjustments for prior period reconciliations.	July 15	June 15
October - December	Twenty-five percent (25%) of the appropriations used for payment of advanced funds to FHKC with adjustments based on the outcome of the most recent KidCare Expenditures SSEC with adjustments for prior period reconciliations.	October 1	September 15
January - March	Twenty-five percent (25%) of the appropriations used for payment of advanced funds to FHKC with adjustments based on the outcome of the most recent KidCare Expenditures SSEC with adjustments for prior period reconciliations.	January 1	December 15
April - June	Twenty-five percent (25%) of the appropriations used for payment of advanced funds to FHKC with adjustments based on the outcome	April 1	March 15

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	of the most recent KidCare Expenditures SSEC with adjustments for prior period reconciliations.		
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C. Federal Funding - Monthly Regular and Total Invoices

1. The Vendor shall:

- a.** Submit the following invoices in accordance with the frequency and due date listed in **Exhibit A.**, Deliverables:
 - (i)** Healthy Kids Regular Federal Invoice
 - (ii)** Healthy Kids Total Federal Invoice
- b.** Submit the following reconciliations in accordance with the frequency and due date listed in **Exhibit A.**, Deliverables:
 - (i)** Preliminary end of fiscal year funding reconciliation
 - (ii)** Final end of fiscal year funding reconciliation with supporting documentation

2. The Agency shall:

- a.** Provide the Healthy Kids Regular Federal payment, following the timely receipt and approval of the invoice, by the 10th business day of each month, subject to the availability of federal funds.
- b.** Provide the Healthy Kids Total Federal payment, following the timely receipt and approval of the invoice within thirty (30) calendar days, subject to the availability of federal funds.

D. State and Federal Funding - Florida KidCare Administrative Expenditure Invoice

1. The Vendor shall:

- a.** Submit the Florida KidCare Administrative Expenditures Invoice in accordance with the frequency and due date listed in **Exhibit A.**, Deliverables. The State of Florida's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature.
- b.** Calculate the state and federal administrative expenditures using a cost allocation method based on the percentage of actual enrollment by program to total enrollment, accompanied by supporting documentation. The invoice will include a reconciliation of the gross MediKids Full Pay administrative expense and the KidCare prior month billing adjustment.

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2. The Agency shall:

- a. Provide the Florida KidCare administrative payment, following the timely receipt and approval of the invoice, within thirty (30) calendar days, subject to the availability of funds.

E. Late Invoicing

If the Vendor is unable to meet the invoice submission deadlines specified in this Contract, the Vendor shall notify the Agency in writing prior to the deadline explaining the circumstances and requesting an extension to the deadline.

F. Financial Consequences as Liquidated Damages

1. Performance Standards and Liquidated Damages

- a. The Vendor shall comply with all requirements and performance standards set forth in the Contract.
- b. The Agency's Contract Manager will monitor the Vendor's performance in accordance with the monitoring requirements of the Contract. Failure by the Vendor to meet the established minimum performance standards may result in the Agency, in its sole discretion, finding the Vendor to be out of compliance, and all remedies provided in the Contract and under law, shall become available to the Agency.
- c. The Agency reserves the right to impose liquidated damages upon the Vendor for failure to comply with the performance standard requirements set forth in **Table D** Performance Standards and Liquidated Damages, below.

TABLE D PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES	
Performance Standard Requirement	Liquidated Damages to be Imposed
HIPAA	
The Vendor shall comply with provisions of Health Insurance Portability and Accountability Act (HIPAA) / Health Information Technology for Economic and Clinical Health (HITECH).	\$500.00 to \$5,000.00 , per incident, per occurrence, depending upon the severity. In addition, Federal penalties may apply in accordance with the HIPAA Act of 1996.
The Vendor shall not inappropriately release PHI.	\$500.00 to \$5,000.00 , per incident, per occurrence, depending upon the severity.
Records	
The Vendor shall comply with public records laws, in accordance with Section 119.0701, F.S.	\$5,000.00 for each incident in which the Vendor does not comply with a public records request.

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TABLE D PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES	
Performance Standard Requirement	Liquidated Damages to be Imposed
Background Screening	
Complete initial and renewal background screenings within required timeframes.	\$250.00 per occurrence.
Submit policies and procedures within thirty (30) calendar days of Contract execution.	\$250.00 per calendar day beyond the due date. Liquidated damages will not be imposed if the Vendor requests an extension of the due date, and the Agency approved the request. Liquidated damages as described above will be imposed if the extended due date is not met
Security Rating Score	
Annually maintain a top tier security rating score from the Agency's selected information security rating service.	\$5,000.00 per occurrence and \$250.00 per calendar day, if the Vendor does not improve to a top tier security rating score within three (3) months after its initial failure notification by the Agency, to annually obtain a top tier security rating score.
Information Security Compliance Documentation	
Annually submit information security compliance documentation as agreed upon, in writing, between the Vendor and the Agency, at contract initiation and annually thereafter.	\$1,000.00 per calendar day for each calendar day beyond the due date. Liquidated damages will not be imposed if the Vendor requests an extension of the due date, and the Agency approved the request. Liquidated damages as described above will be imposed if the extended due date is not met
Services (This section is reserved for contract specific services that are not detailed in a specific deliverable)	
Implement the approved Corrective Action Plan (CAP) by the Agency specified date.	\$500.00 per calendar day for each calendar day that the approved CAP is not implemented to the satisfaction of the Agency.

2. Disputes

- a. To dispute liquidated damages, sanctions and/or contract interpretations, the Vendor must request that the Agency's Deputy Secretary for Medicaid or designee, hear and decide the dispute.

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- b. The Vendor must submit a written dispute directly to the Deputy Secretary, listed below, or designee by U.S. mail and/or commercial courier service (hand delivery will not be accepted). This submission must be received by the Agency within twenty-one (21) calendar days after the issuance of liquidated damages, sanctions and/or contract interpretations and shall include all arguments, materials, data, and information necessary to resolve the dispute (including all evidence, documentation and exhibits). The Vendor submitting such written requests for appeal or dispute as allowed under the Contract by U.S. mail and/or commercial courier service, shall submit such appeal or dispute to the following mailing address:

**Deputy Secretary for Medicaid
Agency for Health Care Administration
2727 Mahan Drive, Mail Stop 70
Tallahassee, FL 32308**

Regardless of whether delivered by U.S. mail or commercial courier service, appeals or disputes not delivered to the address above will be denied.

- c. The Vendor waives any dispute not raised within twenty-one (21) calendar days of issuance of received liquidated damages, sanctions and/or contract interpretations. It also waives any arguments it fails to raise in writing within twenty-one (21) calendar days of receiving the liquidated damages, sanctions and/or contract interpretations, and waives the right to use any materials, data, and/or information not contained in or accompanying the Vendor's submission submitted within the twenty-one (21) calendar days following its receipt of the liquidated damages, sanctions and/or contract interpretations in any subsequent legal, equitable, or administrative proceeding (to include Circuit Court, Federal court and any possible administrative venue).
- d. The Deputy Secretary or his/her designee will decide the dispute under the reasonableness standard, reduce the decision to writing and serve a copy to the Vendor. This written decision will be final.
- e. The exclusive venue of any legal or equitable action that arises out of or relating to the Contract, including an appeal of the final decision of the Deputy Secretary or his/her designee, will be Circuit Court in Leon County, Florida. In any such action, the Vendor agrees to waive its right to a jury trial, and that the Circuit Court can only review the final decision for reasonableness, and Florida law shall apply. In the event the Agency issues any action under Florida Statutes or Florida Administrative Code apart from the Contract, the Agency will notice the Vendor of the appropriate administrative remedy.

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IV. Attorney's Fees

In the event of a dispute, each party to this Contract shall be responsible for its own attorneys' fees, except as otherwise provided by law.

V. Legal Action Notification

The Vendor shall give the Agency, by certified mail, immediate written notification (no later than thirty (30) calendar days after service of process) of any action or suit filed or of any claim made against the Vendor by any subcontractor, vendor, or other party that results in litigation related to this Contract for disputes or damages exceeding the amount of **\$50,000.00**. In addition, the Vendor shall immediately advise the Agency of the insolvency of a subcontractor or of the filing of a petition in bankruptcy by or against a principal subcontractor.

VI. Damages for Failure to Meet Contract Requirements

In addition to remedies available through this Contract, in law or equity, the Vendor shall reimburse the Agency for any Federal disallowances or sanctions imposed on the Agency as a result of the Vendor's failure.

VII. Corrective Action Plan (CAP)

- A.** If the Agency determines that the Vendor is out of compliance with any of the provisions of this Contract, the Agency may require the Vendor to submit a Corrective Action Plan (CAP) within a specified timeframe. The CAP shall provide an opportunity for the Vendor to resolve deficiencies without the Agency invoking more serious remedies.
- B.** The Vendor shall respond by providing a CAP to the Agency within the timeframe specified by the Agency.
- C.** The Vendor shall implement the CAP only after Agency approval.
- D.** The Agency may require changes or a complete rewrite of the CAP and provide a specific deadline.
- E.** If the Vendor does not meet the standards established in the CAP within the agreed upon timeframe, the Vendor shall be in violation of the provisions of this Contract and shall be subject to liquidated damages.

VIII. Contract Transition

- A.** At the time of this Contract's completion, the Vendor shall cooperate with the Agency in transitioning responsibilities of this Contract to the Agency or another vendor.
- B.** The Vendor shall deliver to the Agency, or its authorized representative, all Contract-related records and data in a format specified by the Agency, within sixty (60) calendar days from the expiration or termination of this Contract. This obligation survives termination of this Contract.
- C.** Prior to the ending or termination of this Contract, the Vendor shall meet with the new vendor or the Agency's designated representative(s) to develop a HIPAA compliant, written agreement that sets forth how the entities will cooperate to ensure an effortless

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transition. The agreement must be approved by the Agency prior to execution and shall include at a minimum, the following:

1. Designated point of contact for both entities;
2. A calendar of regularly scheduled meetings;
3. A detailed list of data that will be shared;
4. A mechanism and timeframe for transmitting records and data from the Vendor's system;
5. A mechanism and timeframe for transmitting documents produced under this Contract, as requested by the Agency;
6. A clear description of the mutual needs and expectations of both entities; and
7. Identification of risks and barriers associated with the transition of services to a new vendor and solutions for overcoming them.

IX. System Functionality

- A. The Vendor shall have the capacity (hardware, software, and personnel) sufficient to access and generate all data and reports needed for this Contract.
- B. The Vendor shall comply with HIPAA and the HITECH Act.
- C. The Vendor shall have protocols and internal procedures for ensuring system security and the confidentiality of recipient identifiable data.
- D. The Vendor shall ensure an annual information security compliance audit is performed on the application hosting center. The Vendor shall provide a copy of the most recent audit report to the Agency.

X. Information Technology

- A. The Vendor shall have the necessary information technology (IT) resources needed to fully manage the product required in this Contract.
- B. Agency Contract Managers shall be responsible for submitting and managing Vendor staff requests or needs for access connectivity to the Agency's data communications network, and the relevant information systems attached to this network, in accordance with all applicable Agency policies, standards and guidelines. The Vendor shall notify the Agency of termination of any staff with access to the Agency's network within twenty-four (24) hours of the termination.
- C. Vendor staff that have access connectivity to the Agency's data communications network shall be required to complete Agency Security Awareness Training and Agency HIPAA Training. The Vendor shall also be required to sign an Acceptable Use Acknowledgement Form and submit the completed form to the Agency's Information Security Manager (ISM). The requirements described in this **Item** must be completed before access to the Agency's network is provided.

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XI. Development Requirements

This Sub-Section is applicable if the Vendor solution or service includes interoperability with the Agency's information technology enterprise.

1. The Vendor shall provide the Agency, providers, and others as identified in this Contract, with the necessary software to execute the requested system.
2. The Vendor's software when implemented, shall meet the implementation day's industry's best practices and standards NIST (National Institute for Standards and Technology), and W3C (World Wide Web Consortium) which includes development tools.
3. The Vendor shall develop a system that allows Agency staff to access the system from the Agency network and mobile devices.
4. The Vendor shall allow Agency access to the data for reporting purposes. Data exports shall comply with the National Information Exchange Model (NIEM) format.
5. The Vendor's architecture and design document will be reviewed by the Agency's Division of IT before coding starts. This will require a personal presentation by the Vendor's architect(s).
6. Comments will be used in the code to help other developers to understand the coding methodology/logic that was used.
7. Proper exception handling is required.
8. Logging and Auditing may be required for some systems.
9. Usage of Session and Cache should be limited.
10. Hard coded values are not allowed for referencing the shared resource address and name. This includes: URL (Uniform Resource Locator) name, file path, email address, database connection string, etc.
11. The website shall be Section 508 compliant and follow W3C industry standards and best practices.
12. The website shall contain the Agency header and footer that are currently on ahca.myflorida.com.
13. Chrome, Firefox, Safari and Internet Explorer are the most commonly used browsers. Internet applications must be compatible with all internet browsers recognized by the World Wide Web Consortium, <http://www.w3.org/>. The Vendor shall deploy the system to be browser agnostic while keeping up with the most current versions of Internet browser releases in coordination with the Agency's Division of IT standards. Compatibility is required by the Vendor with all supported versions within six (6) months of the browser's official release.

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14. All code shall be submitted to the Agency by the Vendor for standards review prior to user testing. This code review requires a personal presentation by the Vendor's coder(s).
15. The Vendor's test plan shall be prior-approved by the Agency's Division of IT. The system will be tested on and off site using different browsers and different devices.
16. The documents listed below are required as part of the Vendor's application development:
 - a. Architecture design;
 - b. Security model;
 - c. Technical specifications;
 - d. Database entity relationship diagram;
 - e. Data Dictionary;
 - f. User documentation;
 - g. Test plan;
 - h. Deployment plan; and
 - i. Maintenance requirements.
- A. **Below is the Agency's current environment:**
 1. HIPAA and CJIS (Criminal Justice Information System) compliance;
 2. Microsoft office;
 3. SQL (Structured Query Language) server;
 4. Microsoft Azure and Office 365;
 5. SFTP (Secure File Transfer Protocol);
 6. WEB Services;
 7. MVC (Model View Controller);
 8. C#;
 9. TFS (Team Foundation Server);
 10. WEB Applications;
 11. Laserfiche;

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12. SharePoint;
 13. SSL (Secure Sockets Layer) and TLS (Transport Layer Security); Mobile devices; and
 14. SSRS (SQL Server Report Services) and Tableau.
- B.** The Vendor must adhere and comply with the Agency's Division of IT standards regarding SSL Web interface(s) and TLS.
- C.** The Vendor must adhere to the Driver Privacy Protection Act (DPPA) rules that address a memorandum of understanding and security requirements as well as other requirements contained in Rule.
- D.** The Vendor, its employees, subcontractors and agents shall provide immediate notice to the Agency Information Security Manager ("ISM") in the event it becomes aware of any security breach and any unauthorized transmission or loss of any or all of the data collected or created for or provided by the Agency ("State Data") or, to the extent the Vendor is allowed any access to the Agency's information technology ("IT") resources, provide immediate notice to the ISM, of any allegation or suspected violation of security procedures of the Agency. Except as required by law and after notice to the Agency, the Vendor shall not divulge to third parties any confidential information obtained by the Vendor or its agents, distributors, resellers, subcontractors, officers or employees in the course of performing this Contract work according to applicable rules, including, but not limited to, Rule 60GG-2, Florida Administrative Code (FAC) and its successor regulation, security procedures, business operations information, or commercial proprietary information in the possession of the State or the Agency. After the conclusion of this Contract unless otherwise provided herein, the Vendor shall not be required to keep confidential information that is publicly available through no fault of the Vendor, material that the Vendor developed independently without relying on the State's confidential information, or information that is otherwise obtainable under State law as a public record.
- E.** In the event of loss of any State Data or record where such loss is due to the negligence of the Vendor or any of its subcontractors or agents, the Vendor shall be responsible for recreating such lost data in the manner and on the schedule set by the Agency at the Vendor's sole expense, in addition to any other damages the Agency may be entitled to by law or this Contract. In the event lost or damaged data is suspected, the Vendor will perform due diligence and report findings to the Agency and perform efforts to recover the data. If it is unrecoverable, the Vendor shall pay all the related costs associated with the remediation and correction of the problems engendered by any given specific loss. Further, failure to maintain security that results in certain data release will subject the Vendor to the administrative sanctions for failure to comply with Section 501.171, F.S., together with any costs to the Agency of such breach of security caused by the Vendor. If State Data will reside in the Vendor's system, the Agency may conduct, or request the Vendor conduct at the Vendor's expense, an annual network penetration test or security audit of the Vendor's system(s) on which State Data resides. All Vendor personnel who will have access to State-owned Data will undergo the background checks and screenings described in this Contract.

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- F. The Vendor shall ensure that call centers, Information Technology (IT) help desks or any other type of customer support provided directly under this Contract, shall be located only in the forty-eight (48) contiguous United States.
- G. The Vendor must conform to current and updated publications of the principles, standards, and guidelines of the Federal Information Processing Standards (FIPS), the National Institute of Standards and Technology (NIST) publications, including but not limited to [Cybersecurity-Framework](#) and [NIST.SP.800-53r4](#).
- H. The Vendor must employ traffic and network monitoring software and tools on a continuous basis to identify obstacles to optimum performance.
- I. The Vendor must employ traffic and network monitoring software and tools on a continuous basis to identify email and Internet spam and scams and restrict or track user access to appropriate websites.
- J. The Vendor must employ traffic and network monitoring software and tools on a continuous basis to identify obstacles to detect and prevent hacking, intrusion and other unauthorized use of the Vendor's resources.
- K. The Vendor must employ traffic and network monitoring software and tools on a continuous basis to prevent adware or spyware from deteriorating system performance.
- L. The Vendor must employ traffic and network monitoring software and tools on a continuous basis to update virus blocking software daily and aggressively monitor for and protect against viruses.
- M. The Vendor must employ traffic and network monitoring software and tools on a continuous basis to monitor bandwidth usage and identify bottlenecks that impede performance.
- N. The Vendor must employ traffic and network monitoring software and tools on a continuous basis to provide methods to flag recipient data to exclude Protected Health Information (PHI) from data exchanges as approved by the State, and to comply with recipient rights under the HIPAA privacy law for: 1) Requests for restriction of the uses and disclosures on PHI (45 Code of Federal Regulations (CFR) 164.522(a)); 2) Requests for confidential communications (45 CFR 164.522(b)); and 3) Requests for amendment of PHI (45 CFR 164.526). The Vendor must also enter into a Business Associate Agreement ("BAA") with the Agency. The provisions of the BAA apply to HIPAA requirements and in the event of a conflict between the BAA and the provisions of this **Sub-Section**, the BAA shall control. (See **Attachment II**, Business Associate Agreement).
- O. The Vendor shall conduct all activities in compliance with 45 CFR 164 Subpart C to ensure data security, including, but not limited to encryption of all information that is confidential under Florida or Federal law, while in transmission and while resident on portable electronic media storage devices. Encryption is required and shall be consistent with Federal Information Processing Standards (FIPS), and/or the National Institute of Standards and Technology (NIST) publications regarding cryptographic standards.

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- P.** The Agency may conduct an initial IT security rating score scan on the Vendor, as well as periodic or continuous security monitoring through an information security rating service, at the Agency's expense, to enable the Agency to effectively measure and mitigate the Vendor's security risks. The Vendor will work with the Agency's Security Rating Score Provider to define the relevant Vendor assets providing Agency services. If the Vendor does not maintain a top tier security rating score, the Agency will impose liquidated damage(s) and/or other applicable sanction(s).

XII. Disaster Recovery

- A.** The Vendor shall develop and maintain a disaster recovery plan for restoring the application of software and current master files and for hardware backup in the event the production systems are disabled or destroyed. The disaster recovery plan shall limit service interruption to a period of twenty-four (24) clock hours and shall ensure compliance with all requirements under this Contract. The records backup standards and a comprehensive disaster recovery plan shall be developed and maintained by the Vendor for the entire period of this Contract and submitted for review annually by the anniversary date of this Contract.
- B.** The Vendor shall maintain a disaster recovery plan for restoring day-to-day operations including alternative locations for the Vendor to conduct the requirements of this Contract. The disaster recovery plan shall limit service interruption to a period of twenty-four (24) clock hours and shall ensure compliance with all requirements of this Contract.
- C.** The Vendor shall maintain database backups in a manner that shall eliminate disruption of service or loss of data due to system or program failures or destruction.
- D.** The disaster recovery plan shall be finalized no later than thirty (30) calendar days prior to this Contract effective date. The Agency shall review the Vendor's disaster recovery plan during the readiness review.
- E.** The Agency, at its discretion, reserves the right to direct the Vendor to amend or update its disaster recovery plan in accordance with the best interests of the Agency and at no additional cost to the Agency.
- F.** The Vendor shall make all aspects of the disaster recovery plan available to the Agency at all times.
- G.** The Vendor shall conduct an annual Disaster Recovery Plan test and submit results for review to the Agency in the annual plan submitted in compliance with **Section XII.**, Disaster Recovery, **Sub-Section A.**

XIII. Smartphone Applications

The Vendor shall receive written approval from the Agency Division of Information Technology before implementation of a smartphone application. If the Vendor uses smartphone applications (apps) to allow providers direct access to Agency-approved documents and/or content, the Vendor shall comply with the following:

- A.** The smartphone application shall disclaim that the application being used is not private and that no PHI or Personally Identifiable Information (PII) should be published on this application by the Vendor or provider; and

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- B. The Vendor shall ensure that software applications obtained, purchased, leased, or developed are based on secure coding guidelines; for example:
1. OWASP [Open Web Application Security Project] Secure Coding Principles – http://www.owasp.org/index.php/Secure_Coding_Principles;
 2. CERT Security Coding - <http://www.cert.org/secure-coding/>; and
 3. Top10SecuritycodingPractices – <https://www.securecoding.cert.org/confluence/display/seccode/Top+10+Secure+Coding+Practices>

XIV. Social Networking

The Vendor shall adhere to the following requirements for social media policy development, permitted uses of applications, and the acceptable content for social networking applications/tools of the Vendor.

1. General Requirements
 - a. The Vendor shall establish a social networking administrator, who may hold another position, but is responsible for the Vendor's policy development, implementation, and the oversight of all social networking activities.
 - b. The Vendor shall develop and maintain written social networking policies and procedures and a social networking monitoring plan in accordance with this Agreement. The policies and procedures shall include a statement of purpose or general information stating how the Vendor uses social networking, for example: customer service, community outreach or notifications to enrollees and/or providers.
 - c. The Vendor shall provide its staff, subcontractors and volunteers instruction and training on the Vendor's social networking policies and procedures before using social networking applications on behalf of the Vendor.
 - d. The Vendor shall provide the following to the Agency:
 - (i) Policies, procedures, and monitoring plan, including social networking site content, annually on July 1.
 - (ii) Any social networking applications, or tools must be approved in writing by the Agency, prior to use. Items not approved or denied within three (3) business days are deemed approved. Any vendor using social networking applications is responsible and accountable for the safeguarding of PHI and all HIPAA Privacy Rule related information must be maintained and monitored.
 - (iii) Record Retention requirements for social networking policies and procedures.

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- e. The Vendor shall ensure that, for each social networking application (site) used, there is at least one (1) back-up staff/administrator with knowledge of the login credentials.
- f. The Vendor shall ensure that social networking application/site passwords shall be changed immediately when Vendor's staff, subcontractors and volunteers, with knowledge of passwords/credentials, are no longer employed by the Vendor or are no longer responsible for social network applications.
- g. The Vendor shall comply with copyright and intellectual property law and shall reference or cite sources appropriately on all social networking sites. The Vendor shall not post information, photos, links/URLs or other items online that would reflect negatively on any individual(s), its enrollees, the Agency or the State.

XV. Special Provision(s):

A. Minority and Certified Minority Subcontractors

The Agency encourages the Vendor to use minority and certified minority businesses as subcontractors when procuring commodities or services to meet the requirements of this Agreement.

A minority owned business is defined as any business enterprise owned and operated by the following ethnic groups: African American (Certified Minority Code H or Non-Certified Minority Code N), Hispanic American (Certified Minority Code I or Non-Certified Minority O), Asian American (Certified Minority Code J or Non-Certified Minority Code P), Native American (Certified Minority Code K or Non-Certified Minority Code Q), or American Woman (Certified Minority Code M or Non-Certified Minority Code R).

B. MyFloridaMarketPlace Vendor Registration and Transaction Fee

The Vendor is exempt pursuant to Rule 60A-1.031(6)(a), (c), and (d), Florida Administrative Code, from paying the MyFloridaMarketPlace transaction fee set forth in Rule 60A-1.031, Florida Administrative Code.

XVI. Definitions and Acronyms

A. Definitions

Ad Hoc – A report designed for a specific purpose, case, or situation.

Agency — State of Florida, Agency for Health Care Administration (AHCA), its employees acting in their official capacity, or its designee.

Agency Information Technology (IT) Enterprise – Any interconnected system(s) or subsystem(s) or equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the Agency.

Business Day – Traditional workday, including Monday, Tuesday, Wednesday, Thursday, and Friday. State holidays are excluded.

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Calendar Day – All seven days of the week. A twenty-four (24) hour period between midnight and midnight, regardless of whether or not it occurs on a weekend or holiday.

Calendar Year — A twelve (12) month period of time beginning on January 1 and ending on December 31.

Contract – The written agreement between the Agency and the Vendor comprised of the Contract, any addenda, appendices, attachments, or amendments thereto.

Contract Amendment – Any written alteration in the specifications, delivery point, rate of delivery, Contract period, price, quantity, or other Contract provisions of any existing Contract.

Contract Manager – An individual designated to act as liaison between the Agency and the Vendor and is responsible for the management of this Contract.

Interoperability – The ability of a system to work with or use the parts or equipment of another system and characterized by seamless coordination and integration with other systems.

Vendor – The entity that contracts directly with the Agency for the work specified within this Contract.

B. Acronyms

Apps	Applications
BAA	Business Associate Agreement
CAP	Corrective Action Plan
CFR	Code of Federal Regulations
CJIS	Criminal Justice Information System
DPPA	Driver Privacy Protection Act
EEO	Equal Employment Opportunity
FAC	Florida Administrative Code
FIPS	Federal Information Processing Standards
FS	Florida Statutes
HIPAA	Health Insurance Portability and Accountability Act
HITECH	Health Information Technology for Economic and Clinical Health
ISM	Information Security Manager

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IT	Information Technology
MVC	Model View Controller
NIEM	National Information Exchange Model
NIST	National Institute for Standards and Technology
PHI	Protected Health Information
PII	Personally Identifiable Information
PL	Public Law
SFTP	Secure File Transfer Protocol
SOC	Service Organization Controls
SQL	Structured Query Language
SSL	Secure Sockets Layer
SSRS	SQL Server Report Services
TFS	Team Foundation Server
TLS	Transport Layer Security
URL	Uniform Resource Locator
US	United States
USC	United States Code
W3C	World Wide Web Consortium

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**ATTACHMENT I
EXHIBIT A
DELIVERABLES, ASSOCIATED PAYMENT AND FINANCIAL CONSEQUENCES**

1.	<u>DELIVERABLE</u>
	Transmit MediKids files to the Agency.
	<u>SUPPORTING DOCUMENTATION</u>
	The files shall be accompanied by the appropriate and complete supporting documentation.
	<u>EVALUATION CRITERIA</u>
	The Agency's Contract Manager shall evaluate the Vendor's compliance with Attachment I. , Scope of Services, Section II. , Manner of Service (s) Provision, Sub-section E. , Evaluation Criteria for Deliverables.
	<u>DUE DATE(S)</u>
	Monthly – Regular, 1 st Supplemental and, 2 nd Supplemental eligibility files.
	Daily – MediKids Choice File.
	<u>AMOUNT</u>
	No Cost
	<u>PERFORMANCE STANDARDS</u>
	The Vendor shall submit the required deliverable one hundred percent (100%) complete and on time.
	<u>LIQUIDATED DAMAGES</u>
	No liquidated damages shall apply to the transmission of data. However, timely and accurate transmission is expected to ensure proper program coordination and compliance with Agency requirements.

2.	<u>DELIVERABLE</u>
	Transmit to and receive from DOH electronic data for CMS Health Plan clinical eligibility decisions and the electronic eligibility to DOH, or its designee.
	<u>SUPPORTING DOCUMENTATION</u>
	The files shall be accompanied by the appropriate and complete supporting documentation.
	<u>EVALUATION CRITERIA</u>
	The Agency's Contract Manager shall evaluate the Vendor's compliance with Attachment I. , Scope of Services, Section II. , Manner of Service (s) Provision, Sub-section E. , Evaluation Criteria for Deliverables.
	<u>DUE DATE(S)</u>
	Monthly – Regular and Supplemental eligibility files.
	Daily – clinical eligibility decision files.
	<u>AMOUNT</u>
	No Cost
	<u>PERFORMANCE STANDARDS</u>
	The Vendor shall submit the required deliverable one hundred percent (100%) complete and on time.
	<u>LIQUIDATED DAMAGES</u>
	No liquidated damages shall apply to the transmission of data. However, timely and accurate transmission is expected to ensure proper program coordination and compliance with Agency requirements.

3.	<u>DELIVERABLE</u>
	Submit MediKids and CMS Health Plan premium payments.
	<u>SUPPORTING DOCUMENTATION</u>
	The files shall be accompanied by the appropriate and complete supporting documentation.
	<u>EVALUATION CRITERIA</u>

**ATTACHMENT I
EXHIBIT A
DELIVERABLES, ASSOCIATED PAYMENT AND FINANCIAL CONSEQUENCES**

	The Agency's Contract Manager shall evaluate the Vendor's compliance with Attachment I. , Scope of Services, Section II. , Manner of Service (s) Provision, Sub-section E. , Evaluation Criteria for Deliverables.
	<u>DUE DATE(S)</u>
	Monthly, by the 15 th of the following month.
	<u>AMOUNT</u>
	No Cost
	<u>PERFORMANCE STANDARDS</u>
	The Vendor shall submit the required deliverable one hundred percent (100%) complete and on time.
	<u>LIQUIDATED DAMAGES</u>
	\$100.00 per day for each calendar day beyond the due date until provided to the Agency. Liquidated damages will not be imposed if the Vendor requests an extension of the due date, and the Agency approved the request. Liquidated damages as described above will be imposed if the extended due date is not met.

<u>4.</u>	<u>DELIVERABLE</u>
	Submit Healthy Kids Regular Federal Invoice for medical, dental and administrative expenditures, with supporting documentation. The Vendor shall indicate on the invoice the State portion of the expenses listed above.
	<u>SUPPORTING DOCUMENTATION</u>
	The invoice shall be accompanied by the appropriate monthly enrollment reports and supporting documentation.
	<u>EVALUATION CRITERIA</u>
	The Agency's Contract Manager shall evaluate the Vendor's compliance with Attachment I. , Scope of Services, Section II. , Manner of Service (s) Provision, Sub-section E. , Evaluation Criteria for Deliverables.
	<u>DUE DATE(S)</u>
	Monthly, between the 20 th and the last calendar day of the month.
	<u>AMOUNT</u>
	No Cost
	<u>PERFORMANCE STANDARDS</u>
	The Vendor shall submit the required deliverable one hundred percent (100%) complete and on time.
	<u>LIQUIDATED DAMAGES</u>
	\$100.00 per day for each calendar day beyond the due date until provided to the Agency. Liquidated damages will not be imposed if the Vendor requests an extension of the due date, and the Agency approved the request. Liquidated damages as described above will be imposed if the extended due date is not met.

<u>5.</u>	<u>DELIVERABLE</u>
	Submit Healthy Kids Total Federal Invoice for medical, dental and administrative expenditures inclusive of the state and federal funding reconciliation supporting documents. The invoice must include a final invoice reconciling previously billed administrative expenses reflecting the actual Healthy Kids Program administrative cost. The Vendor shall invoice for the difference between the total monthly expenditures and the amount previously invoiced in the "Regular" invoice.
	<u>SUPPORTING DOCUMENTATION</u>

**ATTACHMENT I
EXHIBIT A
DELIVERABLES, ASSOCIATED PAYMENT AND FINANCIAL CONSEQUENCES**

	The invoice shall be accompanied by the appropriate monthly enrollment reports supporting documentation and include a final invoice reconciling previously billed administrative expenses reflecting the actual Healthy Kids program administrative cost.
	<u>EVALUATION CRITERIA</u>
	The Agency's Contract Manager shall evaluate the Vendor's compliance with Attachment I. , Scope of Services, Section II. , Manner of Service (s) Provision, Sub-section E. , Evaluation Criteria for Deliverables.
	<u>DUE DATE(S)</u>
	Monthly, between the 8 th and 12 th day of the month.
	<u>AMOUNT</u>
	No Cost
	<u>PERFORMANCE STANDARDS</u>
	The Vendor shall submit the required deliverable one hundred percent (100%) complete and on time.
	<u>LIQUIDATED DAMAGES</u>
	\$100.00 per day for each calendar day beyond the due date until provided to the Agency.

Liquidated damages will not be imposed if the Vendor requests an extension of the due date, and the Agency approved the request. Liquidated damages as described above will be imposed if the extended due date is not met.

<u>6.</u>	<u>DELIVERABLE</u>
	Submit Florida KidCare Administrative Expenditures Invoice. The invoice shall include the federal and state portions for the expenses to perform the Florida KidCare administrative activities listed in Attachment I. , Scope of Services, Section II. , Manner of Service (s) Provision, Sub-section B. , Services Provided by the Vendor, Item 6. , Florida KidCare Administrative Services and Funding, Sub-Item 6). a).
	<u>SUPPORTING DOCUMENTATION</u>
	The invoice shall be accompanied by the appropriate and complete supporting documentation.
	<u>EVALUATION CRITERIA</u>
	The Agency's Contract Manager shall evaluate the Vendor's compliance with Attachment I. , Scope of Services, Section III. , Method of Payment, Sub-section D. , State and Federal Funding - Florida KidCare Administrative Expenditure Invoice.
	<u>DUE DATE(S)</u>
	Monthly, on the last calendar day of the next month.
	<u>AMOUNT</u>
	No Cost
	<u>PERFORMANCE STANDARDS</u>
	The Vendor shall submit the required deliverable one hundred percent (100%) complete and on time.
	<u>LIQUIDATED DAMAGES</u>
	\$100.00 per day for each calendar day beyond the due date until provided to the Agency.

Liquidated damages will not be imposed if the Vendor requests an extension of the due date, and the Agency approved the request. Liquidated damages as described above will be imposed if the extended due date is not met.

**ATTACHMENT I
EXHIBIT A
DELIVERABLES, ASSOCIATED PAYMENT AND FINANCIAL CONSEQUENCES**

7.	<u>DELIVERABLE</u>
	Submit Healthy Kids Quarterly State Advance invoice.
	<u>SUPPORTING DOCUMENTATION</u>
	Submit Healthy Kids Quarterly State Advance invoice accompanied by the quarterly earned state advance reconciliation. The reconciliation must identify the balance of unspent advanced funds.
	<u>EVALUATION CRITERIA</u>
	The Agency's Contract Manager shall evaluate the Vendor's compliance with Attachment I. , Scope of Services, Section III. , Method of Payment, Sub-section B. , State Funding - Quarterly State Advance Invoice.
	<u>DUE DATE(S)</u>
	Quarterly, within fifteen (15) calendar days before the beginning of the quarter.
	<u>AMOUNT</u>
	No Cost
	<u>PERFORMANCE STANDARDS</u>
	The Vendor shall submit the required deliverable one hundred percent (100%) complete and on time.
	<u>LIQUIDATED DAMAGES</u>
	\$100.00 per day for each calendar day beyond the due date until provided to the Agency.
	Liquidated damages will not be imposed if the Vendor requests an extension of the due date, and the Agency approved the request. Liquidated damages as described above will be imposed if the extended due date is not met.

8.	<u>DELIVERABLE</u>
	Submit preliminary financial statements.
	<u>SUPPORTING DOCUMENTATION</u>
	The preliminary financial statements shall be accompanied by the appropriate and complete supporting documentation.
	<u>EVALUATION CRITERIA</u>
	The Agency's Contract Manager shall evaluate the Vendor's compliance with Attachment I. , Scope of Services, Section II. , Manner of Service (s) Provision, Sub-section E. , Evaluation Criteria for Deliverables.
	<u>DUE DATE(S)</u>
	Annually by August 10 th
	<u>AMOUNT</u>
	No Cost
	<u>PERFORMANCE STANDARDS</u>
	The Vendor shall submit the required deliverable one hundred percent (100%) complete and on time.
	<u>LIQUIDATED DAMAGES</u>
	No liquidated damages shall apply to the submission of the preliminary financial statements.

9.	<u>DELIVERABLE</u>
	Submit final unaudited financial statements as mentioned in Attachment I. , Scope of Services, Section II. , Manner of Service (s) Provision, Sub-section B. , Services Provided by the Vendor, Item 7. , General Provisions, Sub-Item 7). b).
	<u>SUPPORTING DOCUMENTATION</u>

**ATTACHMENT I
EXHIBIT A
DELIVERABLES, ASSOCIATED PAYMENT AND FINANCIAL CONSEQUENCES**

	The final unaudited financial statements shall be accompanied by the appropriate and complete supporting documentation.
	<u>EVALUATION CRITERIA</u>
	The Agency's Contract Manager shall evaluate the Vendor's compliance with Attachment I. , Scope of Services, Section II. , Manner of Service (s) Provision, Sub-section E. , Evaluation Criteria for Deliverables.
	<u>DUE DATE(S)</u>
	Annually by September 30 th
	<u>AMOUNT</u>
	No Cost
	<u>PERFORMANCE STANDARDS</u>
	The Vendor shall submit the required deliverable one hundred percent (100%) complete and on time.
	<u>LIQUIDATED DAMAGES</u>
	No liquidated damages shall apply to the submission of the final unaudited financial statements.

<u>10.</u>	<u>DELIVERABLE</u>
	Submit the final audited financial statements as mentioned in Attachment I. , Scope of Services, Section II. , Manner of Service (s) Provision, Sub-section B. , Services Provided by the Vendor, Item 7. , General Provisions, Sub-Item 7). c).
	<u>SUPPORTING DOCUMENTATION</u>
	The final audited financial statements shall be accompanied by the appropriate and complete supporting documentation.
	<u>EVALUATION CRITERIA</u>
	The Agency's Contract Manager shall evaluate the Vendor's compliance with Attachment I. , Scope of Services, Section II. , Manner of Service (s) Provision, Sub-section E. , Evaluation Criteria for Deliverables.
	<u>DUE DATE(S)</u>
	Annually by November 15 th
	<u>AMOUNT</u>
	No Cost
	<u>PERFORMANCE STANDARDS</u>
	The Vendor shall submit the required deliverable one hundred percent (100%) complete and on time.
	<u>LIQUIDATED DAMAGES</u>
	\$100.00 per day for each calendar day beyond the due date until provided to the Agency.
	Liquidated damages will not be imposed if the Vendor requests an extension of the due date, and the Agency approved the request. Liquidated damages as described above will be imposed if the extended due date is not met.

<u>11.</u>	<u>DELIVERABLE</u>
	Submit a preliminary end of fiscal year funding reconciliation.
	<u>SUPPORTING DOCUMENTATION</u>
	The preliminary end of fiscal year funding reconciliation shall be accompanied by the appropriate and complete supporting documentation.
	<u>EVALUATION CRITERIA</u>

**ATTACHMENT I
EXHIBIT A
DELIVERABLES, ASSOCIATED PAYMENT AND FINANCIAL CONSEQUENCES**

	The Agency's Contract Manager shall evaluate the Vendor's compliance with Attachment I. , Scope of Services, Section II. , Manner of Service (s) Provision, Sub-section E. , Evaluation Criteria for Deliverables.
	<u>DUE DATE(S)</u>
	Annually by August 10 th
	<u>AMOUNT</u>
	No Cost
	<u>PERFORMANCE STANDARDS</u>
	The Vendor shall submit the required deliverable one hundred percent (100%) complete and on time.
	<u>LIQUIDATED DAMAGES</u>
	No liquidated damages shall apply to the submission of the preliminary end of fiscal year funding reconciliation document.

<u>12.</u>	<u>DELIVERABLE</u>
	Submit a final end of fiscal year funding reconciliation.
	<u>SUPPORTING DOCUMENTATION</u>
	The final end of fiscal year funding reconciliation shall be accompanied by the appropriate and complete supporting documentation.
	<u>EVALUATION CRITERIA</u>
	The Agency's Contract Manager shall evaluate the Vendor's compliance with Attachment I. , Scope of Services, Section II. , Manner of Service (s) Provision, Sub-section E. , Evaluation Criteria for Deliverables.
	<u>DUE DATE(S)</u>
	Annually by September 30 th
	<u>AMOUNT</u>
	No Cost
	<u>PERFORMANCE STANDARDS</u>
	The Vendor shall submit the required deliverable one hundred percent (100%) complete and on time.
	<u>LIQUIDATED DAMAGES</u>
	\$100.00 per day for each calendar day beyond the due date until provided to the Agency.
	Liquidated damages will not be imposed if the Vendor requests an extension of the due date, and the Agency approved the request. Liquidated damages as described above will be imposed if the extended due date is not met.

<u>13.</u>	<u>DELIVERABLE</u>
	The Vendor will provide accurate data for the KidCare program on the due date established by the Agency for inclusion in the Agency's annual Florida KidCare Program Evaluation Report.
	<u>SUPPORTING DOCUMENTATION</u>
	The data for inclusion in the Agency's annual Florida KidCare Program Evaluation Report shall be accompanied by the appropriate and complete supporting documentation.
	<u>EVALUATION CRITERIA</u>
	The Agency's Contract Manager shall evaluate the Vendor's compliance with Attachment I. , Scope of Services, Section II. , Manner of Service (s) Provision, Sub-section B. , Services Provided by the Vendor, Item 7. , General provisions, Sub-Item 7). g).
	<u>DUE DATE(S)</u>

**ATTACHMENT I
EXHIBIT A
DELIVERABLES, ASSOCIATED PAYMENT AND FINANCIAL CONSEQUENCES**

	The due date is established by the Agency annually.
	<u>AMOUNT</u>
	No Cost
	<u>PERFORMANCE STANDARDS</u>
	The Vendor shall submit the required deliverable one hundred percent (100%) complete and on time.
	<u>LIQUIDATED DAMAGES</u>
	<p>\$100.00 per day for each calendar day beyond the due date until accurate data is provided to the evaluator.</p> <p>Liquidated damages will not be imposed if the Vendor requests an extension of the due date, and the Agency approved the request. Liquidated damages as described above will be imposed if the extended due date is not met.</p>

<u>14.</u>	<u>DELIVERABLE</u>
	Submit the current FHKC Social Networking Policies and Procedures for Contract Manager review
	<u>SUPPORTING DOCUMENTATION</u>
	The Vendor shall provide policies, procedures, and monitoring plan, including social networking site content the Agency.
	<u>EVALUATION CRITERIA</u>
	Policies and Procedures materials reviewed indicate compliance with requirements described in Attachment I. , Scope of Services, Section XIII. , Social Networking, Item 1. , General requirements.
	<u>DUE DATE(S)</u>
	Due annually by July 1 st
	<u>AMOUNT</u>
	No cost
	<u>PERFORMANCE STANDARDS</u>
	The Vendor shall submit the required deliverable one hundred percent (100%) complete and on time.
	<u>LIQUIDATED DAMAGES</u>
	<p>\$100.00 per day for each calendar day beyond the due date until accurate data is provided to the evaluator.</p> <p>Liquidated damages will not be imposed if the Vendor requests an extension of the due date, and the Agency approved the request. Liquidated damages as described above will be imposed if the extended due date is not met.</p>

<u>15.</u>	<u>DELIVERABLE</u>
	The Vendor shall conduct an annual Disaster Recovery Plan, test and submit results for review to the Agency in the annual plan
	<u>SUPPORTING DOCUMENTATION</u>
	The Vendor shall provide policies, procedures, monitoring plan, and always make all aspects of the disaster recovery plan available to the Agency.
	<u>EVALUATION CRITERIA</u>
	The Agency's Contract Manager shall evaluate the Vendor's compliance with Attachment I. , Scope of Services, Section XII. , Disaster Recovery, Sub-Section A.
	<u>DUE DATE(S)</u>
	Due annually by July 1 st

**ATTACHMENT I
EXHIBIT A
DELIVERABLES, ASSOCIATED PAYMENT AND FINANCIAL CONSEQUENCES**

	<u>AMOUNT</u>
	No cost
	<u>PERFORMANCE STANDARDS</u>
	The Vendor shall submit the required deliverable one hundred percent (100%) complete and on time.
	<u>LIQUIDATED DAMAGES</u>
	<p>\$100.00 per day for each calendar day beyond the due date until accurate data is provided to the evaluator.</p> <p>Liquidated damages will not be imposed if the Vendor requests an extension of the due date, and the Agency approved the request. Liquidated damages as described above will be imposed if the extended due date is not met.</p>

<u>16.</u>	<u>DELIVERABLE</u>
	Submit an end of Agreement funding reconciliation.
	<u>SUPPORTING DOCUMENTATION</u>
	The end of Agreement funding reconciliation shall be accompanied by the appropriate and complete supporting documentation.
	<u>EVALUATION CRITERIA</u>
	The Agency's Contract Manager shall evaluate the Vendor's compliance with Attachment I. , Scope of Services, Section II. , Manner of Service (s) Provision, Sub-section E. , Evaluation Criteria for Deliverables.
	<u>DUE DATE(S)</u>
	Within sixty (60) calendar days after the end of this Agreement.
	<u>AMOUNT</u>
	No cost
	<u>PERFORMANCE STANDARDS</u>
	The Vendor shall submit the required deliverable one hundred percent (100%) complete and on time.
	<u>LIQUIDATED DAMAGES</u>
	<p>\$100.00 per day for each calendar day beyond the due date until accurate data is provided to the evaluator.</p> <p>Liquidated damages will not be imposed if the Vendor requests an extension of the due date, and the Agency approved the request. Liquidated damages as described above will be imposed if the extended due date is not met.</p>

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**AUDIT REQUIREMENTS FOR AWARDS OF
STATE AND FEDERAL FINANCIAL ASSISTANCE**

The administration of resources awarded by the Agency for Health Care Administration (hereinafter "AHCA") to the Recipient may be subject to audits and/or monitoring by the AHCA, as described in this document. (Note: This document was developed using language recommended by the Florida Department of Financial Services (DFS-A2-CL as Rev. 11/18) and includes additional information requested by the AHCA.)

MONITORING

1. In addition to reviews of audits conducted in accordance with 2 CFR 200, Subpart F - Audit Requirements, and section 215.97, Florida Statutes (F.S.), as revised (see AUDITS below), monitoring procedures may include, but not be limited to, on-site visits by the AHCA staff, limited scope audits as defined by 2 CFR §200.425, or other procedures. By entering into this agreement, the Recipient agrees to comply and cooperate with any monitoring procedures or processes deemed appropriate by the AHCA. In the event the AHCA determines that a limited scope audit of the Recipient is appropriate, the Recipient agrees to comply with any additional instructions provided by the AHCA staff to the Recipient regarding such audit. The Recipient further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Chief Financial Officer (CFO) or Auditor General.
2. The Recipient must complete **EXHIBIT 2**, Audit Compliance Certification, of this attachment and submit to the AHCA's Office of Inspector General at IGSingleaudit@ahca.myflorida.com and the AHCA Agreement Manager within sixty (60) calendar days following the end of the Recipient's fiscal year.

Copies of **EXHIBIT 2** shall be submitted by or on behalf of the Recipient directly to each of the following:

- a. Send one (1) electronic copy to the Office of Inspector General at IGSingleaudit@ahca.myflorida.com; and
- b. Send one (1) electronic copy to the AHCA Agreement Manager at: **[Insert AHCA Agreement Manager's Email Address Here]** *Note: It is the Recipient's responsibility to send the report to the current AHCA Agreement Manager. As all agreements are subject to amendment/modification, Recipients are responsible for forwarding this information to the Agreement Manager named in the Agreement at time of completion of the form. Refer to the current version of the Agreement to confirm the Agreement Manager's contact information prior to submission.*

AUDITS

Part I: Federally Funded

This part is applicable if the Recipient is a state or local government or a nonprofit organization as defined in 2 CFR §200.1.

1. A Recipient that expends \$750,000 or more in federal awards in its fiscal year must have a single or program-specific audit conducted in accordance with the provisions of 2 CFR 200, Subpart F - Audit Requirements. **EXHIBIT 1** to this form lists the federal resources awarded through the AHCA by this agreement. In determining the federal awards expended in its fiscal year, the Recipient shall consider all sources of federal awards, including federal resources received from the AHCA. The determination of amounts of federal awards expended should be in accordance with the guidelines established in 2 CFR §§200.502-503. An audit of the Recipient conducted by the Auditor General in accordance with the provisions of 2 CFR §200.514 will meet the requirements of this Part.

AUDIT REQUIREMENTS FOR AWARDS OF
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2. For the audit requirements addressed in Part I, paragraph 1, the Recipient shall fulfill the requirements relative to auditee responsibilities as provided in 2 CFR §§200.508-512.
3. A Recipient that expends less than \$750,000 in federal awards in its fiscal year is not required to have an audit conducted in accordance with the provisions of 2 CFR 200, Subpart F - Audit Requirements. If the Recipient expends less than \$750,000 in federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of 2 CFR 200, Subpart F - Audit Requirements, the cost of the audit must be paid from non-federal resources (i.e., the cost of such an audit must be paid from Recipient resources obtained from other than federal entities).
4. The Recipient may access information regarding the Catalog of Federal Domestic Assistance (CFDA) via the internet at [SAM.gov | Assistance Listings](https://www.sam.gov). *Note: The content of the CFDA is now available through the Assistance Listings section of the new site – SAM.gov. The acronym “CFDA” as used in this form is hereby understood to refer to the Assistance Listings found at SAM.gov.*

Part II: State Funded

This part is applicable if the Recipient is a nonstate entity as defined in section 215.97(2), F.S.

1. In the event that the Recipient expends a total amount of state financial assistance equal to or in excess of \$750,000 in any fiscal year of such Recipient (for fiscal years ending June 30, 2017, and thereafter), the Recipient must have a state single or project-specific audit for such fiscal year in accordance with section 215.97, F.S.; applicable rules of the Department of Financial Services; and Chapters 10.550 (local governmental entities) and 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. **EXHIBIT 1** to this form lists the state financial assistance awarded through the AHCA by this agreement. In determining the state financial assistance expended in its fiscal year, the Recipient shall consider all sources of state financial assistance, including state financial assistance received from the AHCA, other state agencies, and other nonstate entities. State financial assistance does not include federal direct or pass-through awards and resources received by a nonstate entity for federal program matching requirements.
2. For the audit requirements addressed in Part II, paragraph 1, the Recipient shall ensure that the audit complies with the requirements of section 215.97(8), F.S. This includes submission of a financial reporting package as defined by section 215.97(2), F.S., and Chapters 10.550 (local governmental entities) and 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.
3. If the Recipient expends less than \$750,000 in state financial assistance in its fiscal year (for fiscal years ending June 30, 2017, and thereafter), an audit conducted in accordance with the provisions of section 215.97, F.S., is not required. If the Recipient expends less than \$750,000 in state financial assistance in its fiscal year and elects to have an audit conducted in accordance with the provisions of section 215.97, F.S., the cost of the audit must be paid from the nonstate entity's resources (i.e., the cost of such an audit must be paid from the Recipient's resources obtained from other than state entities).
4. For information regarding the Florida Catalog of State Financial Assistance (CSFA), a Recipient should access the Florida Single Audit Act website located at <https://apps.fldfs.com/fsaa/>.

Part III: Other Audit Requirements

Refer to Executed Agreement sections pertaining to Federal Regulations, State Laws and Rules, and Audit and Records.

Part IV: Report Submission

1. Copies of reporting packages for audits conducted in accordance with 2 CFR 200, Subpart F - Audit Requirements, and required by Part I of this form shall be submitted, when required by 2 CFR

AUDIT REQUIREMENTS FOR AWARDS OF
STATE AND FEDERAL FINANCIAL ASSISTANCE

§200.512, by or on behalf of the Recipient directly to the Federal Audit Clearinghouse (FAC) as provided in 2 CFR §200.36 and §200.512.

The FAC's website provides a data entry system and required forms for submitting the single audit reporting package. Updates to the location of the FAC and data entry system may be found at the OMB website.

2. Copies of financial reporting packages required by Part II of this form shall be submitted by or on behalf of the Recipient directly to each of the following:

- a. The AHCA at each of the following addresses:

- 1) Send one (1) electronic copy and management letter, if issued, to the Office of Inspector General at IGSingleaudit@ahca.myflorida.com; and
- 2) Send one (1) electronic copy and management letter, if issued, to the AHCA Agreement Manager at: [Insert AHCA Agreement Manager's Email Address Here] Note: *It is the Recipient's responsibility to send the report to the current AHCA Agreement Manager. As all agreements are subject to amendment/modification, Recipients are responsible for forwarding this information to the Agreement Manager named in the Agreement at time of completion of the report. Refer to the current version of the Agreement to confirm the Agreement Manager's contact information prior to submission.*

- b. The Auditor General's Office at the following address:

Auditor General
Local Government Audits/342
Claude Pepper Building, Room 401
111 West Madison Street
Tallahassee, Florida 32399-1450

The Auditor General's website (<https://flauditor.gov/>) provides instructions for filing an electronic copy of a financial reporting package.

3. Copies of reports or the management letter required by Part III of this form shall be submitted by or on behalf of the Recipient directly to:

- a. The AHCA at each of the following addresses:

- 1) Send one (1) electronic copy and management letter, if issued, to the Office of Inspector General at IGSingleaudit@ahca.myflorida.com; and
- 2) Send one (1) electronic copy and management letter, if issued, to the AHCA Agreement Manager at: [Insert AHCA Agreement Manager's Email Address Here] Note: *It is the Recipient's responsibility to send the report to the current AHCA Agreement Manager. As all agreements are subject to amendment/modification, Recipients are responsible for forwarding this information to the Agreement Manager named in the Agreement at time of completion of the report. Refer to the current version of the Agreement to confirm the Agreement Manager's contact information prior to submission.*

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AUDIT REQUIREMENTS FOR AWARDS OF
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- b. The Auditor General's Office at the following address:

Auditor General
Local Government Audits/342
Claude Pepper Building, Room 401
111 West Madison Street
Tallahassee, Florida 32399-1450

The Auditor General's website (<https://flauditor.gov/>) provides instructions for filing an electronic copy of a financial reporting package.

4. Any reports, management letters, or other information required to be submitted to the AHCA pursuant to this agreement shall be submitted timely in accordance with 2 CFR §200.512, section 215.97, F.S., and Chapters 10.550 (local governmental entities) and 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.
5. Recipients, when submitting financial reporting packages to the AHCA for audits done in accordance with 2 CFR 200, Subpart F - Audit Requirements, or Chapters 10.550 (local governmental entities) and 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date that the reporting package was delivered to the Recipient in correspondence accompanying the reporting package.

Part V: Record Retention

The Recipient shall retain sufficient records demonstrating its compliance with the terms of the award(s) and this agreement for a period of ten fiscal years (10) from the date the audit report is issued, and shall allow the AHCA, or its designee, the CFO, or Auditor General access to such records upon request. The Recipient shall ensure that audit working papers are made available to the AHCA, or its designee, the CFO, or Auditor General upon request for a period of ten (10) years from the date the audit report is issued, unless extended in writing by the AHCA.

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**AUDIT REQUIREMENTS FOR AWARDS OF
STATE AND FEDERAL FINANCIAL ASSISTANCE**

EXHIBIT 1

Federal Funds Awarded to the Recipient Pursuant to this Agreement Consist of the Following:

NOTE: If the resources awarded to the Recipient represent more than one Federal program, provide the same information shown below for each Federal program and show total Federal resources awarded.

Federal Program Number	Federal Agency	Assistance Listing Number	Assistance Listing Title	Funding Amount	State Appropriation Category
				\$	
				\$	
				\$	

Compliance Requirements Applicable to the Federal Resources Awarded Pursuant to this Agreement are as Follows:

The Recipient shall comply with the program requirements described in the Office of Management and Budget (OMB) 2 CFR 200, Subpart F, Appendix XI - Compliance Supplement.

State Funds Awarded to the Recipient Pursuant to this Agreement Consist of the Following Matching Funds for Federal Programs:

NOTE: If the resources awarded to the Recipient for matching represent more than one Federal program, provide the same information shown below for each Federal program and show total State resources awarded for matching.

Federal Program Number	Federal Agency	Assistance Listing Number	Assistance Listing Title	Funding Amount	State Appropriation Category
				\$	
				\$	
				\$	

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AUDIT REQUIREMENTS FOR AWARDS OF
STATE AND FEDERAL FINANCIAL ASSISTANCE

State Funds Awarded to the Recipient Pursuant to this Agreement Consist of the Following Funds Subject to Section 215.97, F.S.:

NOTE: If the resources awarded to the Recipient represent more than one State project, provide the same information shown below for each State project and show total state financial assistance awarded that is subject to Section 215.97, Florida Statutes.

State Program Number	Funding Source	State Fiscal Year	CSFA Number	CSFA Title	Funding Amount	State Appropriation Category
					\$	
					\$	
					\$	

Total Award:					\$	
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Compliance Requirements Applicable to State Resources Awarded Pursuant to this Agreement are as Follows:

The Recipient shall comply with the program requirements described in the Catalog of State Financial Assistance (CSFA) located at: <https://apps.fldfs.com/fsaa/catalog.aspx> and the State Projects Compliance Supplement located at: <https://apps.fldfs.com/fsaa/compliance.aspx>.

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**AUDIT REQUIREMENTS FOR AWARDS OF
STATE AND FEDERAL FINANCIAL ASSISTANCE**

**EXHIBIT 2
AUDIT COMPLIANCE CERTIFICATION**

(To be completed and submitted within sixty (60) calendar days following the end of the Recipient's fiscal year end date.)

Recipient Information

Recipient Name:

FEID#: Recipient Fiscal Year End Date:

Contact Information for Authorized Representative

Name:

Email Address: Telephone Number:

1. Did the Recipient expend federal awards, during its fiscal year that it received under any agreement (e.g., agreement, grant, memorandum of agreement, memorandum of understanding, etc.) between Recipient and the Agency for Health Care Administration (Agency)? ☐ Yes ☐ No

If the above answer is yes, also answer the following before proceeding to item 2:

Did Recipient expend **\$750,000.00** or more in federal awards (from the Agency and all other sources of federal awards combined) during its fiscal year? ☐ Yes ☐ No

If yes, Recipient certifies that it will timely comply with all applicable single or project-specific audit requirements of 2 Code of Federal Regulations (CFR) 200, Subpart F, as revised.

2. Did the Recipient expend state financial assistance, during its fiscal year, that it received under any agreement (e.g., agreement, grant, memorandum of agreement, memorandum of understanding, etc.) between Recipient and the Agency for Health Care Administration (Agency)? ☐ Yes ☐ No

If the above answer is yes, also answer the following before proceeding to item 3:

Did the Recipient expend **\$750,000.00** or more of state financial assistance (from the Agency and all other sources of state financial assistance combined) during its fiscal year?
☐ Yes ☐ No

If yes, Recipient certifies that it will timely comply with all applicable state single or project-specific audit requirements of Section 215.97, Florida Statutes (F.S.), and the applicable rules of the Florida Department of Financial Services and the Auditor General.

3. By signing below, I certify, on behalf of the Recipient, that the above representations for items 1 and 2 are true and correct.

Signature of Authorized Representative

Date

Printed Name of Authorized Representative

Title

ATTACHMENT ##
BUSINESS ASSOCIATE AGREEMENT

The parties to this Attachment agree that the following provisions constitute a business associate agreement for purposes of complying with the requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). This Attachment is applicable if the Vendor is a business associate within the meaning of the Privacy and Security Regulations, 45 C.F.R. 160 and 164.

The Vendor certifies and agrees as to abide by the following:

1. Definitions. Unless specifically stated in this Attachment, the definition of the terms contained herein shall have the same meaning and effect as defined in 45 C.F.R. 160 and 164.
 - a. Protected Health Information. For purposes of this Attachment, protected health information shall have the same meaning and effect as defined in 45 C.F.R. 160 and 164, limited to the information created, received, maintained or transmitted by the Vendor from, or on behalf of, the Agency.
 - b. Electronic Protected Health Information (e-PHI). For purposes of this Attachment, electronic protected health information shall have the same meaning and effect as defined in 45 C.F.R. 160 and 164 (The Security Rule), limited to the electronic information created, received, maintained or transmitted by the Vendor from, or on behalf of, the Agency.
 - c. Security Incident. For purposes of this Attachment, security incident means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system and includes any event resulting in computer systems, networks, or data being viewed, manipulated, damaged, destroyed or made inaccessible by an unauthorized activity.
 - d. Confidentiality. For the purposes of this Attachment, confidentiality refers to when electronic protected health information is not made available or disclosed to unauthorized persons or processes.
 - e. Integrity. For the purposes of this Attachment, integrity means that electronic protected health information has not been altered or destroyed in an unauthorized manner.
 - f. Availability. For the purposes of this Attachment, availability refers to electronic health information remaining accessible and usable upon demand by an authorized person.
2. Applicability of HITECH and HIPAA Privacy Rule and Security Rule Provisions. As provided by federal law, Title XIII of the American Recovery and Reinvestment Act of 2009 (ARRA), also known as the Health Information Technology Economic and Clinical Health (HITECH) Act, requires a Business Associate (Vendor) that contracts with the Agency, a HIPAA covered entity, to comply with the provisions of the HIPAA Privacy and Security Rules (45 C.F.R. 160 and 164) and comply with 45 C.F.R. 162 as applicable.
3. Use and Disclosure of Protected Health Information. The Vendor shall comply with the provisions of 45 CFR 164.504(e)(2)(ii). The Vendor shall not use or disclose protected

ATTACHMENT ##
BUSINESS ASSOCIATE AGREEMENT

health information other than as permitted by this Contract or by federal and state law. The sale of protected health information or any components thereof is prohibited except as provided in 45 CFR 164.502(a)(5). The Vendor will use appropriate safeguards to prevent the use or disclosure of protected health information for any purpose not in conformity with this Contract and federal and state law. The Vendor will implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of electronic protected health information the Vendor creates, receives, maintains, or transmits on behalf of the Agency.

4. Use and Disclosure of Information for Management, Administration, and Legal Responsibilities. The Vendor is permitted to use and disclose protected health information received from the Agency for the proper management and administration of the Vendor or to carry out the legal responsibilities of the Vendor, in accordance with 45 C.F.R. 164.504(e)(4). Such disclosure is only permissible where required by law, or where the Vendor obtains reasonable assurances from the person to whom the protected health information is disclosed that: (1) the protected health information will be held confidentially, (2) the protected health information will be used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and (3) the person notifies the Vendor of any instance of which it is aware in which the confidentiality of the protected health information has been breached.
5. Disclosure to Third Parties. The Vendor will not divulge, disclose, or communicate protected health information to any third party for any purpose not in conformity with this Contract without prior written approval from the Agency. The Vendor shall ensure that any agent, including a subcontractor, to whom it provides protected health information received from, or created or received by the Vendor on behalf of the Agency, agrees to the same terms, conditions, and restrictions that apply to the Vendor with respect to protected health information. The Vendor's subcontracts shall fully comply with the requirements of 45 CFR 164.314(a)(2)(iii).
6. Access to Information. The Vendor shall make protected health information available in accordance with federal and state law, including providing a right of access to persons who are the subjects of the protected health information in accordance with 45 C.F.R. 164.524.
7. Amendment and Incorporation of Amendments. The Vendor shall make protected health information available for amendment and to incorporate any amendments to the protected health information in accordance with 45 C.F.R. 164.526.
8. Accounting for Disclosures. The Vendor shall make protected health information available as required to provide an accounting of disclosures in accordance with 45 C.F.R. 164.528. The Vendor shall document all disclosures of protected health information as needed for the Agency to respond to a request for an accounting of disclosures in accordance with 45 C.F.R. 164.528.
9. Privacy Protection. The Vendor shall permit an individual to request a restriction on the use and disclosure of protected health information about the individual to carry out treatment, payment, or health care operations; and disclosures permitted under 164.510(b) in accordance with 45 C.F.R. 164.522. The Vendor shall permit an individual

ATTACHMENT ##
BUSINESS ASSOCIATE AGREEMENT

to request to receive communications of protected health information from the Vendor by alternative means or at alternative locations in accordance with 45 C.F.R. 164.522.

10. Access to Books and Records. The Vendor shall make its internal practices, books, and records relating to the use and disclosure of protected health information received from, or created or received by the Vendor on behalf of the Agency, available to the Secretary of the Department of Health and Human Services ("HHS") or the Secretary's designee for purposes of determining compliance with the HHS Privacy Regulations.
11. Reporting. The Vendor shall make a good faith effort to identify any use or disclosure, or loss of confidentiality, integrity, or availability, of protected health information, or e-PHI, not provided for in this Contract.
 - a. To Agency. The Vendor will report to the Agency in the manner and format obtained from the Contract Manager or Agency contact, within ten (10) business days of discovery, any use or disclosure, or loss of confidentiality, integrity, or availability, of protected health information, or e-PHI, not provided for in this Contract of which the Vendor is aware. The Vendor will report to the Agency in the manner and format obtained from the Contract Manager or Agency contact, within twenty-four (24) hours of discovery, any security incident of which the Vendor is aware. A violation of this paragraph shall be a material violation of this Contract. Such notice shall include the identification of each individual whose unsecured protected health information has been or is reasonably believed by the Vendor to have been, accessed, acquired, used, or disclosed during such breach.
 - b. To Individuals. In the case of a breach of protected health information discovered by the Vendor, the Vendor shall first notify the Agency of the pertinent details of the breach and upon prior review by the Agency shall notify each individual whose unsecured protected health information has been or is reasonably believed by the Vendor to have been, accessed, acquired, used or disclosed as a result of such breach. Such notification shall be in writing by first-class mail to the individual (or the next of kin if the individual is deceased) at the last known address of the individual or next of kin, respectively, or, if specified as a preference by the individual, by electronic mail. Where there is insufficient, or out-of-date contact information (including a phone number, email address, or any other form of appropriate communication) that precludes written (or, if specifically requested, electronic) notification to the individual, a substitute form of notice shall be provided, including, in the case that there are 10 or more individuals for which there is insufficient or out-of-date contact information, a conspicuous posting for a period of at least 90 days on the Web site of the covered entity involved or notice in major print or broadcast media, including major media in the geographic areas where the individuals affected by the breach likely reside. In any case deemed by the Vendor to require urgency because of possible imminent misuse of unsecured protected health information, the Vendor may also provide information to individuals by telephone or other means, as appropriate.
 - c. To Media. In the case of a breach of protected health information discovered by the Vendor where the unsecured protected health information of more than 500 persons is reasonably believed to have been, accessed, acquired, used, or disclosed, after prior review by the Agency, the Vendor shall provide notice to

ATTACHMENT ##
BUSINESS ASSOCIATE AGREEMENT

prominent media outlets serving the State, relevant portion of the State, or jurisdiction involved.

- d. To Secretary of Health and Human Services (HHS). The Vendor shall cooperate with the Agency to provide notice to the Secretary of HHS of unsecured protected health information that has been acquired or disclosed in a breach.
 - i. Vendors Who Are Covered Entities. In the event of a breach by the Vendor, or a contractor or subcontractor of the Vendor, and the Vendor is a HIPAA covered entity, the Vendor, not the Agency, shall be considered the covered entity for purposes of notification to the Secretary of HHS pursuant to 45 CFR 164.408. The Vendor shall be responsible for filing the notification to the Secretary of HHS and will identify itself as the covered entity in the notice. If the breach was with respect to 500 or more individuals, at least 5 business days prior to filing notice with the Secretary of HHS the Vendor shall provide a copy of the notice and breach risk assessment to the Agency for review. Upon prior review by the Agency of the notice and breach risk assessment, the Vendor shall file the notice with the Secretary of HHS within the notification timeframe imposed by 45 C.F.R. 164.408(b) and contemporaneously submit a copy of said notification to the Agency. If the breach was with respect to less than 500 individuals, the Vendor shall notify the Secretary of HHS within the notification timeframe imposed by 45 C.F.R. 164.408(c) and shall contemporaneously submit a copy of said notification to the Agency.
 - e. Content of Notices. All notices required under this Attachment shall include the content set forth in 42 U.S.C. 17932(f) and 45 C.F.R. 164 Subpart D, except that references therein to a “covered entity” shall be read as references to the Vendor.
 - f. Financial Responsibility. The Vendor shall be responsible for all costs related to the notices required under this Attachment.
 - g. Other Reporting. The Vendor shall comply with any other applicable reporting requirements in conformity with federal and state laws. If notifications are made under any such laws, copies of said notifications shall be provided contemporaneously to the Agency.
- 12. Mitigation. Vendor shall mitigate, to the extent practicable, any harmful effect that is known to the Vendor of a use or disclosure of protected health information in violation of this Attachment.
 - 13. Termination. Upon the Agency’s discovery of a material breach of this Attachment, the Agency shall have the right to assess liquidated damages as specified elsewhere in the contract to which this Attachment is included, and/or to terminate this Contract.
 - 14. Effect of Termination. At the termination of this Contract, the Vendor shall return all protected health information that the Vendor still maintains in any form, including any copies or hybrid or merged databases made by the Vendor; or with prior written approval of the Agency, the protected health information may be destroyed by the Vendor after its use. If the protected health information is destroyed pursuant to the Agency’s prior written

ATTACHMENT ##
BUSINESS ASSOCIATE AGREEMENT

approval, the Vendor must provide a written confirmation of such destruction to the Agency. If return or destruction of the protected health information is determined not feasible by the Agency, the Vendor agrees to protect the protected health information and treat it as strictly confidential.

The Vendor has caused this Attachment to be signed and delivered by its duly authorized representative, as of the date set forth below.

VENDOR NAME

SIGNED

BY: _____ **DATE:** _____

NAME: _____ **TITLE:** _____

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**ATTACHMENT III
CERTIFICATION REGARDING LOBBYING
CERTIFICATION FOR CONTRACTS, GRANTS, LOANS AND COOPERATIVE AGREEMENTS**

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of congress, an officer or employee of congress, or an employee of a member of congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of congress, an officer or employee of congress, or an employee of a member of congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature

Date

Name of Authorized Individual

Application or Contract Number

Name and Address of Organization

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**ATTACHMENT IV
CERTIFICATION REGARDING
DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION
CONTRACTS/SUBCONTRACTS**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, signed February 18, 1986. The guidelines were published in the May 29, 1987, Federal Register (52 Fed. Reg., pages 20360-20369).

INSTRUCTIONS

1. Each Vendor whose contract/subcontract equals or exceeds \$25,000 in federal monies must sign this certification prior to execution of each contract/subcontract. Additionally, Vendors who audit federal programs must also sign, regardless of the contract amount. The Agency for Health Care Administration cannot contract with these types of Vendors if they are debarred or suspended by the federal government.
2. This certification is a material representation of fact upon which reliance is placed when this contract/subcontract is entered into. If it is later determined that the signer knowingly rendered an erroneous certification, the Federal Government may pursue available remedies, including suspension and/or debarment.
3. The Vendor shall provide immediate written notice to the contract manager at any time the Vendor learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "debarred," "suspended," "ineligible," "person," "principal," and "voluntarily excluded," as used in this certification, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the contract manager for assistance in obtaining a copy of those regulations.
5. The Vendor agrees by submitting this certification that, it shall not knowingly enter into any subcontract with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this contract/subcontract unless authorized by the Federal Government.
6. The Vendor further agrees by submitting this certification that it will require each subcontractor of this contract/subcontract, whose payment will equal or exceed \$25,000 in federal monies, to submit a signed copy of this certification.
7. The Agency for Health Care Administration may rely upon a certification of a Vendor that it is not debarred, suspended, ineligible, or voluntarily excluded from contracting/subcontracting unless it knows that the certification is erroneous.
8. This signed certification must be kept in the contract manager's contract file. Subcontractor's certifications must be kept at the contractor's business location.

CERTIFICATION

- (1) The prospective Vendor certifies, by signing this certification, that neither he nor his principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract/subcontract by any federal department or agency.
- (2) Where the prospective Vendor is unable to certify to any of the statements in this certification, such prospective Vendor shall attach an explanation to this certification.

Signature

Date

Name and Title of Authorized Signer

ATTACHMENT XX
IRS FORM 990 AND EXECUTIVE COMPENSATION
REPORTING REQUIREMENTS

In accordance with Executive Order 20-44, which requires executive agencies to submit a list of entities named in statute with which a State agency must form a sole-source, public-private agreement, or an entity that, through contract or other agreement with the State, annually receives fifty percent (50%) or more of their budget from the State or from a combination of State and Federal funds; any **Vendor/Recipient** that meets one or both of the criteria listed must submit to the Agency an annual report, including the most recent IRS Form 990, detailing the total compensation for each member of the **Vendor's/Recipient's** executive leadership teams.

Total compensation shall include salary, bonuses, cashed-in leave, cash equivalents, severance pay, retirement benefits, deferred compensation, real-property gifts, and any other payout. In addition, **Vendor/Recipient** must inform the Agency of any changes in total executive compensation between the annual reports within sixty (60) days of any change taking effect. All compensation reports must indicate what percentage of compensation comes directly from the State and/or Federal allocations to the **Vendor/Recipient**.

The annual report must be submitted to the Agency's Contract Manager and emailed to CATS.Help@ahca.myflorida.com within one hundred and eighty (180) calendar days after the end of the **Vendor's/Recipient's** tax year. This requirement shall survive the **Contract/Agreement** end date until the final annual report is submitted to the Agency, and the Agency has provided written acceptance of the final annual report. If the **Vendor/Recipient** fails to submit the annual report, the Agency will impose liquidated damages, as specified below in Table 1, Performance Standard and Liquidated Damage.

TABLE 1 PERFORMANCE STANDARD AND LIQUIDATED DAMAGE	
Performance Standard Requirement	Liquidated Damages to be Imposed
The Vendor/Recipient shall submit an annual report that meets the requirements of this Attachment XX of the Contract/Agreement .	\$100.00 per day for each day past the due date until the annual report is submitted to the Agency.

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Tab 4

Chief Marketing Officer Report



CMO Report

June 19, 2025

Parent Portal - One Year Later



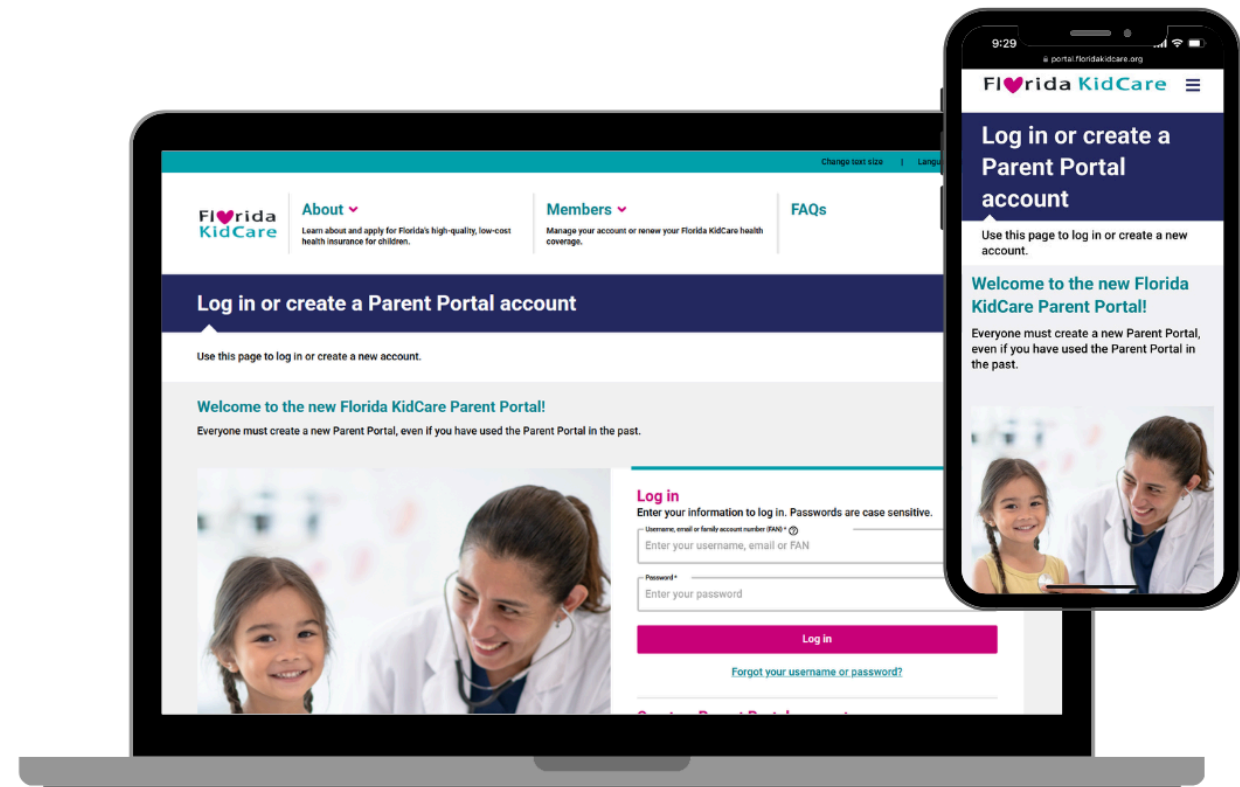
May 10: **1-year** anniversary



260K+ registered users



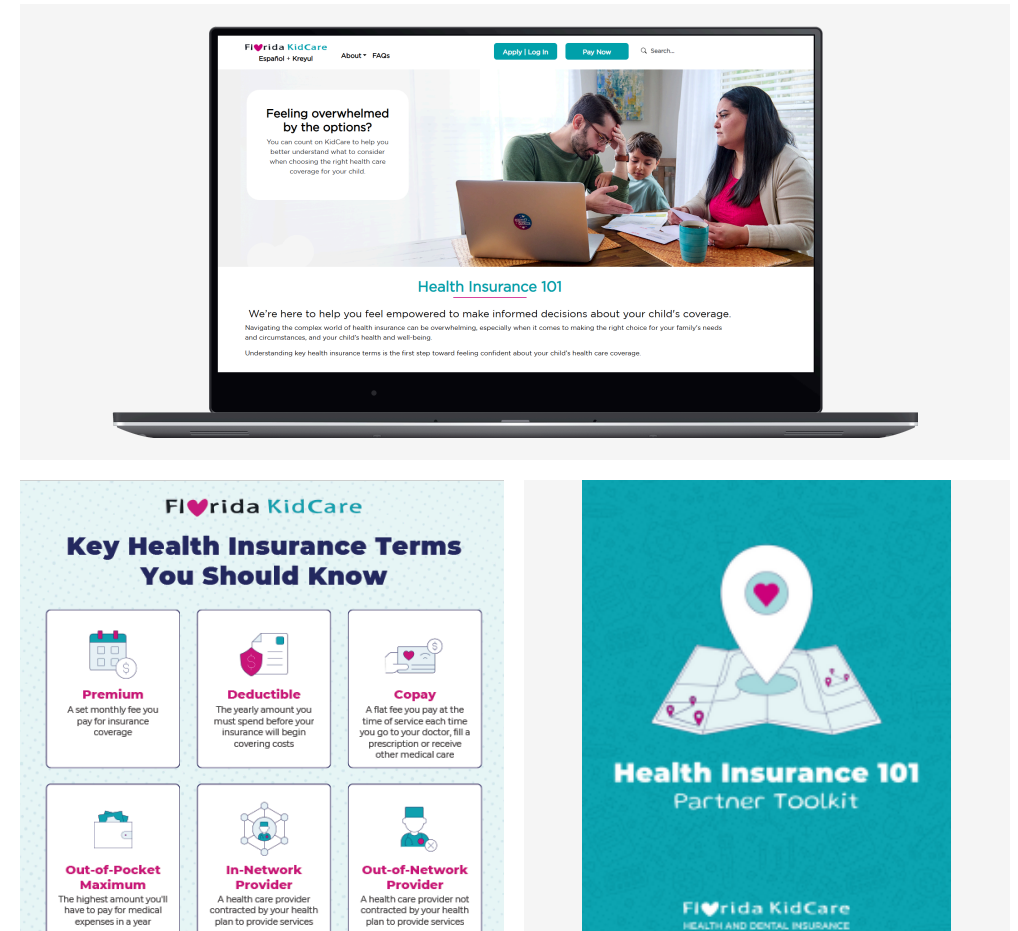
Winner: 2025
Hermes Creative
Platinum Award



Health Insurance 101

Currently in Market

- Informational landing page
floridakidcare.org/health-insurance-101
- Digital advertising campaign
- Custom partner toolkit



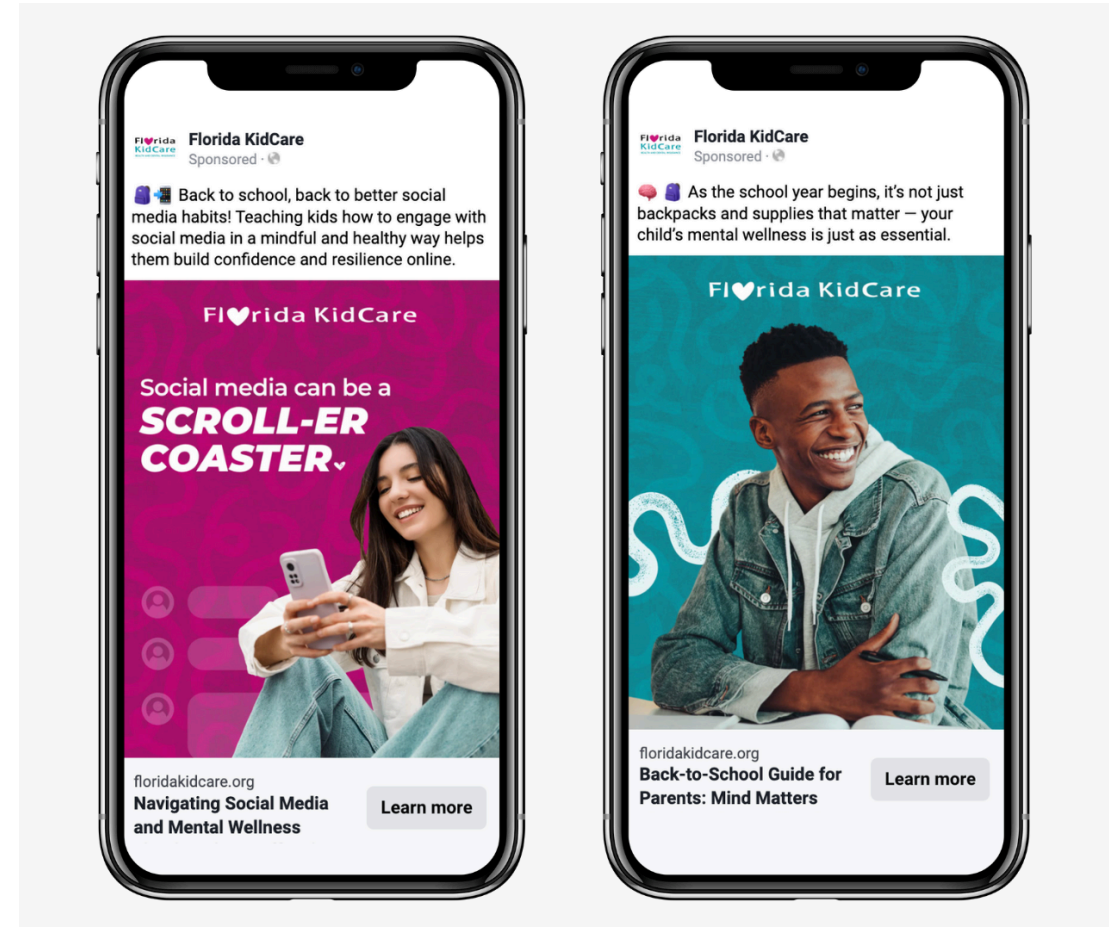
Back-to-School Campaign - Mind Matters

Upcoming - July Launch

Paid Placements:

- Social Media
- Programmatic Display
- Digital Out of Home
- Streaming Audio & Video

Winner: Last year's back-to-school campaign won a North American SABRE award for best health care campaign!



Back-to School Funding Initiative

June 10 Kick Off

Partnership opportunity that provides up to \$6,500 to community-based organizations across the state to support outreach activities aimed at increasing awareness and enrollment in underrepresented counties

2025 Partners

- | | | |
|---|--|---|
| 1 Amigos for Kids | 6 Feeding the Gulf Coast | 11 Our Children Have Rights .Org |
| 2 Boys & Girls Club of North Central Florida* | 7 Florida Community Health Centers* | 12 School District of Volusia County |
| 3 Central Florida Health Care | 8 Health Council of South Florida | 13 Suwannee River Area Health Education Center* |
| 4 EatWell Exchange* | 9 Lake Okeechobee Rural Health Network | 14 YMCA of South Florida |
| 5 Epilepsy Alliance of Florida | 10 MCR Health* | |

* New partner

Chief Marketing Officer 2025-2026 Budget Overview

Strategic Partnerships and Outreach Services

<u>Description</u>	<u>Amount</u>
<u>New Outreach Partner Initiatives:</u> <i>Funding for new partner collaborations providing application assistance, enrollment, training and/or brand awareness for Florida KidCare, to include back-to-school partners, as well as new year-round partners such as: health centers, food banks, hospitals and schools</i>	\$105,330
<u>Existing Outreach Partner Initiatives:</u> <i>Funding to continue collaborations with existing outreach partners in key parts of the state providing application assistance and enrollment for Florida KidCare along with training and brand awareness in health centers, hospitals and schools with a focus on counties with the highest uninsured populations</i>	\$257,670
<u>Sponsorships:</u> <i>Continued funding for sponsorships to strategically identified partners and events/conferences that can effectively promote and increase awareness of Florida KidCare</i>	\$46,000
<u>Printing and Promotional Costs:</u> <i>Continued funding for promotional materials to be used for community and educational outreach opportunities, as well as corporate sponsorship purposes. Continued funding for printed materials, including applications, postcards, brochures, income guidelines, legislative handouts, etc.</i>	\$63,000
Segment Total	\$472,000

Advertising and Creative Services

<u>Description</u>	<u>Amount</u>
<u>Traditional and Digital Advertising</u> <i>Increased funding for Florida KidCare digital and traditional advertising and a continued emphasis on enhancing enrollment in the FHK full-pay plan. Complementary digital, television and print advertising campaigns to run year-round with a focus on the five counties with the highest uninsured populations: Miami-Dade, Broward, Palm, Beach, Hillsborough and Orange</i>	\$386,080
<u>Graphic Design, Production and Consulting</u> <i>Continued funding for public relations, design and consulting services</i>	\$163,920
<u>Correspondence Costs</u> <i>Funding to cover costs related to correspondence with current and prospective Florida KidCare enrollees, including mass email and texting services and translation costs</i>	\$28,000
Segment Total	\$578,000
<hr/>	
2025-2026 Total Budget	\$1,050,000

Tab 5

Chief Operating Officer Report

AMENDMENT NO. 16
CONTRACT FOR MEDICAL SERVICES AND COVERAGE BETWEEN
FLORIDA HEALTHY KIDS CORPORATION AND
[PLAN]

This Amendment No. 16, entered into between the Florida Healthy Kids Corporation (“FHKC”) and [Plan] (“Insurer”) amends the Contract No.: 2020-01 for Medical Services and Coverage between FHKC and Insurer (“Contract”).

WHEREAS, the Contract allows for amendments by mutual written consent of the Parties; and

WHEREAS, the Parties desire to amend the Contract as provided in this Amendment.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Section 1-1 is hereby modified by deleting the definition of “Region” in its entirety and replacing it as follows:

Region: any of the geographical areas designated by FHKC and encompassing specified Florida counties pursuant to Section 409.966, Florida Statutes.

2. Section 3-3-2 is hereby deleted in its entirety and replaced as follows:

3-3-2 Premiums

Effective July 1, 2025, the premium paid to Insurer shall be as follows:

Region	Title XXI Enrollee Premium	Full-pay Enrollee Premium
A		
B		
C		
D		
E		
F		
G		
H		
I		

3. Section 19 is hereby modified by deleting the last paragraph in its entirety and replacing it as follows:

In accordance with 42 CFR 457.1220, which incorporates 42 CFR 438.100, and 42 CFR 457.1207, which incorporates 42 CFR 438.10(g)(2)(ix), an Enrollee has the right to:

- a. Receive information in accordance with 42 CFR 438.10;
- b. Be treated with respect and consideration for his or her dignity and privacy;
- c. Receive information on available treatment options and alternatives, presented in a manner appropriate to the Enrollee's condition and ability to understand;
- d. Participate in decisions regarding his or her health care, including the right to refuse treatment;
- e. Be free from any form of restraint or seclusion as a means of coercion, discipline, convenience or retaliation, as specified in federal regulations on the use of restraints and seclusion;
- f. Request and receive a copy of his or her medical records and request that such medical records be amended or corrected;
- g. Receive health care services in accordance with 42 CFR 438.206- 438.210; and
- h. Choose between a Covered Service or setting and an available in lieu of service or setting. Enrollees retain the right to receive the Covered Service or setting on the same terms as would apply if an in lieu of service or setting were not an option.

4. The fifth paragraph in section 21-3 is hereby modified by deleting it in its entirety and replacing it as follows:

Insurer shall provide a notice of nondiscrimination and taglines explaining the availability of written or oral translation in the prevalent non-English languages in the Service Area as required by law.

5. Section 22-7 is hereby modified by deleting it in its entirety and replacing it as follows:

22-7 Value-add Benefits and In Lieu of Services or Settings

A. Value-add Benefits

Insurer may offer value-add benefits at no cost to FHKC or the Enrollees. Insurer shall offer any value-add benefits proposed during the ITN and listed in Attachment A.

Insurer shall submit any proposed value-add benefits, including a description of the eligible population and any limitations, to FHKC for approval.

Insurer must request and receive FHKC approval to discontinue any value-add benefits. Value-add benefits shall be offered for at least one (1) complete Contract Year and shall not be discontinued during a Contract Year. Any value-add benefits proposed during the ITN and included in this Contract are considered material to the

competitive ITN process. As such, Insurer shall not discontinue these value-add benefits without replacing the value-add benefit with an equivalent value-add benefit, subject to FHKC approval. An equivalent value-add benefit must be relevant to the Florida Healthy Kids population and must be expected to fulfill similar needs for Enrollees regarding the number of Enrollees potentially impacted and the level of care. Requests for changes to value-add benefits shall be submitted to FHKC for consideration annually on July 1. Insurer shall provide Enrollees with notice of any value-add benefit changes at least ninety (90) Calendar Days in advance of such changes.

Insurer shall include all value-add benefits in Insurer's Enrollee handbook.

B. In Lieu of Services and Settings

If Insurer chooses to provide in lieu of services and settings, as defined by section 42 CFR 438.2, Insurer must meet the requirements of 42 CFR 438.16, as required by 42 CFR 457.1201(c). FHKC approval is required prior to Insurer offering any in lieu of service or setting.

6. Section 24-5 is hereby modified by adding the following paragraphs after the first paragraph:

Insurer's incentive payment contracts with Providers must:

- Have a defined performance period that can be tied to MLR reporting periods;
- Be signed and dated by all appropriate parties before commencement of the performance period;
- Include clearly-defined, objectively measurable, and well-documented clinical or quality improvement standards that the Provider must meet to receive the incentive payment; and
- Specify a dollar amount or a percentage of a verifiable dollar amount that can be clearly linked to successful completion of the metrics defined in the contract, including a date of payment.

Insurer must maintain documentation to support the incentive payments in a manner that is consistent with generally accepted audit standards. Insurer may not rely upon Subcontractors or any third parties to maintain such documentation. Insurer must directly maintain such documentation. Such documentation must be made available to FHKC, or FHKC's authorized representative, upon request, or, if FHKC should choose to establish routine reporting, by the dates required by FHKC. In accordance with 42 CFR 457.1285, which incorporates 42 CFR 438.608(e), attestations are not acceptable supporting documentation.

7. Section 24-7-3 is hereby modified by deleting it in its entirety and replacing as follows:

Insurer must maintain policies and procedures relating to Provider overpayments which shall include a:

- i. Mechanism for a Provider to report in writing to Insurer that an overpayment has been received and the reason why the overpayment was received; and
- ii. Requirement that Providers return any overpayments to Insurer within sixty (60) Calendar Days after the date on which the overpayment was identified.

Insurer shall provide a report listing all overpayments to Providers identified or recovered, including overpayments made related to Fraud, Waste and Abuse and all other overpayments, within 30 Calendar Days. Such report shall be routinely due on the first of each month, beginning January 1, 2026.

Insurer shall provide an annual report listing all overpayments to Providers identified or recovered, including overpayments made related to Fraud, Waste and Abuse and all other overpayments.

8. Except as expressly amended hereby, the Contract shall remain in full force and effect in accordance with its provisions.
9. This Amendment No. 16 sets forth the entire understanding between the Parties with regard to the subject matter of the Contract and supersedes all other agreements, negotiations, understanding, or representations, verbal or written, between the Parties regarding the Contract.
10. In the event of any conflict between the Contract and this Amendment No. 16, the terms of this Amendment No. 16 shall govern.
11. This Amendment No. 16 may be executed in counterparts, each of which shall constitute an original and all of which together shall constitute the same document.

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 16 to be executed by their undersigned officials as duly authorized.

**FOR
FLORIDA HEALTHY KIDS CORPORATION:**

**FOR
[PLAN]:**

Signed: _____

Signed: _____

Name: Ryan West

Name: _____

Title: Chief Executive Officer

Title: _____

Date: _____

Date: _____

Medical Carrier Premium Rate Recommendations Effective July 1, 2025

	Current PMPM	Requested PMPM	Percent Difference	Recommended PMPM	Percent Difference
Aetna	\$194.55	\$226.56	16.45%	\$219.38	12.76%
CCP	\$231.19	\$241.08	4.28%	\$252.03	9.02%
Simply	\$226.72	\$241.49	6.52%	\$240.42	6.05%
Total	\$212.33	\$234.63	10.50%	\$231.65	9.10%

Aggregate Per Member Per Month (PMPM) rate calculated using January 2025 enrollment.

AMENDMENT NO. 5
CONTRACT FOR DENTAL SERVICES AND COVERAGE BETWEEN
FLORIDA HEALTHY KIDS CORPORATION AND
[PLAN]

This Amendment No. 5, entered into between the Florida Healthy Kids Corporation (“FHKC”) and [Plan] (“Insurer”) amends the Contract No.: 2021-300-01 for Dental Services and Coverage between FHKC and Insurer (“Contract”).

WHEREAS, the Contract allows for amendments by mutual written consent of the Parties; and

WHEREAS, the Parties desire to amend the Contract as provided in this Amendment, to be effective July 1, 2025.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Section 1.6 Definitions, is hereby modified by deleting the definition of “Region” in its entirety and replacing it as follows:

Region: any of the geographical areas designated by FHKC and encompassing specified Florida counties pursuant to Section 409.966, Florida Statutes.

2. Section 2.3 Service Area and Premiums, is hereby revised by inserting the following language after the table therein:

Effective July 1, 2025, the premium paid to Insurer shall be as follows:

Region	PMPM Premium Rate
A	
B	
C	
D	
E	
F	
G	
H	
I	

3. Section 2.8.1 Annual Premium Rate Adjustment Requests, is hereby deleted and replaced in its entirety as follows:

Section 2.8.1 Annual Premium Rate Adjustment Requests

Insurer shall provide an annual premium rate adjustment request for the upcoming Contract Year to FHKC by December 1 of each year unless otherwise required by FHKC, there are no additional Renewal years available under the Contract, or this provision is otherwise waived by FHKC. In the annual premium rate adjustment request, Insurer may request to reduce premium rates, make no change to premium rates, increase premium rates or any combination thereof for the Regions in Insurer's Service Area.

Failure to comply with the requirements of section 2.8 may result in the denial of a premium rate adjustment request without recourse at FHKC's sole discretion.

A. Service Area

The premium rate adjustment request shall be inclusive of Insurer's Service Area. Insurer shall provide a premium rate adjustment for each Region in Insurer's Service Area in the premium rate adjustment request.

B. Timeframe

Unless otherwise required by FHKC, the premium rate adjustment request applies to an entire Contract year and to all of Insurer's Enrollees in a Region. Premium rates shall not:

- a. Include planned mid-plan year premium rate changes;
- b. Require different premium rates based on when an Enrollee enrolls with Insurer;
- c. Require different premium rates based on an Enrollee's age;
- d. Require different premium rates based on an Enrollee's sex; or
- e. Be discriminatory in any way.

C. Offshoring

Insurer shall not consider any claims paid to a network Provider, out-of-network Provider, Subcontractor, or financial institution located outside the United States in the development of actuarially sound rates.

D. Actuarial Soundness

Insurer shall provide an actuarial memorandum supporting the premium rate adjustment request. The actuarial memorandum shall include the information and level of detail required by FHKC.

The proposed premium rates shall:

- a. Be consistent with actuarially sound principles as required by 42 CFR 457.1203;
- b. Not be excessive nor inadequate in accordance with the applicable requirements of Chapter 409, Florida Statutes;
- c. Be designed to reasonably achieve a medical loss ratio (MLR) standard for the Contract year that is at least equal to the greater of eighty-five percent (85%) or the target MLR implicit in Insurer's best and final offer in response to the ITN and provide for reasonable administrative costs in accordance with 42 CFR 457.1203, Section 624.91, Florida Statutes, and section 9.5 Medical Loss Ratio of this Contract; and
- d. Represent an amount adequate to allow Insurer to efficiently deliver Covered Services to Enrollees in a manner compliant with contractual services in accordance with 42 CFR 457.1201(c).

E. Rights and Responsibilities

FHKC may choose to provide Insurer with available trend information that FHKC may utilize when reviewing the premium rate adjustment request.

FHKC may initiate and enter into premium rate adjustment negotiations following Insurer's rate adjustment request submission. FHKC maintains the right to deny a rate adjustment request, require Insurer decrease rates or require Insurer hold rates flat based on the data provided by Insurer, FHKC's analysis, and other relevant factors as determined by FHKC.

Insurer shall respond to FHKC's requests for additional or clarifying information during the premium rate adjustment review process.

F. Premium Rate Adjustment Approval

Any changes to the premium rates must be approved by FHKC's Board of Directors. Premium rate adjustments are also subject to the maximum average rate adjustment recommended by the Social Services Estimating Conference and approval by the Florida Legislature and Governor.

4. The last paragraph of section 11.1 Audit Rights, is hereby deleted and replaced in its entirety as follows:

Insurer shall be MARS-E compliant. Insurer shall ensure an annual information security compliance audit is performed on the application hosting center. Insurer shall provide a copy of the most recent audit report to FHKC by December 31. Insurer shall annually submit information security compliance documentation as agreed upon, in writing, between Insurer and FHKC. Acceptable documentation is SOC 2 Type II or HITRUST certification.

5. The last paragraph of section 12.6 Monitoring, is hereby deleted and replaced in its entirety as follows:

Insurer shall provide a quarterly report that includes cost and utilization information for key metrics identified by FHKC, including potentially preventable events. Unless otherwise required by FHKC, Insurer and FHKC shall conduct quarterly meetings via conference calls to discuss the key metrics and performance guarantees. Insurer shall make staff with the appropriate knowledge and expertise available during these meetings and shall be prepared to discuss the report in detail as well as discuss any other relevant topics such as barriers to care, emerging trends and anticipated legislative actions.

6. Section 18.4 Enrollment Files, is hereby deleted and replaced in its entirety as follows:

FHKC shall provide Insurer all enrollment information necessary for Insurer to provide the services under this Contract. The enrollment information shall identify Enrollees who have been identified as American Indian or Alaskan Native, the Enrollees who are Title XXI eligible, and the Enrollees who are enrolled in the Full-pay Plan.

FHKC shall provide enrollment information as follows:

- a. FHKC shall provide Insurer a monthly full enrollment file on the 15th of the month prior to the Coverage Month and no later than seven (7) Business Days prior to the start of the Coverage Month. This file will contain enrollments and disenrollments as well as demographic changes.
- b. FHKC shall provide Insurer a supplemental enrollment file on the fifth day of the Coverage Month. Coverage for Enrollees identified on the supplemental enrollment file is effective retroactive to the first day of the Coverage Month. At FHKC's option, FHKC may replace the supplemental enrollment file with a daily change enrollment file. Daily change enrollment files provided prior to the monthly full enrollment file referenced in item a above will contain retroactive changes in coverage for current and past months and demographic changes. Daily change enrollment files provided after the monthly full enrollment file referenced in item a above will contain retroactive changes in coverage for current and past months, new enrollments and reinstatements for the upcoming Coverage Month, and demographic changes.

- c. FHKC may provide manual enrollment updates for reinstatements or terminations at any time. Coverage for Enrollees identified on manual enrollment updates is effective on the first of the identified Coverage Month.
- d. FHKC shall notify Insurer in advance of any planned deviations from the enrollment file timeframes listed herein. Insurer shall accept these planned deviations as well as any unplanned deviations regardless of whether FHKC provided prior notification.

Insurer shall maintain an information system capable of electronically receiving and updating enrollment data as provided by FHKC. Insurer shall accept enrollment data in the format required by FHKC. Insurer shall accurately and timely process enrollment changes in accordance with this section and Attachment C: Performance Guarantees.

The enrollment file format is subject to change and shall not require a Contract amendment.

- 7. Section 19: Enrollee Rights, is hereby modified by deleting the last paragraph in its entirety and replacing it as follows:

In accordance with 42 CFR 457.1220, which incorporates 42 CFR 438.100, and 42 CFR 457.1207, which incorporates 42 CFR 438.10(g)(2)(ix), an Enrollee has the right to:

- a. Receive information in accordance with 42 CFR 438.10;
- b. Be treated with respect and consideration for his or her dignity and privacy;
- c. Receive information on available treatment options and alternatives, presented in a manner appropriate to the Enrollee's condition and ability to understand;
- d. Participate in decisions regarding his or her health care, including the right to refuse treatment;
- e. Be free from any form of restraint or seclusion as a means of coercion, discipline, convenience or retaliation, as specified in federal regulations on the use of restraints and seclusion;
- f. Request and receive a copy of his or her medical records and request that such medical records be amended or corrected;
- g. Receive health care services in accordance with 42 CFR 438.206- 438.210; and
- h. Choose between a Covered Service or setting and an available in lieu of service or setting. Enrollees retain the right to receive the Covered Service or setting on the same terms as would apply if an in lieu of service or setting were not an option.

- 8. The fifth paragraph in section 21.3 is hereby modified by deleting it in its entirety and replacing it as follows:

Insurer shall provide a notice of nondiscrimination and taglines explaining the availability of written or oral translation in the prevalent non-English languages in the Service Area as required by law.

9. Section 22.5 Value-add Services, is hereby modified by deleting it in its entirety and replacing it as follows:

22.5 Value-add Benefits and In Lieu of Services or Settings

A. Value-add Benefits

Insurer may offer value-add benefits at no cost to FHKC or the Enrollees. Insurer shall offer any value-add benefits proposed during the ITN and listed in Attachment A: Benefit Schedule.

Insurer shall submit any proposed value-add benefits, including a description of the eligible population and any limitations, to FHKC for approval.

Insurer must request and receive FHKC approval to discontinue any value-add benefits. Value-add benefits shall be offered for at least one (1) complete Contract Year and shall not be discontinued during a Contract Year. Any value-add benefits proposed during the ITN and included in this Contract are considered material to the competitive ITN process. As such, Insurer shall not discontinue these value-add benefits without replacing the value-add benefit with an equivalent value-add benefit, subject to FHKC approval. An equivalent value-add benefit must be relevant to the Florida Healthy Kids population and must be expected to fulfill similar needs for Enrollees regarding the number of Enrollees potentially impacted and the level of care. Requests for changes to value-add benefits shall be submitted to FHKC for consideration annually on July 1. Insurer shall provide Enrollees with notice of any value-add benefit changes at least ninety (90) Calendar Days in advance of such changes.

Insurer shall include all value-add benefits in Insurer's Enrollee handbook.

B. In Lieu of Services and Settings

If Insurer chooses to provide in lieu of services and settings, as defined by section 42 CFR 438.2, Insurer must meet the requirements of 42 CFR 438.16, as required by 42 CFR 457.1201(c). FHKC approval is required prior to Insurer offering any in lieu of service or setting.

10. Section 23.2 Appeals, is hereby revised by deleting the first paragraph and replacing it as follows:

Enrollees may file an Appeal orally or in writing within sixty (60) Calendar Days of the date of notification of an Adverse Benefit Determination. Insurer shall acknowledge receipt of the Appeal in writing within five (5) Business Days. Appeals are limited to a single level. Enrollees wishing to further appeal Insurer's decision to uphold an Appealed decision may proceed to the independent external review process.

11. Section 24.10 Physician Incentive Plans, is hereby modified by adding the following paragraphs after the first paragraph:

Insurer's incentive payment contracts with Providers must:

- Have a defined performance period that can be tied to MLR reporting periods;
- Be signed and dated by all appropriate parties before commencement of the performance period;
- Include clearly-defined, objectively measurable, and well-documented clinical or quality improvement standards that the Provider must meet to receive the incentive payment; and
- Specify a dollar amount or a percentage of a verifiable dollar amount that can be clearly linked to successful completion of the metrics defined in the contract, including a date of payment.

Insurer must maintain documentation to support the incentive payments in a manner that is consistent with generally accepted audit standards. Insurer may not rely upon Subcontractors or any third parties to maintain such documentation. Insurer must directly maintain such documentation. Such documentation must be made available to FHKC, or FHKC's authorized representative, upon request, or, if FHKC should choose to establish routine reporting, by the dates required by FHKC. In accordance with 42 CFR 457.1285, which incorporates 42 CFR 438.608(e), attestations are not acceptable supporting documentation.

12. Section 24.12.3 Provider Overpayments, is hereby modified by deleting it in its entirety and replacing as follows:

Insurer must maintain policies and procedures relating to Provider overpayments which shall include a:

- i. Mechanism for a Provider to report in writing to Insurer that an overpayment has been received and the reason why the overpayment was received; and
- ii. Requirement that Providers return any overpayments to Insurer within sixty (60) Calendar Days after the date on which the overpayment was identified.

Insurer shall provide a report listing all overpayments to Providers identified or recovered, including overpayments made related to Fraud, Waste and Abuse and all other overpayments, within 30 Calendar Days. Such report shall be routinely due on the first of each month, beginning January 1, 2026.

Insurer shall provide an annual report listing all overpayments to Providers identified or recovered, including overpayments made related to Fraud, Waste and Abuse and all other overpayments.

13. Section 26.6.2 Net Promoter Score, is hereby created as follows:

Section 26.6.2 Net Promoter Score

As required by FHKC, Insurer shall implement a net promoter score tool to measure customer satisfaction. Insurer shall work with FHKC to establish the net promoter score baseline, develop action steps to improve customer satisfaction, and reporting requirements.

14. Attachment C: Performance Guarantees, is hereby amended by deleting PG-6: Enrollment Files in its entirety and replaced as follows:

Insurer shall accurately process one hundred percent (100%) of enrollment files within two (2) Business Days of receipt.

Reporting Frequency: Monthly

Financial Consequences: one thousand dollars (\$1,000) per Calendar Day

Calculation Methodology:

- Enrollment files include monthly full enrollment files and daily change enrollment files.
- For purposes of determining compliance with this PG and for determining any financial consequences, Insurer shall report the number of Calendar Days beyond two (2) Business Days for which it takes Insurer to process one hundred percent (100%) of enrollment files.
- Financial consequences apply to each Calendar Day beyond the due date until accurately processed, inclusive of the date processed.

Related Contract Reference: Section 18: Eligibility and Enrollment

15. Except as expressly amended hereby, the Contract shall remain in full force and effect in accordance with its provisions.

16. This Amendment No. 5 sets forth the entire understanding between the Parties with regard to the subject matter of the Contract and supersedes all other agreements, negotiations, understanding, or representations, verbal or written, between the Parties regarding the Contract.
17. In the event of any conflict between the Contract and this Amendment No. 5, the terms of this Amendment No. 5 shall govern.
18. This Amendment No. 5 may be executed in counterparts, each of which shall constitute an original and all of which together shall constitute the same document.

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 5 to be executed by their undersigned officials as duly authorized.

**FOR
FLORIDA HEALTHY KIDS CORPORATION:**

Signed: _____

Name: Ryan West

Title: Chief Executive Officer

Date: _____

**FOR
PLAN: [PLAN]**

Signed: _____

Name: _____

Title: _____

Date: _____

Dental Carrier Premium Rate Recommendations Effective July 1, 2025

	Current PMPM	Requested PMPM	Percent Difference	Recommended PMPM	Percent Difference
DentaQuest	\$14.90	\$17.32	16.2%	\$16.95	13.8%
Liberty	\$16.16	\$19.65	21.6%	\$18.65	15.4%
MCNA	\$15.78	\$25.00	58.4%	\$21.23	34.5%
Total	\$15.52	\$21.08	35.8%	\$19.12	23.2%

Aggregate Per Member Per Month (PMPM) rate calculated using February 2025 enrollment.

Tab 6

Finance and Audit
Committee Report

Tab B

Amendment to Fiscal Year
2024-25 Approved Budget

Florida Healthy Kids Corporation
Proposed Amendment to the Consolidated Budget
Fiscal Year 2024-25

Purpose: Amendment aligns the Corporation's operating budget to the outcome of the KidCare Caseload and Expenditures Social Services Estimating Conferences held on February 12 and 24, respectively, and increases the budget for Professional & Consulting Services - the operating budget remains balanced. This amendment also adjusts the estimated use of the Corporation's private funds for TPA Services and Consulting Support.

	[A]	[B]	[C]	[D]	[D]-[C]=[E]
Operating & Corporate Funds Budgets	Approved Budget	Approved Amend 1	Approved Amend 2	Proposed Amend 3	Increase/ (Decrease)
Operating Budget					
Revenues					
1 Federal	\$ 243,224,247	\$ 239,423,499	\$ 249,863,314	\$ 247,931,013	\$ (1,932,301)
2 State	103,500,527	101,880,127	106,350,071	105,522,690	(827,381)
3 Participant Premiums	99,559,038	96,487,866	106,494,029	106,176,362	(317,667)
4 KidCare Administration	5,566,821	4,843,817	5,093,302	4,964,838	(128,464)
5 Total Revenues	\$ 451,850,633	\$ 442,635,309	\$ 467,800,716	\$ 464,594,903	\$ (3,205,813)
Program Services					
6 Medical Carriers	\$ 388,959,036	\$ 386,235,771	\$ 409,533,808	\$ 407,217,945	\$ (2,315,863)
7 Dental Carriers	35,740,344	29,411,838	30,329,399	30,173,008	(156,391)
8 Service Organizations	20,439,245	20,275,692	20,915,165	20,181,606	(733,559)
9 Salaries & Benefits	3,526,735	3,526,735	3,526,735	3,383,965	(142,770)
10 Marketing & Outreach	1,050,000	1,050,000	1,050,000	1,050,000	-
11 External Quality Review	531,852	531,852	531,852	531,852	-
12 Professional & Consulting Services	938,894	938,894	1,249,230	1,392,000	142,770
13 Total Program Services	\$ 451,186,106	\$ 441,970,782	\$ 467,136,189	\$ 463,930,376	\$ (3,205,813)
General & Administrative					
14 Occupancy	\$ 148,376	\$ 148,376	\$ 148,376	\$ 148,376	\$ -
15 IT Services & Communications	253,500	253,500	253,500	253,500	-
16 Meetings & Travel	50,000	50,000	50,000	50,000	-
17 Corporate Insurance	40,000	40,000	40,000	40,000	-
18 Training	12,500	12,500	12,500	12,500	-
19 Office	95,000	95,000	95,000	95,000	-
20 Depreciation	65,151	65,151	65,151	65,151	-
21 Total General & Administrative	\$ 664,527	\$ 664,527	\$ 664,527	\$ 664,527	\$ -
22 Total Operating Expenses	\$ 451,850,633	\$ 442,635,309	\$ 467,800,716	\$ 464,594,903	\$ (3,205,813)
23 Change in Fund Net Position	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate Funds					
24 Staff & Board	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ -
25 TPA Services	567,000	567,000	567,000	756,000	189,000
26 Consulting Support	250,000	250,000	250,000	-	(250,000)
27 KidCare+ Enhanced Mktg. Campaign ¹	750,000	750,000	750,000	750,000	-
28 Hurricane Premium Credits ²	-	-	13,975,507	13,975,507	-
29 Other	12,500	12,500	12,500	12,500	-
30 Total Use of Corporate Funds	\$ 1,586,500	\$ 1,586,500	\$ 15,562,007	\$ 15,501,007	\$ (61,000)
31 Adjusted Change in Fund Net Position	\$ (1,586,500)	\$ (1,586,500)	\$ (15,562,007)	\$ (15,501,007)	\$ 61,000

Nonoperating revenue, such as medical loss ratio rebates, interest earnings and liquidated damages, is not budgeted and recorded when received.

1) The Board of Directors authorized the use of the Corporation's private funds in the amount of \$750,000 for a marketing campaign to promote HB 121 (increases the income eligibility limit for CHIP coverage from 200% to 300% of the federal poverty level) at a meeting held on August 10, 2023. The unexpended 2023-24 year-end balance was \$750,000. The unexpended balance was carried forward to FY 2024-25.

2) The Board of Directors authorized the use of the Corporation's private funds in the amount of \$13,975,507 at a meeting held on March 5, 2025, for the intended and unintended premium credits for KidCare participants residing in one of the 52 counties, plus the Miccosukee Indian Reservation, declared by FEMA as eligible for individual assistance in response to Hurricanes Helene and Milton. This amount is a worse-case-scenario based on reporting by the Corporation's third-party administrator. The Corporation implemented a fiscal impact mitigation strategy that will greatly reduce the total amount of premium credits supporting a significantly lower budget impact. Results of the mitigation strategy will be known later in the fiscal year.

Tab C

Fiscal Year 2025-26
Proposed Budget

Florida Healthy Kids Corporation
Consolidated Budget Proposal
Fiscal Year 2025-26

See Exhibit 1 for Budget Explanation

	[A]	[B]	[C]	[C]-[B]=[D]
	2024-25 Approved Budget (Initial)	2024-25 Approved Budget (Third Amend)	2025-26 Proposed Budget	Increase/ (Decrease)
Operating Budget				
Revenues				
1 Federal	\$ 243,224,247	\$ 247,931,013	\$ 297,957,561	\$ 50,026,548
2 State	103,500,527	105,522,690	127,420,337	21,897,647
3 Participant Premiums	99,559,038	106,176,362	108,463,531	2,287,169
4 KidCare Administration	5,566,821	4,964,838	5,762,736	797,898
5 Total Revenues	\$ 451,850,633	\$ 464,594,903	\$ 539,604,165	\$ 75,009,262
Program Services				
6 Medical Carriers	\$ 388,959,036	\$ 407,217,945	\$ 471,676,151	\$ 64,458,206
7 Dental Carriers	35,740,344	30,173,008	38,065,351	7,892,343
8 Service Organizations	20,439,245	20,181,606	22,840,319	2,658,713
9 Salaries & Benefits	3,526,735	3,383,965	3,526,735	142,770
10 Marketing & Outreach	1,050,000	1,050,000	1,050,000	-
11 External Quality Review	531,852	531,852	544,881	13,029
12 Professional & Consulting Services	938,894	1,392,000	1,231,263	(160,737)
13 Total Program Services	\$ 451,186,106	\$ 463,930,376	\$ 538,934,700	\$ 75,004,324
General & Administrative				
14 Occupancy	\$ 148,376	\$ 148,376	\$ 153,314	\$ 4,938
15 IT Services & Communications	253,500	253,500	253,500	-
16 Meetings & Travel	50,000	50,000	50,000	-
17 Corporate Insurance	40,000	40,000	40,000	-
18 Training	12,500	12,500	12,500	-
19 Office	95,000	95,000	95,000	-
20 Depreciation	65,151	65,151	65,151	-
21 Total General & Administrative	\$ 664,527	\$ 664,527	\$ 669,465	\$ 4,938
22 Total Operating Expenses	\$ 451,850,633	\$ 464,594,903	\$ 539,604,165	\$ 75,009,262
23 Change in Fund Net Position	\$ -	\$ -	\$ -	\$ -
Corporate Funds				
24 Staff & Board	\$ 7,000	\$ 7,000	\$ 7,000	\$ -
25 TPA Services	567,000	756,000	567,000	(189,000)
26 Consulting Support	250,000	-	250,000	250,000
27 KidCare+ Enhanced Mktg. Campaign ¹	750,000	750,000	750,000	-
28 Hurricane Premium Credits	-	13,975,507	-	(13,975,507)
29 Other	12,500	12,500	12,500	-
30 Total Use of Corporate Funds	\$ 1,586,500	\$ 15,501,007	\$ 1,586,500	\$ (13,914,507)
31 Adjusted Change in Fund Net Position	\$ (1,586,500)	\$ (15,501,007)	\$ (1,586,500)	\$ 13,914,507

Nonoperating revenue, such as medical loss ratio rebates, interest earnings and liquidated damages, is not budgeted and recorded when received.

Notes:

¹ The Board of Directors authorized the use of the Corporation's private funds in the amount of \$750,000 for a marketing campaign to promote HB 121 (increases the income eligibility limit for CHIP coverage from 200% to 300% of the federal poverty level) at a meeting held on August 10, 2023. The unexpended 2023-24 year-end balance of \$750,000 was carried forward to FY 2024-25. The unexpended 2024-25 year-end balance of \$750,000 will be carried forward to FY 2025-26.

Operating Budget

The Operating Budget includes revenues from government and participant sources to finance program expenses that are reimbursable per state and federal laws and regulations. This budget is based on the February 2025 KidCare Expenditures Social Services Estimating Conference (SSEC) – *the Legislature had not completed the General Appropriations Act at time of budget development*, contractual arrangements, analyses, and spend expectations. This budget is highly dependent upon actual enrollment, revenue, carrier payments, and service organization costs agreeing with the results of the SSEC held in February 2025.

Revenues

Line items 1-2: SSEC forecast for carrier payments and administration costs per expected enrollment.

Line item 3: SSEC forecast for participant premiums based on established rates and expected child enrollment in the CHIP and Full Pay programs.

Line item 4: SSEC forecast for AHCA administrative payments per expected MediKids and CMS child enrollment.

Line item 5: Total Revenues budgeted at 16.1%, or \$75,009,262 million, above the prior year.

Program Services

Line item 6: SSEC forecast for medical carrier payments based on expected rates and child enrollment.

Line item 7: SSEC forecast for dental carrier payments based on expected rates and child enrollment.

Line item 8: SSEC forecast for TPA payments based on contractual terms and expected KidCare enrollment.

Line item 9: Employee cost for twenty-nine full-time equivalent positions, including payroll taxes and fringe benefits.

Line item 10: Planned spending based on statewide communications, marketing, and outreach initiatives.

Line item 11: Contractual arrangement for a federally required independent review organization for monitoring plan quality and performance.

Line item 12: Actuarial and TPA consulting services, outsourced legal services, independent audits, payroll services, and more.

Line item 13: Total Program Services budgeted at 16.2%, or \$75,004,324 million, above the prior year and account for 99.88% of revenues.

General and Administrative

Line item 14: Full-service lease arrangement for office headquarters.

Line item 15: Outsourced services, hardware/software, IT security protocols, licensing/maintenance, equipment rental, and communication services.

Line item 16: Expect three in-person Board of Directors meetings requiring travel | staff travel for marketing/outreach, conferences, and training.

Line item 17: Corporate insurance policies, such as Workers Compensation, Director & Officer (D&O) and General Liability.

Line item 18: Professional staff training.

Line item 19: Supplies, fees, licenses, printing, postage/delivery, letter generation, bank charges, subscriptions, and more.

Line item 20: Depreciation and amortization expenses for capitalized assets - leasehold improvements, IT hardware and software, website services.

Line item 21: Total General and Administrative expenses budgeted at .7%, or \$4,938 above the prior year and account for .12% of revenues.

Line item 22: Total Operating Expenses budgeted at 16.1%, or \$75,009,262 million, above the prior year. Administration costs: \$29.9 million.

Line item 23: Operating Budget is balanced.

Corporate Funds

Use of the Corporation's private funds is for expenses that are not reimbursable per state and federal laws and regulations, or expenses that are reimbursable but unappropriated and excluded from Social Services Estimating Conferences. A separate budget for these expenses is necessary to ensure the use of the Corporation's private funds is transparent and for authorized purposes.

Line item 24: Unallowable or unappropriated expenses – Meals, snacks, and beverages for Board meetings. Staff luncheons, gifts, and more.

Line item 25: Unappropriated expense – Payment subsidization built into the SSEC and legislative budgeting process.

Line item 26: Unappropriated expense – Budget reserve for consulting support associated with actuarial and TPA implementation services.

Line item 27: Unappropriated expense – Unexpended 2024-25 year-end balance approved by the Board of Directors and carried forward to 2025-26.

Line item 28: Not applicable to the budget year.

Line item 29: Unallowable or unappropriated expenses – Sales tax, premium write-offs, claim payments, and more.

Line item 30: Total Use of Corporate Funds for unallowable or unappropriated expenses.

Line item 31: Adjusted Change in Fund Net Position by using Corporate Funds without offsetting revenues.

Category Descriptions

Revenues are from appropriated state and federal funds authorized by the General Appropriations Act and collections of participant premiums.

Program Services are activities that further the Corporation's purpose.

General and Administrative expenses are activities that relate to the overall operations and management of the Corporation.

Corporate Funds are private funds generated from various sources.

Tab D

Internal Audit Reports

FLORIDA HEALTHY KIDS CORPORATION

**REPORT ON INTERNAL AUDIT OF
PAYROLL AND RELATED HUMAN RESOURCE CONTROLS**

REPORT #25-03

April 3, 2025

TABLE OF CONTENTS

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Board of Directors
Florida Healthy Kids Corporation
1203 Governors Square Blvd #400
Tallahassee, Florida 32301

We have performed internal audit procedures at the Florida Healthy Kids Corporation (FHKC) to review FHKC's payroll and related human resources (HR) processes. This audit was performed in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objective of our audit was to test and evaluate selected FHKC procedures and controls over payroll processing and related HR processes. The accompanying report presents our analysis and is organized as follows:

- Background
- Objectives, Scope, and Methodology
- Summary of Results

The procedures we performed were applied to FHKC's internal controls over the processing of payroll and related HR processes for the period October 1, 2023, through September 30, 2024. These procedures were accomplished by:

- Obtaining and inspecting FHKC's documented payroll and HR policies and procedures;
- Discussions with FHKC management and staff;
- Performing tests of selected aspects of FHKC's general payroll processing, HR recordkeeping, and the processing of employee new hires and terminations.

This report is intended solely for the information and use of the Board of Directors and FHKC management and is not intended to be used by anyone other than these specified parties. If you have any questions regarding this report, please contact Jon Ingram, CPA, CISA.

Sincerely,



LAW, REDD, CRONA & MUNROE, P.A.

Tallahassee, Florida
April 3, 2025

FLORIDA HEALTHY KIDS CORPORATION
REPORT #25-03
PAYROLL AND RELATED HUMAN RESOURCES PROCESSES
APRIL 3, 2025

BACKGROUND

FHKC payroll processing and related human resources activities are managed using Paylocity Corporation's cloud-based payroll and human resource management software (Paylocity). FHKC contracted with Paylocity Corporation in 2019 to provide monthly payroll processing and HR management services, and subsequently contracted with the Paylocity-owned BeneFLEX HR Resources (BeneFLEX) in 2020 for benefit administration and technology services.

The Florida Healthy Kids Corporation (FHKC) pays its employees on a monthly basis. Pay periods begin on the first day of a month and end on the last day of the month. Employees report their time worked on timesheets prepared online in Paylocity. Once complete, employee timesheets are reviewed and approved in Paylocity by their immediate supervisor within five calendar days of the end of the month.

The Director of Administration creates a payroll control spreadsheet for the month, accumulates documentation of payroll-related HR changes, and verifies the accuracy of the information in Paylocity. Upon verification, the Director of Administration prints a pre-process payroll register from Paylocity, reviews the information, and sends the register to the Director of Accounting/Comptroller for review.

The Director of Accounting/Comptroller reviews both the pre-process payroll register and the payroll control spreadsheet. Upon approval, the Director of Administration submits the payroll for processing in Paylocity. Paylocity distributes employee direct deposits directly to the employee's bank account.

After the payroll is processed, the Director of Accounting/Comptroller enters the payroll into FHKC's accounting system, Sage Intacct, and remits employee contributions and deductions and related information to the respective companies.

Employees have the ability to view their payroll records, pay stubs, and leave balances in Paylocity, enabling them to monitor their payroll results and leave accumulation and use.

New employee information is reviewed and approved by the Director of Administration using the Paylocity Onboarding Module. New employee information is entered into Paylocity in the Onboarding Module and various onboarding activities such as the employee's review and acknowledgement of policies are managed therein. New employees enroll in benefits programs using the Paylocity Benefits Module. All new

employee onboarding activities are documented as completed and approved by the Director of Administration using a new employee checklist.

Out-processing activities for terminating employees, including collecting assigned equipment, removing network and system access; and the hours worked in the final pay period; are documented on an employee offboarding checklist.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objective of this audit was to evaluate selected FHKC procedures and controls over payroll processing and related HR processes.

The scope of this audit included FHKC payrolls processed during October 1, 2023, through September 30, 2024.

To achieve our audit objectives, we conducted the following procedures:

- 1) Made inquiries of the Director of Administration and performed a walkthrough of the FHKC payroll process and related HR activities.
- 2) Reviewed the FHKC employee handbook, HR/Payroll Checklist, New Hire Checklist, IT Onboarding Checklist, Employee Separation Checklist, IT Offboarding Checklist, 2023 and 2024 payroll schedules, and example e-mails to exempt and non-exempt staff requesting the submission of timesheets.
- 3) Reviewed FHKC's contracts with Paylocity Corporation for bundled payroll processing and HR services and benefits administration and technology.
- 4) Reviewed a Systems and Organization Controls (SOC) 1, Type 2 Report on Paylocity's HR and Payroll System for the period January 1, 2024, through September 30, 2024; and a bridge letter from Paylocity management dated January 8, 2025, with management assertions that there have been no material changes in Paylocity internal controls or control environment that adversely affect the service auditor's opinions in the SOC 1 Report.
- 5) Obtained listings of the following:
 - a. Active FHKC personnel as of 10/25/2024 and 9/30/2023;
 - b. New hires during the period 10/1/2023 through 10/25/2024;

- c. Terminations during the period 10/1/2023 through 10/25/2024.
- 6) Reconciled the 10/25/2024 employee listing to the 9/30/2023 employee listing and listings of new hires and terminations during the period to verify the completeness of the 10/25/2024 employee listing.
- 7) Tested FHKC compliance with general payroll and HR attributes for all 21 FHKC employees on board as of October 25, 2024; tested compliance with new hire in-processing attributes for the one new employee hired between October 1, 2023, and October 25, 2024, and tested compliance with employee termination out-processing attributes for four of the five employees terminated between October 1, 2023, and October 25, 2024¹. The new hire was tested for the payroll date corresponding with the date of arrival (August 30, 2024). The remaining 20 employees were divided into sets and tested for one of the following selected payroll dates:
 - a. November 30, 2023
 - b. March 29, 2024
 - c. June 28, 2024
 - d. August 30, 2024

For each of the 21 employees and selected payroll dates, we performed the following tests:

- a. Recalculated gross and net pay using the employee's time as reported on their timesheet and the rate of pay from the employee's personnel record in Paylocity.
- b. Recalculated social security and Federal income tax withholdings based on the Form W-4 in the employee's personnel file and matched the results to the amounts deducted for the pay period.
- c. Reviewed the employee's timesheet and traced the sum of the hours recorded to the hours included in the employee's payment record.

¹ One terminated employee was excluded from our test because we previously tested the controls regarding the termination as a part of our internal audit report #25-01, Selected FHKC Cybersecurity Controls, dated September 25, 2024.

- d. Examined personnel and payroll files for the existence and completeness of the following documentation:
 - i. I-9 form.
 - ii. Direct deposit authorization form; agreed the bank routing and transit number to the electronic funds transfer (EFT) detail for the pay period.
 - iii. Employee's authorization for other payroll deductions, if any were included in the employee's payroll detail.
 - iv. Director of Accounting/Comptroller's approval of the final payroll report for the pay period.
 - v. Director of Administration's initiation and Director of Accounting/Comptroller's approval of direct deposit EFTs.
 - vi. Signed acknowledgement of receipt and understanding of the Employee Handbook.
 - vii. Signed Code of Conduct, Ethics Attestation, and Confidentiality Agreement.

For the newly hired employee, we examined FHKC records for the following items of documentation:

- a. Original employment application, along with any other supporting new hire documentation.
- b. Completed I-9 form, along with supporting documentation where necessary.
- c. Offer letter with start date.
- d. Position description.
- e. Completed Form W-4.
- f. Hiring Recommendation Form.

g. Documentation that a background check was performed.

h. Employee new hire checklists completed and signed.

For each of the four terminated employees included in our testing, we determined if:

a. Salary payments ceased in the proper period.

b. The employee's accumulated leave balance in FHKC's records as of the termination date was paid with the final payroll disbursement and at the authorized rate of pay.

c. The employee's work hours reported on their timesheet were paid with the final payroll disbursement and at the authorized rate of pay.

d. An Employee Separation Checklist and IT Offboarding Checklist were completed and signed.

SUMMARY OF RESULTS

Based on the results of our audit procedures, we concluded that, for the employees and pay periods included in our testing, FHKC's payroll and human resources files and other documentation were complete and demonstrated compliance with FHKC's payroll and related human resources management policies and procedures.

We wish to take this opportunity to thank FHKC staff for the assistance and cooperation provided in the conduct of our audit. If there are any questions regarding this report, please feel free to contact Jon Ingram, CPA, CISA.

Law Redd Crona & Munroe P.A.

LAW, REDD, CRONA & MUNROE, P.A.

FLORIDA HEALTHY KIDS CORPORATION

**REPORT ON INTERNAL AUDIT OF THE CORPORATION'S PROCUREMENT AND
MONITORING OF THE CONTRACT WITH SACHS MEDIA, INC. FOR MARKETING,
ADVERTISING, AND RELATED SERVICES**

REPORT #25-04

May 13, 2025

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Board of Directors
Florida Healthy Kids Corporation
1203 Governors Square Blvd #400
Tallahassee, Florida 32301

We have performed internal audit procedures at the Florida Healthy Kids Corporation (FHKC) to review FHKC's procurement and monitoring of its contract with Sachs Media, Inc. (Sachs) for marketing, advertising, public relations, and creative services.

This audit was performed in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objective of our audit was to evaluate FHKC's procedures and controls over the procurement and monitoring of the Sachs contract. The accompanying report presents our analysis and is organized as follows:

- Background
- Objectives, Scope, and Methodology
- Summary of Results

The scope of our audit focused on FHKC's marketing and advertising contract with Sachs. The contract is for the period July 1, 2021, through June 30, 2026. Our audit procedures included:

- Obtaining and inspecting the FHKC's documented policies and procedures;
- Discussions with FHKC staff;
- Reviewing supporting documentation of FHKC's solicitation and award of the Sachs contract;
- For annual and monthly contract deliverables received by FHKC between January 1, 2024, and December 31, 2024, reviewing supporting documentation of management's evaluation of deliverables submitted by Sachs and approval of payment requests.

This report is intended solely for the information and use of the Board of Directors and FHKC management and is not intended to be used by anyone other than these specified parties. If you have any questions regarding this report, please contact Jon Ingram, CPA, CISA.

Sincerely,



LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida
May 13, 2025

FLORIDA HEALTHY KIDS CORPORATION
REPORT #25-04
PROCUREMENT AND MONITORING OF THE CONTRACT WITH SACHS MEDIA, INC. FOR
MARKETING, ADVERTISING, AND RELATED SERVICES
May 13, 2025

BACKGROUND

Sachs Media, Inc. Contract

Section 624.91(5)(b)16(d), Florida Statutes, provides that Florida Healthy Kids Corporation shall develop a plan to publicize the Florida KidCare program, the eligibility requirements of the program, and the procedures for enrollment in the program and to maintain public awareness of the corporation and the program. On July 1, 2021, FHKC entered into a contract with Sachs Media, Inc. for the period July 1, 2021, through June 30, 2026, to provide marketing, advertising, public relations, and creative services.

Under the contract, FHKC agreed to pay Sachs as specified in the table below.

	Year 1	Year 2	Year 3	Year 4	Year 5
Budget Category	Up to \$900K	Up to \$500K	Up to \$500K	Up to \$500K	Up to \$500K
Account management Fee/Retainer	\$139,200	\$139,200	\$139,200	\$139,200	\$139,200
Paid Advertising Buys/Net	\$584,720	\$300,000	\$300,000	\$300,000	\$300,000
Direct Costs/Net	\$100,000	\$24,720	\$24,720	\$24,720	\$24,720
Commission Fee based on Paid Advertising Buys	\$64,969	\$33,333	\$33,333	\$33,333	\$33,333
Commission Fee based on Direct Costs	\$11,111	\$2,747	\$2,747	\$2,747	\$2,747
Total:	\$900,000	\$500,000	\$500,000	\$500,000	\$500,000

The annual payment to Sachs for all services, including any related travel expenses, shall not exceed the total specified in the table above for a particular year (e.g., Year One payments shall not exceed \$900,000). Further, payment to Sachs for services provided under a particular Budget Category shall not exceed the amount identified for the Budget Category for a particular year, as specified in the table above (e.g., payment for Account Management Fee/Retainer shall not exceed \$139,200 in Year One), without FHKC's prior written approval.

Contract Monitoring

FHKC has an organizational unit that is assigned the responsibility for monitoring Sachs' performance in meeting the requirements of the contract. This unit is headed by the Deputy Director of Marketing and Communications who reports to FHKC's Chief Marketing Officer.

Sachs is required in the contract to provide FHKC with monthly invoices that detail expenses incurred and fees, along with reports of retainer hours used. Sachs is also required to meet certain annual deliverable requirements. The contract further provides, should Sachs fail to meet a performance measure, that FHKC may assess financial consequences that reduce its monthly payment to Sachs. The performance measures and related financial consequences for failure to provide deliverables timely are listed at the end of this report in Exhibit 1.

FHKC personnel in the Marketing unit monitor and assess Sachs' compliance with the performance standards. Pursuant to the contract, Sachs is required to bill FHKC monthly for all time and charges incurred in meeting the obligations of the Contract, including but not limited, to a breakdown of total hours. FHKC makes payments to Sachs within thirty (30) calendar days of receiving an invoice from Sachs provided that the billing is in accordance with the terms of the Contract. If FHKC requests detail or clarification regarding an invoice, payment is made within thirty (30) calendar days of receipt of the detail or clarification. In the event FHKC disagrees with or questions any amount due under an invoice, FHKC will deliver a written statement to Sachs no later than the date payment is due on the disputed invoice, listing all disputed items and providing a reasonably detailed description of each disputed item. Amounts not disputed shall be deemed accepted and shall be paid, notwithstanding disputes on other items, within thirty (30) calendar days of receiving Sachs' invoice.

FHKC has written policies that guide its purchasing and competitive solicitation activities when using state and/or federal funds to purchase property or services. The policies provide, among other things, that FHKC must use the competitive solicitation process when required by state and/or federal law.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objective of this audit was to evaluate FHKC's procedures and controls over contract procurement and monitoring, including the solicitation and award process, and the process for evaluating deliverables and approving vendor payment requests. The scope of this audit focused on FHKC's marketing and advertising contract with Sachs. The contract is for the period July 1, 2021, through June 30, 2026.

To achieve our audit objectives, we conducted the following procedures:

- 1) Interviewed FHKC personnel with responsibilities for marketing.
- 2) Reviewed FHKC's purchasing and solicitation policies.
- 3) Obtained all supporting documentation related to the procurement process of the Sachs Media, Inc. contract. To test the procurement of the contract for compliance with FHKC's purchasing and solicitation policies, we inspected the bid files, supporting documentation, made inquiries of FHKC staff, and performed other audit procedures as necessary to determine whether:
 - a. The Chief Executive Officer determined and specified in writing the reasons that procurement by an invitation to bid or a request for proposal was not practicable.
 - b. The ITN included:
 - i. a description of the questions being explored, the facts being sought, and the specific goals or problems that are the subject of the solicitation.
 - ii. The evaluation criteria.
 - iii. The selection criteria.
 - c. A cost or price analysis was performed.
 - d. The bid was properly published on the FHKC website.
 - e. The competitive solicitation was made available to all Respondents via the FHKC website and included the time and date for the receipt of bids, proposals, or replies and of the public opening (if any).
 - f. The evaluation process:
 - i. There were at least three individuals appointed to evaluate proposals who collectively have experience and knowledge in the program area and service requirements for which the services were sought.
 - ii. Evaluators received Evaluator Instructions.
 - iii. Evaluators scored replies independently.

- iv. Evaluations were tallied by an individual who was not an evaluator.
 - g. The negotiation team made a recommendation as to the award that the negotiation team determined will provide the Best Value, based on the selection criteria.
 - h. Final approval of the award was determined by the FHKC Board of Directors or Executive Committee, as applicable.
 - i. Notice of the contract award was posted on FHKC's website.
- 4) Reviewed Sachs contract terms and provisions for deliverables and the basis for FHKC's evaluation of Sachs performance under the contract.
- 5) Reviewed supporting documentation of FHKC's evaluation of deliverables and approval of Sachs payment requests for deliverables received between January 1, 2024, and December 31, 2024.

SUMMARY OF RESULTS

Based on the results of our audit procedures, we concluded that FHKC has documented processes for the procurement and monitoring of its contract with Sachs Media, Inc., for marketing, advertising, public relations, and creative services. For the deliverables included in our testing, we concluded that FHKC's evaluation and payment approval documentation was complete and demonstrated compliance with management policies.

We wish to take this opportunity to thank FHKC staff for the assistance and cooperation provided in the conduct of our audit. If there are any questions regarding this report, please feel free to contact Jon Ingram, CPA, CISA.

Law Redd Crona + Munroe P.A.

LAW, REDD, CRONA & MUNROE, P.A.

Exhibit 1			
Performance Standards and Financial Consequences for Nonperformance			
	Reports and Other Documents with Descriptions	Frequency	Financial Consequence by Report or Document
1.	Monthly Report and Invoice	Monthly, beginning August 5, 2021.	\$500 per business day* beginning three days after the due date.
2.	Work Plan	Annually, beginning September 1, 2021.	\$1,000 per business day*
3.	Final Comprehensive Report	Annually, beginning July 15, 2022.	\$500 per business day* beginning three days after the due date.
4.	Technical and Non-Technical Evaluation (45 CFR 164.308(a)(8))	Annually, beginning September 1, 2021.	\$1,000 per business day*

* Financial consequences for each category not to exceed \$15,000 per year.

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**FLORIDA HEALTHY KIDS CORPORATION
CONTRACT FOR INTERNAL AUDIT AND CONSULTING SERVICES**

AMENDMENT NO. 3

This Amendment No. 3 ("Amendment") to the Contract for Internal Audit and Consulting Services ("Contract") is by and between **Florida Healthy Kids Corporation** ("FHKC") and **Law, Redd, Crona & Munroe, P.A.** ("Vendor"), (collectively, the "Parties").

WHEREAS, FHKC and Vendor executed the Contract on or about April 26, 2021; and

WHEREAS, FHKC and Vendor executed renewals of the Contract on or about June 27, 2023, and May 16, 2024; and

WHEREAS, pursuant to Subsection 2.3, Amendments to the Contract, the Contract may be amended in writing by the mutual consent of the Parties at any time; and

WHEREAS, FHKC desires to have Vendor continue performance under the Contract; and

WHEREAS, Vendor desires to continue to perform specified deliverables and services under the Contract.

NOW THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby amend the Contract as follows:

1. Subsection 2.1 of the Contract and Amendment Nos. 1 and 2, is hereby amended to add the following sentence at the end of the subsection:

FHKC hereby extends the term of this Contract effective July 1, 2025, and shall expire at midnight June 30, 2026, unless otherwise terminated or renewed by the mutual written agreement of the Parties.

2. Except as expressly amended hereby, the Contract shall remain in full force and effect in accordance with its provisions.
3. This Amendment No. 3 sets forth the entire understanding between the Parties with regard to the subject matter hereof.
4. In the event of any conflict between the Contract and this Amendment No. 3, the terms of this Amendment No. 3 shall govern.
5. This Amendment No. 3 becomes effective on the date it is fully executed (executed by both Parties).



6. This Amendment No. 3 may be executed in counterparts, each of which shall constitute an original and all of which together shall constitute the same document.

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 3, to be executed by their undersigned officials as duly authorized.

**FOR
FLORIDA HEALTHY KIDS CORPORATION:**

Signed: _____

Name: Ryan West

Title: Chief Executive Officer

Date: _____

**FOR
LAW, REDD, CRONA & MUNROE, P.A.**

Signed: _____

Name: _____

Title: _____

Date: _____