

**I. CONTRACT INFORMATION:**

Contract #: 10962 Amendment #: 3  
 Agency/Department: Agency of Human Services/Dept of Corrections Contractor Vendor No: 182150  
 Contractor: Prison Health Services, Inc  
 Contractor Address: 105 Westpark Drive, Suite 200, Brentwood, TN 37027  
 Federal ID or SS#: 23-2108853  
 Starting Date: 1/29/2007 Ending Date: 1/31/2009  
 Summary of contract or amendment: Correct Monthly Payment

**II. FINANCIAL INFORMATION**

Maximum Payable:	\$26,839,822	Prior Maximum:	\$ 24,364,367	Prior Contract # (If Renewal):	
Current Amendment:	\$2,475,455	Cumulative amendments:	\$ 2,475,455	% Cumulative Change:	10.16%
Maximum # Units:		# Unit Change:		Prior # Units:	#
Rate:	\$	Prior Rate:	\$		

Source of Funds - Business Unit(s): 03480

General Fund: 100 % Federal Fund:      % Other Fund:      % Fund Code:       
 Dept. ID: 3480004010 Dept. ID:      Dept. ID:     

**III. SUITABILITY OF PERSONAL SERVICES CONTRACT**

☒ Yes ☐ No Does this contractor meet all 3 parts of the "ABC" definition of independent contractor?  
 (See Bulletin 3.5) If not, please indicate why this work is being arranged through a contract.  
☐ Yes ☒ No Is agency liable for income tax withholding or FICA?  
☐ Yes ☒ No Should contractor be paid on the state payroll?

**IV. PUBLIC COMPETITION**

The agency has taken reasonable steps to control the price of the contract and to allow qualified businesses to compete for the work authorized by this contract. The agency has done this through:

☒ Standard bid or RFP ☐ Simplified Bid ☐ Sole Sourced ☐ Qualification Based Selection ☐ Other

**V. TYPE OF CONTRACT**

☒ Personal Service ☐ Construction ☐ Architect/Engineer ☐ Commodity ☐ Privatization\* ☐ Other

**VI. CONFLICT OF INTEREST**

By signing below, I certify that no person able to control or influence award of this contract had a pecuniary interest in its award or performance, either personally or through a member of his or her household, family, or business.

☐ Yes ☒ No Is there an "appearance" of a conflict of interest so that a reasonable person may conclude that this contractor was selected for improper reasons: (If yes, explain)

**VII. PRIOR APPROVALS REQUIRED OR REQUESTED**

☒ Yes ☐ No Contract must be approved by the Attorney General under 3 VSA §311(a)(10)  
☐ Yes ☒ No I request the Attorney General review this contract as to form  
 No, Already performed by in-house AAG or counsel:                      (initial)  
☐ Yes ☒ No Contract must be approved by the CIO/Commissioner of DII; for IT hardware, software or services and  
 Telecommunications over \$150,000  
☐ Yes ☒ No Contract must be approved by the CMO; for Marketing services over \$15,000  
☒ Yes ☐ No Contract must be approved by the Secretary of Administration

**VIII. AGENCY/DEPARTMENT HEAD CERTIFICATION; APPROVAL**

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

7/17/07 [Signature]  
 Date Agency / Department Head

7/24/07 [Signature]  
 Date Approval by Agency Secretary (if required)

7/23/07 [Signature]  
 Date Approval by Attorney General

Date \*Reviewed by DHR Comm. or DHR AAG

Date CIO (init) Date CMO (initial)

8-3-07 [Signature]  
 Date Secretary of Administration

## AMENDMENT

It is agreed by and between the State of Vermont, Department of Corrections (hereafter called "State") and Prison Health Services, Inc of Brentwood, TN, Vermont (hereafter called "Contractor") that contract #10962 dated 1/26/2007 between said State and Contractor is hereby amended as follows:

To change Page 1, 3. Maximum Amount to \$26,839,822

Attachment B, 1) Base Compensation: To replace first paragraph with the following:

The State will pay Contractor annual base compensation (the "Base Compensation") in the amount of \$12,514,530 for the first year of the Agreement which shall commence on January 29, 2007 and continue through January 31, 2008. The Base Compensation is comprised of the following: (i) the annual Actual Costs (defined below) of providing health care services which have been initially budgeted by the parties as \$11,161,823 (the "Budgeted Costs") (three months at \$845,607.75 and 9 months at \$958,333.33) and (ii) a annual fixed management fee of \$1,352,707 (the "Management Fee"). The Base Compensation shall be paid as follows: three (3) monthly installments of \$958,333.33 and nine (9) monthly installments of \$1,071,058.91. Contractor will invoice the State thirty (30) days before the first day of the month in which services are rendered. The State agrees to pay Contractor on or before the first (1<sup>st</sup>) day of the month for which services will be rendered. In the event the Agreement should commence or terminate on a date other than the first or last day of any calendar month, the Base Compensation will be prorated accordingly for the shortened month.

The State will pay Contractor annual base compensation (the "Base Compensation") in the amount of \$13,880,924 for the second year of the Agreement which shall commence on February 1, 2008 and continue through January 31, 2009. The Base Compensation is comprised of the following: (i) the annual Actual Costs (defined below) of providing health care services which have been initially budgeted by the parties as \$12,420,000 (the "Budgeted Costs") and (ii) an annual management fee of \$1,460,924 (the "Management Fee"). The Base Compensation shall be paid in twelve (12) equal monthly installments of \$1,156,743.67. This incorporates the annualization of the first year Budgeted Costs as well as the increase outlined in Attachment B, 2) Increases to Base Compensation in Subsequent Years.

Except as modified by this above amendment, and any and all previous amendments to this contract, all provisions of this contract #10962 dated 1/26/2007 shall remain unchanged and in full force and effect.

The effective date of this amendment is 01/29/2007.

APPROVED AS TO FORM

STATE OF VERMONT  
AGENCY OF HUMAN SERVICES  
DEPARTMENT OF CORRECTIONS

MP Salem  
Attorney General's Office

Date: 7/23/07

Robert D. Hofmann  
Robert D. Hofmann, Commissioner

Date: 8/22/07

August 23, 2007  
cc: Accounting (Donna)  
AHS (Shirley)  
Susan Wemy/  
Judy Roberts  
Prison Health Services

CONTRACTOR: Prison Health Service, Inc

Signed: \_\_\_\_\_

Richard H. Hest  
(Please PRINT Signature)

Address: 105 Westpark Drive, Suite 200  
Brentwood, TN 37027  
SS#/Fed ID#: 23-210885

Date: \_\_\_\_\_

8/17/07

APPROVED AS TO FORM  
by LEGAL DEPT.

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