

# GENERAL SERVICES ADMINISTRATION

## Federal Supply Service

### *Authorized ADP Federal Supply Schedule Price List*

*Products and ordering information in this Authorized ADP Schedule Price List is also available on the GSA Advantage! System. Agencies can browse GSA Advantage! by accessing GSA's Home Page via the Internet at <http://www.gsa.gov>.*

## Coding for 3M Health Data Management

**This contract contains 3M Health Information Systems Division's Software Systems for managing data in the HealthCare field, including 3M's systems for Health Data Management, Coding and Reimbursement, Enterprise Management, All Patient Refined DRG Software, Care Innovation and Ambulatory Patient Grouping Software.**

**FSC Group: 70**

**FSC Class: 7030**

**Contract Number: GS-35F-4002G**

**Contract Period: April 1, 2002 through March 31, 2012**

**Contractor: 3M Company**

**3M Health Information Systems Division**

**575 West Murray Blvd.**

**Murray, UT 84157-9000**

**(800) 367-2447**

**Through Modifications 65**

**Contract Administration Office:**

**3M Government Markets**

**1425 K Street, NW, Suite 300**

**Washington, DC 20005**

**(202) 414-3009 (For Contracting Information ONLY)**

**Business Size: Large**

**3M Health Information Systems Division**

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### SPECIAL NOTE TO AGENCIES:

**Small Business Participation** - SBA strongly supports the participation of small business concerns in the Federal Supply Schedule Program. To enhance Small Business Participation, SBA policy allows agencies to include in their procurement base and goals, the dollar value of orders expected to be placed against the Federal Supply Schedules, and to report accomplishments against these goals.

For order exceeding the micro-purchase threshold, FAR 8.404 requires agencies to consider the catalogs/price lists of at least three schedule contractors and consider reasonably available information by using the GSA Advantage! on-line shopping service ([www.fss.gsa.gov](http://www.fss.gsa.gov)). The catalogs/price lists, GSA Advantage!™ and the Federal Supply Service Home Pages ([www.fss.gsa.gov](http://www.fss.gsa.gov)) contain information on a broad array of products and services offered by small business concerns.

This information should be used as a tool to assist ordering activities in meeting or exceeding established small business goals. It should also be used as a tool to assist in including small, small disadvantaged and women-owned small businesses among those considered when selecting price lists for a best value determination.

For orders exceeding the micro-purchase threshold, customers are to give preference to small business concerns when two or more items at the same delivered price will satisfy their requirements.

1. **Geographic Scope of Contract:** The 48 contiguous states, the District of Columbia, Alaska and Hawaii.
2. **Contractor's Address:**
  - a. **Ordering Address:** Orders should be made out to the Contractor and mailed to:  
  
3M Health Information Systems Division  
575 West Murray Blvd.  
Murray, UT 84157-9900
  - b. **Payment Address:** Same as Ordering Address noted above.  
Contractors are required to accept the Government Purchase card for payments equal to or less than the micro-purchase threshold for oral or written delivery orders. Government purchase card will be acceptable for payment above the micro-purchase threshold. In addition, bank account information for wire transfer will be shown on the invoice.  
  
The following telephone number can be used by ordering agencies to obtain technical and/or ordering assistance: (800) 367-2447.
3. **Liability for Injury or Damage:** The contractor shall not be liable for any injury to Government personnel or damage to Government property arising from the use of equipment maintained by the Contractor, unless such injury or damage is due to the fault or negligence of the Contractor.

Statistical Data for Government Ordering Office Completion of Standard Form 279:

Block 9: **G Order/Modification** under Federal Schedule.

Block 16 DUNS: 02-187-3203

Block 30: Type of Contractor: C Large Business

Block 31: Woman-Owned Small Business: No

Block 36: Contractor Tax Identification No.: 410417775

4. a. **Cage Code:** 76381
- b. 3M has registered with the Central Contractor Registration Database.
5. **FOB Destination:** The 48 contiguous states, the District of Columbia, Alaska and Hawaii.
6. **Delivery Schedule:**
  - a. Time of Delivery: SIN 132-32 – Within 45 days ARO  
SIN 132-33 – Within 90 days ARO  
SIN 132-34 – Within 90 days ARO  
SIN 132-51 – Within 90 days ARO
  - b. Urgent Requirements: When the Federal Supply Schedule contract delivery period does not meet the bona fide urgent delivery requirements of an ordering agency, agencies are encouraged, if time permits, to contact the Contractor for the purpose of obtaining accelerated delivery. The Contractor shall reply to the inquiry within 3 workdays after receipt (Telephonic replies shall be confirmed by the contractor in writing). If the Contractor offers an accelerated delivery time acceptable to the ordering agency, any order(s) placed pursuant to the agreed upon accelerated delivery time frame shall be delivered within this shorter delivery time and in accordance with all other terms and conditions of the contract.
7. **Discounts:**
  - a. Prompt Payment: Net 30 days from receipt of invoice or date of acceptance, whichever is later.
  - b. Quantity Discounts: None
  - c. Dollar Volume: None
  - d. Educational Institutions: None
  - e. Other: None
8. **Trade Agreements Act of 1979, as amended:** All items are U.S. made end products, designated country end products, Caribbean Basin country end products, Canadian end products, or Mexican end products as defined in the Trade Agreement Act of 1979, as amended.
9. **Export Packing:** Not Available
10. **Small Requirements:** The minimum order quantity for orders placed against this contract is one license for at least a one-year period. Minimum order of “Second Copies” is \$500.

11. **Maximum Order (all dollar amounts are exclusive of any discount for prompt payment):**
- |                     |  |
|---------------------|--|
| Special Item 132-32 | 3M Annual Software License (Term) - \$500,000 per order            |
| Special Item 132-33 | Perpetual Software License - \$500,000 per order                   |
| Special Item 132-34 | Maintenance of Software – \$500,000 per order                      |
| Special Item 132-51 | Information Technology Professional Services - \$500,000 per order |
12. **Use of Federal Supply Service Information Technology Schedule Contracts in accordance with FAR 8.404:** Orders placed pursuant to a Multiple Award Schedule (MAS), using the procedures in FAR 8.404, are considered to be issued pursuant to full and open competition. Therefore, when placing orders under Federal Supply Schedules, ordering offices need not seek further competition, synopsise the requirement, make a separate determination of fair and reasonable pricing, or consider small business set-asides in accordance with subpart 19.5. GSA has already determined the prices of items under schedule contracts to be fair and reasonable. By placing an order against a schedule using the procedures outlined below, the ordering office has concluded that the order represents the best value and results in the lowest overall cost alternative (considering price, special features, administrative costs, etc.) to meet the Government’s needs.
- a. Orders placed at or below the micro-purchase threshold. Ordering office can place orders at or below the micro-purchased threshold with any Federal Supply Schedule Contractor.
- b. Orders exceeding the micro-purchase threshold but not exceeding the maximum order threshold. Orders should be placed with the Schedule Contractor and can provide the supply or service that represents the best value. Before placing an order, ordering offices should consider reasonably available information about the supply or services offered under MAS contracts by using the “GSA Advantage!” on-line shopping service, or by reviewing the catalogs/price lists of at least three Schedule Contractors and selecting the delivery and other options available under the schedule that meets the agency’s needs. In selecting the supply or service representing the best value, the ordering office may consider-
- (1) Special features of the supply or service that are required in effective program performance and that are not provided by a comparable supply or service;
  - (2) Trade-in considerations;
  - (3) Probable life of the item selected as compare with that of a comparable item;
  - (4) Warranty considerations;
  - (5) Maintenance availability;
  - (6) Past performance; and
  - (7) Environmental and energy efficiency considerations
- c. **Orders exceeding the maximum order threshold:** Each schedule contract has an established maximum order threshold. This threshold represents the point where it is advantageous for the ordering office to seek a price reduction. In addition to following the procedures in paragraph b, above, and before placing an order that exceeds the maximum order threshold, ordering offices shall-
- (1) Review additional Schedule Contractor’s catalogs/price lists or use the “GSA Advantage!” on-line shopping service;
  - (2) Based on the initial evaluation, generally seek price reductions from the Schedule Contractor that provides the best value and results in the lowest overall cost alternative. If further price reductions are not offered, an order may still be placed, if the ordering office determines that it is appropriate.

- (3) After price reductions have been sought, place the order with the Schedule Contractor that provides the best value and results in the lowest overall cost alternative. If further price reductions are not offered, an order may still be placed, if the ordering office determines that it is appropriate.

**Note:** For orders exceeding the maximum order threshold, the Contractor may:

- (1) Offer the new lower price for this requirement (the Price Reductions Clause is not applicable to orders placed over the maximum order in FAR 52.216-19)
- (1) Offer the lowest price available under the contract; or
- (2) Decline the order (orders must be returned in accordance with FAR 52.216-19).

- d. **Blanket Purchase Agreements (BPAs):** The establishment of Federal Supply Schedule BPAs is permitted when following the ordering procedures in FAR 8.404. All schedule contracts contain BPA provisions. Ordering offices may use BPAs to establish accounts with Contractors to fill recurring requirements. BPAs should address the frequency of ordering and invoicing, discounts, and delivery locations and times.
  - e. **Price Reductions:** In addition to the circumstances outlined in paragraph c, above, there may be instances when ordering offices will find it advantageous to request a price reduction. For example, when the ordering office finds a schedule supply or service elsewhere for a lower price or when a BPA is being established to fill recurring requirements, requesting a price reduction could be advantageous. The potential volume of orders under these agreements, regardless of the size of the individual order, may offer the ordering office the opportunity to secure greater discounts. Schedule Contractors are not required to pass on all schedule users a price reduction extended only to an individual agency for a specific order.
  - f. **Small Business:** For orders exceeding the micro-purchase threshold, ordering offices should give preference to the items of small business concerns when two or more items at the same delivered price will satisfy the requirement.
  - g. **Documentation:** Orders should be documented, at a minimum, by identifying the Contractor the item was purchased from, the item purchased, and the amount paid. If an agency requirement in excess of the micro-purchase threshold is defined so as to require a particular brand name, product, or feature of a product peculiar to one manufacturer, thereby precluding consideration of a product manufactured by another company, the ordering office shall include an explanation in the file as to why the particular brand name, product, or feature is essential to satisfy the agency's needs.
13. **Federal Information Technology/Telecommunications Standards Requirements:** Federal Departments and Agencies acquiring products from this Schedule must comply with the provisions of the Federal Standards Programs, as appropriate (reference: NIST Federal Standard Index). Inquiries to determine whether or not specific products listed herein comply with the Federal Information Processing Standards (FIPS) or Federal Telecommunication Standards (FED-STDS), which are cited by ordering offices, shall be responded to promptly by the Contractor.

- 13.1 **Federal Information Processing Standards Publications (FIPS PUBS):** ADP products under this Schedule that do not conform to Federal Information Processing Standards (FIPS) should not be acquired unless a waiver has been granted in accordance with the application “FIPS Publication”. Federal Information Processing Standards Publications (FIPS PUBS) are issued by the U.S. Department of Commerce, National Institute of Standards and Technology (NIST) pursuant to National Security Act. Information concerning their availability and applicability should be obtained from the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia, 22161. FIPS PUBS include voluntary standards when these are adopted for Federal use. Individual orders for FIPS PUBS should be referred to the NTIS Sales Office and orders for subscription service should be referred to the NTIS Subscription Officer both at the same address, or telephone number (703) 487-4650.
- 13.2 **Federal Telecommunications Standards (FED-STD):** Telecommunication products under this Schedule that do not conform to Federal Communications Standards (FED-STD) should not be acquired unless a waiver has been granted in accordance with the applicable “FED-STD”. Federal Telecommunication Standards are issued by the U.S. Department of Commerce, National Institute of Standards and Technology (NIST), pursuant to the National Security Act. Ordering information and information concerning the availability of FED-STDs should be obtained from the GSA Specification Sales Office, Room 6654, 7<sup>th</sup> and D Streets, SW, Washington, DC 20407, telephone number (202) 708-9205. Please include a self-addressed mailing label when requesting information by mail. Information concerning their applicability can be obtained by writing or calling the U.S. Department of Commerce, National Institute of Standards and Technology, Gaithersburg, MD 20899, telephone number (301) 975-2833.
14. **Security Requirements:** In the event security requirements are necessary, the ordering activities may incorporate in their delivery order(s) a security clause in accordance with current laws, regulations and individual agency policy. However, the burden of administering the security requirements shall be with the ordering agency. If any costs are incurred as a result of the inclusion of security requirements, such costs will be negotiated with the Schedule Contractor on an open market basis outside the scope of the contract.
15. **Contract Administration for Ordering Offices:** Any ordering office, with respect to any one or more purchase orders place by it under this contract, may exercise the same rights of termination as might the GSA Contracting Officer under provisions of FAR 52.2124, paragraphs (1) Termination for the Government’s convenience; and (2) Termination for Cause (see C.1.).
16. **GSA Advantage!:** *GSA Advantage!* is an on-line, interactive electronic information and ordering system that provides on-line access to vendors’ schedule price lists with ordering information. *GSA Advantage!* will allow the user to perform various searches across all contracts including, but not limited to: (1) Manufacturer; (2) Manufacture’s Part Number; and (3) Product Categories. Agencies can browse *GSA Advantage!* by accessing the Internet World Wide Web utilizing a browser (ex.: Netscape). The internet address is <http://www.gsa.gov>.
17. **Purchase of Open Market Items:** Open Market Items are also known as incidental items, non-contract items, non-schedule items, and items not on a Federal Supply Schedule contract. ODCs (Other Direct Costs) are not part of this contract and should be treated at open market purchases. Ordering Activities procuring open market items must follow FAR 8.401(d).

For administrative convenience, an ordering activity contracting officer may add items not on the Federal Supply Multiple Award Schedule (MAS) – referred to as open market items – to a Federal Supply Schedule blanket purchase agreement (BPA) or an individual task or delivery order, **only if-**

- a. All applicable acquisition regulations pertaining to the purchase of the items not on the Federal Supply Schedule have been followed (e.g., publicizing (Part 5), competition requirements (Part 6), acquisition of commercial items (Part 12), contracting methods (Parts 13, 14, and 15), and small business programs (Part 19));
  - a. The ordering activity contracting officer has determined the price for the items not on the Federal Supply Schedule is fair and reasonable;
  - c. The items are clearly labeled on the order as items not on the Federal Supply Schedule; and
  - d. All clauses applicable to items not on the Federal Supply Schedule are included in the order.
18. **Contractor Commitments, Warranties and Representations:**
- a. For the purposes of this contract, commitments, warranties and representations include, in addition to those agreed to for the entire schedule contract:
    - (1) Time of delivery/installation quotations for individual orders;
    - (2) Technical representations and/or warranties of products concerning performance, total system performance and/or configuration, physical, design and/or functional characteristics and capabilities of a product/equipment/service/software package submitted in response to requirements which result in orders under this schedule contract.
    - (3) Any representation and/or warranties concerning the products made in any literature, description, drawing and/or specifications furnished by the contractor.
  - b. The above is not intended to enlarge the scope of this schedule contract for individual orders. Terms and conditions of any orders are limited strictly to those specified in the schedule contract and price list and agreed to by GSA.
19. **Overseas Activities:** The terms and conditions of this contract apply to all orders for installation, maintenance and repair of equipment only in the geographical scope (the 48 contiguous state, Alaska, Hawaii, the District of Columbia and Puerto Rico) listed above. Logistical support is not available outside of these areas.
20. **Blanket Purchase Agreements (BPAs):** Federal Acquisition Regulation (FAR) 13.201(a) defines Blanket Purchase Agreements (BPAs) as "...a simplified method of filling anticipated repetitive needs for supplies or services by establishing `charge accounts` with qualified sources of supply." The use of Blanket Purchase Agreements under the Federal Supply Schedule Program is authorized in accordance with FAR 12.202(c)(3), which reads, in part, as follows: "BPAs may be established with Federal Supply Schedule Contractors, if not inconsistent with the terms of the applicable schedule contract."

The Federal Supply Schedule contracts contain BPA provisions to enable schedule users to maximize their administrative and purchasing savings. This feature permits schedule users to set up "accounts" with Schedule Contractors to fill recurring requirements. These accounts establish a period for the BPA and generally address issues such as the frequency of ordering and invoicing, authorized callers, discounts, delivery locations and times. Agencies may qualify for the best quantity/volume discounts available under the contract, based on the potential volume of business that may be generated through such an agreement, regardless of the size of the individual orders. In addition, agencies may be able to secure a discount higher than that available in the contract based on the aggregate volume of business possible under a BPA. Finally, Contractors may be open to a progressive type of discounting where the discount would increase once the sales accumulated under the BPA reach certain

prescribed levels. Use of BPA may be particularly useful with the new Maximum Order feature. See the Suggested Format, contained in this Schedule Price List, for the customers to consider when using this purchasing tool.

21. **Contractor Team Arrangements:** Contractors participating in contractor teaming arrangements must abide by all terms and conditions of their respective contracts. This includes compliance with Clauses 552.238-74, Contractor's Reports of Sales and 552.238-76, Industrial Funding Fee, i.e., each contractor (team member) must report sales and remit the IFF for all products and services provided under its individual contract.
22. **Installation, De-installation and Reinstallation:** The Davis-Bacon Act (40 U.S.C. 276a-276a-7) provides that contracts in excess of \$2,000 to which the United States or the District of Columbia is a party for construction, alteration or repair (including painting and decorating) of public buildings or public works with the United States, shall contain a clause that no laborer or mechanic employed directly upon the site of the work shall receive less than the prevailing wage rates as determined by the Secretary of Labor. The requirements of the Davis-Bacon Act do not apply if the construction work is incidental to the furnishing of supplies, equipment or services. For example, the requirements do not apply to simple installation or alteration of a public building or public work that is incidental to furnishing supplies or equipment under a supply contract. However, if the construction, alteration or repair is segregate and exceeds \$2,000, then the requirements of the Davis-Bacon Act applies.
23. **Section 508 Compliance:** Please contact 3M Health Information Systems Division for information concerning questions relating to 3M's software applications interface with unit operating systems in the context of Section 508. 3M's software will utilize the standard Microsoft operating system's functionalities, but this should be verified with 3M HIS for each installation where this issue might arise.
24. **Prime Contractor Ordering From Federal Supply Schedule:** Prime Contractors (on cost reimbursement contracts) placing orders under Federal Supply Schedules, on behalf of an ordering activity, shall follow the terms of the applicable schedule and authorization and include with each order –
  - a. A copy of the authorization from the ordering activity with whom the contractor has the prime contract (unless a copy was previously furnished to the Federal Supply Schedule contractor); and
  - b. The following statement:

This order is placed under written authorization from \_\_\_\_\_ dated \_\_\_\_\_.

In the event of any inconsistency between the terms and conditions of this order and those of your Federal Supply Schedule contract, the latter will govern.
25. **Insurance-Work on a Government Installation (JAN 1997) (FAR 52.228-5)**
  - a. The Contractor shall, at its own expense, provide and maintain during the entire performance of this contract, at least the kinds and minimum amounts of insurance required in the Schedule or elsewhere in the contract.
  - b. Before commencing work under this contract, the Contractor shall notify the Contracting Officer in writing that the required insurance has been obtained. The policies evidencing required insurance shall contain an endorsement to the effect that any cancellation or any material change adversely affecting the Government's interest shall not be effective-
    - (1) For such period as the laws of the State in which this contract is to be performed prescribe; or
    - (2) Until 30 days after the insurer or the Contractor gives written notice to the Contracting Officer, whichever period is longer.

- c. The Contractor shall insert the substance of this clause, including this paragraph (c), in subcontracts under this contract that require work on a Government installation and shall require subcontractors to provide and maintain the insurance required in the Schedule or elsewhere in the contract. The Contractor shall maintain a copy of all subcontractors' proofs of required insurance, and shall make copies available to the Contracting Officer upon request.
26. **Software Interoperability:** Offerors are encouraged to identify within their software items any component interfaces that support open standard interoperability. An item's interface may be identified as interoperable on the basis of participation in a Government agency-sponsored program or in an independent organization program. Interfaces may be identified by reference to an interface registered in the component registry located at <http://www.core.gov>.
27. **Advance Payments:** A payment under this contract to provide a service or deliver an article for the United States Government may not be more than the value of the service already provided or the article already delivered. Advance or pre-payment is not authorized or allowed under this contract. (31 U.S.C. 3324)

**Terms and Conditions applicable to Term Software Licenses (Special Item Number 132-32), Perpetual Software Licenses (Special Item Number 132-33) and Maintenance (Special Item Number 132-34) of General Purpose Commercial Information Technology Software:**

1. **Purchase Terms:**
  - a. Acceptance. The Government shall accept or reject software in writing within thirty (30) days after date of delivery.
  - b. Guarantee. All software furnished pursuant to the terms of this contract will be unconditionally guaranteed for defects in the software or the disk for a period of one (1) year, beginning the first day of acceptance.
  - c. Utilization Limitations: The Government agrees to refrain from changing or removing any insignia or lettering from the software or documentation that is provided or producing copies of manuals or disks except one copy for backup purposes as allowed by manufacturer and agrees to comply with the following:
    - i. Title to and ownership of the software and documentation and any reproductions thereof shall remain with the contractor.
    - ii. Use of the software and documentation shall be limited to the facility for which it is acquired.
  - d. Technical Services: The contractor, without additional charge to the Government, shall provide a hot line technical support number (800) 367-2447 for the purposes of providing user assistance and guidance in the implementation of the software. The technical support number is available from 9:00 a.m. to 5:00 p.m. (Mountain Time).

**Software License Agreement – Term Software Licenses (Special Item Number 132-32):****1.0 DEFINITIONS**

**1.1 “Authorized Site”** means and includes any hospital, clinic, clinical laboratory, surgical center or nursing home that controls, is controlled by, is under common control with Customer, or is under a written management contract with Customer, that is **specifically identified** as an Authorized Site listed in Exhibit A to this Agreement. "Control" is defined as possessing fifty percent (50%) or more of the voting stock or other ownership interest. If Customer desires to have an entity included as an Authorized Site that does not otherwise meet the "Control" threshold set forth herein, 3M will consider the inclusion of such an entity on a case-by-case basis.

**1.2 “Authorized Users”** means the employees, contract workers (i.e., individuals employed by a third party assigned to perform, on a temporary basis, the same or similar functions of an Authorized Site’s employees) and independent contractors (i.e., self-employed individuals who perform, on a temporary basis, the same or similar functions of an Authorized Site’s employees) of an Authorized Site, an admitting physician (a licensed physician who has the privilege to admit patients at an Authorized Site) and a consulting physician (a licensed physician who provides medical consultation at an Authorized Site, or to an admitting physician). 3M will also permit Customer to include, as Authorized Users, consultants and contractors not otherwise included within the foregoing definition provided that (i) the consultant or contractor has a legitimate need to access and use the Software solely on behalf of an Authorized Site, (ii) the consultant or contractor is not, in 3M’s reasonable opinion, a competitor of 3M and (iii) Customer requires such consultant or contractor to execute 3M’s standard Third Party Access and Confidentiality Agreement.

**1.3 “Documents”** means written reference, operations and/or users manuals and other documents, and all revisions thereto, which provide specifications for or instructions for the use of the Software and which are furnished to any Authorized Site by 3M.

**1.4 “Equipment”** means the central processing unit(s), any peripheral equipment and all interconnecting cables and wires physically located at the Installation Site(s) and/or Authorized Sites that meet or exceed 3M’s then current minimum configuration requirements for using the Software, or substitute or backup equipment first approved by 3M in writing.

**1.5 “Installation Site”** means the physical location to which 3M shall deliver the Software for installation on the Equipment or any substitute location first approved by 3M in writing. All Installation Sites shall be identified in Exhibit A to this Agreement.

**1.6 “Software”** means 3M Software and Third Party Content.

**1.7 “3M Software”** means all copies of 3M-owned computer program(s) identified in Exhibit B, Software Schedule to this Agreement and any Updates thereto.

**1.8 “Software Installation Date”** means, with respect to: (i) any particular Software (CSI), the earliest date on which the Software is loaded on the Equipment and (i) passes 3M’s diagnostic tests for such Software, or (ii) is put into use by Customer for any purpose other than for testing purposes that takes place before 3M begins its diagnostic tests, whichever occurs first. Customer-installed Software, if any, will be presumed to be loaded on the Equipment seven (7) days after shipment by 3M.

**1.9 “Term”** means the period of time during which this Agreement remains in effect, beginning with the Initial Term and continuing throughout each successive Renewal Term, if any. The “Initial Term” of this Agreement is the period of time set forth on the face of this Agreement commencing on the earliest Software Installation Date. A “Renewal Term” is the additional period of time that this Agreement remains in effect, pursuant to Section 9.2, following the end of the Initial Term, or an immediately prior Renewal Term.

**1.10 “Third Party Content”** means all non-3M-owned computer programs and/or materials (including, but not limited to, for example, CPT™ codes) incorporated into, or distributed by 3M for use in conjunction with, 3M Software, together with any Updates or diagnostic support aids thereto which are distributed to any Authorized Site by 3M.

**1.11 "Update"** means an enhancement or modification to the Software which 3M makes generally available to its customers without an additional or increased license fee.

## **2.0 SOFTWARE AND SERVICES**

**2.1 Ownership.** Title to all copies of the Software and Documents (including those made by Authorized Users), and to all 3M confidential and proprietary information, shall be and remain vested in 3M and/or its suppliers. 3M also retains title to all media used to supply Software to Customer. Whenever 3M supplies Updates to Customer and upon request from 3M, Customer shall certify in writing to 3M that all copies of media previously furnished by 3M have been returned to 3M or destroyed.

**2.2 Installation.** Software must be installed on Customer's Equipment at the designated Installation Site(s). Software shall be installed by 3M; however, certain Software may be identified in Exhibit B as Customer-installable ("CI"). Customer shall, at its expense, be responsible to see that all Customer-installable Software is installed and placed in working order. Customer shall provide 3M with all relevant specifications and other documents and shall supply all cables, interface hardware and other Equipment reasonably required to integrate and interface the Software Customer's instruments and other computer systems.

**2.3 Training.** 3M shall train Authorized Users in use of the 3M Software. Course descriptions shall be provided to Customer shortly after the complete execution of this Agreement. The number of Authorized Users to be trained shall be listed on Exhibit B. Training, if any, shall be provided at Customer's location, or remotely via phone, video or Internet conferencing. Customer shall, at its expense: (i) provide the necessary Authorized Users for training at the scheduled times and training locations, and (ii) provide the necessary training resources including, but not limited to, rooms, overhead projectors, video equipment and personal computers for computer based training. Customer shall provide adequate time for training of Authorized Users, as defined by 3M's installation and training personnel.

**2.4 Software License.** During the Term of this Agreement, 3M grants Customer a nontransferable, nonexclusive license ("License") to permit Authorized Users to access and use the Software and Documents solely for purposes of processing transactions for the Authorized Sites listed in this Agreement. The License granted to Customer does not permit Customer to do or permit any of the following without 3M's prior written consent: (i) make extra copies of the Software or Documents (except for the limited purposes set forth below), (ii) sublicense, lease, lend, transfer or permit access to the Software or Documents (or any copies thereof) to any third party, (iii) permit access to, or the use, of the Software or Documents by any person, facility or entity that is not an Authorized User, (iv) use, or permit the use of, the Software or Documents to process transactions of any entity or facility that has not been specifically listed as an Authorized Site, or (v) disassemble, reverse-engineer or create derivative works based upon the Software. Customer is solely responsible for informing and ensuring that all Authorized Users permitted to access and use the Software or Documents (including all Authorized Users who access and use the Software or Documents from remote locations), comply with the restrictions of Sections 2.4, 2.5 and 4. Notwithstanding the foregoing, Customer may make such copies of the Software and/or Documents as are necessary to secure the Customer's data or which are essential to the operation of the Equipment. During any period of Equipment malfunction causing the Software to be inoperative, Customer may use the Software on other Equipment; however, Customer shall not remove the Software from the Installation Site without 3M's written consent, which shall not be unreasonably withheld. Upon thirty (30) days advance notice, at Customer's regular business hours, Customer shall allow 3M, or a third party designated by 3M, to inspect and audit Customer's books, records and use of the Software and Documents solely and exclusively for the purpose of verifying Customer's compliance with its obligations under this Agreement. Any audit shall be paid for by 3M; provided, however, that Customer shall pay for the expense of the audit if the audit reveals a violation of the Agreement.

**2.5 Third Party Content.** Except as otherwise indicated in this Agreement, all terms and conditions of this Agreement, including the applicable terms and conditions set forth in Exhibit D, if any, shall apply to Third Party Content. 3M reserves the right to add or delete Third Party Content and to revise the provisions of Exhibit D in the event that the licensor of any Third Party Content requires 3M to pass through modified terms and conditions applicable to its Content. In the event of a conflict between the terms and conditions of this Agreement and those set forth in Exhibit D with respect to Third Party Content, the terms and conditions of Exhibit D shall control. If 3M provides Third Party Content to Customer that is accompanied by its own license agreement (e.g., "shrink-wrap" or "click wrap" terms and conditions) such Third Party Content license agreement shall control Customer's use of the Third

Party Content. In the event Customer is permitted by a Third Party Content license agreement to change, modify or make any derivative work from the Third Party Content, Customer assumes total responsibility for any resulting Equipment and/or Software malfunctions.

**2.6 Remote Coding.** Customer is responsible for ensuring that all access to and use of the Software by Authorized Users from remote locations (“Remote Coding”) is in accordance with terms and conditions of this Agreement including, but not limited to, the use of the Software solely for the benefit of the Authorized Sites listed in this Agreement. Security to detect and/or prevent unauthorized access, disclosure or use of protected health information (“PHI”) or Customer’s Operational Information (as defined in Section 4.2.2) data is the sole responsibility of Customer, and Customer agrees to indemnify and hold 3M harmless from any demands, claims, or suits by a third party for loss, judgment, damages or expenses (including attorney’s fees) arising out of or related to unauthorized access, disclosure or use of PHI or Customer’s Operational Information in Remote Coding situations.

**2.7 Software Security.** 3M provides limited utilities and functions as part of the Software to limit access to the Software to authorized personnel. The overall effectiveness of software security depends upon the Customer's proper use of the 3M utilities and functions, and Customer’s own policies, procedures and software/hardware security devices. Accordingly, so long as the Software meets the performance warranty set forth in Section 6.3,

**2.8 Operating Results.** While 3M makes the Software available for Customer's use, Customer understands and acknowledges that it is solely responsible for the use it makes of the Software including, but not limited to, monitoring and verifying the input to and output from the Software. Accordingly, so long as the Software meets the performance warranty set forth in Section 6.3.

## **3.0 SUPPORT SERVICES**

**3.1 Scope of Support Services.** Beginning on the Software Installation Date and continuing throughout the Term of this Agreement, 3M shall provide Customer with the following support services (“Support Services”) at no additional charge provided that the Software in use by Customer is the most current or the immediately preceding Update level:

**3.1.1 Corrections.** 3M shall correct significant deviations between the 3M Software and the applicable Documents and any incompatibility between the 3M Software and the operating system software of any Equipment, which has been approved by 3M for use with 3M Software.

**3.1.2 Updates.** 3M shall furnish Updates to the 3M Software. 3M will use commercially reasonable efforts to provide Updates to meet the requirements of federal laws and regulations (including, for example, changes to DRG, APC, ICD-9, and CPT™ codes); provided, however, where changes in laws and regulations (including, for example, implementation of ICD-10) are, in 3M’s reasonable determination, significant enough to require the development of new software products or new features and/or functions for existing software products, then: (i) 3M may, but is not required to develop the new features, functions and/or software products, and (ii) 3M may charge additional license and support fees in connection with any additional features, functions and/or software products it chooses to develop. Updates are designed to be Customer-installable. When on-site support for Updates is requested by Customer, 3M reserves the right to charge Customer 3M’s then-current fees for installation and training in connection with Updates which require 3M personnel to provide support at Customer’s site. Such charges are not included in the fees listed on the face of this Agreement. 3M will use reasonable efforts to notify Customer of additional charges and/or Equipment necessary to make an Update operational prior to the release of such Update.

**3.1.3 Telephone Support.** 3M shall provide Customer with telephone assistance to support Customer's use of the 3M Software. Telephone Support will be available during the hours of 6:00 a.m. to 5:00 p.m. MST/MDT Monday through Friday, excluding normal business holidays. A detail explanation of Support Services can be found in the Document, Customer Support Guide. Support for a Priority 1 problem (defined as a problem which is stopping production or adversely affecting patient care, and for which there is no alternative way to operate the system) will also be provided outside such hours 365 days per year. If, at any time, Customer experiences a Priority 1 problem with 3M Software, 3M shall provide Support Services within four (4) hours after Customer has notified the designated 3M support center.

**3.1.4 ICD-10 Version of the Software.** When federal law and/or implementing regulations require the use and/or submission of data based upon the International Statistical Classification of Diseases and Related Health Problems, Tenth Revision, published by the World Health Organization (“ICD-10”), 3M shall provide to its then-current Customers the following Updates: (i) for Customers licensing the ICD-9 version of the 3M Coding and Reimbursement Software and 3M Grouping Software, 3M will provide an Update that replaces the ICD-9 version with an ICD-10 compliant version of the 3M Software, (ii) for Customers licensing the 3M Interface Software, 3M will provide an Update that that will allow the transmission of ICD-10 data, and (iii) for Customers licensing 3M Software containing a database, 3M will provide an Update that will accommodate storage and transmission of ICD-10 data. Fees for these Updates will be based upon Customer’s then-current Agreement. 3M will increase license fees the maximum amount in Section 8.1.b. of the Agreement in both the year immediately preceding the year in which federal law requires the use and/or submission of ICD-10 based data, and in the year in which federal law requires the use and/or submission of ICD-10 based data (for example, if federal law requires the use and/or submission of data based upon ICD-10 beginning on October 1, 2008, a 3M customer subject to a maximum annual license fee increase of five percent (5%) will receive a five percent (5%) license fee increase during the period between October 1, 2007 and September 30, 2008, and the period between October 1, 2008 and September 30, 2009—such increase to be included on Customer’s annual invoice. If 3M develops and commercially releases other software products or services related to ICD-10, Customer may elect to acquire such additional ICD-10 products and/or services at 3M’s then-current prices. Customer shall be responsible for any associated installation and/or training requested from 3M. 3M may also charge additional Support Service fees related to new software products. 3M will permit Customers to simultaneously access and use their ICD-9 version of the 3M Software at no additional license charge for a period not to exceed months (3) months from the installation of the ICD-10 Update to the Software to permit the coding of those records that require reporting under the ICD-9 regulations. Thereafter, Customer’s license for the ICD-9 version of the 3M Software shall terminate. If Customer desires to use the ICD-9 version of the 3M Software longer than provided for herein, Customer must enter into a license agreement for such 3M Software at the then-current license fees.

**3.2 Customer's Obligations.** To enable 3M to provide Support Services under this Agreement, Customer shall: (i) notify 3M when support is required and report problems to 3M, (ii) allow 3M reasonable access to Customer's system and the reasonable use of necessary site facilities, utilities, data communications and system resources with ready access at no charge, (iii) when requested by 3M, collect data and other information necessary for 3M to resolve system problems, (iv) maintain the database and program libraries as specified by 3M, (v) obtain any additional Equipment, updates to third party application software and third party operating system Software (as reasonably specified by 3M) necessary to make an Update operational, (vi) provide time for installation of all Updates, (vii) perform regular daily backups, and (viii) provide qualified personnel to work with 3M personnel.

**3.3 Modification of Support Services.** After the Initial Term of this Agreement (as set forth on the face of this Agreement), 3M may modify the Support Services offered with respect to the Software by giving Customer written notice ninety (90) days prior to any renewal date, including the first renewal date.

## **4.0 CONFIDENTIAL INFORMATION, TRADENAMES AND COPYRIGHTS**

**4.1 Customer's Obligations.** Customer acknowledges that this Agreement, the Software, the Documents contain information that is confidential to and proprietary trade secrets of 3M and/or its suppliers (“3M Information”). Customer agrees to treat all 3M Information as confidential, to require all Authorized Users who Customer permits access to the Software or the Documents pursuant to Section 2.0 to comply with this Section 4.1, and otherwise use its best efforts to prevent unauthorized disclosure of 3M Information. The obligations of this Section 4.1 shall not apply to any 3M Information, which is public information on the date this Agreement is completely executed, or becomes public information subsequent to such date through acts not attributable to Customer. The existence of a copyright notice shall not cause or be construed to cause the Software or the Documents to be a published copyrighted work or to be public information or in the public domain. Customer shall not remove the trademarks, trade names or any notice of 3M or 3M's suppliers from any Equipment, Software, Documents or other materials delivered to Customer pursuant to this Agreement, and will cause them to appear on all copies made by Customer pursuant to Section 2.0.

**4.2 3M's Obligations.** 3M acknowledges that in the course of performing this Agreement it may be given access to information that is confidential to Customer or to third parties, including Customer's patients. 3M agrees to treat all such information as confidential in accordance with the following provisions:

**4.2.1 Protected Health Information ('PHI').** To the extent required by the Health Insurance Portability and Accountability Act of 1996, or "HIPAA," and the regulations promulgated thereunder, the parties shall abide by the terms of Exhibit C, Business Associate Addendum.

**4.2.2 Operational Information.** In addition, 3M agrees to treat all Customer Information other than PHI including, but not limited to, hospital and medical systems, financial and billing data and other operational information (collectively, "Operational Information") as confidential and to use its best efforts to prevent unauthorized disclosure of such items by 3M's employees, agents, representatives and contractors. The obligations of this Section 4.2.2 shall not apply to any Operational Information which is public information on the date this Agreement is completely executed, or becomes public information subsequent to such date through acts not attributable to 3M or its employees, agents, representatives or subcontractors.

## 5.0 ACCESS TO 3M BOOKS AND RECORDS

**5.1 Access.** To the extent required by applicable law (42 U.S.C. 1395x(v) (1) (I) and 42 CFR Sec. 420.300 through 420.304, or any successor statutes or regulations), until the expiration of four (4) years after the furnishing of services under this Agreement, 3M shall make available upon written request to the Secretary of Health and Human Services ("Secretary") or the Comptroller General, or to any of their duly authorized representatives, this Agreement and such books, documents and records of 3M that are necessary to verify or certify the nature and extent of 3M's invoiced charges for services furnished to Customer.

**5.2 Subcontracts with Related Organizations.** 3M agrees that to the extent required by applicable law, if 3M carries out any of its duties under this Agreement through a subcontract with a related organization with a value or cost of \$10,000 or more over a twelve month period, that subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of services under that subcontract, the related organization will make available, upon written request to the Secretary, or to the Comptroller General, or to any of their duly authorized representatives, the subcontract and such books, documents and records of the related organization that are necessary to verify or certify the nature and extent of the costs incurred by Customer based on 3M's invoiced charges for services furnished by the related organization.

## 6.0 WARRANTIES AND REPRESENTATIONS

**6.1 Authority.** 3M represents and warrants to Customer that, during the Initial Term of this Agreement and any renewal thereof, it has and will have full power and authority to enter into this Agreement and perform hereunder; and that such entry and performance does not and will not violate any rights of any third party.

**6.2 Noninfringement.** 3M further represents and warrants to Customer that, during the Initial Term of this Agreement and any renewal thereof, the 3M Software and Documents do not infringe any patent, copyright, trademark or trade secret rights of any third party. Customer shall immediately notify 3M of any infringement claim and provide 3M with a copy of any pleadings. The selection of counsel, the conduct of the defense of any lawsuit and any settlement shall be within the sole control of 3M, and at 3M's expense. 3M also agrees to indemnify and hold Customer harmless from any damages or expenses (including attorney's fees) actually and finally awarded against Customer in any lawsuit arising out of or related to 3M's alleged infringement of a third party's intellectual property rights. 3M may, at its option and expense, procure for Customer the right to continue using the allegedly infringing 3M Software, replace it with a noninfringing item, modify it so it becomes noninfringing, or require Customer to return all copies of the allegedly infringing 3M Software to 3M and grant Customer a pro rata credit for the unused portion of the prepaid Software license fee for the current year and terminate the applicable Support Services. THIS SECTION 6.2 STATES THE SOLE AND EXCLUSIVE REMEDY OF CUSTOMER FOR ANY ALLEGED INFRINGEMENT AND IS IN LIEU OF ALL WARRANTIES, EXPRESS OR IMPLIED, IN REGARD THERETO. This warranty does not extend to any Third Party Content.

**6.3 Performance.** 3M represents and warrants that, so long as Customer has licensed the 3M Software from 3M on a continuous and uninterrupted basis from the installed and is using the then-current or immediately preceding 3M Software Update level, the 3M Software shall perform in substantial accordance with the Documents; however, 3M does not represent or warrant that the operation of the 3M Software will be uninterrupted or error-free. Upon receipt of written notice from Customer that 3M Software fails to meet this warranty, 3M shall provide the Support Services set forth in Section 3.0 of this Agreement. In the event 3M is unable to remedy a breach of warranty in this Section 6.3, Customer shall return all copies of the applicable 3M Software to 3M and 3M shall grant Customer a pro rata credit for the unused portion of the prepaid Software license fee for the current year and terminate the applicable Support Services. This warranty does not extend to any Third Party Content.

**6.4 Disclaimer.** EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS SECTION 6, 3M AND ITS SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND THOSE ARISING FROM TRADE USAGE OR COURSE OF DEALING.

## 7.0 LIMITATION OF LIABILITY

**7.1 Lost Data or Information.** 3M AND ITS SUPPLIERS SHALL NOT BE LIABLE TO CUSTOMER FOR ANY LOSS OR DAMAGE RESULTING FROM LOST DATA OR INFORMATION. IN THE EVENT DATA OR INFORMATION IS LOST DUE TO ANY NEGLIGENT ACT OR OMISSION BY 3M, OR DUE TO BREACH OF ANY WARRANTY, 3M'S SOLE LIABILITY AND CUSTOMER'S SOLE REMEDY SHALL BE FOR 3M TO USE ITS BEST EFFORTS TO RECOVER THE LOST DATA OR INFORMATION AT NO CHARGE TO CUSTOMER.

**7.2 Excluded Damages.** NEITHER 3M AND ITS SUPPLIERS, NOR CUSTOMER SHALL BE LIABLE TO THE OTHER UNDER ANY CIRCUMSTANCES FOR ANY INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OR ECONOMIC LOSS, BASED UPON BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT LIABILITY IN TORT OR ANY OTHER LEGAL THEORY EVEN IF 3M OR ITS SUPPLIERS OR CUSTOMER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, REVENUE (EXCEPT FOR LOSS OF PROFITS OR REVENUE TO 3M ARISING FROM CUSTOMER'S FAILURE TO PAY AMOUNTS DUE UNDER THIS AGREEMENT OR CUSTOMER'S BREACH OF SECTION 2.4 or 2.5), EQUIPMENT USE, DATA OR INFORMATION OF ANY KIND.

**7.3 Maximum Liability.** 3M'S MAXIMUM CUMULATIVE LIABILITY FOR DAMAGES, COSTS OR EXPENSES OF ANY TYPE OR NATURE RECOVERABLE UNDER LAW OR CONTRACT FOR ALL MATTERS ARISING OUT OF OR RELATING TO THIS AGREEMENT IS LIMITED TO (i) THE SUM OF THE SOFTWARE LICENSE FEES ACTUALLY PAID TO 3M BY CUSTOMER FOR THE INITIAL TERM OF THIS AGREEMENT, OR (ii) ONE MILLION DOLLARS (\$1,000,000), WHICHEVER IS LESS.

## 8.0 FEES, INVOICING AND PAYMENTS

**8.1 Software.** License fees for each item of Software are set forth in the Software Schedule and shall be invoiced to Customer as set forth below. Upon execution of this Agreement, Customer shall pay 3M the down payment set forth on the face of this Agreement. The down-payment shall appear on the initial invoice(s) as a credit against the first year license fees. Notwithstanding anything to the contrary contained in any Third Party Software license agreement, Customer shall pay all license fees to 3M with respect to Third Party Software as provided in this Agreement for the Term of this Agreement.

**a. First Year of the Initial Term.** License fees for the first year, set forth in the Software Schedule and summarized on the face of this Agreement, will be invoiced to Customer on or shortly after the Software Installation Date.

**b. Second and Subsequent Years of the Initial Term.** Subject to the provisions of Section 8.1(d) below, Software license fees for the second and subsequent years of the Initial Term shall be communicated to the Customer by e-mail, U.S. mail, or courier at least sixty (60) days prior to the anniversary of the Software Implementation Date and shall be due on the Software Installation Date. Total license fee increases, if any, in the second and subsequent years of the Initial Term shall not exceed five percent (5%) of the license fee for the immediately preceding year unless otherwise indicated on the Software Schedule.

**c. Additional Software and/or Authorized Sites.** During the Initial Term or any Renewal Term of this Agreement, the parties, upon mutual consent, may add new items of Software or additional Authorized Sites to this Agreement. For the administrative convenience of the parties, 3M shall prorate the first year's license fees for the new Software and/or Installation Sites to the next anniversary of the Software Installation Date of this Agreement. Thereafter, 3M will submit a single invoice for the annual license fees for all Software. The license term for all items of Software shall then coterminate with the license Term provided for the item of Software having the earliest calendar Software Implementation Date.

**d. Renewal after the Initial Term.** License fees for years after the Initial Term for which this Agreement is renewed shall be at 3M's then-current license fee less any applicable discount, which shall be communicated to the Customer at least ninety (90) days prior to the end of the Initial Term and the end of any yearly renewal period hereof.

**8.2 Software Installation and Training.** Charges for Software installation and training are set forth in the Software Schedule and shall be invoiced on or after Software Installation Date. If Customer cancels an agreed upon installation and/or training date less than seven (7) days prior to such date, or if Customer is unprepared to go forward with installation and/or training on the agreed upon installation and/or training date, then 3M may invoice Customer for any non-refundable travel-related costs and expenses and one day's installation and/or training (as applicable) at 3M's then current rate.

**8.3 Miscellaneous Charges.** All charges and fees not specified in this Agreement shall be invoiced to Customer shortly after such charges or fees accrue. Customer may approve, in writing, all miscellaneous charges before they are incurred on behalf of Customer.

**8.4 Invoicing, Payments.** FAR 52.232-25 shall govern all invoice and payment transactions between the contractor and the government.

**8.5 Taxes.** In addition to the charges and fees specified herein, Customer shall pay or reimburse 3M for all taxes, customs duties and amounts levied instead of taxes resulting from this Agreement, except for personal property taxes on the Software and taxes based on 3M's net income. If Customer is exempt from any taxes, Customer shall certify such exemption in a form satisfactory to 3M.

## **9.0 TERM, NONRENEWAL AND TERMINATION**

**9.1 Term.** This Agreement shall become effective upon complete execution by the parties and shall remain in effect for the Initial Term. Thereafter, this Agreement shall automatically renew for successive one (1) year terms (each a Renewal Term) unless either party gives the other party written notice at least sixty (60) days prior to the termination of the Initial Term, or the then-current Renewal Term of its election not to renew ("Nonrenewal").

**9.2 Termination and Nonrenewal, Rights and Obligations.** During the Initial Term of this Agreement, or any Renewal Term, either party may terminate this Agreement immediately upon the occurrence of any of the following events: (i) the other party has failed to cure a breach of this Agreement within thirty (30) days after receiving written notice thereof; (ii) the other party institutes proceedings under bankruptcy or insolvency laws, for corporate reorganization, receivership, dissolution or similar proceedings; (iii) proceedings under bankruptcy or insolvency laws, for corporate reorganization, receivership, dissolution or similar proceedings pending against the other party for more than ninety (90) days; (iv) the other party makes a general assignment for the benefit of creditors; (v) the other party becomes insolvent; or (vi) either party ceases to conduct business or to conduct the business relevant hereunder. Upon any termination or nonrenewal of this Agreement, Customer's License to access and use the Software pursuant to Sections 2.4 and 2.5 are and shall be automatically and immediately revoked, and Customer shall (i) cease all further use of the Software and, at 3M's option, either return all copies of the Software and Documents to 3M at Customer's expense or destroy all copies of the Software and Documents. Customer shall certify to 3M in writing that all copies have been returned or destroyed; (ii) pay all charges and fees outstanding (and no refund shall be due Customer for any charges or fees paid, except in the event that Customer has rightfully terminated the Agreement due to a breach by 3M, in which event Customer's sole remedy and 3M's sole obligation shall be a refund to Customer of a pro-rated portion of the current year's pre-paid Software license fees, if any); (iii) return to 3M any security devices which 3M loaned to Customer. Sections 2.1, 4, 5, 7 and 10 shall survive any termination of this Agreement. FAR 52.249-4 and FAR 52.233-1 are herein included by this reference and made part of this Agreement in Section 9.2.

**9.3 Fiscal Non-Appropriation of Funds.** Notwithstanding any other term contained herein, customer shall have the right in the event that funds are not appropriated in any fiscal year during the term of this Agreement, to terminate this Agreement without charge, effective as of the last day of the fiscal year for which appropriation was made, providing that Customer (i) agrees not to use a competitor's equipment or software during the original term of the Agreement, (ii) pay all charges incurred to the end of the current fiscal period, and (iii) provides sixty (60) day written notice to 3M of non-appropriation of funds. It is understood that Customer is required by law to request this non-appropriation of funds termination provision. Customer hereby agrees to seek funding for each fiscal year.

**9.4 Early Termination.** Customer can terminate this Agreement with thirty (30) days prior written notice to 3M. Customer must have paid the current year's annual Software license fees in full. In addition, 3M and Customer agree that, as a reasonable compensation to 3M, in exchange for 3M's agreement to permit early termination of this Agreement, and not as a penalty, Customer shall pay 3M an early termination charge as follows:

- (a) **1-12 months: early termination charge equal to fifty percent (50%) of the current annual license fee.**
- (b) **13-24 months: early termination charge equal to twenty five percent (25%) of the current annual license fee.**
- (c) **25-36 months: no early termination charge.**

## **10.0 GENERAL PROVISIONS**

**10.1 Effect of Agreement.** This Agreement (including all Schedules, Exhibits and other attachments hereto) embodies the entire understanding between the parties with respect to the subject matter hereof and supersedes any and all prior understandings, oral or written proposals and communications or other agreements, oral or written, relating thereto. Customer acknowledges that it has not been induced to enter into this Agreement by any representation or statement, oral or written, not contained in this Agreement.

**10.2 Amendments, Modifications.** FAR 52.243-1 shall govern all amendment and modification transactions between the contractor and the government.

**10.3 Interpretation, Priority.** The headings and captions contained in this Agreement are for convenience only and shall not constitute a part hereof. In the event of any conflict between a provision of this Agreement, any Schedule or Exhibit thereto, or a Document, such conflict shall be resolved in the following order of priority unless specifically stated otherwise (governing provision stated first): terms and conditions of this Agreement, Schedule, Exhibit, Document.

**10.4 Assignment.** This Agreement is binding on successors and assigns of the parties. Neither this Agreement nor any part or portion hereof shall be assigned, sublicensed, or otherwise transferred by Customer without 3M's prior written consent, and any attempt to do so shall be void.

**10.5 Force Majeure.** Neither party shall be responsible for failure to comply with this Agreement due to causes beyond its reasonable control.

**10.6 Announcements.** 3M, with Customer's prior approval, may issue announcements concerning this Agreement to the trade press and recognized industry consultants.

**10.7 Notices.** Each party shall appoint a representative from its organization authorized to receive notices hereunder. All notices required to be given shall be given in writing by personal delivery, by certified or registered mail or by overnight carrier to the other party at the address listed on the face of this Agreement. Any change of address or representative shall be promptly communicated in writing to the other party. VAAR 852.270-1, **which is included herein as part of Exhibit A**, and by this reference made a part of this Agreement, is included as part of Section 10.7.

**10.8 Severability, Enforcement.** Any provision of this Agreement, which is held to be void, invalid, unenforceable or illegal by a court, shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

**10.9 Governing Law.** This Agreement shall be governed by Federal laws and regulations.

**10.9.a U.S. Government Rights Notices.** 3M shall have the right to include the following, or similar, notice on the Documents and the 3M Software:

This product includes CPT which is commercial technical data and/or computer data bases and/or commercial computer software and/or commercial computer software documentation, as applicable, which were developed at private expense by the American Medical Association, 515 N. State Street, Chicago, Illinois, 60610, or by Minnesota Mining and Manufacturing Company, 575 West Murray Boulevard, Murray, Utah, 84157. U.S. Government rights to use, modify, reproduce release, perform, display, or disclose these technical data and/or computer data bases and/or computer software and/or computer software documentation are subject to the restrictions set forth in a license agreement, DFARS 252.227-7015(b) (2) (June 1995) and/or DFARS 227.7202-3(a) (June 1995), as applicable for U.S. Department of Defense procurements.

**10.10 Dispute Resolution.** The parties shall attempt in good faith to resolve any controversy, claim or dispute (cumulatively "Dispute") arising from or relating to this Agreement by negotiations between representatives of the parties. In the event of litigation both parties hereby waive any right of trial by jury. Any cause of action arising from, or out of, the creation, performance or non-performance or termination of this Agreement, based upon breach of warranty, breach of contract, negligence, strict liability in tort or any other legal theory regardless of the form of such action must be commenced within one (1) year after (i) the date on which the breach occurs, or (ii) the date on which the non-breaching party obtains knowledge of the facts giving rise to such cause of action, whichever occurs later. The procedures herein are exclusive and shall be fully exhausted prior to the initiation of litigation; provided, however, that nothing herein shall preclude a party from taking any action necessary to preclude imminent and irreparable harm.

**10.11 No Third Party Beneficiaries.** The parties expressly acknowledge and agree that no third party is intended to be a beneficiary of any provision of this Agreement.

### 1. Parties:

(Customer Name)  
Software License Agreement #\_\_ - \_\_\_\_)  
(Customer Address)  
(City, State Zip)  
("Covered Entity")

3M Health Information Systems, a Division of 3M Company  
575 West Murray Boulevard  
Murray, UT 84123-4611  
("Business Associate")

### 2. Purpose:

Business Associate may provide certain services as set forth in the Software License and Services Agreement ("Agreement") to Covered Entity which may require the provision by Covered Entity of Protected Health Information ("PHI") and/or Electronic Protected Health Information ("EPHI") to Business Associate. As a result, Business Associate may be considered a Business Associate of Covered Entity as defined by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

Business Associate and Covered Entity intend to comply with the HIPAA Privacy Rule and Security Regulations (45 CFR Parts 160, 162 and 164) ("Privacy Rule" and "Security Regulations", individually; or "Privacy and Security Regulations", collectively). Therefore, to the extent required by HIPAA, and the regulations promulgated thereunder, Business Associate agrees to maintain the confidentiality of PHI and EPHI it receives from Covered Entity, if any. Whenever the term PHI is used in a provision in this Addendum, it shall mean, include and be applicable to EPHI. Whenever the term EPHI is used, it shall mean and be applicable to EPHI only.

### 3. Definitions:

Terms used in this Addendum have the same meaning as those terms in the Privacy and Security Regulations.

The terms PHI and EPHI when used in this Addendum shall have a meaning as defined by the Privacy and Security Regulations, but for the purposes of this Addendum shall be limited to PHI and/or EPHI received from, or created or received by Business Associate on behalf of, Covered Entity. Wherever the term PHI is used in a provision in this Addendum, it shall mean, include and be applicable to EPHI. Wherever the term EPHI is used, it shall mean and be applicable to EPHI only.

### 4. Obligations and Activities of Business Associate: Business Associate agrees, that with respect to PHI, it will:

a. not use or further disclose PHI other than as permitted or required by the Agreement or as Required By Law;  
b. use appropriate safeguards to prevent use or disclosure of the PHI other than as provided for by this Addendum. Without limiting the generality of the foregoing, Business Associate will:

(i) Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that it creates, receives, maintains, or transmits on behalf of the Covered Entity;

(ii) Ensure that any agent, including a subcontractor, to whom it provides such EPHI agrees to implement reasonable and appropriate safeguards to protect it; and

(iii) Report to the Covered Entity any Security Incident of which it becomes aware;

c. report to Covered Entity any use or disclosure of the PHI not provided for in the Agreement of which it becomes aware;

d. ensure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate on behalf of Covered Entity agrees to the same PHI restrictions and conditions that apply to Business Associate through this Addendum;

e. make available PHI maintained by Business Associate or its agents in accordance with this Addendum to Covered Entity upon reasonable notice and in accordance with applicable law;

f. incorporate any amendments or corrections to PHI maintained by Business Associate in a Designated Record Set in accordance with applicable law and to the extent applicable to this Addendum; Any such amendment or correction made to a Designated Record Set at the direction of the Covered Entity will be the responsibility of the Covered Entity.

g. make available the information required to provide an accounting of PHI disclosures made pursuant to applicable law and as required by this Addendum for the term of the Agreement;

h. make internal practices, books, and records, relating to the use and disclosure of PHI received from Covered Entity, available to the Secretary of the United States Department of Health and Human Services, in a reasonable time and manner or as designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with applicable law; and

i. mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Addendum.

**5. Permitted Uses and Disclosures by Business Associate:** Except as otherwise limited in this Addendum, Business Associate may use or disclose PHI:

a. on behalf of, or to provide services to, Covered Entity, as provided for in the Agreement and in accordance with the Privacy Rule;

b. for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate;

c. to provide Data Aggregation services to Covered Entity as permitted by 45 CFR § 164.504(e)(2)(i)(B); and

d. to report violations of law to appropriate Federal and State authorities, consistent with § 164.502(j)(1).

**6. Obligations of Covered Entity:** Covered Entity shall:

a. notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI;

b. notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI; and

c. notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

## 7. Term and Termination

- a. Term. The Term of this Addendum begins on the Effective Date (above), and ends when the Agreement between Covered Entity and Business Associate has terminated or all PHI provided by Covered Entity to Business Associate is destroyed or returned to Covered Entity, whichever is later.
- b. Termination for Cause. If Business Associate breaches this Addendum, Covered Entity has the right, but not the obligation to either:
  - (1) Provide an opportunity for the Business Associate to cure the breach or end the violation;
  - (2) Immediately terminate the underlying Agreement(s) between Covered Entity and Business Associate; however, all rights and obligations arising prior to such termination shall remain in effect. All other Agreements between Covered Entity and 3M Company shall remain in effect in accordance with their terms; or
  - (3) report the violation to the Secretary in accordance with applicable law only in cases where neither termination nor cure are feasible.
- c. Effect of Termination.
  - (1) Except as provided in paragraph (2) of this section, upon termination of this Addendum, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall also apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI except as provided for in this Addendum.
  - (2) In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall extend the security protections of this Addendum to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

## 8. Miscellaneous

- a. Third Party Beneficiaries: Nothing expressed or implied in this Addendum is intended, nor shall be deemed, to confer any benefits on any third party.
- b. Regulatory References. A reference in this Addendum to a section in the Privacy Rule or the Security Regulations means the section as in effect or as amended.
- c. This Addendum supersedes and replaces any other agreement terms with 3M Health Information Systems with respect to the terms and obligations relating to HIPAA and PHI.
- d. Amendment. The Parties agree to take such action as is necessary to amend this Addendum from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Regulations and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.
- e. Survival. The respective rights and obligations of Business Associate under Section 7.c of this Addendum shall survive the termination of this Addendum.
- f. Interpretation. Any ambiguity in this Addendum shall be resolved to permit Covered Entity to comply with the Privacy and Security Regulations.

## **Terminology Consulting Services Agreement**

### **1. Terminology Consulting Services**

3M will provide to Customer the activities described in any Work Order that may, by mutual written consent, become associated with Terminology Consulting Services. Work Orders shall include the following information:

- The Effective Date of the Work Order and the term or period of time during which 3M shall render activities.
- A description of the all activities within the project.
- A description of the parties' obligations with respect to the performance of the Work Order.
- A description of any testing procedures or acceptance criteria applicable to any Work Product to be delivered under this Terminology Consulting Services Agreement.
- The Fee to be charged for the activities, including an indication of whether the activities will be rendered for a fixed fee (and an indication of the payment dates or milestones) or an hourly fee (and a statement of the hourly rates).

Any Work Order will not have a term that exceeds the Expiration Date of this Terminology Mapping Project Agreement unless specifically provided for in the Work Order.

### **2. PROJECT MANAGEMENT**

Each party shall fully cooperate with the other party to accomplish the objectives of this Terminology Consulting Services Agreement. This includes, whenever necessary, being available for discussions and consultations. To facilitate the parties' cooperation, each party shall assign overall responsibility for its performance of this Terminology Consulting Services to a Project Manager, identified in the first Work Order, who is experienced and competent in the management and performance of the party's obligations hereunder. The anticipated responsibilities of Customer's Project Manager shall be set forth in Exhibit 1 to the Work Order. Telephone and in-person conferences to review progress and resolve problems under this Terminology Consulting Services shall be held between the Administrators at such reasonable times as the parties may determine. Either party shall have the right to change their respective Project Manager provided that all reasonable efforts are made to void any delays in the work to be performed under this Terminology Mapping Project.

### **3. 3M PERFORMANCE**

3M's performance, and the timeliness of that performance, depends upon Customer's cooperation and support. Accordingly, 3M's time of performance shall be enlarged, if and to the extent reasonably necessary, in the event that: (a) Customer fails to submit data in the prescribed form or as required by this Terminology Consulting Services Agreement, or as necessitated for 3M to complete any Work Order which may become associated or part of this Terminology Consulting Services Agreement, (b) any force majeure occurrence including, acts of God, malfunction of any equipment or other cause beyond the control of 3M, (c) special requests by Customer or any governmental agency or other regulatory authority authorized to regulate or supervise Customer that impact 3M's performance of the Activities; or (d) if Customer fails to provide any equipment, software, premises, performance or other assistance called for or necessitated by this Terminology Consulting Services or a Work Order.

### **4. FEES AND INVOICING**

Fees for the activities are set forth in the Work Order and shall be payable as set forth therein. Customer shall also reimburse 3M for its reasonable expenses incurred in the performance of any Work Order. Each invoice shall be due and payable in full by Customer in U.S. dollars within thirty (30) days after the date of invoice. 3M may assess a late payment charge at the rate of one percent (1%) per month or the maximum rate permitted by applicable law, whichever is less, on the unpaid amount for each month (or fraction of a month) any payment is late. In addition, 3M may suspend its performance of all Activities under this Terminology Consulting Services if any invoice associated with a Work Order becomes more than thirty (30) days past due, provided that 3M gives Customer ten (10) days advance written notice of its intention to suspend its performance and Customer does not pay all amounts outstanding during such ten (10) day period. Customer shall also pay or reimburse 3M for all taxes, customs duties and amounts levied instead of taxes resulting from this Terminology Consulting Services Agreement, except for taxes based on 3M's net income. If Customer is exempt from any taxes, Customer shall certify such exemption in a form satisfactory to 3M.

### **5. INTELLECTUAL PROPERTY RIGHTS**

All right, title and interest in the software or tools owned or licensed by 3M that are utilized to provide Activities under this Agreement are the sole property of 3M or its licensors. No licenses, express or implied, under any patents, copyrights, trademarks or other property rights are granted for such software or tools to Customer under this Agreement.

### **6. CONFIDENTIALITY**

3M acknowledges that in the course of performing Activities under this Agreement it may be given access to information that Customer deems to be confidential or proprietary. Provided that Customer identifies such information as being confidential or proprietary at the time it is delivered to 3M (all such identified information to be deemed "Customer Confidential Information"), 3M agrees to treat and hold Customer Confidential Information in confidence using the same degree of care that 3M uses to protect its own confidential and proprietary information, but never less than a reasonable degree of care. 3M's obligations under this Section 6 shall not apply to any Customer information or data which is public information on the date this Agreement is executed or becomes public information subsequent to such date through acts not attributable to 3M or its employees, agents, representatives or subcontractors, or information that is independently developed without resort to information provided by Customer.

### 7. ACCESS TO 3M BOOKS AND RECORDS

**7.1 Access.** To the extent required by applicable law (42 U.S.C. 1395x(v) (1) (I) and 42 CFR Sec. 420.300 through 420.304, or any successor statutes or regulations), until the expiration of four (4) years after the furnishing of Activities under this Agreement, 3M shall make available upon written request to the Secretary of Health and Human Activities ("Secretary") or the Comptroller General, or to any of their duly authorized representatives, this Terminology Consulting Services Agreement and such books, documents and records of 3M that are necessary to verify or certify the nature and extent of 3M's invoiced charges for activities furnished to Customer.

**7.2 Subcontracts with Related Organizations.** 3M agrees that to the extent required by applicable law, if 3M carries out any of its duties under this Terminology Consulting Services through a subcontract with a related organization with a value or cost of \$10,000 or more over a twelve month period, that subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of Activities under that subcontract, the related organization will make available, upon written request to the Secretary, or to the Comptroller General, or to any of their duly authorized representatives, the subcontract and such books, documents and records of the related organization that are necessary to verify or certify the nature and extent of the costs incurred by Customer based on 3M's invoiced charges for Activities furnished by the related organization.

### 8. WARRANTIES, DISCLAIMER OF WARRANTIES

3M warrants that it has full power and authority to enter into this Terminology Consulting Services and to perform the Activities set forth in any Work Order. 3M further warrants to Customer that the Activities will be performed in a good and workmanlike manner. In the event of a breach of the foregoing warranty, 3M's exclusive liability, and Customer's exclusive remedy, shall be for 3M, at its option, to either: (i) reperform the Activities in manner consistent with this warranty, or (ii) refund to Customer any amounts paid for the Activities that fail to meet this warranty and terminate this Agreement without further obligation on the part of either party. THE WARRANTIES SET FORTH IN THIS SECTION 8 CONSTITUTE THE SOLE AND EXCLUSIVE WARRANTIES PROVIDED BY 3M WITH RESPECT TO THIS TERMINOLOGY CONSULTING SERVICES AGREEMENT AND THE ACTIVITIES AND SUCH WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

### 9. EXCLUDED DAMAGES, LIMITATION OF LIABILITY

**9.1 Use of Information.** Customer understands and acknowledges that it is solely responsible for the use it makes of any advice, recommendations, information or data (collectively, "Work Product") that 3M supplies to Customer resulting from Activities performed under this Agreement. Accordingly, Customer agrees to indemnify and hold 3M harmless from any demands, claims, or suits by any party for loss, judgment, damages or expenses (including attorney's fees) arising out of or related to use of the Work Product by Customer or any other person.

**9.2 Lost Data or Information.** 3M SHALL NOT BE LIABLE TO CUSTOMER FOR ANY LOSS OR DAMAGE RESULTING FROM LOST DATA OR INFORMATION. IN THE EVENT DATA OR INFORMATION IS LOST DUE TO ANY NEGLIGENT ACT OR OMISSION BY 3M, OR DUE TO BREACH OF ANY WARRANTY, 3M'S SOLE LIABILITY AND CUSTOMER'S SOLE REMEDY SHALL BE FOR 3M TO USE ITS BEST EFFORTS TO RECOVER THE LOST DATA OR INFORMATION AT NO CHARGE TO CUSTOMER.

**9.3 Excluded Damages.** 3M SHALL NOT BE LIABLE UNDER ANY CIRCUMSTANCES FOR ANY INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OR ECONOMIC LOSS, BASED UPON BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT LIABILITY IN TORT OR ANY OTHER LEGAL THEORY EVEN IF 3M HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS, REVENUE, EQUIPMENT USE, DATA OR INFORMATION OF ANY KIND.

**9.4 Maximum Liability.** 3M'S MAXIMUM CUMULATIVE LIABILITY FOR ACTUAL DAMAGES FOR ALL MATTERS ARISING OUT OF OR RELATING TO THIS AGREEMENT IS LIMITED TO THE SUM OF ALL FEES (EXCLUDING TAXES) THAT CUSTOMER HAS PAID TO 3M FOR ACTIVITIES RENDERED UNDER THIS AGREEMENT.

### **10. TERM AND TERMINATION**

The term of this Terminology Consulting Services Agreement is one (1) year, beginning on the Effective Date and continuing until the end of the term (the "Expiration Date"). Notwithstanding the foregoing, Customer may terminate this Terminology Consulting Services Agreement prior to the Expiration Date, or any Work Order prior to the completion of the Activities to be rendered, on thirty (30) days prior written notice to 3M. 3M may terminate this Agreement prior to the Expiration Date, or any Work Order prior to the completion of the Activities to be rendered, if Customer does not meet its obligations under this. Upon termination of the Terminology Consulting Services Agreement, or any Work Order, 3M will cease rendering Activities in an orderly manner as soon as practical. Customer agrees to pay 3M for all Activities provided and any Work Product 3M delivers through the date of termination. In addition, upon payment by Customer, 3M shall deliver to Customer all Work Product in progress. 3M's charges will also include any reasonable fees 3M incur in terminating subcontracts associated with the Activities.

### **11. GENERAL PROVISIONS**

**11.1 Effect of Terminology Consulting Services Agreement.** This Terminology Consulting Services Agreement (including all Work Orders hereto) embodies the entire understanding between the parties with respect to the subject matter hereof and supersedes any and all prior understandings, oral or written proposals and communications or other agreements, oral or written, relating thereto. Customer acknowledges that it has not been induced to enter into this Terminology Consulting Services Agreement by any representation or statement, oral or written, not contained in this Terminology Consulting Services Agreement.

**11.2 Amendments, Modifications.** Except as otherwise provided herein, any amendment hereof must be in writing and signed by both parties. In connection with this Terminology Consulting Services Agreement, 3M may from time to time accept receipt of one or more purchase orders from Customer, may acknowledge such receipt by returning one or more acknowledgment copies, and may issue invoices against any such purchase order. Any such act by 3M is for Customer's convenience only. The terms and conditions of this Terminology Consulting Services Agreement shall prevail over any conflicting or additional terms and conditions of any purchase order or other document submitted by Customer at any time in connection with this Terminology Consulting Services Agreement. All such conflicting and

additional terms and conditions are specifically rejected and do not form, and shall not form, any part of this Terminology Consulting Services Agreement. The headings and captions contained in this Terminology Consulting Services Agreement are for convenience only and shall not constitute a part hereof

**11.3 Independent Contractors.** The parties shall be independent contractors and neither party shall have the power or authority to bind the other party to any agreement with any third party. Except as specifically provided in this Terminology Consulting Services Agreement, each party shall bear its own costs and expenses.

**11.4 Assignment.** This Agreement is binding on successors and assigns of the parties. Neither this Agreement nor any part or portion hereof shall be assigned, sublicensed, or otherwise transferred by either party (except to such party's parent, subsidiary and affiliated organizations) without the other party's prior written consent, which shall not be unreasonably withheld.

**11.5 Announcements.** 3M, with Customer's prior written approval, may issue announcements concerning this Terminology Consulting Services Agreement to the trade press and recognized industry consultants.

**11.6 Notices.** Each party shall appoint a representative from its organization authorized to receive notices hereunder. All notices required to be given shall be given in writing by personal delivery or by certified or registered mail to the other party at the address listed at the beginning of this Agreement. Any change of address shall be promptly communicated in writing to the other party. All notices delivered to 3M shall be sent to the attention of James F. Burgess, General Manager. All notices delivered to Customer shall be delivered to Customer's Project Manager.

**11.7 Severability, Enforcement.** Any provision of this Terminology Consulting Services Agreement which is held to be void, invalid, unenforceable or illegal by a court shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

**11.8 Dispute Resolution.** This Terminology Consulting Services Agreement and any questions, claims, disputes or litigation concerning or arising from this Terminology Consulting Services Agreement shall be governed by the laws of Minnesota without giving effect to the conflicts of law doctrines of any state. The parties shall attempt in good faith to resolve any controversy, claim or dispute (cumulatively "Dispute") arising out of the making or performance or otherwise relating to this Terminology Consulting Services Agreement. Any Dispute not resolved within thirty (30) days of written notice of the Dispute shall undergo mediation in accordance with the Center for Public Resources Model Procedures using a mediator having a background in the industry and subject matter of the Dispute. Mediator costs shall be equally shared. If the Dispute has not been resolved by the mediation process within thirty (30) days after commencement of the process (which occurs with the first conference or telephone conference mediated by the mediator), any party may initiate litigation upon ten (10) days notice to the other party. The parties agree to hold all Disputes in confidence until the first pleading arising from any litigation has been filed with the court. The parties agree that any litigation arising out of or relating to this Agreement (including its making, performance, enforcement or breach) shall be venued exclusively in the state or federal court situated within the State of Minnesota. The parties consent and submit themselves to the personal jurisdiction of said courts for all such purposes. The procedures herein are exclusive and shall be fully exhausted prior to the initiation of litigation; provided, however, that nothing herein shall preclude a party from taking any action necessary to preclude imminent and irreparable harm.

### **Software License Agreement – Perpetual Software Licenses (Special Item Number 132-33) and Maintenance (Special Item Number 132-34)**

#### **1.0 Definitions**

- 1.1 “Access Site” means the physical location of Equipment on which the Software shall be accessed and used (other than an Installation Site), or any substitute location first approved by 3M in writing. All Access Sites shall be identified on the face of this Agreement, and if necessary, on the “Additional Access Sites” page of this Agreement.
- 1.2 “Documents” means written reference, operations and/or users manuals and other documents, and all revisions thereto, which provide specifications for or instructions for the use of the Software and which are furnished to Customer by 3M.
- 1.3 “Equipment” means the central processing unit(s), and peripheral equipment and all interconnecting cables and wires physically located at the Installation Site(s) and/or Access Site(s) which has been approved by 3M for processing the Software or substitute or backup equipment first approved by 3M in writing.
- 1.4 “Installation Site” means the physical location of the Equipment on which the Software shall be installed and used, or any substitute location first approved by 3M in writing. All Installation Sites shall be identified on the face of this Agreement, and if necessary, on the “Additional Installation Sites” page of this Agreement.
- 1.5 “Software” means 3M Software and Third Party Software.
- 1.6 “3M Software” means all copies of 3M-owned computer program(s) identified in the Software Schedule to this Agreement and any Updates thereto.
- 1.7 “Software Installation Date” means, with respect to any particular Software, the earliest date on which the Software is loaded on the Equipment and (i) passes 3M’s diagnostic tests for such Software under Customer’s observation; or (ii) is put into use by Customer for any purpose, whichever occurs first. Customer installed Software will be presumed to be loaded on the Equipment seven (7) days after shipment by 3M.
- 1.8 “Third Party Software” means all copies of non-3M owned computer programs identified in the Software Schedule to this Agreement and any Updates or diagnostic support aids thereto which are distributed to Customer by 3M.
- 1.9 “Update” means an enhancement or modification to the Software which 3M makes generally available to its customers without an additional or increased license fee.
- 1.10 “Enterprise” means Customer, together with all Enterprise Members and all Managed Members.
- 1.11 “Enterprise Member” means any entity (including, but not limited to divisions, subsidiaries, partnerships, or other profit and not-for-profit organizations) that controls, is controlled by, or is under common control with Customer. “Control” is defined as possessing 50% of more of: (i) the voting stock; or (ii) other ownership interest. If Customer desires to have an entity included as an Enterprise Member, which does not otherwise meet the Control Threshold set forth herein, 3M will consider the inclusion of such an entity on a case-by-case basis. Customer shall provide 3M with a list (“Enterprise Member List”) of Enterprise Members (containing the name, address and contact person of each Enterprise Member), and update such list upon any change in the Enterprise Membership. The Enterprise Member List shall be attached as Exhibit B, Enterprise Members and Managed Members.
- 1.12 “Managed Member” means an entity to which Customer is contractually obligated to provide services that either: (i) necessitates that such entity be given access to the 3M Care Innovation Software to process such entity’s internal transactions; or (ii) that obligates Customer to process transactions on such entity’s behalf. Managed Members shall be listed in Exhibit B, Enterprise Members and Managed Members.

- 1.13 “Oracle Software License” means a license granted to Customer to use the Oracle software of the type indicated in Exhibit C, Part III, Third Party Software Schedule – ORACLE for the quantity of each product license granted therein.
- 2.0 **Software**
- 2.1 Ownership. Title to all copies of the Software and Documents (including those made by Customer), and to all related confidential and proprietary information, shall be and remain vested in 3M and/or its suppliers. 3M also retains title to all media used to supply Software to Customer. Whenever 3M supplies Updates to Customer, Customer shall return to 3M any media previously furnished.
- 2.2 Installation. Software shall be installed by 3M; however, certain Software may be identified in the Software Schedule as Customer-installable (“C1”). Customer shall, at its expense, be responsible to see that all Customer-installable Software is installed and placed in working order. Customer shall provide 3M with all relevant specifications and other documents and shall supply all cables, interface hardware and other Equipment reasonably required to integrate and interface the Software with Customer’s instruments and other computer systems.
- 2.3 3M Care Innovation Software Customer Acceptance Testing, Software Acceptance. Beginning on the 3M Care Innovation Software Installation Date and continuing until Customer begins regular, Operational Use of the Software, or for a period of one hundred eighty (180) days after the Software Installation Date, whichever occurs first. Customer shall have the right to test the Software (“Software Acceptance Test Period”). In the event that the Software fails to perform in substantial accordance with the Documents during the Software Acceptance Test Period, Customer shall report the problem(s) to 3M in writing and 3M shall correct the problem(s) pursuant to Section 3.0. Customer can then retest the Software. Software will be deemed accepted upon the conclusion of the Software Acceptance Test Period.
- 2.4 3M Care Innovation Software Training. 3M shall train a core group of Customer’s employees designated as trainers in use of the 3M Care Innovation Software. Customer’s employees designated as trainers shall be responsible for training Customer’s end users. Training will be provided in accordance with course descriptions provided in Exhibit G, 3M Care Innovation Training Plan. Training may be both on-site and off-site as indicated. Customer shall, at its expense: (i) provide the necessary employees for training at the scheduled times and training locations; and (ii) provide the necessary training resources including, but not limited to, rooms, overhead projectors, video equipment and personal computers for computer based training. Customer shall provide adequate time for training of Customer’s personnel, as defined by 3M’s installation and training personnel.
- 2.5 3M Care Innovation Software License. Subject to the terms and conditions of this Agreement, 3M grants Customer a perpetual (but revocable if Customer is in breach of this Agreement), nontransferable, nonexclusive license (“License”) for the 3M Care Innovation Software listed in Exhibit C, Software Schedule(s) to use the 3M Care Innovation Software solely at the Installation Site(s) or at any Member Site, and to make such copies of the 3M Care Innovation Software and/or Documents as are necessary to secure Customer’s data or which are essential to the operation of the equipment.
- 2.5.1 Temporary License for Equipment Malfunction. Notwithstanding the foregoing, during any period of Equipment use the 3M Software on other Equipment; however, Customer shall not remove the 3M Software from the Installation Site without 3M’s written consent, which shall not be unreasonably withheld.

- 2.5.2 Enterprise Members/Affiliated Providers. Customer may permit Enterprise Members, employees, employees of Enterprise Members, Affiliated Providers and employees of Affiliated Providers to access the 3M Care Innovation Software by modem, terminal and printer and to use the Documents provided that Customer shall inform and require each Enterprise Member or person or entity permitted to access and use the 3M Care Innovation Software and Documents to comply with the restrictions of Sections 2.5 and 4.0. Such access to the 3M Care Innovation Software is permitted solely for use of the 3M Care Innovation Software with respect to processing transactions of the Enterprise, and not processing data or transactions related to any person who is not within the Enterprise. Enterprise Members may also permit a consultant or contractor to access and use the 3M Care Innovation Software on Enterprise Members' behalf provided that (i) the consultant or contractor has a legitimate need to access and use the 3M Care Innovation Software, (ii) the consultant or contractor is not, in 3M's reasonable opinion, a competitor of 3M; and (iii) Enterprise Member requires such consultant or contractor to execute a nondisclosure agreement which is acceptable to 3M and delivers a copy of such agreement to 3M. Customer shall not permit any other hospital, person or entity to access and/or use the 3M Care Innovation Software nor shall Customer use the 3M Care Innovation Software for the benefit of any other hospital, person or entity without 3M's prior written consent.
- a. "Affiliated Provider" means any partnership, corporation or other entity which is licensed to provide health care services to patients that may from time to time become affiliated with Customer or any Member (whether such affiliation is by ownership, membership, management, contract, joint venture arrangement or otherwise), and medical practices of physicians and other medical professionals who have privilege to admit patients to, or who provide medical consultation at or information to, Customer or any Member.
- 2.5.3 Managed Members. Customer may permit Managed Members and employees of Managed Members to access and use the 3M Care Innovation Software by modem, terminal or printer, or have transactions processed on Managed Member's behalf by Customer pursuant to Section 2.5 and 4.0
- 2.5.4 of this Agreement, provided that (i) there is a valid agreement between Customer and the Managed Member for Customer to provide such services and (ii) the Managed Member signs an agreement with Customer obligating the Managed Member to comply with the terms of this Agreement. A Managed Member must be included in Exhibit B, Enterprise Members and Managed Members, to this Agreement. In the event that the agreement between Customer and the Managed Member is terminated, the Managed Member's rights to access and use the 3M Care Innovation Software shall terminate immediately and the Managed Member must return all copies of the 3M Care Innovation Software and Documentation to 3M. In addition, Customer agrees that it will assume full responsibility for each Managed Member's compliance with the terms and conditions of the Agreement, and that it will indemnify and hold 3M harmless against all losses, claims, damages, costs and expenses (including reasonable attorneys fees) arising from any breach of the Agreement by any Managed Member. The foregoing indemnity is subject to availability of appropriated funds. Nothing in this Agreement shall be construed as implying that Congress will, at a later date, appropriate funds to meet deficiencies. Nothing herein shall limit 3M's rights under the Agreement, including the right to terminate the Agreement pursuant to Section 11.

- 2.5.5 **Prohibited Uses.** The license granted to Customer does not permit Customer to do or permit any of the following without 3M's prior written consent: (i) make extra copies of the 3M Software or Documents (except as set forth in Section 2.5 above), (ii) sublicense, lease, lend, transfer or permit access to the 3M Software or Documents (or any copies thereof) to any third party, or (iii) disassemble, reverse-engineer or create derivative works base upon the 3M Software.
- 2.6 **Third Party Software License.** All terms and conditions of this Agreement apply to Third Party Software except as other wise indicated in this Agreement or where such terms and conditions conflict with the terms and conditions of the applicable Third Party Software license agreement accompanying the Third Party Software which shall control Customer's use of Third Party Software. In the event Customer is permitted by a Third Party Software license agreement to change, modify or make any derivative work from the Third Party Software, Customer assumes total responsibility for any resulting Equipment and/or Software malfunctions.
- 2.7 **Software Security.** 3M provides standard industry utilities and functions as part of the Software to limit access to the Software to authorized personnel. The effectiveness of such utilities and functions, however, depend upon the Customer's proper use of such utilities and functions, in addition to Customer's other policies and procedures related to software security.
- 2.8 **Operating Results.** While 3M makes the Software available for Customer's use, Customer understands and acknowledges that this Software is not intended to suggest or replace any professional medical judgment, decisions or actions with respect to a patient's medical care, and that Customer is solely and exclusively responsible for monitoring and verifying the input to the Software, and for determining the accuracy, completeness or appropriateness of any diagnostic, clinical or medical information, or other output provided by the Software. Accordingly, Customer agrees to indemnify and hold 3M harmless from any demands, claims, or suits by a third party for loss, judgments, damages or expenses (including attorneys fees) arising out of or related to the Enterprise's use of the Software or by any other person subject to availability of appropriated funds. Nothing in this Agreement shall be construed as implying that Congress will, at a later date, appropriate funds sufficient to meet deficiencies.
- 3.0 **Support Services**
- 3.1 **Scope of Support Services.** Beginning on the Software Installation Date and continuing throughout the term of this Agreement, 3M shall provide Customer with the following support services ("Support Services") provided that Customer is the most current or the immediately preceding Version.
- 3.1.1 **Corrections.** 3M shall correct significant deviations between the 3M Software and the applicable Documents any incompatibility between the 3M Software and the operating system software of any Equipment which has been approved by 3M for use with 3M Software.
- 3.1.2 **Updates.** 3M shall furnish updates to the 3M Software.
- 3.1.3 **Telephone Support.** 3M shall provide Customer's use of the 3M Software.
- 3.2 **Availability of Support Services.** Support Services will be available during the hours of 8:00 a.m. to 5:00 p.m. (based on Customer's time zone) Monday through Friday, excluding normal business holidays. Support for a critical problem (defined as a problem which is topping production or adversely affecting patient care, and for which thee is no alternative way to operate the system) will also be provided outside such hours 365 days per year. If, at any time, Customer experiences a critical problem with 3M Software, 3M shall provide Support Services within four (4) hours after Customer has notified the designated 3M support center.

- 3.3 **Customer's Obligations.** To enable 3M to provide Support Services under this Agreement, Customer shall: (i) notify 3M when support is required and report problems; (ii) allow 3M full access to Customer's system and the reasonable use of necessary site facilities, utilities, data communications and system resources with ready access at no charge; (iii) when requested by 3M, collect data and other information necessary for 3M to resolve system problems; (iv) maintain the database and program libraries as specified by 3M; (v) perform regular daily backups; (vi) provide qualified personnel to work with 3M personnel; and (vii) obtain any reasonable additional equipment and updates to Third Party Application Software and Third Party Equipment Operating System Software that are necessary to make an Update operational (as specified by 3M) and provide time for installation of all updates. Customer shall be responsible for routine, daily backup and restore functions, the backup and restore software and equipment and obtaining Oracle DBA support for backing up and restoring the Software and associated database.
- 3.4 **Modification of Support Services.** After the initial term of this Agreement ("Initial Term" as set forth on the face of this Agreement), 3M may modify the Support Services offered with respect to the Software by giving Customer written notice ninety (90) days prior to any renewal date, including the first renewal date.
- 4.0 **Confidential Information, Trade Names and Copyrights**
- 4.1 **Customer's Obligations.** Customer acknowledges that this Agreement, the Software and the Documents contain information that is confidential and proprietary to 3M and/or its suppliers ("3M Information"). Customer agrees to treat all 3M Information as confidential, to require its employees and all other individuals who Customer permits access to the Software or the Documents pursuant to Section 2.0 to comply with this Section 4.1, and otherwise use its best efforts to prevent unauthorized disclosure of 3M Information. The obligations of this Section 4.1 shall not apply to any 3M Information which is public information on the date this Agreement is completely executed, or becomes public information subsequent to such date through acts not attributable to Customer. The existence of a copyright notice shall not cause or be construed to cause the Software or the Documents to be a published copyrighted work or to be public information or in the public domain. Customer shall not remove the trademarks, trade names or any notice of 3M or 3M's suppliers from any Equipment, Software, Documents or other materials delivered to Customer pursuant to this Agreement, and will cause them to appear on all copies made by Customer pursuant to Section 2.0.
- 4.2 **3M's Obligations.** 3M acknowledges that in the course of performing this Agreement it may be given access to Customer's medical records, patient records, hospital and medical systems, financial and billing data and other operational information (collectively, "Customer Information"). 3M agrees to treat all Customer Information as confidential and to use its best efforts to prevent unauthorized disclosure of such items by 3M's employees, agents, representatives and contractors. The obligations of this Section 4.2 shall not apply to any Customer Information which is public information on the date this Agreement is completely executed, or becomes public information subsequent to such date through acts not attributable to 3M or its employees, agents, representatives or subcontractor.
- 5.0 **Access to 3M Books and Records**
- 5.1 **Access.** To the extent required by applicable law (42 U.S.C. 1395x(v)(1)(I) and 42 CFR Sec. 420.300 through 420.304, or any successor statutes or regulations), until the expiration of four (4) years after the furnishing of services under this Agreement, 3M shall make available upon written request to the Secretary of Health and Human Services ("Secretary") or the Comptroller General, or to any of their duly authorized representatives, this Agreement and such books, documents and records of 3M that are necessary to verify or certify the nature and extent of 3M's invoiced charges for services furnished to Customer.

- 5.2 Subcontracts with Related Organizations. 3M agrees than to the extent required by applicable law, if 3M carries out any of its duties under this Agreement through a subcontract with a related organization with a value or cost of \$10,000 or more over a twelve month period, that subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of services under that subcontract, the related organization will make available, upon written request to the Secretary, or to the Comptroller General, or to any of their duly authorized representatives, the subcontract and such books, documents and records of the related organization that are necessary to verify or certify the nature and extent of the costs incurred by Customer based on 3M's invoiced charges for services furnished by the related organization.
- 6.0 **Warranties and Representations**
- 6.1 Authority. 3M represents and warrants to Customer that, during the Initial Term of this Agreement and any renewal thereof, it has and will have full power and authority to enter into this Agreement and perform hereunder; and that such entry and performance does not and will not violate any rights of any third party.
- 6.2 Non-infringement. 3M further represents and warrants to Customer that, during the Initial Term of this Agreement and any renewal thereof, the 3M Software and Documents do not infringe any patent, copyright, trademark or trade secret rights of any third party. Customer shall immediately notify 3M of any infringement claim and provide 3M with a copy of any pleadings. The selection of counsel, the conduct of the defense of any lawsuit and any settlement shall be within the sole control of 3M. 3M may, at its option and expense, procure for Customer the right to continue using the allegedly infringing 3M Software, replace it with a non-infringing item, modify it so it becomes non-infringing, or require Customer to return all copies of the allegedly infringing 3M Software to 3M and grant Customer a pro rata credit for the unused portion of the prepaid Software license fee for the current year and terminate the applicable Support Services. **THIS SECTION 6.2 STATES THE SOLE AND EXCLUSIVE REMEDY OF CUSTOMER FOR ANY ALLEGED INFRINGEMENT AND IS IN LIEU OF ALL WARRANTIES, EXPRESSED OR IMPLIED, IN REGARD THERETO.** This warranty does not extend to any Third Party Software.
- 6.3 3M Care Innovation Software Performance. 3M further represents and warrants that, for a period of ninety (90) days immediately following the 3M Care Innovation Software Installation Date and thereafter as long as Customer purchases Support Services from 3M and complies with Section 3.0, the 3M Care Innovation Software shall perform in substantial accordance with the Documents in the form originally furnished by 3M. Upon receipt of written notice from Customer that 3M Care Innovation Software fails to meet this warranty, 3M shall provide the Support Services set forth in Section 3.0 of this Agreement. In the even 3M is unable to remedy a breach of warranty in this Section 6.3, Customer shall return all copies of the applicable 3M Care Innovation Software to 3M and 3M shall grant Customer a credit for the applicable 3M Care Innovation Software license fee on a five (5) year straight line depreciation schedule from the Software Installation Date and terminate the applicable Support Services. In addition, Customer may also return to 3M Any third party software purchased from 3M which is no longer needed as a consequence of any nonperformance of the 3M Care Innovation Software in breach of this warranty and 3M shall grant Customer a pro rata refund based upon a five (5) year straight line depreciation schedule from the Third Party Software Installation Date. This warranty does not extend to any Third Party Software.

- 6.4 Disclaimer: Except for the representations and warranties set forth in this Section 6, 3M and its suppliers disclaim any and all warranties, whether express or implied, including without limitation any implied warranties of merchantability or fitness for a particular purpose and those arising from trade usage or course of dealing.
- 7.0 **Limitation of Liability**
- 7.1 Lost Data or Information. 3M AND ITS SUPPLIERS SHALL NOT BE LIABLE TO CUSTOMER FOR ANY LOSS OR DAMAGE RESULTING FROM LOST DATA OR INFORMATION. IN THE EVENT DATA OR INFORMATION IS LOST DUE TO ANY NEGLIGENT ACT OR OMISSION BY 3M, OR DUE TO BREACH OF ANY WARRANTY, 3M'S SOLE LIABILITY AND CUSTOMER'S SOLE REMEDY SHALL BE FOR 3M TO USE ITS BEST EFFORTS TO RECOVER THE LOST DATA OR INFORMATION AT NO CHARGE TO CUSTOMER.
- 7.2 EXCLUDED DAMAGES. 3M AND ITS SUPPLIERS SHALL NOT BE LIABLE UNDER ANY CIRCUMSTANCES FOR ANY INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OR ECONOMIC LOSS BASED UPON BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT LIABILITY IN TORT OR ANY SUCH LEGAL THEORY EVEN IF 3M OR ITS SUPPLIERS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, REVENUE, EQUIPMENT USE, DATA OR INFORMATION OF ANY KIND.
- 7.3 Maximum Liability. 3M'S MAXIMUM CUMULATIVE LIABILITY FOR ACTUAL DAMAGES FOR ALL MATTERS ARISING OUT OF OR RELATING TO THIS AGREEMENT IS LIMITED TO THE SUM OF (i) THE SOFTWARE LICENSE FEES, OR (ii) ONE MILLION DOLLARS (\$1,000,000), WHICHEVER IS LESS.
- 7.4 Oracle Software Limitations. IN NO EVENT SHALL ORACLE A LICENSOR OF THIRD PARTY SOFTWARE, BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, GENERAL, CONSEQUENTIAL, INCIDENTAL, OR OTHER DAMAGES, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY.
- 8.0 **Fees, Invoicing and Payments**
- 8.1 3M Care Innovation Software. License fees for each module of Software are set forth in Exhibit C, Software Schedule(s), and shall be invoiced to Customer as set forth below.
- 8.1.1 3M Care Innovation Software. (i) Thirty percent (30%) of the total license fees for the 3M Care Innovation Software shall be invoiced to Customer shortly after the shipment of the 3M Care Innovation Software, the Documents and the training material; (ii) fifty percent (50%) of the license fee for each module of 3M Care Innovation Software shall be invoiced to Customer on or shortly after the Software Installation Date for such module of 3M Care Innovation Software; and (iii) the remaining twenty percent (20%) of the license fee for each module of 3M Care Innovation Software shall be invoiced upon the date of Operational Use for such module of 3M Care Innovation Software.
- 8.1.2 3M Care Innovation Third Party Software. Notwithstanding anything to the contrary contained in any Third Party Software License Agreement, Customer shall pay all license fees to 3M with respect to Third Party Software as provided in this Agreement for the term of this Agreement. One Hundred percent (100%) of the total license fee for Third Party Software shall be invoiced to Customer shortly after the shipment of the Third Party Software from the Third Party Software vendor.

- 8.2 3M Care Innovation Software Installation and Training. Charges for Software Installation and Training are set forth in Exhibit C, Software Schedule(s), and shall be invoiced as follows: (i) fifty percent (50%) of the installation and training fee for each module of 3M Care Innovation Software shall be invoiced to Customer on or shortly after the Software Installation Date for such module of 3M Care Innovation Software, and (ii) the remaining fifty percent (50%) of the installation and training fee for each module of 3M Care Innovation Software shall be invoiced upon the date of Operational Use for such module of 3M Care Innovation Software. Installation and training charges listed in Exhibit C, Software Schedule do not include travel and “out of pocket” expenses. Actual cost for travel and “out of pocket” expenses will be invoiced monthly as costs are incurred.
- 8.2.1 Project Management. The Project Management Fee listed in Exhibit C, Part I, 3M Care Innovation Software Schedule includes three hundred sixty (360) Project Management hours. If the Customer decides to purchase more than three hundred sixty (360) Project Management hours, the parties will negotiate applicable prices therefore, and this Agreement will be modified in writing accordingly.
- 8.3 Miscellaneous Charges. All charges and fees not specified in this Agreement shall be invoiced to Customer shortly after such charges or fees accrue.
- 8.4 Invoicing, Payments. FAR 52.232-25 shall govern all invoice and payment transactions between the contractor and the government.
- 8.5 Taxes. In addition to the charges and fees specified herein, Customer shall pay or reimburse 3M for all taxes, customs duties and amounts levied instead of taxes resulting from this Agreement, except for personal property taxes on the Software and taxes based on 3M’s net income. If Customer is exempt from any taxes, Customer shall certify such exemption in a form satisfactory to 3M.
- 8.6 Support Services for 3M Care Innovation Software Licenses and Third Party Software. Support Service fees applicable to each module of 3M Care Innovation Software and Third Party Software will be invoiced to Customer as set forth below.
- 8.6.1 First Year of the Initial Term. Support Service Fees for the first year, set forth in Exhibit C, Software Schedule and summarized on the face of this Agreement, will be invoiced to Customer on or shortly after the Software Installation Date for each of 3M Care Innovations Software. First year Support Service Fees are adjusted with a credit reflecting a ninety (90) warranty period.
- 8.6.2 First Year of the Initial Term for Third Party Software. Support Service Fees for the first year, set forth in Exhibit C, Software Schedule and summarized on the face of this Agreement, will be invoiced to Customer on or shortly after the Software Installation Date.

- 8.6.3 Second and Subsequent Years of the Initial Term. Support Service Fees for the second and subsequent years of the Initial Term shall be communicated to the Customer at least ninety (90) days prior to the anniversary of the earliest Software Installation Date. For purposes of convenience, 3M shall, each year after the first year of the Initial Term, submit a single invoice to Customer for all Support Service Fees by pro-rating the term of Support Service and the Support Service Fee for each individual module of 3M Care Innovation Software, regardless of the Software's Installation Date, to correspond to the next anniversary of the module of 3M Care Innovation Software having the earliest Software Installation Date. Support Services for all modules of 3M Care Innovation Software shall then co-terminate with the Support Services provided for the module of 3M Care Innovation Software having the earliest Software Installation Date. Support Service Fee increases, if any, in the second and subsequent years of the Initial Term shall not exceed five percent (5%) of the Support Service fee for the immediately preceding year.
- 8.6.4 Second and Subsequent Years of the Initial Term for Third Party Software. Support Service Fees for the second and subsequent years of the Initial Term shall be communicated to the Customer at least ninety (90) days prior to the anniversary of the earliest Software Installation Date. For purposes of convenience, 3M shall, each year after the first year of the Initial Term, submit a single invoice to Customer for all Support Service Fees by prorating the term of Support Service and the Support Service fee for each individual module of Third Party Software, regardless of the Software's Installation Date, to correspond to the next anniversary of the module of Third Party Software having the earliest Software Installation Date. Support Services for all modules of Third Party Software shall then co-terminate with the Support Services provided for the module of Third Party Software having the earliest Software Installation Date. Support Service Fee increases, if any, in the second and subsequent years of the Initial Term shall not exceed ten percent (10%) of the Support Service fee for the immediately preceding year.

### 9.0 **Term, Non-renewal and Termination**

- 9.1 Term. This Agreement shall become effective upon complete execution by the parties and shall remain in effect for the period of time set forth on the face of this Agreement commencing on the earliest Software Installation Date. Thereafter, this Agreement shall automatically terminate unless Customer gives 3M written notice at least thirty (30) days prior to the termination date of its election to renew.
- 9.2 Termination and Non-renewal, Rights and Obligations. During the Initial Term of this Agreement, or any renewal thereof, 3M may terminate this Agreement immediately if Customer has failed to cure a breach of Section 2.5 or 4.1 of this Agreement within thirty (30) days after receiving written notice thereof. FAR 52.249-4 and FAR 52.233-1 are herein included by this reference and made part of this Agreement in Section 9.2.

Upon any termination or non-renewal of this Agreement, Customer's License to access and use the 3M Software pursuant to Section 2.5 is and shall be automatically and immediately revoked, and Customer shall cease all further use of the 3M Software and, at 3M's option, either return all copies of the 3M Software and Documents to 3M or destroy all copies of the 3M Software and Documents. Customer shall certify to 3M in writing that all copies have been returned or destroyed and shall return to 3M any security devices which 3M loaned to Customer. Sections 2.1, 4, 5, 7 and 10 shall survive any termination of this Agreement.

9.3 Fiscal Non-Appropriation of Funds. Notwithstanding any other term contained herein, customer shall have the right in the event that funds are not appropriated in any fiscal year during the term of this Agreement, to terminate this Agreement without charge, effective as of the last day of the fiscal year for which appropriation was made, providing that Customer (i) agrees not to use a competitor's equipment or software during the original term of the Agreement; (ii) pay all charges incurred to the end of the current fiscal period; and (iii) provides sixty (60) day written notice to 3M of non-appropriation of funds. It is understood that Customer is required by law to request this non-appropriation of funds termination provision. Customer hereby agrees to seek funding for each fiscal year.

9.3.1 Early Termination. Customer can terminate this Agreement with thirty (30) days prior written notice to 3M. Customer must have paid the current year's annual Software license fees in full. In addition, 3M and Customer agree that, as a reasonable compensation to 3M, in exchange for 3M's Agreement to permit early termination of this Agreement, and not as a penalty, Customer shall pay 3M an early termination charge as follows:

- a. 1-12 months: early termination charge equal to fifty (50%) of the current annual license fee.
- b. 13-24 months: early termination charge equal to twenty-five percent (25%) of the current annual license fee.
- c. 25-36 months: no early termination charge.

### 10.0 **General Provisions**

10.1 Effect of Agreement. This Agreement (including all Schedules, Exhibits and other attachments hereto) embodies the entire understanding between the parties with respect to the subject matter hereof and supersedes any and all prior understandings, oral or written proposals and communications or other agreements, oral or written, relating thereto. Customer acknowledges that it has not been induced to enter into this Agreement by any representation or statement, oral or written, not contained in this Agreement.

### 10.2 Amendments, Modifications.

FAR 52.243-1 shall govern all amendment and modification transactions between the contractor and the government.

10.3 Interpretation, Priority. The headings and captions contained in this Agreement are for convenience only and shall not constitute a part hereof. In the event of any conflict between a provision of this Agreement, any Schedule or Exhibit thereto, or a Document, such conflict shall be resolved in the following order of priority unless specifically stated otherwise (governing provision stated first): terms and conditions of this Agreement, Schedule, Exhibit, and Document.

10.4 Assignment. This Agreement is binding on successors and assigns of the parties. Neither this Agreement nor any part of portion hereof shall be assigned, sublicensed, or otherwise transferred by Customer without 3M's prior written consent.

10.5 Force Majeure. Neither party shall be responsible for failure to comply with this Agreement due to causes beyond its reasonable control.

10.6 Announcements. 3M, with Customer's prior approval, may issue announcements concerning this Agreement to the trade press and recognized industry consultants.

- 10.7 Notices. Each party shall appoint a representative from its organization authorized to receive notices hereunder. All notices required to be given shall be given in writing by personal delivery or by certified or registered mail to the other party at the address listed on the face of this Agreement. Any change to address shall be promptly communicated in writing to the other party. VAAR 852.270-1, which is included herein as part of exhibit A, and by this reference made a part of this Agreement, is included herein as part of Exhibit A, and by this reference made a part of this Agreement, is included as part of Section 10.7.
- 10.8 Severability, Enforcement. Any provision of this Agreement which is held to be void, invalid, unenforceable or illegal by a court shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.
- 10.9 Governing Law. This Agreement shall be governed by Federal laws and regulations.
- 10.10 U.S. Government Rights Notices. 3M shall have the right to include the following, or similar, notice on the Documents and the 3M Software:  
This product includes CPT which is commercial technical data and/or computer data bases and/or commercial computer software and/or commercial computer software documentation, as applicable, which were developed at private expense by the American Medical Association, 515 N. State Street, Chicago, Illinois, 60610, or by 3M Company, 575 West Murray Boulevard, Murray, Utah, 84157. U.S. Government rights to use, modify, reproduce release, perform, display, or disclose these technical data and/or computer data bases and/or computer software and/or computer software documentation are subject to the restrictions set forth in a license agreement, DFARS 252.227-7015(b) (2) (June 1995) and/or DFARS 2227.7202(a) (June 1995), as applicable for U.S. Department of Defense procurement.
- 10.11 MEDCIN Software and Data Files. The Medcin nomenclature and its related files (also referenced herein by 3M's nomenclature of E &M Coding Application and associated products and services ) are a work in progress, are not completed, and will always contain errors due to the constant change in the field of medicine as it evolves. The Medcin Expert files contains diagnostic information to support a process called Intelligent Prompting, the sole intent of which is to provide al list containing some relevant findings for the documentation of what the provider has already done. The Intelligent Prompting lists, or any other list provided by Medcin or by applications using Medcin, should never be used for decision support as it contains tests, therapy and other items that, although relevant for some patients, would be harmful or even fatal for other patients. The findings prompted by the Intelligent Prompting option are for purposes of documentation only and are not meant to suggest any procedures, medications of physical findings for the patient.

Customer agrees that the sole and exclusive responsibility for any medical decisions or actions with respect to the patient's medical care and for determining the accuracy, completeness, or appropriateness of any diagnostic, clinical, medical or billing information provided by the program and any underlying clinical database resides solely with the health care provider. Licensor assumes no responsibility for how such materials are used. The choice with regard to when and how to use this program and any database for patient medical records is the health care provider's responsibility and this program and any database is to be used at the health care provider's discretions. Customer understands and agrees that the

responsibility for the medical treatment, and any associated decisions regarding billing for medical services, rests with the health care provider and revolves around the health care provider's judgment and the health care provider's analysis of the patient's condition. In addition, the Customer agrees that the Intelligent Prompting Option is a tool available to the health care provider for augmenting the documentation of the patient's electronic medical records and is not intended in any way to eliminate, replace, or substitute for, in whole or in part, the health care provider's judgment and analysis of the patient's condition.

### **Terms and Conditions Applicable to Information Technology (IT) Professional Services (Special Item Number 132-51)**

1. **Scope:**

- a. The prices, terms and conditions stated under Special Item Number 132-51 Information Technology Professional Services and Special Item Number 132-52 Electronic Commerce Services apply exclusively to IT/EC Services within the scope of this Information Technology Schedule.
- b. The Contractor shall provide services at the Contractor's facility and/or at the Government location, as agreed to by the Contractor and the ordering office.

2. **Performance Incentives:**

- a. When using a performance-based statement of work, performance incentives may be agreed upon between the Contractor and the ordering office on individual fixed price orders or Blanket Purchase Agreements, for fixed price tasks, under this contract in accordance with this clause.
- b. The ordering office must establish a maximum performance incentive price for these services and/or total solutions on individual orders or Blanket Purchase Agreements.
- c. To the maximum extent practicable, ordering offices shall consider establishing incentives where performance is critical to the agency's mission and incentives are likely to motivate the contractor. Incentives shall be based on objectively measurable tasks.
- d. The above procedures do not apply to Time and Material or labor hour orders.

3. **Ordering Procedures for Services (Requiring a Statement of Work): FAR 8.402 contemplates that GSA** may occasionally find it necessary to establish special ordering procedures for individual Federal Supply Schedules or for some Special Item Numbers (SINs) within a Schedule. GSA has established special ordering procedures for services that require a Statement of Work. These special ordering procedures take precedence over the procedures in FAR 8.404 (b)(2) through (b)(3).

GSA has determined that the prices for services contained in the contractor's price list applicable to this Schedule are fair and reasonable. However, the ordering office using this contract is responsible for considering the level of effort and mix of labor proposed to perform a specific task being ordered and for making a determination that the total firm-fixed price or ceiling price is fair and reasonable.

- a. When ordering services, ordering offices shall-
  - i. Prepare a Request (Request for Quote or other communication tool): (i) A statement of work (a performance-based statement of work is preferred) that outlines, at a minimum, the work to be performed, location of work, period of performance, deliverable schedule, applicable standards, acceptance criteria, and any special requirements (i.e., security clearances, travel, special knowledge, etc.) should be prepared. (ii) The request should include the statement of work and request the contractors to submit either a firm-fixed price or a ceiling price to provide the services outlined in the statement of work. A firm-fixed price order shall be requested, unless the ordering office makes a determination that it is not possible at the time of placing the order to estimate accurately the extent or duration of the work or to anticipate cost with any reasonable degree of confidence. When such a determination is made, a labor hour or time-and-materials proposal may be requested. The firm-fixed price shall be based on the rates in the schedule contract and shall consider the mix of labor categories and level of effort required to perform the

services described in the statement of work. The firm-fixed price of the order should also include any travel costs or other incidental costs related to performance of the services ordered, unless the order provides for reimbursement of travel costs at the rates provided in the Federal Travel Regulations. A ceiling price must be established for labor-hour and time-and-materials orders. (iii) The request may ask the contractors, if necessary or appropriate, to submit a project plan for performing the task, and information on the contractor's experience and/or past performance performing similar tasks. (iv) The request shall notify the contractors what basis will be used for selecting the contractor to receive the order. The notice shall include the basis for determining whether the contractors are technically qualified and provide an explanation regarding the intended use of any experience and/or past performance information in determining technical qualification of responses. If consideration will be limited to schedule contractors who are small business concerns as permitted by paragraph (2)(i) below, the request shall notify the contractors that will be the case.

- ii. Transmit the Request to Contractors:
    - (a) Based upon an initial evaluation of catalogs and price lists, the ordering office should identify the contractors that appear to offer the best value (considering the scope of services offered, pricing and other factors such as contractors' locations, as appropriate). When buying IT professional services under SIN 132-51 ONLY, the ordering office, at its discretion, may limit consideration to those schedule contractors that are small business concerns. This limitation is not applicable when buying supplies and/or services under other SINs as well as SIN 132-51. The limitation may only be used when at least three (3) small businesses that appear to offer services that will meet the agency's needs are available, if the order is estimated to exceed the micro-purchase threshold.
    - (b) The request should be provided to three (3) contractors if the proposed order is estimated to exceed the micro-purchase threshold, but not exceed the maximum order threshold. For proposed orders exceeding the maximum order threshold, the request should be provided to additional contractors that offer services that will meet the agency's needs. Ordering offices should strive to minimize the contractors' costs associated with responding to request for quotes for specific orders. Requests should be tailored to the minimum level necessary for adequate evaluation and selection for order placement. Oral presentations should be considered, when possible.
  - iii. Evaluate Responses and Select the Contractor to Receive the Order: After responses have been evaluated against the factors identified in the request, the order should be placed with the schedule contractor that represents the best value (see FAR 8.404).
- b. The establishment of Federal Supply Schedule Blanket Purchase Agreements (BPAs) for recurring services is permitted when the procedures outlined herein are followed. All BPAs for services must define the services that may be ordered under the BPA, along with delivery or performance time frames, billing procedures, etc. The potential volume of orders under BPAs, regardless of the size of individual orders, may offer the ordering office the opportunity to secure volume discounts. When establishing BPAs, ordering offices shall—

- (1) Inform contractors in the request (based on the agency's requirement) if a single BPA or multiple BPAs will be established, and indicate the basis that will be used for selecting the contractors to be awarded the BPAs.
  - (a) **SINGLE BPA:** Generally, a single BPA should be established when the ordering office can define the tasks to be ordered under the BPA and establish a firm-fixed price or ceiling price for individual tasks or services to be ordered. When this occurs, authorized users may place the order directly under the established BPA when the need for service arises. The schedule contractor that represents the best value should be awarded the BPA (See FAR 8.404).
  - (b) **MULTIPLE BPAs:** When the ordering office determines multiple BPAs are needed to meet its requirements, the ordering office should determine which contractors can meet any technical qualifications before establishing the BPAs. When multiple BPAs are established, the authorized users must follow the procedures in a(2)(a) above and then place the order with the Schedule contractor that represents the best value.
- (2) **Review BPAs Periodically:** Such reviews shall be conducted at least annually. The purpose of the review is to determine whether the BPA still represents the best value (See FAR 8.404).
- c. The ordering office should give preference to small business concerns when two or more contractors can provide the services at the same firm-fixed price or ceiling price.
- d. When the ordering office's requirement involves both products as well as executive, administrative and/or professional, services, the ordering office should total the prices for the products and the firm-fixed price for the services and the select the contractor that represents the best value (See FAR 8.404).

The ordering office, at a minimum, should document orders by identifying the contractor from which the services were purchased, the services purchased, and the amount paid. If other than a firm-fixed price order is placed, such documentation should include the basis for the determination to use a labor-hour or time-and-materials order. For agency requirements in excess of the micro-purchase threshold, the order file should document the evaluation of Schedule contractors' quotes that formed the basis for the selection of the contractor that received the order and the rationale for any trade-offs made in making the selection. Ordering procedures for other services available on schedule at fixed prices for specifically defined services or tasks should use the procedures in FAR 8.404. These procedures are listed in the pricelist, under "Information for Ordering Officers," paragraph #12.

#### 4. **Order:**

- a. Agencies may use written orders, EDI orders, blanket purchase agreements, individual purchase orders, or task orders for ordering services under this contract. Blanket Purchase Agreements shall not extend beyond the end of the contract period; all services and delivery shall be made and the contract terms and conditions shall continue in effect until the completions of the order. Orders for tasks, which extend beyond the fiscal year for which funds are available shall include FAR 52.232-19 Availability of Funds for the Next Fiscal Year. The purchase order shall specify the availability of funds and the period for which funds are available.

- b. All task orders are subject to the terms and conditions of the contract. In the event of conflict between a task order and the contract, the contract will take precedence.

5. **Performance of Services:**

- a. The Contractor shall commence performance of services on the date agreed to by the Contractor and the ordering office.
- b. The Contractor agrees to render services only during normal working hours, unless otherwise agreed to by the Contractor and the ordering office.
- c. The Agency should include the criteria for satisfactory completion for each task in the Statement of Work or Delivery Order. Services shall be completed in a good and workmanlike manner.
- d. Any Contractor travel required in the performance of IT/EC Services must comply with the Federal Travel Regulation or Joint Travel Regulations, as applicable, in effect on the date(s) the travel is performed. Established Federal Government per diem rates will apply to all Contractor travel. Contractors cannot use GSA city pair contracts.

6. **Inspection of Services:** The Inspection of Services – Fixed Price (AUG 1996) clause at FAR 52.246-4 applies to firm-fixed price orders placed under this contract. The Inspection-Time-and-Materials and Labor-Hour (JAN 1986) clause at FAR 52.246-6 applies to time-and-materials and labor-hour orders placed under this contract.

7. **Responsibilities of the Contractor:** The Contractor shall comply with all laws, ordinances, and regulations (Federal, State, City, or otherwise) covering work of this character.

8. **Responsibilities of the Government:** Subject to security regulations, the ordering office shall permit Contractor access to all facilities necessary to perform the requisite IT/EC Services.

9. **Independent Contractor:** ALL IT/EC Services performed by the Contractor under the terms of this contract shall be as an independent Contractor, and not as an agent or employee of the Government.

10. **Organization Conflicts of Interest:**

- a. Definitions. “Contractor” means the person, firm, unincorporated association, joint venture, partnership, or corporation that is a party to this contract.

“Contractor and its affiliates” and “Contractor or its affiliates” refers to the Contractor, its chief executives, directors, officers, subsidiaries, affiliates, subcontractors at any tier, and consultants and any joint venture involving the Contractor, any entity into or with which the Contractor subsequently merges or affiliates, or any other successor or assignee of the Contractor.

An “Organizational conflict of interest” exists when the nature of the work to be performed under a proposed Government contract, without some restriction on activities by the Contractor and its affiliates, may either (i) result in an unfair competitive advantage to the Contractor or its affiliates; or (ii) impair the Contractor’s or its affiliates’ objectivity in performing contract work.

- b. To avoid an organizational or financial conflict of interest and to avoid prejudicing the best interests of the Government, ordering offices may place restrictions on the Contractors, its affiliates, chief executives, directors, subsidiaries and subcontractors at any tier when placing orders against schedule contracts. Such restrictions shall be consistent with FAR 9.505 and shall be designed to avoid, neutralize, or mitigate organizational conflicts of interest that might otherwise exist in situations related to individual orders placed against the schedule contract. Examples of situations, which may require restrictions, are provided at FAR 9.508.
11. **Invoices:** The Contractor, upon completion of the work ordered, shall submit invoices for IT/EC services. Progress payments may be authorized by the ordering office on individual orders if appropriate. Progress payments shall be based upon completion of defined milestones or interim products. Invoices shall be submitted monthly for recurring services performed during the preceding month.
12. **Payments:** For firm-fixed price orders the Government shall pay the Contractor, upon submission of proper invoices or voucher, the prices stipulated in this contract for service rendered and accepted. Progress payments shall be made only when authorized by the order. For time-and-materials orders, the Payments under Time-and-Materials and Labor-Hour Contracts (Alternate I (APR 1984) at FAR 52.232-7 applies to time-and-materials orders placed under this contract. For labor-hour orders, the Payment under Time-and-Materials and Labor-Hour Contracts (FEB 1997) (Alternate II (JAN 1986)) at FAR 52.232-7 applies to labor-hour orders placed under this contract.
13. **Resumes:** Resumes shall be provided to the GSA Contracting Officer or the user agency upon request.
14. **Incidental Support Costs:** Incidental support costs are available outside the scope of this contract. The costs will be negotiated separately with the ordering agency in accordance with the guidelines set forth in the FAR.
15. **Approval of Subcontracts:** The ordering activity may require that the Contractor receive, from the ordering activity's Contracting Officer, written consent before placing any subcontract for furnishing any of the work called for in a task order.
16. **Description of IT/EC Services and Pricing:** The Contractor shall provide a description of each type of IT/EC Service offered under Special Item Numbers 132-51 and 132-52. IT/EC Services should be presented in the same manner as the Contractor sells to its commercial and other Government customers. If the Contractor is proposing hourly rates, a description of all corresponding commercial job titles (labor categories) for those individuals who will perform the service should be provided.
- Pricing for all IT/EC Services shall be in accordance with the Contractor's customary commercial practices; e.g., hourly rates, monthly rates, term rates, and/or fixed prices.

**Special Item Number 132-32 Annual License Agreements*****Volume-based Pricing:***

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

Product	Commercial List Price						
	Notes	Base Price	Unit Price	Volume Indicator	PC	Network	Gov't Disc
**CODEF-W (Windows)	1, 2	\$3,529	\$2.351	Admissions			35.25%
CODREF-W	1	\$2,240	\$0.2802	Admissions			5.25%
Coding Reference Plus	31	\$1,957	\$0.2276	Admissions			5.25%
DRGF-W	2	\$1,143	\$1.029	Admissions			35.25%
RCS-W	4, 5	\$559	\$0.2802	Admissions			35.25%
CPTF-W	2	\$1,764	\$1.1773	Admissions			35.25%
CAS-W	2, 3, 11	\$1,680	\$0.895	Admissions			35.25%
CODE&RM-W	2, 16	\$8,677	\$5.733	Admissions			35.25%
Physician Coding (PC&RS)	24	\$0	\$2,800	Nodes			23.25%
APCF	23	\$1,422	\$0.0577	Outpt Visits			35.25%
APC Grouper Plus	23	*\$1,585	*\$0.06413	Outpt Visits			35.25%
APC Grouper Plus with APGs		*\$2155	*\$0.08998	Outpt Visits			35.25%
Tricare Grouper	2, 11	\$1,177	\$0.5294	Admissions			35.25%
S-APDRG	2, 6, 11,15	\$2,941	\$0.764	Admissions			35.25%
S-APR-DRG	2, 7	\$5,040	\$1.624	Admissions			35.25%

\*GSA price is less than commercial price

\*\*INCREASE DISCOUNT to any Federal Government customer that purchases the 'same' suite of six (6) software products on 'one order' during the period 6/8/06 - 6/7/09 (a 3-year period). The suite of six (6) software products is Codefinder, DRGfinder, CPTfinder, APCfinder, Coding Reference, and Bridge Connections. The increase of discount 'only' affects the Coding Reference and Bridge Connections. On the Coding Reference, the discounts are: 20.3% (year 1); 16.75% (year 2); 11.54% (year 3). On the Bridge Connections, the discounts are: 20.4% (year 1); 14.5% (year 2); 9.21% (year 3). On each of the remaining four (4) products of the suite, the current contract discount of 35.25% remains the same. (See ltrs dtd 6/22/06, 7/17/06, and 7/18/06; e-mail dtd 7/5/06) All other terms and conditions remain the same.

## Special Item Number 132-32 Annual License Agreements

**Volume-based Pricing:**

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

PRODUCT	Commercial List Price				Platform Multiplier		
	Notes	Base Price	Unit Price	Volume Indicator	PC	Network	Gov't Disc
<b>**Connections Software</b>							
<2500		N/A	\$988	Admissions			8.25%
2,500 to 14,999		N/A	\$1968	Admissions			8.25%
15,000+		N/A	\$2949	Admissions			8.25%
<b>Core Grouping Software</b>							
CGS-CMS		*\$3,641	*\$0.1463	Admissions			35.25%
CGS-AP-DRG	14, 15	*\$2,890	*\$0.44	Admissions			35.25%
CGS-TRICAR		*\$1214	*\$0.5467	Admissions			35.25%
CGS-APR-DRG	7, 9	\$5,040	\$1.624	Admissions			35.25%
CGS-AEE		*\$6,068	*\$0.924	Admissions			35.25%
W-APDRG or z/OS Batch	10	\$6,725	\$0.0824	Admissions		Mainframe Only	20.25%
W-Tricare or Z/OS Batch		\$4,290	\$0.0824	Admissions		Mainframe Only	20.25%
W-APR-DRG or z/OS Batch	2, 7	\$7,535	\$0.986	Admissions		Mainframe Only	20.25%
HRM Plus	12, 20	\$2,511	\$2.198	Admissions			20.25%
QMS Plus	12, 20	\$1,571	\$1.2185	Admissions			20.25%
UMS Plus	12, 20	\$1,571	\$1.1052	Admissions			20.25%
CMS Plus	22	\$2,198	\$2.3237	Admissions			20.25%
Audit Expert System	25, 30, 31	\$12,589	\$1.438	Admissions			25.25%
HRM Audit Expert	30, 31	\$12,589	\$1.438	Admissions			25.25%
Audit Expert Integrated Services	See Note 31						
<b>Coding Ref for PC &amp; RS</b>							
Single PC		N/A	\$2,306				5.25%
2-4 Nodes		N/A	\$2,855	Nodes			5.25%
5-8 Nodes		N/A	\$4,612	Nodes			5.25%
9-16 Nodes		N/A	\$6,588	Nodes			5.25%
17-32 Nodes		N/A	\$8,125	Nodes			5.25%
33-64 Nodes		N/A	\$10,159	Nodes			5.25%

\*GSA price is less than commercial price

\*\*INCREASE DISCOUNT to any Federal Government customer that purchases the 'same' suite of six (6) software products on 'one order' during the period 6/8/06 - 6/7/09 (a 3-year period). The suite of six (6) software products is Codefinder, DRGfinder, CPTfinder, APCfinder, Coding Reference, and Bridge Connections. The increase of discount 'only' affects the Coding Reference and Bridge Connections. On the Coding Reference, the discounts are: 20.3% (year 1); 16.75% (year 2); 11.54% (year 3). On the Bridge Connections, the discounts are: 20.4% (year 1); 14.5% (year 2); 9.21% (year 3). On each of the remaining four (4) products of the suite, the current contract discount of 35.25% remains the same. (See ltrs dtd 6/22/06, 7/17/06, and 7/18/06; e-mail dtd 7/5/06) All other terms and conditions remain the same.

**Special Item Number 132-32 Annual License Agreements**

**Volume-based Pricing:**

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

PRODUCT	Commercial List Price				Platform Multiplier		
	Notes	Base Price	Unit Price	Volume Indicator	PC	Network	Gov't Disc
<i>Coding Ref Plus with PC &amp; RS</i>							
Single PC		N/A	\$2,015	Nodes			5.25%
2-4 Nodes		N/A	\$2,494	Nodes			5.25%
5-8 Nodes		N/A	\$4,029	Nodes			5.25%
9-16 Nodes		N/A	\$5,756	Nodes			5.25%
17-32 Nodes		N/A	\$7,100	Nodes			5.25%
33-64 Nodes		N/A	\$8,874	Nodes			5.25%

**3M™ Chargemaster Online (based on admissions and OP visits)**

Base price\* \$12,500  
Additional facilities \$6,250

Quantity (admissions + OP visits)	Price	Gov't Disc
1-50,000	Base price + Quantity x 0.29	28.25%
50,001 – 150,000	Base price + 14,500 ((Quantity – 50,000)*0.06)	28.25%
150,001 – 300,000	Base price + 20,500 ((Quantity – 150,000) * 0.0333333)	28.25%
300,001 – 500,000	Base price + 25,450 + ((Quantity – 300,000) *0.025)	28.25%
> 500,000	Base price + 30,450 ((Quantity – 500,000) *0.015)	28.25%
I&T	\$2,500	2.25%

**Pricing for multiple sites\***

Pricing for multiple sites is based on the combined admissions and outpatient visits for all the sites as listed in the table above plus the base prices.

**\*Note:** The first year licensing requires the purchase of Chargemaster Online Services.

3M Consulting Service	Price	Gov't Disc
Chargemaster Online Consulting Wrap Around Service	\$10,000	15.25%

**Special Item Number 132-32 Annual License Agreements*****Volume-based Pricing:***

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

<b>ARMS Medical Necessity Software</b>							
<b>PRODUCT</b>	<b>Commercial List Price</b>				<b>Platform Multiplier</b>		
	<b>Notes</b>	<b>Base Price</b>	<b>Unit Price</b>	<b>Volume Indicator</b>	<b>PC</b>	<b>Network</b>	<b>Gov't Disc</b>
One Medical Dictionary	34	\$5,437	\$0.0546	Outpt visit (\$8,000 minimum)			28.25%
Two Dictionaries (Sold at same time)	34	\$5,437	\$0.0764	Outpt visit (\$10,000 minimum)			28.25%
Additional Dictionaries (add-on)	34	\$0	\$0.0382	Outpt Visit			28.25%
*Base Price plus(+) (Unit Price x Number of Outpatient Visits x volume multiplier) = Total Price minus(-)% Discount = Government's Price.							

**\*Note:** The first year of licensing requires the purchase of Chargemaster Online Services. See chapter 1-12 for pricing. Travel expenses for I&T and consulting services are not included, and will be charged separately.

**Special Item Number 132-32 Annual License Agreements****Volume-based Pricing:**

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

<b>3M™ Medical Necessity Online</b>					
<b>3M™ Medical Necessity Online (by Outpatient Visit for single or multiple sites)</b>					
	Notes				GOV'T DISC
1 <sup>st</sup> Facility	34	Base	1	\$15,000	30.25%
# of Additional Facilities		Base	0	\$0	
OPV – All Facilities		Base	0	\$0	
Multi-facility Total				\$15,000	30.25%
Any applicable discounts?		% off	0.0%	\$0	
Net Total with Discount				\$15,000	30.25%
<b>Variable fields to be changed for price quotes.</b>					
Base Rate		\$15,000			30.25%
1-499,999 OPV		\$0.10	Outpt Visit		30.25%
500,000-749,999 OPV		\$0.09	Outpt Visit		30.25%
750,000-999,999 OPV		\$0.08	Outpt Visit		30.25%
1,000,000+ OPV		\$0.07	Outpt Visit		30.25%

Sample Pricing		Year 1	Year 2	Year 3	Total	OP Visits/Year
Grand Total	MNDs-9	\$85,000	\$85,000	\$85,000	\$255,000	1,000,000
Grand Total	MNDs-8	\$75,000	\$75,000	\$75,000	\$225,000	750,000
Grand Total	MNDs-7	\$60,000	\$60,000	\$60,000	\$180,000	500,000
Grand Total	MNDs-6	\$40,000	\$40,000	\$40,000	\$120,000	250,000
Grand Total	MNDs-5	\$30,000	\$30,000	\$30,000	\$90,000	150,000
Grand Total	MNDs-4	\$25,000	\$25,000	\$25,000	\$75,000	100,000
Grand Total	MNDs-3	\$22,500	\$22,500	\$22,500	\$67,500	75,000
Grand Total	MNDs-2	\$20,000	\$20,000	\$20,000	\$60,000	50,000
Grand Total	MNDs-1	\$17,500	\$17,500	\$17,500	\$52,500	25,000

**Special Item Number 132-32 Annual License Agreements*****Volume-based Pricing:***

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

<b>3M™ Claim Scrubber</b>					
<b>3M™ Claim Scrubber (by transactions for single or multiple sites)</b>					
	<b>Note</b>				<b>GOV'T DISC</b>
1 <sup>st</sup> Facility	34	Base	1	\$15,000	10.25%
# of Additional Facilities		Base	0	\$0	
OPV – All Facilities		Base	0	\$0	
Multi-facility Total				\$15,000	10.25%
Any applicable discounts?		% off	0.0%	\$0	
Net Total with Discount				\$15,000	10.25%
<b>Variable fields to be changed for price quotes.</b>					
Base Rate		\$15,000			10.25%
1-499,999		\$0.15	Outpt Visit		10.25%
500,000-749,999		\$0.12	Outpt Visit		10.25%
750,000-999,999		\$0.10	Outpt Visit		10.25%
1,000,000+		\$0.08	Outpt Visit		10.25%

<b>Sample Pricing</b>		<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Total</b>	<b>OP Visits/Year</b>
Grand Total	MNDs-9	\$95,000	\$95,000	\$95,000	\$285,000	1,000,000
Grand Total	MNDs-8	\$90,000	\$90,000	\$90,000	\$270,000	750,000
Grand Total	MNDs-7	\$75,000	\$75,000	\$75,000	\$225,000	500,000
Grand Total	MNDs-6	\$52,500	\$52,500	\$52,500	\$157,500	250,000
Grand Total	MNDs-5	\$37,500	\$37,500	\$37,500	\$112,500	150,000
Grand Total	MNDs-4	\$30,000	\$30,000	\$30,000	\$90,000	100,000
Grand Total	MNDs-3	\$26,250	\$26,250	\$26,250	\$78,750	75,000
Grand Total	MNDs-2	\$22,500	\$22,500	\$22,500	\$67,500	50,000
Grand Total	MNDs-1	\$18,750	\$18,750	\$18,750	\$56,250	25,000

**Special Item Number 132-32 Annual License Agreements****Volume-based Pricing:**

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

<b>3M™ Claim Scrubber</b>				
<b>3M™ Claim Scrubber (by physicians for single or multiple sites)</b>				<b>GOV'T DISC</b>
1 <sup>st</sup> Facility	Base	1	\$15,000	10.25%
# of Additional Facilities	Base	0	\$0	
OPV – All Facilities	Base	0	\$0	
Multi-facility Total			\$15,000	10.25%
Any applicable discounts?	% off	0.0%	\$0	
Net Total with Discount			\$15,000	10.25%
<b>Variable fields to be changed for price quotes.</b>				
Base Rate			\$15,000	10.25%
1-249 Docs			\$350	10.25%
250-749 Docs			\$275	10.25%
750-999 Docs			\$200	10.25%
1,000+ Docs			\$175	10.25%

<b>Sample Pricing</b>		<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Total</b>	<b># of Docs</b>
Grand Total	MNDs-9	\$190,000	\$190,000	\$190,000	\$570,000	1,000
Grand Total	MNDs-8	\$165,000	\$165,000	\$165,000	\$495,000	750
Grand Total	MNDs-7	\$152,500	\$152,500	\$152,500	\$457,500	500
Grand Total	MNDs-6	\$83,750	\$83,750	\$83,750	\$251,250	250
Grand Total	MNDs-5	\$67,500	\$67,500	\$67,500	\$202,500	150
Grand Total	MNDs-4	\$50,000	\$50,000	\$50,000	\$150,000	100
Grand Total	MNDs-3	\$41,250	\$41,250	\$41,250	\$123,750	75
Grand Total	MNDs-2	\$32,500	\$32,500	\$32,500	\$97,500	50
Grand Total	MNDs-1	\$23,750	\$23,750	\$23,750	\$71,250	25

**Special Item Number 132-32 Annual License Agreements*****Volume-based Pricing:***

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

<b>HDM Interface</b>					
<b>Type of Interface</b>	<b>Target Market</b>	<b>Yearly License</b>	<b>Gov't Disc</b>	<b>Installation Fee</b>	<b>Gov't Disc</b>
3M HL7 ADT Automated Interface	Hospitals with existing Interface engines that can "match" vendor HL7 interfaces.	\$4,937	5.25%	\$6,000	2.25%
3M HL7 Billing Automate	Hospitals with existing interface engines that can "match" vendor HL7 interfaces.	\$4,937	5.25%	\$6,000	2.25%
3M HL7 ADT Batch Interface	Hospitals with existing interface engines that can "match" vendor HL7 interfaces.	\$4,937	5.25%	\$4,000	2.25%
3M HL7 Billing Batch Interface	Hospitals with existing interface engines that can "match" vendor HL7 interfaces.	\$4,937	5.25%	\$4,000	2.25%
Custom Automated Interfaces	Everyone unable to use the HL7, predefined interfaces, or in need of an interface other than ADT or billing.	\$7,996	5.25%	\$7,500	2.25%

**Note:** Interface customization is sold in blocks of 20 hours for \$3,260 per block. The block carries the full charge whether or not the customer ends up using all 20 hours. If the time needed exceeds 20 hours, a new block must be purchased. The sales rep and the service organization work with the customer to determine how much time will be needed.

<b>Type of VA Interface</b>	<b>VA Interface</b>			
	<b>Yearly License Fee</b>	<b>Gov't Discount</b>	<b>Phone I&amp;T</b>	<b>Concurrent on-site with C&amp;RS</b>
3M Coding Interface – VA PTF System	\$1,236	0.25%	\$800	\$800
3M Coding Interface – VA PCE System	\$1,236	0.25%	\$640	\$640
3M Coding Interface – VA Surgery System	\$1,236	0.25%	\$640	\$640
3M HDM Interface – VA VistA System	\$1,236	0.25%	\$320	\$320

**Note: VHA government specific interfaces only. VA government net prices. No additional discounts apply.**

- Phone I&T                      As with other phone installations, \$320 covers two hours of 3M assistance. Additional hours billed at \$160 per hour. *This option is only available to sites currently installed and using the C&RS.*
- On-Site with C&RS        3M CSR is contracted to do on-site I&T of VA interface *during same site visit* as I&T of the Coding and Reimbursement System. As with phone installations, \$320 covers two hours of 3M assistance. Additional hours billed at \$160 per hour.

**Special Item Number 132-32 Annual License Agreements**

**GOVERNMENT PRICE:** *Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.*

**Audit Expert Integrated Services**

Type of Service	Base Price	GSA Discount	Notes
Audit Expert Report Card	\$5,000	25.25%	Sold with Audit Expert System and HRM Audit Expert
Audit Expert Annual Check up	\$7,800	25.25%	
Option A	\$21,600	25.25%	
Option B	\$16,800	25.25%	
Option C	\$12,000	25.25%	
Option D	\$10,800	25.25%	

**3M Terminology Consulting Services**

<b>Commercial Pricing</b>			<b>GSA Discount</b>		<b>GSA Price</b>	
Task	List Price per Data File	ANNUAL Maintenance	Gov't Discount per Data File	Gov't Disc for Annual Maintenance	Gov't Net Price per Data File	Gov't Net Price Annual Maintenance
Kick Off Mgt On-site, full day. Time, Travel, room & board included	\$3,500	na	6%	na	\$3,290	na
Education/Promotional "fact sheet" regarding project goals	\$1,930	na	6%	na	\$1,814.20	na
<b>Mapping Reportable Disease/Chemical Agents to LOINC (RENEWAL ONLY)</b>						
Up to 1000 lines	\$1,560	na	6%	na	\$1,466.40	na
Up to 2000 lines	\$2,730	na	6%	na	\$2,566.20	na
Up to 3000 lines	\$3,900	na	6%	na	\$3,666	na
Up to 4000 lines	\$4,632	na	6%	na	\$4,354.08	na
Up to 10,000 lines	\$6,176	na	6%	na	\$5,8905.44	na
Over 10,000 lines	\$7,720	na	6%	na	\$7,256.80	na
<b>Full Mapping to LOINC results and orderable panels</b>						
Up to 1000 lines	\$4,632	\$2,316	6%	2%	\$4,354.08	\$2,269.68
Up to 2000 lines	\$7,476	\$3,738	6%	2%	\$7,027.44	\$3,663.24
Up to 3000 lines	\$9,420	\$4,710	6%	2%	\$8,854.80	\$4,615.80
Up to 4000 lines	\$10,808	\$5,404	6%	2%	\$10,159.52	\$5,295.92
Up to 5000 lines	\$13,000	\$6,500	6%	2%	\$12,220	\$6,370
Up to 10,000 lines	\$15,440	\$7,720	6%	2%	\$14,513.60	\$7,565.60
Over 10,000 lines	\$23,160	\$11,580	6%	2%	\$21,770.40	\$11,348.40
<b>Mapping of Microorganisms (only) to SNOMED CT</b>						
Up to 500 lines	\$1,525	\$763	6%	2%	\$1,433.50	\$747.25
Up to 1000 lines	\$2,080	\$1,040	6%	2%	\$1,955.20	\$1,019.20
Up to 2500 lines	\$3,088	\$1,544	6%	2%	\$2,902.72	\$1,513.12
Up to 5000 lines	\$4,120	\$2,060	6%	2%	\$3,872.80	\$2,018.80
<b>Mapping of Specimens to SNOMED CT</b>						
Up to 300 lines	\$836	\$418	6%	2%	\$785.84	\$409.64
<b>Mapping of Coded Comments (Microorganisms only) to SNOMED CT</b>						
Up to 1000 lines	\$6,240	\$3,120	6%	2%	\$5,865.60	\$3,057.60
Up to 2000 lines	\$9,360	\$4,680	6%	2%	\$8,798.40	\$4,586.40
Up to 3000 lines	\$12,480	\$6,240	6%	2%	\$11,731.20	\$6,115.20
Up to 5000 lines	\$16,212	\$8,106	6%	2%	\$15,239.28	\$7,943.88
Up to 10,000 lines	\$23,160	\$11,580	6%	2%	\$21,770.40	\$11,348.40
Over 10,000 lines	\$34,740	\$17,370	6%	2%	\$32,655.60	\$17,022.60

## Notes:

- List prices are charged for each data file provided to 3M
- Travel and out-of-pocket costs are an additional charge.
- Maintenance is 50% of the list price

**Software Pricing Methodology:**

3M's pricing methodology used in this Agreement for most of the 3M Software is Volume Based Pricing ("VBP"). Volume Based Pricing is based on the annual inpatient and outpatient volumes reported in the current *AHA Guide*. The detail of the discounts per level is listed in the following table. ***Please note that the entire formula is not included in this document.***

***Volume Multiplier*** – The volume multiplier reflects the decreases in license fees associated with various increased levels of usage (volume statistics) of the software by the customer. Since this is a step up model, the volume price (Unit Price \* Volume Statistics\*Volume Multiplier) for each level is added together to get a total volume price for each customer.

<b><i>Inpatient Volume Multiplier:</i></b>	
<b>Annual Admissions</b>	<b>Volume Multiplier</b>
0 – 5,000	1.0
5,001 – 10,000	.85
10,001 – 15,000	.80
15,001 – 20,000	.75
20,001 – 25,000	.70
25,001 – 30,000	.65
30,001 - 40,000	.63
40,001 - 50,000	.61
50,001 - 60,000	.59
60,001 - 70,000	.57
70,001 - 80,000	.55
80,001 - 90,000	.53
90,001 - 100,000	.51
100,001 - 125,000	.50
125,001 - 150,000	.49
150,001 - 175,000	.48
175,001 - 200,000	.47
200,001 - 225,000	.46
225,001 - 250,000	.45
250,001 - 275,000	.44
275,001 - 300,000	.43
300,001 - 350,000	.42
350,001 - 400,000	.41
400,001 - 450,000	.40
450,001 +	.39

<b><i>Outpatient Volume Multiplier:</i></b>	
<b>Annual O/P Visits</b>	<b>Volume Multiplier</b>
0 – 100,000	1.0
100,001 – 250,000	.90
250,001 – 500,000	.80
500,001 – 750,000	.75
750,001 – 1,000,000	.70
1,000,001 – 2,000,000	.60
2,000,001 – 3,000,000	.55
3,000,001 – 5,000,000	.50
5,000,001-6,000,000	.45
6,000,001-7,000,000	.40
7,000,001-9,000,000	.35
9,000,001-12,000,000	.30
12,000,001+	

**Special Item Number 132-32 Annual License Agreements****Notes for volume-based pricing:**

The following numbered notes correspond to notes in the pricing sheets. Use these notes to obtain additional information about specific pricing questions you may have.

1. Coding Reference
 

The 3M coding Reference Software is sold as a complete package. Customers cannot license the Coding Reference Software without licensing Codefinder for Windows.

Contracts will not be accepted for the sale and installation of portions of the Coding Reference Software.

The Coding Reference Software is a value-added module to Codefinder, and approximately \$1,000 of the license fee is paid to source vendors to cover royalty fees for reference materials. Because of these royalty fees, no discounts are allowed except for the 5-year 5% discount.

The "-W" after the product name indicates that the product can be licensed for Windows.

Please specify the "-W" extension, for example DRGF-W.

*Supervisor Workstation*      ***This note does not apply to the GSA Contract.***
2. MF Training
 

3M HIS does not install software for AS/400 products. The CSRs are responsible for training only.
3. CAS Pricing
 

***This note does not apply to the GSA Contract.***
4. RCS
 

Several options and possible criteria exist for items in Note 4, including:

  - Non-APG reimbursement software on PC platform
  - APG reimbursement software

*Non-APG reimbursement Software*      Clients must pay full price regardless of the number of formulas licensed. Non-Medicare reimbursement software (TRICARE) is always charged full price. Reimbursement Calculation Software-Medicare is included in HRM bundled packages. When the coding bundle is broken up and products are separately offered with HRM (a la carte), RCS-Medicare must be listed separately to be included. Sales Manager approval or a CMR is not required to add RCS-Medicare at zero-dollar when included

**Special Item Number 132-32 Annual License Agreements****Notes for volume-based pricing:**

with HRM products. Additional formulas other than Medicare do not received a discount when licensed with HDM products.

*RCS Options*

## RCS Options Include:

Medicare Inpatient	Washington-Alaska APG
Texas Medicaid	Massachusetts Medicaid APG
TRICARE	Ohio APG
Physicians Billing	Generic APG
Massachusetts AP Medicaid	
Massachusetts AP Blue Cross/Blue Shield	
Indiana Medicaid	
Virginia Medicaid	
Medicare Outpatient	
New York	
Ohio Medicaid	
Illinois Public Aid	
Canada RIW	
New Jersey	
New Jersey Medicaid	
North Carolina SEB	

5. RCS Several options and possible criteria exist for items in Note 5, including:
- Non-APG reimbursement software on the AS/400 platform
  - I&T for non-APG reimbursement software on the AS/400 platform

6. AP-DRG Groupers  
*AP-DRG Software*
- AP-DRG options include:
1. Generic
  2. Washington Regence Health
  3. North Carolina SEB
  4. Virginia MCD
  5. New York
  6. New Jersey
  7. Maine
  8. Illinois
  9. Massachusetts Medicaid
  10. Massachusetts Blue Cross/Blue Shield
  11. Indiana Medicaid

**Special Item Number 132-32 Annual License Agreements****Notes for volume-based pricing:**

7. APR-DRG Groupers NACHRI members get a 10% discount. APR-DRGS are available with CCE (MS-DOS and CICS).

The S-APR-DRG software grouper is a single product that is an add-on to the Codefinder family of products.

*Pricing Multiple  
APR-DRG Products*

When pricing multiple copies of APR-DRGs, an 80% discount is applied to the **list price** of the second copy of the software. In order to qualify for the 80% discount, all of the following conditions must be true.

- The customer has paid full list price for an APR-DRG license from 3M Health Information Systems (minus any national or GPO discount for which they are eligible). This license is referred to as the “primary license.”
  - The software licenses are for the same physical site
  - The software is installed at the same physical site
- **Note:** *Access to APR-DRG data through a business partner vendor’s product or state database does not qualify as a primary license.*

A second license is *required* when the customer wishes to install multiple versions of the APR-DRG software including any combination of the following:

- S-APRDRG (for Codefinder)
- Core Grouping APRDRG (CGS)
- W-APRDRG (Mainframe)
- CCE APRDRG

A second license is *not required* when the customer wishes to use the APR-DRG software in multiple hospital departments within the same physical facility (e.g. HIM, Case Management, Decision Support).

**Special Item Number 132-32 Annual License Agreements****Notes for volume-based pricing:**

Other policies related to licensing a second copy of APR-DRGs:

- Platform multiplier pricing applies to primary and secondary copies of the APR-DRG software.
- When two copies are licensed at the same time, the most expensive copy is considered the primary copy.
- If the APR-DRG software products are the same price (e.g. CGS-APRDRG and S-APRDRG on the same platform), the discount should be applied to the CGS product.
- All second copy discounts must have contract language that ties the discount on the second copy to the primary copy.
- When the least expensive APR-DRG product is licensed and the client wants to add a more expensive copy, the copy that is being added, which is now the most expensive APR-DRG product is priced with the 80% discount.
- The second-copy discount applies only to APR-DRG software.

*Examples:*

1. Hospital XYZ currently licenses the 3M APR-DRG grouper within their Core Grouping Software licensed from 3M HIS. The hospital wishes to add the S-APRDRG grouper to provide APR-DRG data within their CodeFinder software. Both software versions are installed on the hospital's network.
  - The S-APRDRG is licensed at list price plus the network multiplier, minus any national or GPO discount
  - CGS-APRDRG is priced with network multiplier, then discounted 80%
2. Hospital MNO is purchasing a license for S-APRDRG in CodeFinder and wishes to purchase a second copy to install at their affiliated hospital PQR.
  - This isn't a second copy discount situation because the customer will be installing the software at two different sites.
  - East hospital will require a primary license for the APR-DRG software.
  - See the Enterprise Pricing Policy for volume unit price discounts provided to multi-entity hospital groups.

**Special Item Number 132-32 Annual License Agreements****Notes for volume-based pricing:**

3. Hospital FGH currently uses APR-DRGs in McKesson's TrendStar product. They now want to add the S-APRDRG software to their CodeFinder system.
  - The license from McKesson to use APR-DRGs in TrendStar does not qualify as a primary APR-DRG license. The McKesson license limits the use of APR-DRGs to the specific product for which it is licensed.
  - The hospital will require a full-price, primary license for S-APRDRGs.
  - If the hospital decides to also license the CGS-APRDRG product in addition to the S-APRDRG software, they would be eligible for the 80% discount on the CGS APR-DRG software.
  
4. Hospital CDE licenses CGS APR-DRG software from 3M HIS for use in QuadraMed Quantim. The customer now wishes to interface their data from QUantim to their Midas system for performance reporting.
  - A second copy license is not required.
  - When a hospital licenses the APR-DRG software from 3M HIS, they can use the data in multiple systems, across department, or with a consultant of their choice.
  
8. Note not currently in use
  
9. Core Grouping Software With APR-DRG
 

If a client also decides to add an additional grouper (W-CHAMP or W-APDRG) with the W-APR-DRG, those additional groupers are licensed and priced as an add-On, as described in Note 15.

**Special Item Number 132-32 Annual License Agreements****Notes for volume-based pricing:**

10. W-APDRG MVS Batch in NY *This note does not apply to the GSA Contract.*
11. Add-On and Remote Installation I&T  
Customers may opt for a telephone-assisted remote installation at a cost of \$500 minimum (**\$488 for GSA/Government Customers**). This does not apply to AP-CAS clients without the CAS software.
12. Windows HDM Products  
HDM pricing in this section is for Windows products. (**DOS HDM products and Bundled HDM products are no longer for sale.** Only Windows Plus and Core Measures products are available for sale.)
- Purchasing Pervasive Software*  
New purchasers of HDM modules must have a Pervasive software license if they run on a network. This does not apply to stand-alone users since Pervasive is included with the software for stand-alone systems.
- The client is responsible for purchasing the software through Pervasive, so the cost of Pervasive should NOT be included in the price for the HDM module at this time.
- Purchasing Pervasive Support Services*  
The customer makes the decision whether or not to purchase support services. Our understanding is that most customers purchase support from Pervasive on an “as needed” basis rather than on an annual basis.
- When customers purchase Pervasive software, they receive 30 days free support. Most find this to be sufficient. However, it is a choice the customer needs to make.
- In support situations where we determine the problems is Pervasive-related, 3M Customer Service assists the customer in contacting Pervasive where they can purchase support on a T&M basis. Situations where we have escalated to Pervasive have been rare-only 10 out of 400 customers in the last year.

**Special Item Number 132-32 Annual License Agreements****Notes for volume-based pricing:***HDM Plus Modules (unbundled)*

HDM Plus modules are sold with the coding products priced separately. Apply the National Accounts discount for both the coding products and HDM (no CMR or sales manager approval is necessary). RCS-Medicare is free to HDM clients and needs to be listed separately on the contract at \$0.00.

*RCS-Medicare*

You do not need a CMR or approval from a sales manager to add RCS-Medicare at \$0.00 (separate line item) when it is included with HDM Plus Products.

*Product Discounts*

Use the following guidelines to discount the HDM products.

- When pricing the HDM module, offer the HRM Plus products and apply the normal discounts, as stated in policies for National Accounts and admission-based pricing.
- C&C products usually received a higher discount than the HDM products, so each product line has its own percent discount applied.
- If the client is an existing coding client with the coding products interfaced to a non-HDM module, a multiple-copy discount may apply. If the same Coding and Grouping products are being licensed for the HDM module, the coding products are eligible for the multiple-copy discounting described in chapter III-1, *Standard discounts and policies*.

*Adding Coding and Grouping to modules (other than HRM)*

Coding and Grouping products may be added separately to other modules, such as QMS, UMS, or Core Measures, without HRM. RCS Medicare needs to be listed on the contract at \$0.00. *See the note in the Product Discount Section above for multiple-copy discounts, as applicable.*

*Adding APCfinder to HDM*

1. **APCfinder for new clients.** The client licenses the HRM module, APC and interfaces, including the PC at no additional cost other than the Coding APC I&T -that is, no additional HDM & APC I&T line item. After contract receipt, the CSRs will install APCfinder and APC fields with the new HRM, or CMS install, including interfaces.

**Special Item Number 132-32 Annual License Agreements****Notes for volume-based pricing:**

2. **APC add on for existing HDM client.** There is an HDM I&T charge to the HDM client in order to add the additional data elements for APC (see I&T pricing, HDM options and HDM modification for APCs).

See note below on interfaces; they will likely be more complicated and require some charge. However, T&M will occur if clients want different modifications; again see below for interface notes.

- *With new interface:* the client licenses the new interface (along with APCs). CSRs will install APCfinder and all accompanying fields and new interfaces.
- *With modification to an existing interface:* CSRs will install APCfinder and APC fields in HDM. If the client needs a modification to existing interfaces, then the client places a call to Support after the CSRs have complete their work.
- *Interface note:* HL7 interfaces will not allow adding interface modifications for APCs to the end of the file. Therefore, there will be T&M charges for HL7 interface updates.

3. **APC replacing APG for HDM clients.** The client completes the paperwork for contract amendment to replace APGs with APCs. After contract receipt, two work orders are created (one to de-install APGs and the other to install APCs). The SSRs will de-install APGs and install APCs and scenario #2 is followed. There is no HDM charge to the HDM client to add the additional data elements for APC. There is no charge for the interface modifications if the modification is at the end of the interface. T&M will occur if clients want different modifications; see note above on interfaces.

*APC training*

The I&T for APCfinder in the pricebook will cover the cost of installation and training (theory and APCfinder software use) by the Data Analysis CSRs.

**Special Item Number 132-32 Annual License Agreements**

**Notes for volume-based pricing:**

<i>APC JetForm</i>	APC installation includes the standard APC JetForm or addition of APCs to existing APG JetForms. Other JetForm modifications would be at T&M.
<i>Installation and Planning Toolkit (workbook)</i>	Workbooks are included for the specific plus products.
<i>Permanent alternate test Directory w/separate Database</i>	<b><i>This note does not apply to the GSA Contract.</i></b>
<i>Adding the HDM Care Evaluator</i>	<b><i>This note does not apply to the GSA Contract.</i></b>
<i>Data conversions</i>	<i>See interfaces chapter, under “HDM database conversions.”</i>
13. <b>LTAC Grouper</b>	<b><i>This note does not apply to the GSA Contract.</i></b>
14. <b>Core Grouping/NY</b>	<b><i>This note does not apply to the GSA Contract.</i></b>
15. <b>AP Grouper multiple copy Discount</b>	Apply the appropriate discount listed below:
For S-APDRG	First copy is 100% of the list price, and additional copies get an 80% discount.
	States with multiple reimbursement supported with S-APDRG (MA, WA) get 100% of the list price for the first use, and 80% discount for subsequent use.

**Example:** Assuming an example list price of \$5,000:

1st Copy	\$5,000
2nd Copy	\$1,000
3rd Copy	<u>+\$1,000</u>
Total=	\$7,000

**Special Item Number 132-32 Annual License Agreements**

**Notes for volume-based pricing:**

For CGS-APDRG The first copy is 100% of list price, and additional copies get a 50% discount.

**Example:** Assuming an example list price of \$5,000:

1st Copy	\$5,000
2nd Copy	\$2,500
<u>3rd Copy</u>	<u>+\$2,500</u>
Total=	\$10,000

For licensing S-APDR and CGS-APDRG together When an organization licenses both S-APDRG and together, they get the higher license fee at 100% and a 50% discount on the lesser license fee.

**Example:** Assuming an example list price of \$5,000 for S-APDRG and \$4,000 for CGS-APDRG:

1st Copy (S-APDRG)	\$5,000
<u>2nd Copy (CGS-APDRG)</u>	<u>+\$2,500</u>
Total=	\$7,000

- 16. **Coding & Reimbursement** The Coding and Reimbursement Software includes Codefinder, CPTfinder, DRGfinder, CAS, and RCS-Medicare.
- 17. **Currently not in use**
- 18. **HDM/IS/AWS** *This note does not apply to the GSA Contract.*
- 19. **GA Medicaid Bundle** *This note does not apply to the GSA Contract.*
- 20. **HDM/JetForms** Pricing for new HDM clients purchasing HDM modules, with the exception of Core Measures, integrates the price of JetForms 5.1 for Windows.

**Special Item Number 132-32 Annual License Agreements**

**Notes for volume-based pricing:**

*HDM with JetForms 5.1  
Integrated*

For HDM, the contract amendment pricing includes up to 5% of existing client price, as contained in the Sales Policies and Procedures document, “HDM Conversions to Windows.”

In addition, to accommodate the JetForms 5.1 for Windows integration, include \$1,500 for each installation of a hospital or for each installation of each hospital in a multi-facility enterprise.

*National Accounts*

Please check the National Accounts discount policy to see if there is allowance to add the \$1,500 for a specific NA hospital. If the policy/contract does not permit this fee, you cannot add it to the license price.

*\*GSA Discount*

***Do not add the \$1,500 per hospital increase to a GSA account.***

21. **APR-DRG Norms**

Use the following chart to determine correct pricing information for APR-DRG Norms Minimum Royalty Pricing (M7RP).

APG Batch is no longer available on the PC platform. It has been incorporated into the 3M APC Grouper Plus software with the APGs product.

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**Notes for volume-based pricing:**

Type	Location	Price	
National norms	All Hospitals	\$3,150	
State norms	Florida (Calendar 1993)	\$2,625	
	Florida (Jan-Jul 1994)	\$2,625	
	California (Calendar 1993)	\$2,625	
	North Carolina (Jan-Sept 1993)	\$2,625	
	Massachusetts (Jan-Sept 1993)	\$2,625	
	Illinois (Calendar 1994)	\$2,625	
	Michigan (Calendar 1996)	\$2,625	
Regional norms Northeast	Maine Rhode Island Pennsylvania Massachusetts New Jersey	Vermont New York New Hampshire Connecticut	\$3,938
Regional norms North Central	Indiana Michigan Minnesota Missouri South Dakota Kansas	Ohio Illinois Wisconsin Iowa North Dakota Nebraska	\$3,938
Regional norms South	Delaware District of Columbia West Virginia South Carolina Florida Tennessee Mississippi Louisiana	Maryland Virginia North Carolina Georgia Kentucky Alabama Arkansas Oklahoma Texas	\$3,938
Regional norms West	Montana Wyoming New Mexico Utah Washington Alaska Hawaii	Idaho Colorado Arizona Nevada Oregon California	\$3,938

**Special Item Number 132-32 Annual License Agreements**

**Notes for volume-based pricing:**

Type	Location	Price
National norms	Admissions 11,400	\$3,938
	Admissions 11,400+	\$3,938
	All Medicare	\$3,938
	All Non-Medicare	\$3,938
	All Urban Hospitals	\$3,938
	All Rural Hospitals	\$3,938
	All Teaching	\$3,938
	All Non-Teaching	\$3,938
	Pediatric	\$3,938
Custom norms	Estimated on an individual request basis	\$5,250 minimum fee

22. **Pricing for Care Management System**

- Add to a new HDM client who has no HDM products.
- Add to existing HRM clients who do not have QMS or UMS or both QMS and UMS modules.

*Existing QMS & UMS Clients*

**You may use the same promotional discounts as for new clients:** 25% promotion discount and 5% discount for 5 year contract through June 30, 2001. The client’s existing contracts would be amended from QMS & UMS to 3M Care Management System.

3M Care Management System may be offered to existing QMS and UMS clients and to clients who have either the QMS or UMS module as a migration pathway for upgrading to the new module. The promotion of CMS to those existing clients is based on the premise that they may have designed many of the data elements in CMS with their QMS and UMS and may only select those data elements from the CMS field list that will enhance their existing QMS and UMS.

In addition, many DOS QMS and UMS clients and those CAD-CARS clients who moved to Windows QMS and UMS have the same data elements as they had in the old systems. Those previous data elements may not have contained the Care Evaluator data elements or the InterQual chapter. The upgrade would include the Care Evaluator and the opportunity to add the InterQual fields.

**Special Item Number 132-32 Annual License Agreements****Notes for volume-based pricing:***Pricing Methodology  
for the upgrade*

1. **Client with both QMS and UMS**
  - License Price for upgrade to CMS
  - Clients may license the CMS at the current price that they are paying for QMS and UMS. Evaluate whether promotion or current pricing is the best option.
  - I&T: refer to chapter I-2, I&T pricing.
  - The contract is amended to CMS; QMS & UMS are deleted.

The unused portion of dollars from QMS & UMS will be credited at the time of installation of CMS. The data entry training date is the date used to determine the unused portion credit.

2. **Client with one of the modules: either QMS or UMS**
  - I&T: refer to chapter I-2, I&T pricing.
  - The contract is amended to CMS; QMS or UMS are deleted.
  - The unused portion of dollars from QMS or UMS will be credited at the time of installation of CMS. The data entry training date is the date used to determine the unused portion credit.

23. **APC pricing policies**

APCfinder and APC Grouper Plus are available in either a standalone or a network version.

APCfinder is now available on both NT and Novell Networks. APC Grouper Plus is now available on the NT network.

The following policies and examples apply only to license fees. I&T policies would apply as appropriate for each product in addition to these license fees.

- *Note: When discounting due to the purchase of another APC product, the discount delta cannot exceed 50%*

**Special Item Number 132-32 Annual License Agreements**

**Notes for volume-based pricing:**

1. Examples of APC grouping products. APCfinder and APC Grouper Plus on a PC platform are priced as follows:

**Basic Pricing** – Hospital A with outpatient volume of 98,376 visits:

Volume		98,376
Times Multiplier	x	<u>\$0.053</u>
		\$5,213.93
Plus Base Fee	+	<u>1,308.00</u>
Equals List Price		\$6,521.93

*(However, the normal policy is to round up to \$6,522.)*

Any discounting is done off of List Price: National Account discounts; APCfinder discount when license with APC Grouper Plus.

**Pricing with volume adjustment.** Hospital B with outpatient volume of 392,875 visits:

(Volume x Multiplier)	(100,000 x 0.05300) x 1.0 = \$5,300
	(150,000 x 0.05075) x 0.9 = \$7,155 (see table at end of note
	<u>(142,875 x 0.05075) x 0.8 = \$6,058</u> for volume multipliers)
Total Volume	\$18,513
Plus Base Fee	<u>+ \$1,269</u>
Equals List Price	\$19,782

2. **APCfinder receives a 50% discount** when licensed simultaneously with all platforms of APC Grouper Plus, as long as current pricing is used for both products.

**Special Item Number 132-32 Annual License Agreements****Notes for volume-based pricing:**

3. **If a customer licenses APCfinder and/or APC Grouper Plus on multiple platforms**, there is a 50% discount on the more expensive platform (as with APGs). This should not be confused with example 2 above, which applies to all platforms of APC Grouper Plus. This discount opportunity applies only when APCfinder is purchased on multiple platforms or when APC Grouper Plus is purchased on multiple platforms. Example 2 above would apply if APCfinder is purchased on one platform and APC Grouper Plus on a different platform.
4. **If a customer has licensed APC Grouper Plus, and adds APCfinder**, the 50% discount for APCfinder is offered at the start of the APCfinder license period.
5. **If a customer licenses APCfinder and later licenses APC Grouper Plus:**

If a customer licenses APCfinder at 100% and later licenses APC Grouper Plus, a discount equal to 50% of the APC Grouper Plus software may be applied to the license of the APC Grouper Plus software.

There should be no difference in dollars for the customer when both products are on the same platform. If the platforms are different, there will be a difference in the dollar discount.
6. **If a customer who already licenses APCfinder (at current pricing levels) adds the AS/400 version of APC Grouper Plus**, price the APC Grouper Plus a 100% until anniversary date of contract (calculate a 50% discount on the license fee after adding the AS/400 multiplier) as illustrated below:

**Special Item Number 132-32 Annual License Agreements**

**Notes for volume-based pricing:**

Anywhere Health System consists of (3) hospitals. Hospital A has 157,000 outpatient discharges, Hospital B has 65,000, and Hospital C has 170,875. Anywhere System already licenses APCfinder at current pricing. The fee for APC Grouper Plus on AS/400 is:

	Sum volumes for all three hospitals: (157,000 + 65,000 + 170,875 = 392,875)
(Volume x Multiplier)	(100,000 x 0.05300) x 1.0 = \$5,300 (150,000 x 0.05075) x 0.9 = \$7,155 (see table at end of note <u>(142,875 x 0.05075) x 0.8 = \$6,058</u> for volume multipliers)
Total Volume	\$18,513
Plus Base Fee (3 x 1308)	+ \$3,924
Equals List Price	\$22,437
Times AS/400 Multiplier	x 1.08
Equals List Price	\$24,231.96 (rounded to \$24,232)

National Account discounts may be applied to this price.

Anniversary date pricing:

APCfinder: \$11,091  
 (50% of list. No National Account discounts apply.  
 It is presumed that APCfinder is mainframe-based)

APC Grouper Plus: \$25,509  
 (less any National Account discounts)

**7. HBOC Trendstar.** *This note does not apply to the GSA Contract*

**Special Item Number 132-32 Annual License Agreements**

**Notes for volume-based pricing:**

**8. Base fee for corporate processing.**

- APC Grouper Plus: one copy at the corporate office, then charge one base fee for each hospital.
- If APCfinder is being installed in both a hospital and in a remote hospital-based clinic (not over a network, but a separate installation), a base fee should be charged for each site.
- If APCfinder and/or APC Grouper Plus is installed at each site within the enterprise, a base fee is charged for each site.

**9. Discount for five-year contracts.** Discounting for five-year contracts does not apply when a 50% discount is applied, but may be applied on the product that is priced at list.

**Special Item Number 132-32 Annual License Agreements**

**Notes for volume-based pricing:**

24. **PC&RS Pricing** \$2,800 per network node.

1-15 nodes/copies	16-30 nodes/copies	31+ nodes/copies	I&T	Gov't Disc
\$2,800 per node/copy	20% volume multiplier	40% volume multiplier	See chapter I-2, I&T Pricing	23.25%

*Example:* Assuming the customer licenses 40 copies, the first 15 have no discount at \$2,575/copy. The next 15 copies have a 20% volume discount and the remaining 10 copies have a 40% volume discount.

Copies 1-15 \$2,800 each = \$42,000  
 Copies 16-30 20% volume multiplier for each = \$33,600  
 Copies 31-40 40% volume multiplier for each = \$16,800  
 Total \$92,400

*Discounting PC&RS*

The PC&RS is a low-margin product and cannot be heavily discounted. Used the following guidelines for discounting the product:

- Multiple-product discounting guidelines can be applied to PC&RS pricing.
- Incentive discount of 5% for a 5-year contract.

*Coding Reference Pricing* When Coding Reference is licensed, use the following table.

Single PC	2-4 Nodes	5-8 Nodes	9-16 Nodes	17-32 Nodes	33-64 Nodes	I&T	Gov't Disc
\$2,306	\$2,855	\$4,612	\$6,588	\$8,125	\$10,159	See I&T Pricing	5.25%

*Coding Reference Plus Pricing* When licensing Coding Reference Plus use the following table.

Single PC	2-4 Nodes	5-8 Nodes	9-16 Nodes	17-32 Nodes	33-64 Nodes	I&T	Gov't Disc
\$2,015	\$2,494	\$4,029	\$5,756	\$7,100	\$8,874	See I&T Pricing	5.25%

**Special Item Number 132-32 Annual License Agreements****Notes for volume-based pricing:****25. Audit Expert Pricing***Purchasing Pervasive  
Software*

New purchasers of Audit Expert Inpatient Software must have a Pervasive software license if they run on a network. This does not apply to stand-alone users, since Pervasive is included with the AE software for stand-alone systems. The client is responsible for purchasing the software through Pervasive, so the cost of Pervasive should NOT be included in the price for Audit Expert at this time.

- ***Note:** For AE with a third party abstractor, a networked vs. stand-alone system is determined by the number of reporter users, not data entry users. If a new purchaser is integrated with HRM, they will already have a Pervasive license for the current HRM users and will need additional Pervasive nodes only for any new reporter users. If a customer has Pervasive on their system for other non-3M software, they may need to upgrade or add new users to their contract.*

**26. Note not currently in use**

**Special Item Number 132-32 Annual License Agreements****Notes for volume-based pricing:**27. **Ambulatory Revenue  
Management Software  
(ARMS)**

See pricing table for base price.

*Cluster Pricing*

- All customers pay for the core data set.
- The minimum price for ARMS Core Data Set is \$5,500 for existing HRM customers and \$7,500 for non-HRM customers.
- Standard HRM discounts apply as listed in current national account pricing.
- Groupers, PC&RS, and C&RS are all licensed extra.

*Consulting Services****This note does not apply to the GSA Contract.***

## 28. Blank

29. **Audit Expert Corporate  
Reporter*****This note does not apply to the GSA Contract.***30. **Audit Expert System/  
HRM Audit Expert**

Audit Expert System is the name applied to a third-party application. HRM Audit Expert is the name of the application if it is added to a customer who also licenses HRM.

31. **Audit Expert Integrated Services**The licensing of Audit Expert also requires the purchase of Audit Expert consulting services—either the Annual Check-up or Option A, B, C, or D. *Refer to chapter I-12, 3M Consulting Services pricing, for scope of work descriptions and pricing information.*32. **Coding Reference Plus**

No license fee discounts for Coding Reference Plus. Must have licensed Codefinder and Coding Reference.

Introductory offer good through March 31, 2003: \$1,300 base price and 0.18/admission.

33. **Core Grouping Software****Renewal transition pricing.** All pricing needs to be moved to full VBP for providers. Transition pricing is allowed for providers on Core Grouping Software renewals using the existing transition policy in Chapter III-1.

**Special Item Number 132-32 Annual License Agreements**

**Notes for volume-based pricing:**

*CMS Pricing Policy*

The CMS grouper is no longer a \$0 item for CGS APR customers. Clients who have historically received the CMS grouper a \$0 must be charged the list price upon renewal or extension of their contract term.

34. **For multiple Medical Necessity products**

If a customer licenses more than one of the following Medical Necessity (MN) products, a 35% discount applies to all except the most expensive MN product.

- Medical Necessity Online
- Medical Necessity dictionaries
- Medical Necessity Software
- Claim Scrubber

**For multiple Medical Necessity dictionaries**

If a customer licenses multiple Medical Necessity dictionaries, a 50% discount applies to all except the primary dictionary.

**Special Item Number 132-32 Annual License Agreements**

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

<b>I&amp;T Products</b>				
<b>Product Description</b>	<b>Commercial List 1-8 Users</b>	<b>Commercial List 9-16 Users</b>	<b>Commercial List 17-32 Users</b>	<b>GOV'T DISC</b>
<b>APCfinder Software Onsite</b>	\$4,000	\$5,500	\$7,000	2.25%
1. Train all product users in person, on-site (no maximum for concept & theory)				
2. Clients who have APG and are replacing APG with APC or adding APC can waive on-site training and have a phone install.				
3. Clients who get APC Grouper Plus along with APCfinder are charged for APCfinder I&T only. There's no concurrent I&T charge in this case.				
4. APC Grouper Plus Phone Install available for \$500 (Government Discount 2.25%).				
5. Installing APCs in HDM requires HDM Modification (see HDM options).				

<b>Product Description</b>	<b>Commercial List 1-8 Users</b>	<b>Commercial List 9-16 Users</b>	<b>Commercial List 17-32 Users</b>	<b>GOV'T DISC</b>
<b>APCfinder Software Concurrent</b>	\$500	\$500	\$500	2.25%
1. Train all product users in person, on-site (no maximum for concept & theory.)				

<b>Product Description</b>	<b>Commercial List 1-8 Users</b>	<b>Commercial List 9-16 Users</b>	<b>Commercial List 17-32 Users</b>	<b>GOV'T DISC</b>
<b>APC Grouper Plus Software Onsite</b>	\$4,000	\$5,500	\$7,000	2.25%
1. Clients who get APC Grouper Plus along with APCfinder are charges for APCfinder I&T only. There's no concurrent I&T charge in this case.				
2. APC Grouper Plus phone install available for \$500 (Government Discount 0.25%).				

<b>Product Description</b>	<b>Commercial List 1-8 Users</b>	<b>Commercial List 9-16 Users</b>	<b>Commercial List 17-32 Users</b>	<b>GOV'T DISC</b>
<b>APC Grouper Plus Software Concurrent</b>	\$500	\$500	\$500	2.25%

**Special Item Number 132-32 Annual License Agreements**

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>APR-DRG Software Onsite (S-APR)</b>	\$4,000	\$5,500	\$7,000	2.25%
1. Train all product users in person, on-site (no maximum for concept & theory).				
2. When APR-DRG is sold with Core Grouping Software or CCE (PC or MF) I&T is for training only. These products are client installable, and will be invoiced as soon as it is shipped. It's in the client's best interest to schedule the concept & theory training as soon as possible.				
3. Price applicable for both Windows and mainframe.				

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>APR-DRG Software Concurrent</b>	\$500	\$500	\$500	2.25%
<b>"Concurrent" I&amp;T pricing:</b> When you price I&T for several products to be installed and trained in the same on-site visit, always price the products with the most I&T hours as the "basic" product, and all others as "concurrent" products.				

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>Clinical Analyzer Software Onsite (optional)</b>	\$4,000	\$5,500	\$7,000	2.25%
1. Train all product users in person, on-site (maximum 8 per training session).				
2. CAS AP requires the same I&T as CAS.				
3. CAS AP and CAS together require the same I&T as either one separately.				
4. Charge \$1,500 for each additional day onsite (includes up to 8 trainees per day).				

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>Clinical Analyzer Software Concurrent</b>	\$500	\$500	\$500	2.25%
1. Train all product users in person, on-site (maximum 8 per training session).				
2. CAS AP requires the same I&T as CAS.				
3. CAS AP and CAS together require the same I&T as either one separately.				
4. <b>"Concurrent I&amp;T Pricing":</b> When you price I&T for several products to be installed and trained in the same on-site visit, always price the product with the most I&T hours as the "basic" product, and all others as "concurrent" products.				

**Special Item Number 132-32 Annual License Agreements**

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>Codefinder Software Onsite</b>	\$3,000	\$4,500	\$6,000	2.25%
1. If getting more than one product, must price the product with the <b>higher priced I&amp;T</b> as the "basic" and use concurrent pricing for the others.				
2. Charge \$1,500 for each additional day onsite (includes up to 8 trainees per day).				
3. Cannot be priced as concurrent with HRM and Coding product installations.				

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>Codefinder, DRGfinder and CPTfinder Onsite</b>	\$4,000	\$5,500	\$7,000	2.25%
1. Includes three products only (CodeF, DRGF and CPTF).				
2. Install & Test all products (assuming availability of hardware and interfaces).				
3. Train all product users in person, onsite (maximum 8 per training session).				
4. Charge of \$1,500 for each additional day onsite (includes up to 8 trainees per day).				
5. Cannot be priced as concurrent with HRM and Coding product installations.				

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>Coding and Reimbursement System Windows Onsite</b>	\$4,000	\$5,500	\$7,000	2.25%
1. Includes CodeFW, DRGW, CPTW, CASW, and RCSW products.				
2. Install & Test all products (assuming availability of hardware and interfaces).				
3. Train all product users in person, onsite (maximum 8 per training session).				
4. Reimbursement Calculation Software is Medicare Inpatient.				
5. Cannot be priced as concurrent with HRM and Coding product installations.				

**Special Item Number 132-32 Annual License Agreements**

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>Coding and Reimbursement System AS400 Onsite</b>	\$4,000	\$5,500	\$7,000	2.25%
1. Test all products (assuming client's IS dept has installed them).				
2. Train all product users in person, onsite (maximum 8 per training session).				
3. 3M HIS does not install software for the AS/400 and Mainframe products.				
4. Concurrent options for APCfinder, All Patient DRG and Reimbursement Calculation Software are listed in the tables for those products.				

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>Coding and Reimbursement System Upgrade from AS400 to Windows</b>	\$4,000	\$5,500	\$7,000	2.25%
1. Install and test all products (assuming availability of hardware and interfaces).				
2. Train all product users in person, onsite (maximum 8 per training session).				
3. Can be an upgrade from AS/400 or mainframe.				
4. With upgrade, concurrent add-on pricing for existing products not required.				
5. Charge \$1,500 for each additional day onsite (includes up to 8 trainees per day).				

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>Coding and Reimbursement System Windows One Return Visit (one day onsite)</b>	\$4,000	N/A	N/A	2.25%
1. This is typically used for "retrain" efforts.				
2. Includes one day of training.				
3. Charge \$1,500 for each additional day onsite (includes up to 8 trainees per day).				

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>Coding Reference Software Onsite (optional)</b>	\$4,000	\$5,500	\$7,000	2.25%
1. Interactive online may replace the onsite I&T (suggested, but may also do phone install).				
2. Train all product users in person, onsite (maximum 8 per training session).				
3. Contracts will not be accepted for the sale and installation of portions of the Coding Reference Software.				
4. Pricing includes Supervisor Workstation I&T, if applicable.				
5. Cannot be priced as concurrent with HRM and Coding product installations.				

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**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>Coding Reference Software Concurrent</b>	\$500	\$500	\$500	2.25%
<b>“Concurrent” I&amp;T pricing:</b> When you price I&T for several products to be installed and trained in the same on-site visit, always price the products with the most I&T hours as the “basic” product, and all others as “concurrent” products.				

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>Coding Reference Plus Software Concurrent</b>	\$500	\$500	\$500	2.25%
<b>“Concurrent I&amp;T Pricing”:</b> When you price I&T for several products to be installed and trained in the same on-site visit, always price the product with the most I&T hours as the “basic” product, and all others as “concurrent” products.				

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>Connections Software Concurrent</b>	\$500	\$500	\$500	2.25%
<b>“Concurrent I&amp;T Pricing”:</b> When you price I&T for several products to be installed and trained in the same on-site visit, always price the product with the most I&T hours as the “basic” product, and all others as “concurrent” products.				

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>Core Grouping Software Onsite</b>	\$4,000	\$5,500	\$7,000	2.25%
1. Price the initial onsite at \$4,000.				
2. Depending on the mix of products, they could have one, two or even all five products.				
3. CGS products are: CGS-APR, CGS-CMS, CGS-AP, CGS-TRICARE CGS-AEE.				

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>Core Grouping Software Concurrent</b>	\$500	\$500	\$500	2.25%

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>CPTfinder Software Onsite</b>	\$3,000	\$4,500	\$6,000	2.25%
1. If getting more than one product, must price the product with the <b>higher price I&amp;T</b> as the “basic” and use concurrent pricing for the other.				
2. Charge \$1,500 for each additional day onsite (includes up to 8 trainees per day).				

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**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>CPTfinder Software Concurrent</b>	\$500	\$500	\$500	2.25%

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>DRGfinder Software Onsite</b>	\$3,000	\$4,500	\$6,000	2.25%

1. If getting more than one product, must price the product with the **higher priced I&T** as the "basic and use concurrent pricing for the others.

2. Charge \$1,500 for each additional day onsite (includes up to 8 trainees per day).

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>DRGfinder Software Concurrent</b>	\$500	\$500	\$500	2.25%

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>PC&amp;RS Onsite</b>	\$4,000*	\$5,500	\$7,000	2.25%

1. Install and test all products (assuming availability of hardware and interfaces).

2. Train all product users in person, onsite (maximum 8 per training session).

3. All facilities within 2 hour driving distance of each other when installing multiple Phy sites.

4. For more than 32 nodes add \$1,500 per group of 8 nodes.

**Special Item Number 132-32 Annual License Agreements**

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>PC&amp;RS Concurrent</b>	\$500	\$500	\$500	2.25%
<b>Phone installation for products mentioned below – provide simultaneous* installation of the software and basic training, as applicable.</b>			\$500	2.25%
<p>*Simultaneous pricing means charge of \$500 even when installing multiple products at the same time as the install (except Coding Ref/Coding Ref Plus – separate charges apply).</p> <p>Alternate Groupers: S-AP-DRG, TRICARE, APC Group Plus, S-APR-DRG (interactive), CASW, Coding Reference, Coding Reference Plus (\$500 for Coding Ref and/or Coding Ref Plus); Connections; Core Grouping Software – APR, AEE, CMS, AP, TRICARE (\$500 to load all 5 groupers at the Increase of Users).</p>				

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>RCS-All Formulas Onsite (optional)</b>	\$4,000	\$5,500	\$7,000	2.25%
<p>Medicare Inpatient, TRICARE, Texas Medicaid, Physicians Billing, Massachusetts AP Medicaid, Massachusetts AP Blue Cross/Blue Shield, Indiana Medicaid, Virginia Medicaid, Washington-Alaska APG, Massachusetts Medicaid APG, Medicare Outpatient, New York, Ohio Medicaid, Illinois Public Aid, Canada RIW, Iowa APG, New Jersey, North Carolina SEB, Ohio APG, Generic APG, New Jersey Medicaid, IP Psych RCS.</p> <p>1. Charge \$1,500 for each additional day onsite (includes up to 8 trainees per day)</p>				

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>RCS-All Formulas Concurrent</b>	\$500	\$500	\$500	2.25%
<p>Medicare Inpatient, TRICARE, Texas Medicaid, Physicians Billing, Massachusetts AP Medicaid, Massachusetts AP Blue Cross/Blue Shield, Indiana Medicaid, Virginia Medicaid, Washington-Alaska APG, Massachusetts Medicaid APG, Medicare Outpatient, New York, Ohio Medicaid, Illinois Public Aid, Canada RIW, Iowa APG, New Jersey, North Carolina SEB, Ohio APG, Generic APG, New Jersey Medicaid, IP Psych RCS.</p> <p>1. Train all product users in person, onsite (maximum 8 per training session).</p> <p>2. For RCS phone install add-on, price is \$500 for first formula, and \$300 for each additional formula.</p>				

**Special Item Number 132-32 Annual License Agreements**

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

Product Description	Commercial List 1-8 Users	Commercial List 9-16 Users	Commercial List 17-32 Users	GOV'T DISC
<b>Small Hospitals</b>	\$4,000 flat fee	N/A	N/A	2.25%
1. Includes CODE&RM-W, APC, Connections, Coding Ref, Coding Ref Plus, and training for up to 4 coders (Note: use concurrent add-on price for more products than these).				
<b>2. Small hospitals must be 150 beds or less to qualify for this pricing.</b>				
3. Limited to one day of training only.				

**I&T Pricing Tables for  
 HDM Products and Workstation Products**

<b>HRM</b>					
Number of Nodes or Users	Number of Site Visits	Data Entry Training Classes	Library Reporter Classes	Commercial List I&T Price	GOV'T DISC
1-8	1	1	1	\$13,000	2.25%
9-16	1	2	1	\$16,500	2.25%
17-32	1	4	1	\$19,000	2.25%
33-64	2	8	1	\$38,000	2.25%
1. Pricing for additional classes is listed on the HDM options page.					
2. When pricing multiple hospitals (1 flex) and/or multiple DI products (e.g., HRM w/CMS), strongly recommend adding Customization Training Service Option and Onsite System Design listed on HDM Options page.					
3. When pricing for multiple facilities who plan to use the same database, add total number of users to be trained on data entry and price using user blocks noted above (40 users would be priced using 17-32 user charge of \$19,000 plus 1-8 users price of \$13,000=\$32,000).					
4. To add state-specific groupers to this configuration refer to the HDM options for appropriate charges.					
5. Cannot be priced as concurrent with HRM and Coding product installations.					

**Special Item Number 132-32 Annual License Agreements**

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

<b>I&amp;T Pricing Tables for HDM Products and Workstation Products</b>					
<b>QMS (standalone new install)</b>					
<b>Number of Nodes or Users</b>	<b>Number of Site Visits</b>	<b>Data Entry Training Classes</b>	<b>Library Reporter Classes</b>	<b>Commercial List I&amp;T Price</b>	<b>GOV'T DISC</b>
1-8	1	1	1	\$13,000	2.25%
9-16	1	2	1	\$16,500	2.25%
17-32	1	4	1	\$19,000	2.25%
33-64	2	8	1	\$38,000	2.25%
1. Pricing for additional classes is listed on the HDM options page.					
2. When pricing multiple hospitals (1 flex) and/or multiple DI products (e.g., HRM w/CMS), strongly recommend adding Customization Training Service Option and Onsite System Design listed on HDM Options page.					
3. When pricing for multiple facilities who plan to use the same database, add total number of users to be trained on data entry and price using user blocks noted above (40 users would be priced using 17-32 user charge of \$19,000 plus 1-8 users price of \$13,000=\$32,000).					
4. To add state-specific groupers to this configuration refer to the HDM options for appropriate charges.					

<b>QMS Concurrent Add-on</b>					
<b>Number of Nodes or Users</b>	<b>Number of Site Visits</b>	<b>Data Entry Training Classes</b>	<b>Reporter Classes</b>	<b>Commercial List I&amp;T Price</b>	<b>GOV'T DISC</b>
N/A	0	0	0	\$6,000	2.25%
1. This is the concurrent price for adding QMS to an HDM installation.					
2. Add-on product pricing only includes the addition of the Basic template to an existing flex template.					
3. If additional training is needed to accommodate QMS users, refer to HDM Options. Please contact Implementation Manager until prices can be set.					
4. To add state-specific groupers to this configuration refer to the HDM options for appropriate charges.					

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**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

**I&T Pricing Tables for  
HDM Products and Workstation Products**

**QMS (add-on to existing HRM Site)**

Number of Nodes or Users	Number of Site Visits	Data Entry Training Classes	Reporter Classes	Commercial List I&T Price	GOV'T DISC
N/A	0	0	0	\$7,000	2.25%

1. Training should be priced using the HDM options. Please contact Implementation Manager.

2. To add state-specific groupers to this configuration refer to the HDM options for appropriate charges.

**UMS (Stand-alone New Install)**

Number of Nodes or Users	Number of Site Visits	Data Entry Training Classes	Library Reporter Classes	Commercial List I&T Price	GOV'T DISC
1-8	1	1	1	\$13,000	2.25%
9-16	1	2	1	\$16,500	2.25%
17-32	1	4	1	\$19,000	2.25%
33-64	2	8	1	\$38,000	2.25%

1. Pricing for additional classes is listed on the HDM options page.

2. When pricing multiple hospitals (1 flex) and/or multiple DI products (e.g., HRM w/CMS), strongly recommend adding Customization Training Service Option and Onsite System Design listed on HDM Options page.

3. When pricing for multiple facilities who plan to use the same database, add total number of users to be trained on data entry and price using user blocks noted above (40 users would be priced using 17-32 user charge of \$19,000 plus 1-8 users price of \$13,000=\$32,000).

4. To add state-specific groupers to this configuration refer to the HDM options for appropriate charges.

**UMS Concurrent Add-on**

Number of Nodes or Users	Number of Site Visits	Data Entry Training Classes	Reporter Classes	Commercial List I&T Price	GOV'T DISC
N/A	0	0	0	\$6,000	2.25%

1. This is the concurrent price for adding UMS to an HDM installation.

2. Add-on product pricing only includes the addition of the Basic template to an existing flex template.

3. If additional training is needed to accommodate UMS users, refer to HDM Options. Please contact Implementation Manger.

4. To add state-specific groupers to this configuration refer to the HDM options for appropriate charges.

**Special Item Number 132-32 Annual License Agreements**

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

<b>I&amp;T Pricing Tables for HDM Products and Workstation Products</b>					
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<b>UMS (add-on to existing HRM Site)</b>					
Number of Nodes or Users	Number of Site Visits	Data Entry Training Classes	Reporter Classes	Commercial List I&T Price	GOV'T DISC
N/A	0	0	0	\$7,000	2.25%
1. Training should be priced using the HDM options. Please contact Implementation Manager.					
2. To add state-specific groupers to this configuration refer to the HDM options for appropriate charges.					

<b>CMS (Stand-alone New Install)</b>					
Number of Nodes or Users	Number of Site Visits	Data Entry Training Classes	Reporter Classes	Commercial List I&T Price	GOV'T DISC
1-8	1	1	1	\$15,000	2.25%
9-16	1	2	1	\$18,700	2.25%
17-32	1	4	1	\$23,900	2.25%
33-64	2	8	1	\$47,800	2.25%
1. Pricing for additional classes is listed on the HDM options page.					
2. When pricing multiple hospitals (1 flex) and/or multiple DI products (e.g., HRM w/CMS), strongly recommend adding Customization Training Service Option and Onsite System Design listed on HDM Options page.					
3. When pricing for multiple facilities who plan to use the same database, add total number of users to be trained on data entry and price using user blocks noted above (40 users would be priced using 17-32 user charge of \$19,000 plus 1-8 users price of \$13,000=\$32,000).					
4. To add state-specific groupers to this configuration refer to the HDM options for appropriate charges.					

<b>CMS Concurrent add-on</b>					
Number of Nodes or Users	Number of Site Visits	Data Entry Training Classes	Reporter Classes	Commercial List I&T Price	GOV'T DISC
N/A	0	0	0	\$8,000	2.25%
1. This is the concurrent price for adding CMS to an HDM installation.					
2. Add-on product pricing only includes the addition of the Basic template to an existing flex template.					
3. For training, refer to HDM Options. Please contact Implementation Manager.					
4. To add state-specific groupers to this configuration refer to the HDM options for appropriate charges.					

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**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

<b>I&amp;T Pricing Tables for HDM Products and Workstation Products</b>					
<b>CMS (add-on to existing HRM Site)</b>					
<b>Number of Nodes or Users</b>	<b>Number of Site Visits</b>	<b>Data Entry Training Classes</b>	<b>Reporter Classes</b>	<b>Commercial List I&amp;T Price</b>	<b>GOV'T DISC</b>
N/A	0	0	0	\$9,600	2.25%
1. Training should be priced using the HDM options. Please contact Implementation Manager.					
2. To add state-specific groupers to this configuration refer to the HDM options for appropriate charges.					

<b>ARMS Medical Necessity Software</b>										
<b>PRODUCT</b>	<b>Commercial List Price</b>				<b>Platform Multiplier</b>					
	<b>Notes</b>	<b>Base Price</b>	<b>Unit Price</b>	<b>Volume Indicator</b>	<b>PC</b>	<b>Network</b>	<b>AS/400</b>	<b>Mainframe</b>	<b>Internet</b>	<b>Gov't Disc</b>
Installation & Training										2.25%
Concurrent with Core Installation		\$2,500								
Add on at a later time (including on-site training)										
1-16 Users		\$6,500								2.25%
17-32 Users (Choose only one of these two options)		\$8,000								2.25%

**Special Item Number 132-32 Annual License Agreements**

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

<b>HDM Options</b>				
<b>Product codes</b>	<b>Options</b>	<b>Site Visits</b>	<b>Commercial List Price</b>	<b>Gov't Disc</b>
HDM-CUS-TS	<b>Customization Training Service Option</b> (includes Reporter Training, Field Customization and System Manager Training. Includes travel and administrative for one visit).	1	\$10,000	2.25%
HDM-SER-8H	<b>Custom Service Option Sold in 8-Hour Increments</b> can be used for field customization, customized report building, modern training.		\$1,500	2.25%
ONSTSYSDES	<b>Onsite System Design</b> 2 days onsite reviewing data flow, initial training for project team, discussion of customization with client, \$1,500 travel.		\$5,500	2.25%
	<b>Onsite Testing Validation</b> Special discount of 2 days to replace remote testing time included in interface and I&T pricing. Actual number of days on site is 4.		\$5,500	2.25%
HDM-PROMGT	<b>Project Mgt Onsite Per Week</b> Includes 32 hours per week, 8 hours travel and \$1,500 travel costs per trip per week (\$1500+40*160=\$7,900/5 days	0	\$8,000	2.25%
HDM-PROMGT	<b>3M Project Management 8 hour Increments</b> (Minimum of 8 hours required to be purchased for "Enterprise Installations" and National Account Installations. Consult with DI Implementation Mgt. For assistance with pricing these types of installations).	1	\$1,500	2.25%
HDM-FLL-RC	<b>Full Reporter Class</b> 4 days, max 8 people; travel included.	1	\$8,000	2.25%

**Special Item Number 132-32 Annual License Agreements**

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

<b>HDM Interface Pricing</b>				
<b>Type of Interface</b>	<b>Target Market</b>	<b>Yearly License Fee</b>	<b>Installation Fee</b>	<b>GOV'T DISC</b>
<i>Custom Automated Interfaces</i>	<i>Everyone unable to use the HL7, predefined interfaces, or in need of an interface other than ADT or billing.</i>	\$4,200	\$3,000 plus blocks of customization as required.*	2.25%
<b>HDM Options</b>				
<b>Product codes</b>	<b>Options</b>	<b>Site Visits</b>	<b>Commercial List Price</b>	<b>Gov't Disc</b>
HDM-ADV-RC	<b>Advanced Reporter Class</b> 2 day class, max 8 people; travel includes.	1	\$5,500	2.25%
OTHER	<b>Refresher Reporter Class</b> 2 days class, max 8 people, pre-requisite of attendance at a previous HDM reporter class; travel included.	1	\$5,500	2.25%
	<b>Onsite "Go Live"</b> (2 days travel included)	1	\$5,500	2.25%
	<b>HDM Data Entry Onsite,</b> Up to 8 users; travel included	1	\$4,000	2.25%
	<b>HDM Data Entry Concurrent</b> (1 additional day)		\$1,500	2.25%
	<b>HDM Reporter Library, via modem</b>	0	\$500	2.25%
	<b>Permanent Test Directory</b> with separate database	0	\$1,500	2.25%
	<b>State-specific Groupers</b> Includes flex work only, and a review of the new fields via remote session with an installer. If a site wants onsite training, they will be charged for an additional trip (minimum charge is \$4,000 for 1 day on site)  Concurrent: purchase one or more of the groupers listed below and install concurrently with HRM, CMS, UMS, QMS or ARMS  Add-on: Add one or more of these groupers to an existing HDM system (HRM, CMS, UMS, QMS, ARMS)  List of Groupers: New Jersey, New York , TRICARE, Ohio Medicaid, Texas Medicaid, Canada, Illinois Public Aid, Massachusetts Medicaid and Blue Cross, Washington HCS, Iowa APG, Indiana Medicaid, North Carolina SEB, Ohio APB 1.0, Generic APG 1.2-2.0, Virginia Medicaid, Washington, Alaska APG, Massachusetts APG, Georgia Medicaid.	0	Concurrent \$1,000 Add-on \$2,500	2.25% 2.25%

**Special Item Number 132-32 Annual License Agreements**

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

<b>Audit Expert System (New Install)</b>					
<b>Number of Nodes or Users</b>	<b>Number of Site Visits</b>	<b>Data Entry Training Classes</b>	<b>Library Reporter Classes</b>	<b>I&amp;T Price</b>	<b>Gov't Disc</b>
1-8 Users	1	1	1	\$7,500	2.25%
9-16 Users	1	2	1	\$8,800	2.25%
17-32 Users	1	4	1	\$10,000	2.25%
Audit Expert (1-16 Users) System Follow Up	1	N/A	1	\$5,500	2.25%
<b>Audit Expert System Follow up (New Install)</b>					
<p>1. <b>Must add</b> 2 day onsite follow up visit if client purchases the Audit Expert Integrated services (wrap around) \$5,500. This trip by the 3M trainer coincides with the 1<sup>st</sup> Consulting onsite visit if they purchase the integrated service. If they only purchase AE Report Card they don't need to purchase this follow up visit. This is the second onsite visit for the trainer. Based on outcome of Consultant chart review, the trainer will work with the client to understand their needs around site specific reports and user defined edits. The trainer will develop the site specific reports for the client, follow up with users to make sure they understand the flow of the product and help clients understand the reports in the library in greater detail now that there is more data.</p>					
<p>2. <b>Must add</b> AE Report Card \$5,000 per site.</p>					
<p>3. Each additional block of 16 users adds an extra day onsite for \$1,500. Maximum 4 days onsite before we need to charge for an additional trip. <b>Note:</b> This a rare situation—usually no more than 8 people are interested in understanding reports.</p>					
<b>Audit Expert add-on to existing HRM site</b>					
<b>Number of Nodes or Users</b>	<b>Number of Site Visits</b>	<b>Data Entry Training Classes</b>	<b>Library Reporter Classes</b>	<b>I&amp;T Price</b>	<b>Gov't Disc</b>
1-8 Users	1	1	1	\$7,500	2.25%
9-16 Users	1	2	1	\$8,800	2.25%
17-32 Users	1	4	1	\$10,000	2.25%
<b>Audit Expert Follow Up (add-on to existing HRM site)</b>					
<b>Number of Nodes or Users</b>	<b>Number of Site Visits</b>	<b>Data Entry Training Classes</b>	<b>Library Reporter Classes</b>	<b>I&amp;T Price</b>	<b>Gov't Disc</b>
1-16 Users	1		1	\$5,500	2.25%
<p>1. <b>Must add</b> 2 day onsite follow up visit if client purchases the Audit Expert Integrated services (wrap around) \$5,500. This trip by the 3M trainer coincides with the 1st Consulting onsite visit if they purchase the integrated service. If they only purchase AE Report Card, they don't need to purchase this follow up visit. Based on outcome of Consultant chart review, the trainer will work with the client to understand their needs around site specific reports and user defined edits. The trainer will develop the site specific reports for the client, follow up with users to make sure they understand the flow of the product and help clients understand the reports in the library in greater detail now that there is more data. This is the second onsite visit for the trainer. If the client has already had basic reporter training, (e.g., an HRM AE client) the trainer can work with the client to show them how to develop the ad hoc reports themselves to meet their needs OR the trainer can build the reports for the client.</p>					
<p>2. <b>Must add</b> AE Report Card \$5,000 per site.</p>					
<p>3. Each additional block of 16 users adds an extra day onsite for \$1,500. Maximum 4 days onsite before we need to charge for an additional trip.</p>					

**Special Item Number 132-32 Annual License Agreements**

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

<b>HRM Audit Expert (Concurrent with HRM Installation)</b>					
<b>Number of Nodes or Users</b>	<b>Number of Site Visits</b>	<b>Data Entry Training Classes</b>	<b>Library Reporter Classes</b>	<b>I&amp;T Price</b>	<b>Gov't Disc</b>
1-4 Users	1	1	1	\$2,500	2.25%
5-8 Users	1	1	1	\$2,500	2.25%
9-16 Users	1	2	1	\$3,500	2.25%
17-32 Users	1	4	1	\$4,500	2.25%
Audit Expert System Follow up	1	N/A	1	\$5,500	2.25%

This assumes that AE training is concurrent with HRM DE training (i.e., it happens during HRM DE training). If a separate trip is required, see below for AE DE separate trip pricing.

<b>Audit Expert Follow Up (Concurrent with HRM Installation)</b>					
<b>Number of Nodes or Users</b>	<b>Number of Site Visits</b>	<b>Data Entry Training Classes</b>	<b>Library Reporter Classes</b>	<b>I&amp;T Price</b>	<b>Gov't Disc</b>
1-16 users	1		1	\$5,500	2.25%
1. Must add AE Report Card \$5,000 per site.					
2. Must add 2 day onsite follow up visit if client purchases the Audit Expert Integrated services (wrap around) \$5,500. This trip by the 3M trainer coincides with the 1st Consulting onsite visit if they purchase the integrated service. If they only purchase AE Report Card, they don't need to purchase this follow up. Based on outcome of Consultant chart review, the trainer will work with the client to understand their needs around site specific reports and user defined edits. The trainer will develop the site specific reports for the client, follow up with users to make sure they understand the flow of the product and help clients understand the reports in the library in greater detail now that there is more data. This is the second onsite visit for the trainer. If the client has already had basic reporter training, the trainer can work with the client to show them how to develop the ad hoc reports themselves to meet their needs, OR the trainer can build the reports for the client.					
3. Each additional block of 16 users adds an extra day onsite for \$1,500. Maximum 4 days onsite before we need to charge for an additional trip.					
4. Suggest that AE Follow up visit occur after HRM Reporter training for clients which will make the AE visit more effective and allow the trainer to do specialized ad hoc Reporter training on AE data.					

<b>Audit Expert onsite Visit for AE training</b>					
<b>Number of Nodes or Users</b>	<b>Number of Site Visits</b>	<b>Data Entry Training Classes</b>	<b>Library Reporter Classes</b>	<b>I&amp;T Price</b>	<b>Gov't Disc</b>
1-16 Users	1	2	1	\$4,000	2.25%
17-32 Users	1	4	1	\$5,500	2.25%

When a client is purchasing multiple HDM modules (HRM, ARMS, AE, APR Benchmarking,) an additional day of onsite training may be needed to accommodate the large amount of information included in the training. It is suggested that contact be made with Implementation Managers to determine appropriate pricing to accommodate separate onsite visit for AE data entry training. Contract attachment for consulting will also need to be modified as well to reflect the different offerings. Options for a separate trip for AE onsite training are listed above.

**Special Item Number 132-32 Annual License Agreements**

**GOVERNMENT PRICE:** *Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.*

**Customer Support Policy – billable activities:**

This policy clarifies which 3M HIS support activities a customer will be required to pay for.

**Server migrations**

**HIM products only.** If a client wants us to walk them through sever migration, a 1 hour T&M fee\* will apply. The client can submit a PO through the Support desk.

**HDM and Coding & Reimbursement System.** If a client wants us to walk them through a server migration, a 3 hour T&M fee\* will apply. The client can submit a PO through the Support desk.

**Change drive letter or path.** If the client need to change a drive letter or path, an *additional* 1 hour T&M fee will apply.

**Site planned system upgrades**

If the client wants us to walk them through this process with 3M software, a 1 hour T&M fee\* will apply. The client can submit a PO through the Support desk.

- Includes migrating to a different OS because Microsoft no longer supports the old OS.
- Includes migrating to different OS as a client decision regardless of 3M or Microsoft, etc.

**Special Item Number 132-32 Annual License Agreements**

**GOVERNMENT PRICE:** *Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.*

**Stand-alone systems**

After the initial installation, the client would need to call 3M HIS Support through the 800 number for assistance.

**C&RS stand-alone installations.** Client must obtain a GETKEY code, which is unique to each stand-alone PC. If the client wants us to walk them through the installation, they must submit a PO for \$320 through Support for assistance in installing C&RS. There may be an additional charge for multiple stand-alone PCs.

**Other HIM products (including Chargemaster).** If the client wants us to walk them through the installation, they must submit a PO for \$320 through Support for assistance in installing.

**System crash/restore****HIM products**

- If the client has a backup to restore from, there is no charge for our assistance.
- If the client does not have a backup to restore from and they want us to walk them through the process, a 1 hour T&M fee (\$200) will apply. The client can submit a PO through the Support desk.

**HDM products**

- If the client has a backup to restore from, there is no charge for our assistance.
- If the client does not have a backup to restore from and they want us to walk them through the process, an hourly T&M fee (\$200) will apply. The SSR will quote the client based on site-specific information. The client can submit a PO through the Support desk.

**Client moving from Novel to Windows NT**

Because there are additional files required for NT, etc., a 1 hour T&M fee\* will apply. The client can submit a PO through the Support desk.

**Consultants**

After the initial installation, the client needs to call the 800 number for 3M HIS Support for assistance in installing either additional PCs or installing replacement PCs. The clients must obtain a GETKEY code which is unique to each stand-alone PC. The client must submit a PO for \$320 through the Support desk.

**Special Item Number 132-32 Annual License Agreements**

**GOVERNMENT PRICE:** *Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.*

**Colleges/Universities**

After the initial installation, the client needs to call 3M HIS Support through the 800 number for assistance.

**Stand-alone PC installs.** Client must obtain a GETKEY code which is unique to each stand-alone PC. The client must submit a PO for \$320 through 3M HIS Support for assistance in installing C&RS.

**Network installs.** The client must submit a PO for \$640 through the 3M HIS Support desk for assistance in installing C&RS.

**Re-installs.** If the client has HRM installed and needs a re-install, they must submit a PO for \$640 through the 3M HIS Support desk.

**Test environments**

Same charges apply as for a “live” system.

- e.g., Migration for C&RS only: 1 hour of T&M; client can submit a PO through the Support desk.
- e.g., Migration for HRM and C&RS: 3 hours of T&M; client can submit a PO through the Support desk.

\*The T&M (time and materials) rate is \$200 per hour. If a server migration or upgrade goes beyond a “straight” migration/upgrade, and we get involved above the original allotted time in troubleshooting network, 3<sup>rd</sup> party vendor software, etc., we will ask the client to submit an additional PO at the T&M rate of \$200/hour.

**Special Item 132-34 Maintenance of Software**

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.

<b>3M Care Innovation Core Components</b>									
<b>Product</b>	<b>Commercial List Price</b>								<b>Gov't Disc</b>
	<b>Users</b>								
	<b>1-100</b>	<b>101-500</b>	<b>501-1000</b>	<b>1001-2000</b>	<b>2001-3000</b>	<b>3001-4000</b>	<b>4001-5000</b>	<b>5001-10000</b>	
<b>EMPI (with HDD)</b>	\$172,427	\$213,809	\$261,916	\$353,587	\$436,680	\$510,916	\$587,553	\$675,686	22.25%
EMPI I/T	\$46,555	\$57,729	\$70,717	\$95,469	\$117,904	\$137,947	\$158,639	\$182,435	2.25%
EMPI Annual Support	\$32,761	\$40,624	\$49,764	\$67,182	\$82,969	\$97,074	\$111,635	\$128,380	2.25%
<b>CW (with EMPI component)</b>	\$68,861	\$82,846	\$98,968	\$111,282	\$142,974	\$150,288	\$162,500	\$292,500	22.25%
CW-EMPI I/T	\$18,593	\$22,368	\$26,721	\$30,046	\$38,603	\$40,578	\$43,875	\$78,975	2.25%
CW-EMPI Annual Support	\$13,084	\$15,741	\$18,804	\$21,144	\$27,165	\$28,555	\$30,875	\$55,575	2.25%
<b>CDR (with EMPI &amp; HDD)</b>	\$431,068	\$534,523	\$654,791	\$883,968	\$1,091,700	\$1,277,289	\$1,468,882	\$1,689,215	22.25%
CDR I/T	\$116,388	\$144,321	\$176,794	\$238,671	\$294,759	\$344,868	\$396,598	\$456,088	2.25%
CDR Annual Support	\$81,903	\$101,559	\$124,410	\$167,954	\$207,423	\$242,685	\$279,088	\$320,951	2.25%
<b>CW (with CDR component)</b>	\$186,082	\$251,758	\$315,276	\$413,919	\$496,721	\$561,435	\$638,399	\$1,016,964	22.25%
CW-CD I/T	\$50,242	\$67,975	\$85,125	\$111,758	\$134,115	\$151,587	\$172,368	\$274,580	2.25%
CW-CDR Annual Report	\$93,041	\$125,879	\$157,638	\$206,960	\$248,361	\$280,718	\$319,200	\$508,482	2.25%

**Special Item 132-34 Maintenance of Software**

**GOVERNMENT PRICE:** *Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price.*

**3M Care Innovation Core Components, Cont'd.****Note:**

1. CDR Quotes must include purchases of the Interfaces and mapping for the desired content from external systems.
2. Purchase of EMPI only does not include clinical data sets or loading any data from clinical systems. Quotes must include: EMPI, CW-EMPI component, EMPI I/F, EMPI Mapping and third party components (BEA and Oracle).
3. The software price consists of one-time software license fee base on the software components purchased and the number of named users.
4. The one-time installation and training fees (I/T), at the rate of 27% of the list software license fee, are not discounted.
5. Travel and out-of-pocket costs are an additional charge for installation and training.
6. Annual Support fees, at the rate of 19% of the list software license fee, are not discounted.
7. Care Innovation software pricing is based on named users. This is the number of authorized users, with privileges to access the specific components and access data in the CDR or EMPI.
8. CDR Clinical Workstation Component quotes must include the Web Core Package and third party components (both thin & thick clients).
9. All quotes must be marked "This quote is valid for 60 days."
10. I&T includes 360 hours of project management. Additional project management hours will be billed on a time and materials basis billed at 3M's then-current rate.

### Special Item 132-51 Information Technology Professional Services

**GOVERNMENT PRICE:** Prices shown below are Commercial List Prices. The Government's price is determined by deducting the Government Discount from the Commercial List Price listed.

Commercial List Price			
Position Titles	Rate 1	Rate 2	Gov't Disc
Software Engineer, Senior	\$209.00		15.25%
Software Engineer	\$188.00		15.25%
IT Manager		\$240.00	15.25%
IT Senior Analyst		\$200.00	15.25%
IT Analyst		\$150.00	15.25%
IT Senior Programmer		\$130.00	15.25%
IT Programmer		\$115.00	15.25%

#### **Software Engineer Senior & Software Engineer**

**Job Summary:** Review, analyze, design, develop and maintain application software using formal specifications, data flow diagrams or other accepted design techniques. Provides software development estimates and schedules, overseeing software configuration management, interpreting software requirements and design specifications, managing/performing independent verification and validation, managing integration and software unit test activities. Must have experience managing or performing software engineering activities: 3 GL or 4 GL programming languages, 4 GL object-oriented client server development tools, database technologies, Network Operating system environments, Internet Web Technology – design and implementation of web pages and servers.

**Software Engineer Senior Qualifications:** Bachelor's degree in computer science or a related field and 6 to 7 years experience developing and maintaining software. Requires project planning, technical writing and communication skills.

**Software Engineer Qualifications:** Bachelor's degree in computer science or a related field and 5 years experience developing and maintaining software. Requires project planning, technical writing and communication skills.

**Special Item 132-51 Information Technology Professional Services****Information Technology Manager (IT Manager)**

**Description:** The IT Manager oversees the on-site and technical portions of all functions related to the collection, analysis, reporting and security of all claims and remittance related data and the management of all staff involved in those endeavors. The IT Manager also oversees the design and development of data analysis tools and software programs. The IT Manager works with Consulting Project Managers and clients to address data, data analysis and data storage and transmittal issues and sets priorities of IT staff in an efficient and effective manner. The IT Manager assigns IT staff to data analysis projects and software development projects based on customer needs on a project-by-project basis. The IT Manager effectively communicates with consultants, senior consultants, technical experts, project managers, IT staff and client personnel to ensure all members of the team are informed of all data related aspects of the project. The IT Manager may serve as the technical advisor to the project manager. They identify potential barriers to the project, perform trouble-shooting and solve problems to ensure a successful project. Good written and verbal communication skills. Ability to organize, coordinate and be flexible on multifaceted projects.

**Manager Qualifications:** Must possess at least five years experience in related expertise, such as health systems software development, extensive claims data analysis, including three years in management or consulting. Alternative qualification: A Master's Degree in a related discipline (examples: Information Systems, Business, Health Care or Technology) may be substituted for three years of this experience.

**Information Technology Senior Analyst (IT Senior Analyst)**

**Description:** The IT Senior Analyst coordinates activities between Consultant Project Managers and client personnel on specific software tool development and data analysis projects. The IT Senior Analyst is the primary architect of the specific tools and datasets to support the needs of the consultant and the client. The IT Senior Analyst coordinates and prioritizes the activities of the various IT personnel assigned to the project, manages and is responsible for meeting project timelines, and oversees the testing and accuracy of the tools and data analysis elements of the project. The IT Senior Analyst also reports and coordinates individual projects with the IT Manager to assure appropriate priorities and resources are assigned to complete projects on an acceptable timeframe. Manages individual data analysis projects and software development projects based on customer needs on a project-by-project basis. The IT Senior Analyst effectively communicates with consultants, senior consultants, technical experts, project managers, IT staff and client personnel to ensure all members of the team are informed of all data related aspects of the project. The IT Senior Analyst may serve as the technical advisor to the project manager and to the IT Manager. They identify potential barriers to the project, perform trouble-shooting and solve problems to ensure a successful project. Good written and verbal communication skills. Ability to organize, coordinate and be flexible on multifaceted projects.

**IT Senior Analyst Qualifications:** Must possess at least three years experience in related expertise, such as Health Systems Software Development, extensive claims data analysis. Alternative qualification: a Bachelor's Degree in a related discipline (examples: Information Systems, Business, Health Care or Technology) may be substituted for two years of this experience.

**Special Item 132-51 Information Technology Professional Services****Information Technology Analyst (IT Analyst)**

**Description:** The IT Analyst staff's individual data analysis and software development or maintenance projects under the direction and supervision of the IT Senior analyst. The IT Analyst is assigned tasks involved in the testing or development of specific tools and datasets to support the needs of the consultant and the client. The IT Analyst actively coordinates and mediates between Consulting Project Managers, the client and the IT personnel to define and document the specific data needs of the project. They identify potential barriers to the project, perform troubleshooting and solve problems to ensure a successful project. Good written and verbal communication skills. Ability to organize, coordinate and be flexible on multifaceted projects.

***IT Analyst Qualifications:*** Must possess at least two years experience in related expertise, such as Health Systems Software Development, extensive claims data analysis. Alternative qualification: A Bachelor's Degree in a related discipline (examples: Information Systems, Business, Health Care or Technology) may be substituted for one year of this experience.

**Information Technology Senior Programmer**

**Description:** The IT Senior Programmer works closely with the IT Analysts, the Consultant Project Managers and client personnel on specific software tool development and data analysis projects. The IT Senior Programmer is the more senior programmer assigned to any development projects, responsible to assure that the design specs are followed and the programming activities are performed in a timely and quality manner. The IT Senior Programmer coordinates and prioritizes the activities of any programmers assigned to development project, including managing the programming timeline. Manages the programming aspects of individual data analysis projects and software development projects base on customer needs on a project-by-project basis. The IT Senior Programmer effectively communicates with IT Analysts, consultants, senior consultants, technical experts, project managers, and the IT Manager to ensure all members of the team are informed of all data related programming aspects of the project. The IT Senior Programmer may serve as the technical advisor to the IT Analysts, Project Manager and to the IT Manager. They identify potential barriers to the project perform trouble-shooting and solve problems to ensure a successful project. Good written and verbal communication skills. Ability to organize, coordinate and be flexible on multifaceted projects.

***Information Technology Senior Programmer Qualifications:*** Must possess at least three years experience in related expertise, such as Health Systems Software Development, extensive claims data analysis. Alternative qualification: A Bachelor's Degree in a related discipline (examples: Information Systems, Business, Health Care or Technology) may be substituted for two years of this experience.

### **Special Item 132-51 Information Technology Professional Services**

#### **Information Technology Programmer (IT Programmer)**

**Description:** The IT Programmer staffs individual software development or maintenance projects under the direction and supervision of the IT Senior Programmer. The IT Programmer is assigned tasks involved in the testing or development of specific software tools to support the needs of the consultant and the client. The IT Programmer develops the detailed software code needed to perform the analytical functions specified by program specs or under the direction of the Senior Programmer.

***IT Programmer Qualifications:*** Must possess at least one-year experience in related expertise, such as Health Systems Software Development, extensive claims data analysis. Alternative qualification: A technical or Bachelor's Degree in a related discipline (examples: Information Systems, Programming or Health Care Analysis) may be substituted for one year of this experience.

**USA COMMITMENT TO PROMOTE  
SMALL BUSINESS PARTICIPATION  
PROCUREMENT PROGRAMS**

**PREAMBLE**

3M Health Information Systems provides commercial products and services to the Federal Government. We are committed to promoting participation of small, small disadvantage and women-owned small businesses in our contracts. We pledge to provide opportunities to the small business community through reselling opportunities, mentor-protégé programs, joint ventures, teaming arrangements, and subcontracting.

**COMMITMENT**

To actively seek and partner with small businesses.

To identify, qualify, mentor and develop small, small disadvantaged and women-owned small businesses by purchasing from these businesses whenever practical.

To develop and promote company policy initiatives that demonstrates our support for awarding contracts and subcontracts to small business concerns.

To undertake significant efforts to determine the potential of small, small disadvantaged and women-owned small businesses to supply products and services to our company.

To insure procurement opportunities are designed to permit the maximum possible participation of small, small disadvantaged and women-owned small businesses.

To attend business opportunity workshops, minority business enterprise seminars, trade fairs, procurement conferences, etc., to identify and increase small businesses with whom to partner.

To publicize in our marketing publications our interest in meeting small business that may be interested in subcontracting opportunities.

We signify our commitment to work in partnership with small, small disadvantaged and women-owned small businesses to promote and increase their participation in Federal Government contracts. To accelerate potential opportunities, please contact Mr. James S. Anderson, telephone (651) 733-4407, e-mail [JSAnderson@mmm.com](mailto:JSAnderson@mmm.com), or fax (651) 733-2969.



## Section 5

## Miscellaneous Information

Pursuant to GSA Federal Schedule Contract Number(s) \_\_\_\_\_, Blanket Purchase Agreements, the Contractor agrees to the following terms of a Blanket Purchase Agreement (BPA) EXCLUSIVELY WITH (Ordering Agency):

- (1) The following contract items can be ordered under this BPA. All orders placed against this BPA are subject to the terms and conditions of the contract, except as noted below:

**MODEL NUMBER / PART NUMBER**

**SPECIAL BPA DISCOUNT / PRICE**

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

- (2) Delivery

**DESTINATION**

**DELIVERY SCHEDULE / DATES**

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

- (3) The Government estimates, but does not guarantee, that the volume of purchases through this agreement will be \_\_\_\_\_.
- (4) This BPA does not obligate any funds.
- (5) This BPA expires on \_\_\_\_\_ or at the end of the contract period, whichever is earlier.
- (6) The following office(s) is hereby authorized to place orders under this BPA:

**OFFICE**

**POINT OF Contact**

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

- (7) Orders will be placed against this BPA via Electronic Data Interchange (EDI), Fax or paper.
- (8) Unless otherwise agreed to, all deliveries under this BPA must be accompanied by delivery tickets or sales slips that must contain the following information as a minimum:
- Name of Contractor;
  - Contract Number;
  - BPA Number;
  - Model Number or National Stock Number (NSN);
  - Purchase Order Number;
  - Date of Purchase;
  - Quantity, Unit Price, and Extension of Each Item (unit prices and extensions need not be shown when incompatible with the use of automated systems; provided, that the invoice is itemized to show the information); and
  - Date of Shipment
- (9) The requirements of a proper invoice are specified in the Federal Supply Schedule contract. Invoices will be submitted to the address specified within the purchase order transmission issued against this BPA.
- (10) The terms and conditions included in this BPA apply to all purchases made pursuant to it. In the event of an inconsistency between the provisions of this BPA and the Contractor's invoice, the provisions of this BPA will take precedence.