

CONTRACT AMENDMENT

ARIZONA
DEPARTMENT OF CORRECTIONS
1601 W. JEFFERSON, M/C 55302
PHOENIX, ARIZONA 85007
(602) 542-1172

CONTRACT NO. 130051DC AMENDMENT NO. 14 Contact: Paul Pociask, Procurement Manager

A SIGNED COPY OF THIS AMENDMENT MUST BE RECEIVED BY THE DEPARTMENT OF CORRECTIONS.

September 6, 2017

Karey L. Witty
Chief Executive Officer
Corizon Healthcare
103 Powell Court
Brentwood, Tennessee 37027

Via Email: Scott.King@corizonhealth.com; Jennifer.Finger@corizonhealth.com

Contract No. ADOC13-041943/130051DC - Privatization of All Correctional Health Services

The Contract is hereby amended as follows:

- 1. Contract Sanctions:** The existing contract sanctions cap of \$90,000 per month shall remain in place from July 1, 2017 - October 31, 2017, and shall be removed completely effective November 1, 2017. There will be no cap on contract sanctions from November 1, 2017 through June 30, 2018. The removal of the cap on contract sanctions applies beginning with the November 2017 performance measure results reported in January 2018.
- 2. Statewide Compliance Rate Incentive:** Corizon is eligible for a \$100,000 per month incentive from October 1, 2017 - June 30, 2018 for each month at or above 90.0% statewide compliance rate is achieved. Statewide compliance is defined per the existing performance measuring methodology under the *Parson v. Ryan, et al.* Stipulation. This incentive applies beginning with the October 2017 performance measure results reported in December 2017.

Example: If November statewide compliance = 92.6%, then it would result in a \$100,000 incentive for the month of November. If December statewide compliance = 89.8%, then it would result in no incentive for the month of December.

- 3. Supplemental Statewide Compliance Rate Incentive:** Corizon is eligible for a supplemental monthly incentive for each full percentage point above the 90.0% statewide compliance rate achieved. The supplemental amounts shall be as follows:
 - October 1, 2017 - November 30, 2017 \$75,000
 - December 1, 2017 - February 28, 2018 \$100,000
 - March 1, 2018 - June 30, 2018 \$125,000

Statewide compliance is defined per the existing performance measuring methodology under the *Parson v. Ryan, et al.* Stipulation. This incentive applies beginning with the October 2017 performance measure results reported in December 2017.

Example: November statewide compliance = 92.6% (92.6% - 90.0% = 2.6%) it would result in a \$150,000 (2 * \$75,000 * 1 month = \$150,000) incentive for the month of November.

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- 4. CGAR Compliance Improvement Incentive:** Corizon is eligible for a one-time incentive of \$35,000 per performance measure for each performance measure that is brought back into substantial compliance as defined per the existing performance measuring methodology under Paragraphs 10(b)(i) and 10(b)(ii) of the *Parsons v. Ryan, et al.* Stipulation. This incentive applies only to the performance measures that do not meet the definition of substantial compliance as defined per the existing performance measuring methodology under Paragraphs 10(b)(i) and 10(b)(ii) of the *Parsons v. Ryan, et al.* Stipulation, out of the total 849 performance measures encompassed by the Stipulation. This incentive applies beginning with the October 2017 performance measure results reported in December 2017.

For each of the performance measures that Corizon brings into substantial compliance as defined per the existing performance measuring methodology under Paragraphs 10(b)(i) and 10(b)(ii) of the *Parsons v. Ryan, et al.* Stipulation and for which the \$35,000 CGAR compliance improvement incentive is received, such substantial compliance must be maintained through the term of the contract. If Corizon receives an incentive payment under this paragraph, but such substantial compliance is not maintained, Corizon shall return the \$35,000 incentive to ADC.

Example: 5 measures brought into substantial compliance as defined per the existing performance measuring methodology under Paragraphs 10(b)(i) and 10(b)(ii) of the *Parsons v. Ryan, et al.* Stipulation will result in \$175,000 ($5 * \$35,000 = \$175,000$) incentive.

- 5.** The calculations set forth in this Amendment will be predicated upon all 849 CGAR performance measures, even if some performance measures are subsequently removed from judicial oversight by the Court under the *Parson v. Ryan, et al.* Stipulation.
- 6.** The maximum amount of incentives set forth in this Amendment shall not cumulatively exceed \$3,500,000. Total incentives shall include only incentives referenced in sections 2, 3, and 4. Contract sanctions referenced in section 1 do not reduce or offset the total incentives.
- 7.** Corizon shall remain subject to the existing \$5,000 per performance measure sanction for any failed performance measure that extends the monitoring period under the *Parson v. Ryan, et al.* Stipulation.
- 8. Payments:** For the services performed beginning October 1, 2017, Corizon shall invoice ADC for services that month utilizing the Inmate Count of State Prisons reported on the ADC Daily Count Sheet of September 15, 2017. The 15th of the month Inmate Count will be used as the estimated ADP for the following month from October 2017 through May 2018 as noted. Corizon shall invoice ADC no later than the 20th of the month, beginning with September 20, 2017 (for October's Invoice), for the following month's payment. For the month of June 2018, Corizon shall invoice ADC for the June 1, 2018 through June 15, 2018 Inmate Count, within three business days of the 15th, including the reconciliations noted below. Corizon shall invoice ADC

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for June 15, 2018 through June 30, 2018 Inmate Count within three business days of June 30, 2018. ADC shall pay the June 2018 invoices within seven business days of receipt.

9. Reconciliation: Corizon shall provide ADC documentation with December 2017's invoice, reflecting the difference between actual inmate counts for October 2017 and the amount invoiced and paid. The difference shall be reflected as an amount owed to ADC (if the actual count was lower) or an additional amount owed to Corizon (if the actual count was higher). Subsequent month's invoices shall reflect reconciliations for the months of November 2017 through April 2018, respectively. The reconciliation for April 2018 and May 2018 shall be reflected on the June 20th invoice. See Table Below:

Month of Service	Inmate Count Date	Invoice Date	Payment Date	Reconcile Date
October	09/15/17	09/20/17	10/01/17	12/20/17
November	10/15/17	10/20/17	11/01/17	01/20/18
December	11/15/17	11/20/17	12/01/17	02/20/18
January	12/15/17	12/20/17	01/01/18	03/20/18
February	01/15/18	01/20/18	02/01/18	04/20/18
March	02/15/18	02/20/18	03/01/18	05/20/18
April	03/15/18	03/20/18	04/01/18	06/20/18
May	04/15/18	04/20/18	05/01/18	06/20/18
June 1st -15th	Actual Count	06/20/18	06/29/18	N/A
June 16th - 30th	Actual Count	07/05/18	07/16/18	N/A

ALL OTHER PROVISIONS OF THE CONTRACT SHALL REMAIN IN THEIR ENTIRETY.

Vendor hereby acknowledges receipt and understanding of this Contract Amendment


Signature Date

Roland Maldonado, Senior VP Operations

Typed Name and Title

This Contract Amendment is executed this 7th day of September, 2017 in Phoenix, Arizona.


Ken Sanchez
ADC Chief Procurement Officer