



State of New Hampshire

REQUEST FOR PROPOSAL

For

Consulting Services

(Actuarial, Claim Audit, Procurement and General Health Benefits)

RFP# 1608-14

RESPONSE DUE BY: June 3, 2014 @ 2:00 PM

Risk Management Unit

Department of Administrative Services

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SECTION I

PROGRAM PROFILE

This Request for Proposal ("RFP") is issued by the Department of Administrative Services, acting through the Risk Management Unit, for the procurement of consulting services for actuarial, claim audit, procurement and general health benefits as described herein.

The Department of Administrative Services (DAS), through the Risk Management Unit and in collaboration with the Division of Personnel (DOP) is responsible for the administration of the State Employee and Retiree Health Benefit Program (Program) and procurement of all necessary services. The Program offers employee and retiree health (including pharmacy coverage) and dental coverage under a self-funded plan and voluntary retiree dental plan. The Program also offers, flexible spending (FSA) benefits (medical and dependent care), voluntary benefits (critical illness, short-term disability and accident), life insurance, and through the Risk Management Unit a benefit that allows co-payment, co-insurance and deductible reimbursement through a Health Reimbursement Arrangement (HRA). Benefits are provided to approximately 10,000 active employees and their families located in New Hampshire and the surrounding New England states and approximately 10,873 retirees located throughout the United States.

The 2014-2105 Collective Bargaining Agreements also provide for health promotion program called Healthy Rewards that allows staff, depending on union affiliation, to earn incentive payments on gift cards or as part of an HRA.

A. Current Administrators

1. Consultant Services

Currently, DAS has a contract with The Segal Company (Segal) for consulting services for actuarial, claim audit, procurement and general health benefits. The contract for these services is set to expire on December 31, 2014. The State has contracted for these services with Segal since October of 2004.

2. Medical Benefits

Anthem Health Plans of New Hampshire ("Anthem") currently administers the self-funded Administrative Services Only (ASO) medical plans (excluding pharmacy) for active and retired State employees. Claims are paid from Anthem's Connecticut claims office. The program is managed and serviced out of Anthem's Manchester, NH branch. The two benefit plan options for Active employees are the Network (HMO) option and the Open Access (POS) option. The active employees are covered as four groups, described as the New Hampshire State Employees Association (SEA), Teamsters Local 633, New England Police Benevolent Association, and the New Hampshire Troopers Association (NHTA).

Approximately 9,000 subscribers are enrolled in the Network Plan and 1,000 subscribers enrolled in the Open Access plan. In addition, participating in the Network and Open Access plan are approximately 200 employees of other organizations that have been either legislatively or traditionally offered coverage. This aggregated group is called the Statutorily Authorized Group. There are currently three benefit plan options for Retirees. Retirees under age 65, who are not eligible for Medicare and live in the New England area (defined as NH, ME, MA, NY, CT, RI) are enrolled in an Open Access (POS) plan. Retirees under age 65, who are not eligible for Medicare and live outside of the New England area, are enrolled in a Preferred Provider Option plan (PPO). Retirees who are Medicare eligible are enrolled in a Medcomp plan. Approximately 10,873 retirees participate in the retiree plans.

Anthem's contract went into effect January 1, 2008 and is set to expire on December 31, 2015.

3. Pharmacy Benefits

Express Scripts, Inc. (ESI) began administering the Program's self-funded prescription drug plan on January 1, 2014. Prior to January 1 2014, beginning in July 2007 New Hampshire Local Government Center (LGC), through a partnership with Caremark administered the Program's self-funded prescription drug plan. The State is in the process of evaluating whether to move to an Employer Group Waiver Program (EGWP) effective 1/1/2015, or at a later date.

4. Dental Benefits

The Program provides dental benefits to approximately 9,600 active employees and approximately 300 enrollees from the Statutorily Authorized Group located in New Hampshire and the surrounding New England states. In addition, the Program also arranges dental coverage for approximately 475 retirees and their dependents located throughout the country (predominately New England).

Northeast Delta Dental has provided self-insured dental benefits since December 1, 2007 for active employees. Previously, it provided fully insured dental benefits to active employees from 1993 to November 30, 2007. Dental benefits are provided utilizing the Delta Dental Premier and PPO networks. The current self-insured contract runs through December 31, 2014.

In addition, Northeast Delta Dental has provided retiree dental benefits on a voluntary basis since 1998. Retirees participate in this plan on a voluntary basis and pay 100% of the premium costs.

5. Flexible Spending and Health Reimbursement Arrangement

The State's Flexible Spending Account (FSA) program includes a medical spending and dependent care spending account option. Both options are currently administered by Employee Benefits Management, Inc. (EBMI) through a partnership with Combined Services, LLC (CSLLC). Approximately 10,000 State employees are eligible to participate in the FSA program. As of February 2014, almost 2,000 employees participate in the State's FSA program.

As noted above, in addition to the two FSA programs, EBMI offers certain voluntary benefits to State employees. EBMI currently offers a critical illness insurance policy through Transamerica, an employee accident insurance policy through Boston Mutual, and a short term disability insurance policy through Trustmark Insurance Company. Premium contributions are 100% paid by the employee through payroll deduction.

State employees enrolled in either the Network or POS plans are eligible to participate annually in a Health Reimbursement Arrangement (HRA) program established by the State, upon annual completion and proper submission of a health risk assessment (HAT) provided under the respective medical plans. The arrangement provides funds for the payment of eligible expenses associated with health care services under the health plan up to the amount of \$200 per year. The HRA is also currently administered by EBMI through a partnership with CSLLC. The State's contract with EBMI is set to expire on December 31, 2014. In addition to the incentive for HAT completion, as of the end of February 2014 approximately 4,500 subscribers have received health promotion rewards that were deposited into an HRA, in a separate account and have separate rules for lapse and rollover.

Certain other employee groups earn health promotion rewards that are administered through Anthem and their subcontractors that are responsible for issuing gift cards.

Go to http://admin.state.nh.us/hr/flexible_spending.html for plan information pertaining to the State's FSA, HRA and voluntary benefits.

6. University of New Hampshire Institute for Health Policy and Practice (IHPP)

Effective in February, 2008 the State entered into a series of one-year Cooperative Project Agreements with the University System of New Hampshire Institute for Health Policy and Practice to analyze State employee and retiree claims information. In addition to these reporting and analytical services, the IHPP also provides facilitative and other services for the New Hampshire Purchasers Group on Health, of which the Department is a member.

7. Short Term Disability Vendor

The State is currently in procurement for advice-to-pay services for short-term disability benefits. The current eligible population includes approximately 2,200 employees. The potential scope of the contract will be limited to the following services: claims intake, disability verification, leaves duration recommendations, claims management, and appeals management. Once an employee is determined to have any work capacity the case is closed and turned over to the agency for return-to-work planning. This Pilot Program could be expanded to other groups through collective bargaining.

8. Life Insurance

The State provides employer paid term life insurance in the amount of \$25,000 at no cost to employees, and offers employees other buy-up options for additional coverage, at the employee's expense.

9. The State may enter into other vendor agreements that may require support from the selected vendor.

B. Plan Administration

1. Employee Contributions

Employee benefit contributions are collectively bargained. Benefits are bargained on a bi-annual basis. Effective January 1, 2014 these are the employee contributions for benefits by tier that are collected each pay period:

HEALTH	SEA	NEPBA	NHTA	Teamsters
Employee Only	\$20	\$30	\$30	\$30
Employee Plus One	\$40	\$42	\$30	\$42
Family	\$60	\$52	\$30	\$52

There are 26 pay periods per year. Contributions for part-time employees are pro-rated based on the hours worked. For part-time employees, the per pay period contribution is in addition to pro-rated contributions.

Dental contributions are also collected over 26 pay periods per year according to this schedule:

DENTAL	SEA	NEPBA	NHTA	Teamsters
Employee Only	\$1	\$1	\$2	\$1

Employee Plus One	\$2	\$2	\$2	\$2
Family	\$3	\$3	\$2	\$3

Contributions for part-time employees are pro-rated based on scheduled hours worked.

Retirees participate voluntarily in the dental plan upon retirement and can either enroll in COBRA and exhaust 18 months of COBRA coverage (the current working rate plus 2%) and be offered a voluntary group-rated State retiree policy. In addition they have access to other products offered by the vendor thereafter based on their needs or they can go directly to the State's retiree plan or another plan offered by the carrier to avoid waiting periods for non-preventative services (including x-rays). Retirees are automatically subject to the waiting periods if they have more than a 63 day lapse in coverage and choose not to elect COBRA, the State's voluntary group-rated retiree policy or one of the other plans offered by the carrier.

The State's current working rates and employee contributions can be found at: http://admin.state.nh.us/hr/open_enrollment_active.html toward the bottom of the page.

2. Program Working Rates and Funding Sources

As stated above, the State self-funds its health and dental benefits. Working rates for each of the groups must be projected as part of the bi-annual government budgeting process. Actuarially sound working rates are developed on an annual basis for each group on a calendar year basis.

The employee and retiree benefit risk management fund was established by DAS as an internal service fund to account for the financial activity of the Program. RSA 21-I: 30-c requires DAS to establish a non-lapsing reserve fund to protect the State from unexpected losses incurred in its provision of self-funded employee and retiree health benefits. The internal service fund supports the expenses of the Program, including payments for medical, dental and pharmacy services, administrative costs, as well as wellness incentive benefits such as health club membership, exercise equipment, health rewards, health education classes and individual employee cash rewards for using cost effective providers for specific services.

Fund revenues include active employee and retiree contributions and agency contributions for their active employees and retirees. The statutory medical subsidy of the New Hampshire Retirement System and the federal Medicare Part D subsidy (RDS) and potentially Employer Group Waiver Program (EGWP) also contribute revenue to the fund together with other revenues. Certain non-governmental and quasi-governmental employers, such as the State Employees Association, and the Pease Development Authority that participate in the Program also contribute to the fund, as do State legislators. Finally, former employees who are eligible to participate under the federal COBRA law contribute monthly payments as revenue to the fund.

In the state operating budget, active employee benefit costs (including health, dental, life insurance) are budgeted in the State's various Class 060 benefits accounts based upon actuarially developed rates per employee. Funding for retiree health coverage is appropriated to the DAS state operating budget.

3. Claims Reserve

RSA 21-I: 30-b required the establishment of a claims reserve for the State's self-funded health benefits. Under the law, the reserve must be maintained at a level at least (5) five percent of the programs estimated annual claims and administrative costs along with an amount sufficient to pay the actuarially determined IBNR (incurred but not reported) liability. The IBNR liability calculations are the responsibility of the State's selected actuarial vendor.

4. Establishing Annual Health and Dental Working Rates

Agency (and other entity and individual enrollee) contributions are charged through benefit plan "working rates" for both health (defined as medical and prescription drug) and dental coverage. The working rates are comprised of:

- a. Medical and pharmacy claims experience
- b. IBNR (i.e., claims that have been incurred by enrollees but not yet reported by the administrator)
- c. Claims administration
- d. Program staffing costs
- e. Health benefits vendor contract fees (i.e.; actuarial, claims audit, procurement and general consulting services)
- f. Any amount necessary to satisfy the statutory claims reserve requirement
- g. Any surplus remaining after all prior calendar year expenses are paid

5. Governmental Accounting Standards Board/Post-Employment Welfare Benefit (GASB/OPEB) Valuations

Under the Governmental Accounting Standards Board (GASB) Statement number 45, the State of New Hampshire as a state government entity that provides other post employment benefits (OPEB) such as health, prescription drug, dental and vision coverage for retirees that are not offered as part of a pension plan, is required to report the cost of those benefits on its financial statements.

Also under RSA 100-A: 56, the State Retiree Health Plan Commission is required to determine the actuarial assumptions to be used in the actuarial valuation of liabilities relative to the state retiree health benefits and ensure that an actuarial valuation report is completed by a qualified, independent actuary and submitted to the speaker of the house of representatives, the president of the senate, and the governor, on or before December 1 of every even-numbered year. There is legislation pending to require the valuation report in odd numbered years.

In addition to the above two requirements, the DAS includes a valuation of the State's retiree health benefit liability within each fiscal year's Comprehensive Annual Financial Report (CAFR). Therefore the valuation must be updated to reflect changes from collective bargaining, and other initiatives to adjust the benefit design of the active and retiree health benefit plans, including changes to the laws and rules relative to eligibility to receive retiree health benefits. In addition, DAS is assisting the legislature in studying whether to discontinue offering retiree health benefits to new hires and/or providing funding for retiree health care under an alternative financial vehicle. Therefore, the Program looks to its selected vendor for a qualified, independent actuary to perform the bi-annual valuation report and updates as necessary to meet all of its above described obligations by law. A copy of the State's last two OPEB Actuarial Valuations can be found at: <http://admin.state.nh.us/>

The State may supply multiple files from different sources and will require the vendor to accurately merge and process the data.

6. HIPAA Consulting Services

The State has implemented NH FIRST, a Lawson based HR-Payroll system. Because our health benefits enrollment data resides in this system, we will include it and other relevant health benefit program system components, in a HIPAA Security Assessment in 2015, or as soon thereafter as practical. In addition the State may require HIPAA Privacy consulting services on an ad-hoc basis.

7. Health Benefits Committee (HBC) Consultation Services

The HBC is composed of members appointed by the terms of the Collective Bargaining Agreements. The purpose of the committee is: (1) to work with the Employer on all issues related to the purchase and administration of health benefit plans authorized or required by the collective bargaining agreements; and (2) to make recommendations to the Employer for changes in benefit design, utilization management, and/or provider payment policies that will preserve the continued viability of the health plan by limiting the growth in claims costs while improving the quality of care, including, but not limited to, recommendations concerning health education, wellness incentives, incentives to utilize "centers of excellence" or more efficient providers, preventive medical services, case management, disease management, high-risk intervention, aligning provider payment policies with quality improvement, and providing consumer information on treatment alternatives and provider cost-effectiveness.

The HBC may request recommendations regarding:

- Health education
- Wellness incentives
- Incentives to utilize "centers of excellence" or more efficient providers
- Preventive medical services
- Case management
- Disease management
- High-risk intervention
- Aligning provider payment policies with quality improvement
- Providing consumer information on treatment alternatives and provider cost effectiveness

The FY 2013-2015 agreements that established the current makeup of the HBC and all respective CBA's that maintain the HBC can be found in the respective two year contracts under the Health Benefits Committee Article at: <http://admin.state.nh.us/hr/sea.html>

DAS will look to the selected vendor to support the above functions as required.

8. Retiree Health Benefits

The State will look to its vendor for guidance on plan design changes that will reduce the State's medical costs for this population, taking into consideration the financial and medical vulnerabilities of State retirees.

9. Affordable Care Act

The State will look to its vendor for guidance on Compliance with the Affordable Care Act in all aspects, as well as guidance on the excise (Cadillac) tax. Where appropriate, the selected vendor will assist the State with financial analyses related to the Affordable Care Act.

10. Guidance on Data Analysis

The vendor will be expected to engage with the State and its vendors and assist the State in identifying key indicators in its healthcare data that are driving costs and provide guidance on the development of steps the State may take to lower health care costs or improve quality.

SECTION II

BIDDING INSTRUCTIONS AND CONDITIONS

A. PROPOSAL CONDITIONS FOR THE STATE OF NEW HAMPSHIRE, DEPARTMENT OF ADMINISTRATIVE SERVICES, RISK MANAGEMENT UNIT

1. RFP SCOPE

The Department of Administrative Services, acting through the Risk Management Unit, is soliciting proposals for actuarial, claim audit, procurement and general health benefits consulting services.

2. MANDATORY INSTRUCTIONS FOR VENDORS

It is requested that you complete all sections of the RFP and provide your proposal by the stated proposal submission deadline. Do not alter any parts of this RFP, to include the questions or question numbering.

Failure to follow these instructions is grounds for rejection of your RFP response.

3. REQUIRED CONTRACT TERMS AND CONDITIONS

- a. The Transmittal Letter (attached hereto as Appendix A) must be signed and submitted with your RFP response. Failure to submit the Transmittal Letter with your response will result in rejection of your response.
- b. The form contract P-37 (attached hereto as Appendix B) shall be considered part of the proposal and the basis for contract discussions. The selected vendor and the State, following notification, shall promptly execute the P-37, which is to be completed by incorporating the service requirements and price conditions established by the vendor's offer and the party's agreement.
- c. The form contract Business Associate Agreement (attached hereto as Appendix C), is required to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 and those parts of the HITECH Act applicable to business associates, and shall be considered part of the proposal and the basis for contract discussions. The selected vendor and State, following notification, shall promptly execute the Business Associate Agreement.

4. CERTIFICATE OF INSURANCE

The selected vendor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, including for the benefit of the State, the following insurance:

- a. **General Liability Insurance.** The vendor shall carry comprehensive general liability insurance in accordance with Section 14 of the P-37 contract or substitute with the following: comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per incident and no less than \$1,000,000 in excess/umbrella liability each occurrence. Please provide a copy of your coverage as part of your proposal submission.
- b. **Worker's Compensation Insurance.** The vendor shall certify compliance with, or exemption from, the requirements of NH RSA 281-A, Workers' Compensation, in accordance with Section 15 of the P-37 contract. Please provide a copy of your policy or letter of exemption as part of your proposal submission.

- c. **Errors and Omissions.** The vendor shall carry an errors and omissions/professional liability policy in the amount of \$2 (two) million per claim and \$2 (two) million in the aggregate. Please provide a copy of your policy as part of your proposal submission.

5. VENDOR CERTIFICATIONS

All bidders must be duly registered as a vendor authorized to conduct business in the State of New Hampshire.

- **STATE OF NEW HAMPSHIRE VENDOR APPLICATION.** If you are not currently a registered vendor in the State of New Hampshire, you must complete a Vendor Application and W-9 Form and submit it to the NH Bureau of Purchase and Property. See the following website for information on obtaining and filing the required forms (no fee): <http://www.admin.state.nh.us/purchasing> or www.nh.gov.
- **NEW HAMPSHIRE SECRETARY OF STATE REGISTRATION** Any person or persons conducting business under any name other than his/her own legal name must register with the NH Secretary of State. Businesses are classified as 'Domestic' (in-state) or 'Foreign' (out-of-state). Please visit the following website to find out more about the requirements and filing fees for both classifications: <http://www.nh.gov/sos/corporate>.

6. SUBMISSION FORMAT

Instructions, formats, and approaches for the development of RFP information contained within the RFP are designed to ensure that the submission of data essential to the understanding of the vendor's response is received in a consistent and comparable format. Your RFP response must be sectioned and tabbed as outlined within this RFP document. There is no intent to limit the content of the responses in other than the vendor's favor. The vendor is encouraged to contribute other ideas or more cost effective ways of handling the State's consulting needs. The vendor may include such additional information or data as may be appropriate, but may not exclude any information or portions thereof requested in this RFP.

7. INQUIRIES / REQUESTS FOR CLARIFICATIONS AND/OR SPECIFICATION CHANGES

All questions regarding this RFP, including clarifications and proposed specification changes, must be submitted to Tammy Nelson, Department of Administrative Services, at Tammy.Nelson@nh.gov. All questions or request for modifications must be submitted in writing via e-mail no later than May 5, 2014, 2:00 PM. The vendor must include complete contact information including the vendor's name, telephone number, fax number, and e-mail address. The State shall attempt to provide any assistance or additional information of a reasonable nature, which might be required by interested vendors. The questions and answers will be consolidated and responded to via a written addendum, or addendums, that will be posted on the State's website.

RFP inquiries must be submitted by an individual authorized to commit the organization to provide the services necessary to meet the requirements of this RFP.

8. MICROSOFT WORD VERSION

This RFP may be requested in a Microsoft Word format by submitting a written request to Tammy Nelson at Tammy.Nelson@nh.gov.

9. ADDENDUM

In the event it becomes necessary to add to or revise any part of this RFP prior to the scheduled proposal submission deadline, the State shall post any addenda on the State's Bureau of Purchase and Property website. Before submitting your proposal, always check the site for any addenda or other

materials that may have been issued, that would affect this RFP. The website address is www.admin.state.nh.us/purchasing.

10. PROPOSAL SUBMISSION DEADLINE

All RFP submissions must be received at the Bureau of Purchase and Property **no later than 2:00 PM on June 3, 2014**. Submissions received after the date and time specified will be marked as late and will not be eligible for consideration in the evaluation process.

All offers shall remain valid from the proposal submission deadline of June 3, 2014 until the contract effective date. A vendor's disclosure or distribution of proposals other than to the Department of Administrative Services, Bureau of Purchase and Property, shall be grounds for disqualification. No more than one (1) proposal per respondent should be submitted.

Vendors shall submit their proposal electronically via FTP site, OR to:

**State of New Hampshire
C/O Tammy Nelson, Administrative Services
New Hampshire Bureau of Purchase and Property
25 Capitol Street, Room 102
Concord, NH 03301-6312
(603) 271-2201**

Proposal responses shall be marked as:

**State of New Hampshire, RFP #1608-14
Response Due By: June 3, 2014 @2:00 PM
Consulting Services**

11. RFP DELIVERY

RFP responses may be submitted in a sealed envelope/package OR submitted electronically via a secure FTP site. Your RFP response must conform to the following criteria in order to be considered for evaluation:

Instructions for submitting in a sealed envelope/package:

- a. RFP responses must be addressed to the State of New Hampshire, Bureau of Purchase and Property, Attention: Tammy Nelson.
- b. Exterior of the package shall be permanently marked identifying the submitting party's name and address, as well as the assigned RFP #1608-14.
- c. Package shall be sealed (tape, glue etc.).
- d. RFP responses must include:
 - i. One (1) original (clearly identified as such) copy of your RFP responses to Sections I, II, III, V and Appendices by itself, including any Addenda in numerical sequence and signed; and one (1) original (clearly identified as such) copy of your RFP response to Section IV, Financial Section, by itself; and
 - ii. One (1) conforming copy (clearly identified as copy) of your RFP responses to Sections I, II, III, V and Appendices by itself and one (1) conforming copy (clearly identified as copy) of your RFP response to Section IV, Financial Section, by itself; and

- iii. Two (2) electronic copies* of your RFP responses to Sections 1, II, III, V and Appendices by itself, and Section IV, Financial Section, by itself; and
- iv. The original RFP response must include the Transmittal Letter, signed by a person authorized to bind the company to all commitments made in the RFP response.
- v. RFP responses transmitted by facsimile or e-mail shall not be accepted or reviewed.

*In the event a discrepancy between a proposal response in paper and electronic copy, the paper copy shall prevail.

Instructions for submitting electronically via FTP site:

- a. Notify the State of your intention and a secure account will be established on your behalf. Provide your company name, contact name, email address and phone number to Tammy Nelson at tammy.nelson@nh.gov no later than May 19, 2014.
- b. RFP response must include:
 - i. One (1) exact copy (clearly identified as such) of your electronic submission via CD to the State at the address identified in #10 above.

The State shall not be held liable for any costs incurred by the vendor in preparing or submitting an RFP response. Any and all damage, which may occur due to shipping, is the bidder's responsibility.

12. BID RECEIPT AND OPENING

To preserve the integrity of the bidding process, proposals **will not** be made public at the time of bid opening. For vendors wishing to attend the bid opening, only the names of the responders will be read.

13. ADDITIONAL INFORMATION

The State reserves the right to make a written request for additional information in writing from a vendor to assist in understanding or clarifying a proposal response.

The State reserves the right to reject any and all proposals, or any part thereof.

14. RIGHT TO CONSIDER AVAILABLE INFORMATION

The State reserves the right to consider available information regarding the bidder, whether gained from the bidder's proposal, question and answer conferences, references, or any other source during the evaluation process. This may include, but is not limited to, information from the New Hampshire Department of Insurance, as well as any other state or federal regulatory entity.

15. TERMS OF SUBMISSION

The State assumes no responsibility for understandings or representations concerning conditions made by its officers or employees prior to and in the event of the execution of a contract, unless such understanding or representations are specifically incorporated into this RFP. Verbal discussions pertaining to modifications or clarifications of this RFP shall not be considered part of this RFP unless confirmed in writing. Any information provided by the vendor verbally shall not be considered part of that vendor's response.

16. PUBLIC DISCLOSURE

A. Introduction

The State of New Hampshire has made it a priority through the Right-to-Know law (RSA 91-A), the TransparentNH initiative, and other statutes and practices to ensure that government activity is open and transparent. In general, these requirements allow for public review, disclosure and posting of government and public records. As such, the State is obligated to make public the information submitted in response to this RFP, any resulting contract, and information provided during the contractual relationship. The Right-to-Know law obligates the State to conduct an independent analysis of the confidentiality of the information submitted, regardless of whether it is marked confidential.

In addition, the Governor and Council (G&C) contract approval process more specifically requires that pricing be made public and that any contract reaching the G&C agenda for approval be posted online.

B. Disclosure of Information Submitted in Response to RFP

Information submitted in response to this request for proposal (RFP) is subject to public disclosure under the Right-to-Know law after a contract is actually awarded by G&C. Notwithstanding the Right-to-Know law, no information concerning the contracting process, including but not limited to information related to proposals, communications between the parties or contract negotiations, shall be available until a contract is actually awarded by G&C.

Confidential, commercial or financial information may be exempt from public disclosure under RSA 91-A:5, IV. If you believe any information submitted in response to this request for proposal should be kept confidential, you must specifically identify that information where it appears in your submission in a manner that draws attention to the designation. You must also provide a letter to the person listed as the point of contact for this RFP, identifying the specific page number and section of the information you consider to be confidential, commercial or financial and providing your rationale for each designation. Marking or designating an entire proposal, attachment or section as confidential shall neither be accepted nor honored by the State.

Pricing and other information that relates to your contractual obligations in your proposal or any subsequently awarded contract shall be subject to public disclosure regardless of whether it is marked as confidential.

Notwithstanding a bidder's designations, the State is obligated by the Right-to-Know law to conduct an independent analysis of the confidentiality of the information submitted in a proposal. If a request is made to the State by any person or entity to view or receive copies of any portion of your proposal, the State shall first assess what information it is obligated to release. It will then notify you that a request has been made, indicate what, if any, information the State has assessed is confidential and will not be released, and specify the planned release date of the remaining portions of the proposal. To halt the release of information by the State, a bidder must obtain and provide to the State, prior to the date specified in the notice, a court order valid and enforceable in the State of New Hampshire, at its sole expense, enjoining the release of the requested information.

By submitting a proposal, you acknowledge and agree that:

- The State may disclose any and all portions of the proposal or related materials which are not marked as confidential and/or which have not been specifically explained in the letter to the person identified as the point of contact for this RFP;

- The State is not obligated to comply with your designations regarding confidentiality and must conduct an independent analysis to assess the confidentiality of the information submitted in your proposal; and
- The State may, unless otherwise prohibited by court order, release the information on the date specified in the notice described above without any liability to you.

C. Electronic Posting of Resulting Contract

RSA 91-A obligates disclosure of contracts resulting from responses to RFPs. As such, the Secretary of State provides to the public any document submitted to G&C for approval, and posts those documents, including the contract, on its website. Further, RSA 9-F:1 requires that contracts stemming from RFPs be posted online. By submitting a proposal you acknowledge and agree that, in accordance with the above mentioned statutes and policies, (and regardless of whether any specific request is made to view any document relating to this RFP), any contract resulting from this RFP that is submitted to G&C for approval will be made accessible to the public online via the State's website without any redaction whatsoever.

17. NOTIFICATION AND AWARD OF CONTRACTS:

The Bureau of Purchase and Property shall provide written notification to a vendor who is selected for contract award relative to this RFP. Public announcements or news releases pertaining to any contract(s) awarded shall not be made without the written permission of the Department of Administrative Services.

Proposal results will not be given by telephone. Proposal results will be made public at the time of contract award which occurs upon the approval of the Governor and Council. After such approval, proposal/bid results may be viewed on our website at <http://www.state.nh.us/purchasing/bid.asp>.

18. RESTRICTION OF CONTACT WITH STATE EMPLOYEES

From the release date of this RFP, all contact with personnel employed by or under contract with the State relevant to this RFP, except those specifically mentioned in this RFP, is prohibited. Improper contact is grounds for rejection of your RFP response.

19. CANCELLATION

The State reserves the right to cancel all or any part of this RFP at any time. Cancellation of this RFP, in whole or in part, shall not bar the State from issuing an RFP for the same services or from purchasing the same services through other means.

B. ESTIMATED TIMETABLE / SCHEDULE OF EVENTS

Action	Date
RFP Released	April 11, 2014
Deadline for Bidder Inquiries and/or Requests for Clarification and Proposed Specification Changes	May 5, 2014 @ 2:00 PM
Response to Bidder Inquiries and/or Requests for Clarification and Proposed Specification Changes	No later than May 19, 2014

Proposal Submission Deadline	June 3, 2014 @ 2:00 PM
Proposal Opening in Concord	June 3, 2014 @ 2:00 PM
Contract Effective Date	Upon approval by Governor and Council, or January 1, 2015 (whichever is later)

Important Note Regarding Contract Implementation

Payments to the awarded vendor shall not commence prior to January 1, 2015. The contract shall commence upon the approval by Governor & Executive Council assuming an implementation period of approximately sixty (60) days. The bidder shall be prepared to commence implementation activities immediately upon approval by the Governor & Executive Council. The bidder shall provide a high level implementation plan in its bid and identify its implementation team members, as well as the State resources required for the implementation.

C. CONTRACT TERM

The term of the contract will be for a (3) three-year period set to commence upon Governor and Council approval, or on January 1, 2015, whichever is later and expire on December 31, 2017. The agreement may be renewed for up to two additional years upon terms and conditions as the parties may mutually agree and upon the approval of the Governor and Council.

The State shall have the right to terminate the contract, if a contract is awarded, at any time by giving the vendor thirty (30) days advance written notice.

D. EVALUATION PROCESS

STEP #1: MINIMUM QUALIFICATIONS

Each proposal shall be evaluated initially to determine compliance with the State of New Hampshire's Minimum Qualifications. Any proposal that fails to meet one (1) or more of the (9) nine following minimum qualifications may be eliminated from further consideration for this contract. Any proposal that meets all of the minimum qualifications shall be further evaluated in accordance with the State's selection criteria and other relevant factors as described in Step #2 and #3 below.

1. Prospective bidders shall be licensed with the Department of Insurance to engage in the business of insurance in the State of New Hampshire for both Accident and Health and Life Insurance. Please provide proof of licensure in your RFP response. The license shall remain current throughout the term of any resulting Contract for all employees of the Contractor who provide services under the Contract.
2. Prospective bidders shall have no conflict of interest with regard to any other work performed by the firm or by the State of New Hampshire. Please confirm.
3. Prospective bidders serving the State of New Hampshire shall be members of either the Society of Actuaries or the American Academy of Actuaries. Please include proof of membership(s) in your RFP response. Should you not currently be a member of either organization listed above, the State shall

require the vendor to acquire membership and provide proof of membership within ten (10) days of contract award.

4. Prospective bidders must demonstrate financial stability. Please include all (3) three of the following (if applicable) with your RFP Response:
 - a. Bidder's most recent financial report;
 - b. Bidder's most recent independent auditor's report; and
 - c. Statement on Standards for Attestation (SSAE) No. 16, Service Organization Control 1 Report (SOC-1), or equivalent external audit of bidder's operations

5. Prospective bidders must have a minimum of five (5) years' experience providing health benefits and general consulting services to public sector clients (state and/or local government) with collectively bargained benefits. Demonstrate such experience by providing the following:
 - a. In the following grid, please list the total number of public sector clients with bargaining unit employees and benefits:

Client Experience

Client Type	Number of Client Type
Total Number of Public Sector Clients	
Total Number of Public Sector Clients with Collectively Bargained Benefits	
Total number for other clients with collectively bargained benefits	

- b. List the total number of years your organization has provided the following consulting services:

Actuarial and Underwriting Services

Service Type	Years of Experience
Rate-Setting (public sector budget and health plan)	
Medicare Part D Subsidy Attestations	
EGWP	
GASB/OPEB Valuations	

Health Plan Vendor Claim and Organizational Overview Audits

Audit Type	Years of Experience
Medical Plan (to include Behavioral Health claims) Audits	
Prescription Drug Plan Audits	
Dental Plan Audits	

Flexible Spending and Health Reimbursement Arrangement Audits	
Other Audits (Please Specify)	

Health Benefit Services Procurement Consulting

Procurement Type	Years of Experience
Medical Plan Administration Request for Proposal	
Dental Plan Administration Request for Proposal	
Prescription Drug plan Administration Request for Proposal	
FSA/HRA Benefits Administration Request for Proposal	
Employee Wellness Program (including incentive programs)	

Other Consulting Services

Service Type	Years of Experience
Labor/Management Committee Support	
Collective Bargaining	
Retiree Health Benefits	
Employer Enrichment	
National Health Reform	
Marketing for Employee Engagement	
HIPAA	
General Health Benefits Consulting	
Data Analysis, Data Mining	

- c. Provide the percentage of your organization's total revenue which is represented by its combined actuarial, auditing, procurement and general health benefits consulting.
- 6. Prospective bidders must adhere to the instructions in this request for proposal on preparing and submitting a proposal. Failure to provide complete responses to all the questions and information requests set forth in this RFP is grounds for rejection of your RFP response.
- 7. Prospective bidders must submit as part of its response a signature below signifying the acceptance of ALL services outlined in Section III, Scope of Required Services of this RFP
- 8. Prospective bidders must provide their guaranteed hourly rates (attached hereto) as **Appendix D** as part of their response and their flat fees to Section IV.
- 9. Reference Verification

Of your company's current New England-based and other clients, please provide (3) three client references that would be viewed as peer groups for the services requested by the State. Please include the following information with your RFP response:

- Client name, address, e-mail address, and telephone number;
- Number of employers;
- Number of employees;
- Services provided; and
- Effective date of contract

STEP #2: TECHNICAL AND FINANCIAL SCORING

The proposals compliant with Step #1 shall be scored by two separate teams. The financial (Section IV) scoring team's scores shall be finalized first and withheld from the technical (Section V) scoring team. The technical scoring of the proposals shall be completed and finalized before the financial results shall be shared with the technical scoring team.

STEP #3: CONTRACT AWARD CRITERIA

The State of New Hampshire shall award a single contract, if at all, only after the completion of Steps #1 and #2 of the evaluation process. The State of New Hampshire shall award a contract, if at all, to the Vendor submitting the highest ranked proposal that best satisfies the requirements of this RFP. Formal and final contract is contingent upon the successful negotiation and the proper execution of all contract documents (acceptable to the State) and the approval of Governor and Council. If the State is unable to reach agreement with the Vendor, the State may, at its sole discretion and at any time and without liability to the Vendor, immediately terminate such contract discussions with the Vendor and undertake discussion with the Vendor submitting the next highest ranked proposal meeting the RFP requirements, and so on. The State may, at its sole discretion, immediately terminate any and all contract discussions with any and all Vendors at any time. The State may cancel the RFP and/or reject any or all proposal(s) at any time prior to Governor and Executive Council Approval.

The following represents the principal selection criteria that will be considered during the evaluation process:

➤	Financial -Section IV (Part A, B and C)	60%
➤	Technical-Section V (Questionnaire)	40%

E. SUBCONTRACTORS

If your organization plans to utilize subcontractors for any portion of the services identified in this RFP, please include the subcontractor information, to include the types of services or functions in which you would plan to subcontract, and a brief company profile. Said subcontractors shall meet all requirements described in this RFP. Subcontracting of services shall require prior approval by the State.

F. BIDDER CONTACTS

Designate the individual(s) with the following responsibilities:

The individual(s) representing your company during the RFP process:

Representative Name: _____

Phone #: _____; Email: _____

The individual(s) responsible for day-to-day service (if different):

Representative Name: _____

Phone #: _____; Email: _____

SECTION III

REQUIRED SERVICES

The services described in this Section, Section III – Required Services, are the **mandatory minimum services** to be performed by the successful vendor.

A. Actuarial and Underwriting

1. Budget and Working Rates

The State self funds its health plans and dental benefits. The State requires, at present, seven sets of working rates for the following groups: HMO/POS Active Employees, HMO/POS Troopers, POS/PPO Retirees Under 65, and Retirees Over 65. Rate projections are required to inform the State's bi-annual budgeting process, annual working rates and on an as needed basis as administrative contracts change, or other circumstances. Provide actuarial services and underwriting review of medical, prescription and dental plans to ensure appropriate working rates, IBNR and reserve levels to include but not be limited to as follows:

- Review and assess claims and other relevant data provided by both the State and its vendors.
- Work with vendors directly, if necessary, to obtain accurate and complete data.
- Develop claims lag analysis based on data provided by the vendors, and using appropriate actuarial completion factors.
- Evaluate benefit costs, current and projected as indicated in accounting and budgeting documentation provided by the State.
- Evaluate enrollment (actual and projected), trend factors (national and local), vendors obtainment of guaranteed network discounts, administrative expenses, extraordinary liabilities or recoveries (actual and projected), and any other factors which materially impact appropriate rate projections and rate setting.
- Evaluate medical plan financial position (surplus/deficit) based on revenue and cost projections developed by the vendor, and utilizing accounting and budget documentation provided by the State.
- Develop appropriate working rate projections (and actual rate recommendations) on both calendar and fiscal year basis.
- Provide analysis reports and relevant documentation (files) supporting recommendations, and detailing the analyses performed.
- Present and provide explanations of analysis and recommendations to State administrators and representatives from the State Employee Association designated by the State.

2. Medicare Part D Subsidy Attestations

The State of New Hampshire has participated in the Retiree Drug Subsidy Program since it was enacted in 2006. To qualify for the subsidy, the State must show that its coverage is "actuarially equivalent" to, or at least as generous as, the defined standard Medicare Part D coverage. The State's plan years run from July of each year to June of the following year consistent with the State's fiscal cycle. Therefore, the State requires an actuary to perform the following services on the State's behalf as part of its requirement to participate in the Retiree Drug Subsidy Program;

- Perform an actuarial evaluation of the State retiree prescription drug program to determine the plan's actuarial equivalence to the Medicare Part D benefit at a minimum on an annual basis in addition to and as needed upon plan design changes;
- Provide an actuary who can be assigned as a designee on the State's behalf, to provide the actuarial attestation to CMS (Medicare) through the online Retiree Drug Subsidy Program as defined by the State's fiscal plan year for the subsidy.

3. Governmental Accounting Standards Board/Other Post-Employment Welfare Benefit (GASB/OPEB) Valuations

As described under Section I, Program Profile, Plan Administration section of this RFP, the State is required to provide bi-annual GASB/OPEB valuations along with updates of any impact on alternating years. The State will require a GASB/OPEB valuation to disclose the future liability for funding a State paid retiree health benefit for CY 2014. In CY 2015 an impact updated will be required. The Program's current vendor will produce the valuation of the State's retiree health benefit liability as of December 31, 2014 for inclusion in the State FY 14 Comprehensive Annual Financial Report (CAFR).

The State will require the vendor to provide actuarial consulting for a bi-annual valuation report, impact updates, as well as ad hoc analyses of its post-employment welfare benefit program. The State's GASB/OPEB updates must reflect changes from;

1. Collective bargaining
2. Initiatives to adjust the benefit design of the active and retiree plans
3. Eligibility rules as provided in law or rule, and as amended
4. Other circumstances as required by the State

The State may supply multiple files from different sources and will require the vendor to accurately merge and process the data.

A copy of the State's last two OPEB Actuarial Valuations can be found at: <http://admin.state.nh.us/>

B. Health Benefit Vendor Claims Audits

The following outlines the minimum activities expected to be included in each of the health benefit vendor claims audits as they apply to each respective audit outlined below. The vendor shall perform audits on claims paid under the third party administrator contracts outlined below and under any subsequent contracts for these services during the period of this contract. It is at the State's sole discretion should it choose not to perform the following audits.

1. Medical Claims Third Party Administrator

As outlined in Section I, Introduction of this RFP, the State currently contracts with Anthem for its medical and behavioral health benefits for State employees and retirees. Claims are paid from Anthem's Connecticut claims office. The program is managed and serviced out of Anthem's Manchester, NH branch. The State's contract with Anthem expires on December 31, 2015. The State's expects to audit this contract on an annual basis approximately (3) three to (6) six months following the close of each calendar year to allow for claims run out.

2. Pharmacy Claims Third Party Administrator

As outlined in Section I, Introduction of this RFP, the State currently contracts with Express Scripts (ESI) for the State's prescription drug benefits for State employees and retirees. Claims are paid from ESI's claims system. Customer service for the program is handled at ESI call centers. The vendor will evaluate

performance in meeting the contractual pricing guarantees associated with ingredient cost discounts, dispensing fees, and rebates. The vendor will evaluate performance in administering the pharmacy benefits in accordance with plan design and performance guarantees.

3. Dental Claims Third Party Administrator

As outlined in Section I, Introduction of this RFP, the State currently contracts with Northeast Delta Dental (NEDD). Claims are paid from NEDD's Concord, NH claims office. The State's dental program is managed and serviced out of NEDD's Concord, NH office. The State is currently in the process of issuing an RFP for these services for a January 1, 2015 contract effective date. The State shall require the vendor perform audit/s on the existing vendor and any subsequent vendor as a result of the RFP.

4. Flexible Spending and Health Reimbursement Arrangement Claims Administrator

The State currently contracts with Employee Benefits Management, Incorporated (EBMI) for its flexible spending (medical and dependent care) accounts (FSA) and health reimbursement arrangements (HRA). EBMI is the broker of record for these services and sub-contracts the claims administration to Combined Services, LLC (CSLLC). EBMI's office is located in Portland, Maine. CSLLC's office is located in Concord, NH. Claims are processed at CSLLC's Concord, NH office. This contract is set to expire December 31, 2014. The State is currently in the process of issuing an RFB for these services for a January 1, 2015 contract effective date. The State shall require the vendor perform audit/s on the existing vendor and any subsequent vendor as a result of the RFB.

5. Short Term Disability

As outlined in Section I, Introduction of this RFP, the State is procuring for a limited scope advice to pay vendor for short-term disability. If that scope should expand, the vendor will provide guidance and support on applicable audits.

Health Benefit Claims Audit Requirements

Audits should include the following evaluations and reviews as applicable with respect to all health benefit services:

- Evaluation of the vendors' performance in accordance with the provisions of the State health plan documents, the contractual agreements between the vendor and the State, and the State's benefit booklets.
- Review of: operations, service, claim adjudication and payment, obtaining of guaranteed provider discounts, and the vendors' application of participating provider agreements and all other service and financial agreements in order to maximize savings to the State's health plans.
- Specific to the State's managed behavioral health claims, including substance abuse, and operations: evaluation of the vendor's performance including claims processing accuracy, financial accuracy, time to process claims, management of behavioral health care to maximize savings on both an inpatient and outpatient basis, adequacy of geographic network, access to necessary specialties, utilization review processes and quality assurance programs, and claim and dispute resolution procedures.
- Review of areas where the vendor is obligated to coordinate with the State's other vendors, evaluate the transfer and reconciliation of enrollment data, claims data, common medical deductible administration, disease management and large case management programs.
- Evaluate all areas for which there are contractual performance guarantees against those guarantees, to determine whether the vendor did or did not meet the guarantee for the applicable time period.

- For claims processing and operations, evaluate the vendors performance in the area of other party liability application and recovery, and whether these applications are maximized and applied consistently in accordance with industry norms, and with the applicable vendor contracts.
- Evaluate vendor's performance in maximizing Coordination of Benefits (COB) savings for the State. Many State employees have working spouses covered by other medical plans. Determine how the vendor investigates for the existence of other coverage, how frequently this information is updated, and how it is updated. Determine how the vendor is investigating for Worker's Compensation and other accident liability before paying a claim.
- Evaluate the vendor's subrogation investigational procedures, and its subrogation performance on the State's plans.
- Evaluate vendor's performance in all applicable areas, including Medicare, Medicaid, and Workers Compensation.
- As a self-funded plan, the state is interested in aggressive fraud controls. Evaluate the quality of vendor's internal audit procedures and fraud controls, and evaluate vendor's performance on State's plans.
- Specific to the medical benefits administrator, evaluate the vendor's performance, as applicable, in the areas of: preadmission certification, concurrent review, discharge planning, retrospective claims review; and individual and large case management.
- Evaluate vendor's performance against the appropriate guarantees in each of the vendor contracts. Determine the extent to which plan savings and discounts are being applied to submitted claims. Based on this information, estimate the expected level of realized plan savings to the State for the contract year.
- Using a statistically valid sampling methodology, determine the financial accuracy and timeliness of claim payments in accordance with the performance measures in the State's contracts with the vendor. Confirm that the sample will be selected in conformity with acceptable scientific random sampling procedures. For the sampling methodology, state the confidence level, tolerance and expected error rate that the sample will test. State the minimum sample size to be surveyed and the methodology to be used in the sample.
- Determining that adequate internal controls are in place and operating effectively to ensure the accurate and timely processing of medical and behavioral health claims.
- Determining the accuracy of claim coding. Reviewing adequacy of vendor's methods for identifying inappropriate coding of procedures by hospitals and providers (upcoding, unbundling, etc.) Review vendor's system on-line edits for proficiency in ensuring medical and behavioral health claims processing accuracy, identifying potential ineligible charges, flagging questionable providers and/or charges requiring referral for medical review, and prohibiting duplicate payments.
- Evaluate the vendor's interpretation and performance of services and payments against state plan's administrative provisions and utilization review requirements
- Specific to dental benefits administration, evaluate the vendor's performance including claims processing accuracy, financial accuracy, and time to process claims, management of dental care to maximize savings on an outpatient basis, adequacy of geographic network, access to necessary specialties, utilization review processes and quality assurance programs, and claim and dispute resolution procedures.

- Specific to the State's prescription drug plan, evaluate the vendors performance in the following areas:
 - a. Dispensing accuracy in prescription fulfillment;
 - b. Financial accuracy;
 - c. Generic substitution efficiency rate;
 - d. Clinical management programs;
 - e. Savings guarantees (retail pharmacy discounts, mail order discounts);
 - f. Rebate guarantees;
 - g. Product switch/intervention efforts;
 - h. Lower of Usual and Customary price guarantee;
 - i. Electronic edit and concurrent DUR savings;
 - j. Retrospective Drug Utilization Review savings
 - k. Service guarantees

Health Benefits Claims Audit Reports Requirements

Upon completion of each of the audits listed above, the State requires the selected vendor to provide a comprehensive report of its analysis performed. The report shall be tailored as applicable to the type of audit it entails. At a minimum each report shall include:

- a. A summary of audit activities performed;
- b. Outline of the specific operational procedures reviewed;
- c. Outline of the claims audit processes and outcomes;
- d. A summary of performance guarantees reviewed including comments and recommendations about the vendor's performance;
- e. A listing of claims errors by type and an explanations of the error as they relate to the performance guarantees and the amounts the State should collect from the vendor if applicable
- f. A listing and description of all errors, observations and concerns
- g. Present claims audit findings at in-person meeting at State offices

C. Health Benefit Vendor Contract Procurements

Periodically, the Department seeks competitive proposals for the key components of the Program. The Department requires technical review and related assistance in the development its Requests for Proposal (RFP), Requests for Information (RFI) and Request's for Bid (RFB). The Department also requires varying levels

of underwriting and actuarial analysis of rate quotes and cost proposals. Finally, the Department requires varying levels of review and technical assistance in evaluating the range of services as prescribed in the respective RFPs.

Procurement Component Definitions

The following section describes and defines the procurement components and the role the State anticipates for that of the vendor as it applies to each of the RFP's the State anticipates issuing during the contracted Agreement period.

- 1. RFP, RFB and RFI Drafting.** The Risk Management Unit works with various other Departments, as well as Bureaus and Divisions within the Department of Administrative Services to draft the requirements for its RFP's, RFI's and RFB's for the State's health benefit program. The latter include but are not limited to the Bureau of Purchase and Property, Division of Personnel, Financial Data Management, and Accounting Services.

The Risk Management Unit has overall responsibility to generate the requirements language for the various procurements which comprise the services necessary to administer the health benefit program. The Bureau of Purchase and Property works in collaborative partnership with the Risk Management Unit to ensure the integrity of the procurement process and serves as the Department's front line contact during the procurement process.

The Risk Management Unit will require the vendor to draft or assist the Risk Management Unit with drafting requirements based on its industry experience and expertise gained from servicing other similarly situated employers.

- 2. Scoring Financial Proposal.** The Risk Management Unit does not employ actuaries or underwriters in its health benefits program. Nor does it have software tools to support analysis of claims based proposals and projected costs. The State will look to the vendor to provide the Risk Management unit support and perform actual financial scoring of proposals for those proposals that have this requirement.
- 3. Scoring Technical Proposal.** In most instances, the Risk Management Unit may seek industry-based expertise to evaluate and score highly technical or specialized portions of its proposals. Most of the State's proposals include a financial portion and the remainder of the proposal is defined as the technical proposal. The State may defer some or all of certain technical portions of its procurements to the selected vendor for scoring.
- 4. Proposal Review, Comments and Recommendations without Scoring.** In some instances, the Risk Management Unit in collaboration with the Bureau of Purchase and Property may seek the input of the vendor but may not require evaluation and scoring assistance. In these cases, the Risk Management Unit will provide the vendor copies of the qualified proposals and solicit advice regarding completeness, integrity, reasonableness or other aspects of the proposals.
- 5. Technical Advice/Consulting.** Because the State is self-funded for its health benefits, the State contracts with third party administrators to handle its claims and other functions of the program administration. From time to time the State may seek industry based expertise from its vendor to assist with the evaluation of a bidder's submission. The State seeks to adopt best practices for the types of services it contracts for and may need assistance from its vendor to determine whether a bidder meets a threshold with respect to its proposed solutions. In addition, the State may seek general guidance regarding solutions for which the State lacks internal expertise.
- 6. Contractual Recommendations.** Following the competitive bidding portion of each procurement the Risk Management Unit in collaboration with the Bureau of Purchase and Property negotiates the terms of each of its contracts. From time to time, the State may seek the advice of its vendor identifying issues

for inclusion in an agreement document or may request review of portions of draft documents. In all instances, the State will formally negotiate and execute its agreements with vendors and perform its own legal review of agreement documents.

Procurements

The following grid identifies the contracts that will expire or need to be issued during the initial two years of this contract. All contracts include a provision for extension for up to two years which if elected would extend the date accordingly.

Service	Contract End Date
Flexible Spending and Health Reimbursement Arrangements Administrator	12/31/2017
Medical Benefits Administration	12/31/2015
Dental Benefits Administration	12/31/2017
Pharmacy Benefits Management	12/31/2016
Life Insurance	12/31/2015
Short Term Disability	6/30/2015

The following section outlines the scope of required services for each of the anticipated procurements as outlined above that the State will be issuing during the proposed contract Agreement period within this RFP.

Although each procurement is different, the vendor should be prepared to provide the full scope of services outlined in section C. Prior to beginning the procurement process, the vendor and State will meet and determine the scope of services.

1. Medical Benefits Administration

The State will be releasing a request for proposal for medical benefits administration as soon as practicable working with the selected vendor of this contract. The current contract shall expire on December 31, 2015. The vendor may be required to assist the State in the following areas (please see definitions in section C., above):

- a. RFP, RFB and RFI Drafting
- b. Scoring Financial Proposal
- c. Scoring Technical Proposal
- d. Proposal Review, Comments and Recommendations without Scoring
- e. Technical Advice/Consulting
- f. Contractual Recommendations
- g. Attendance at Governor and Council meetings

2. Dental Benefits Administration

The State will be releasing an RFP for dental benefits administration directly following if not in parallel with the medical benefits RFP as soon as practicable working with the selected vendor of this contract. The current contract shall expire on December 31, 2014. The vendor may be required to assist the State in the following areas (please see definitions in section C., above):

- a. RFP, RFB and RFI Drafting
- b. Scoring Financial Proposal
- c. Scoring Technical Proposal
- d. Proposal Review, Comments and Recommendations without Scoring
- e. Technical Advice/Consulting
- f. Contractual Recommendations
- g. Attendance at Governor and Council meetings

3. Pharmacy Benefits Management

The State will be releasing an RFP for pharmacy benefits management in the latter part of 2015 or early part of 2016. The current contract expires on December 31, 2015. The vendor may be required to assist the State in the following areas (please see definitions in section C., above):

- a. RFP, RFB and RFI Drafting
- b. Scoring Financial Proposal
- c. Scoring Technical Proposal
- d. Proposal Review, Comments and Recommendations without Scoring
- e. Technical Advice/Consulting
- f. Contractual Recommendations
- g. Attendance at Governor and Council meetings

4. Flexible Spending Accounts and Health Reimbursement Arrangements

The State will be releasing a request for bid in the near future with a contract effective date of January 1, 2015. The vendor may be required to assist the State in the following areas (please see definitions in section C., above):

- a. RFP, RFB and RFI Drafting
- b. Scoring Financial Proposal

- c. Scoring Technical Proposal
- d. Proposal Review, Comments and Recommendations without Scoring
- e. Technical Advice/Consulting
- f. Contractual Recommendations
- g. Attendance at Governor and Council meetings

6. Employee Wellness Program Administrator

Pursuant to current collective bargaining Agreements, the State must provide a voluntary employee incentive program that offers taxable cash payments or HRA account deposits to employees who participate in health promotion activities and programs offered by the State.

Although the current program is included in the medical TPA contract, the State reserves the right to undertake a procurement process in the future and to solicit proposals from entities which can supply a component or a more comprehensive and versatile program. Whatever vendor is in place, they will be fully integrated with the State's other benefits enrollment and administrative vendors. The vendor will be required to assist the State in the following areas (please see definitions in section C., above):

- a. RFP, RFB and RFI Drafting
- b. Scoring Financial Proposal
- c. Scoring Technical Proposal
- d. Proposal Review, Comments and Recommendations without Scoring
- e. Technical Advice/Consulting
- f. Contractual Recommendations
- g. Attendance at Governor and Council meetings

7. Short Term Disability

The State is currently in procurement of advice-to-pay services for short-term disability benefits. The current eligible population includes approximately 2,200 employees. The potential scope of the contract will be limited to the following services: claims intake, disability verification, leaves duration recommendations, claims management, and appeals management. The vendor may be required to assist the State in the following areas (please see definitions in section C., above):

- a. RFP, RFB and RFI Drafting
- b. Scoring Financial Proposal
- c. Scoring Technical Proposal
- d. Proposal Review, Comments and Recommendations without Scoring
- e. Technical Advice/Consulting

- f. Contractual Recommendations
- g. Attendance at Governor and Council meetings

8. Life Insurance

The State provides employer paid term life insurance in the amount of \$25,000 at no cost to employees, and offers employees other buy-up options for additional coverage, at the employee's expense. The vendor may be required to assist the State in the following areas (please see definitions in section C., above):

- a. RFP, RFB and RFI Drafting
- b. Scoring Financial Proposal
- c. Scoring Technical Proposal
- d. Proposal Review, Comments and Recommendations without Scoring
- e. Technical Advice/Consulting
- f. Contractual Recommendations
- g. Attendance at Governor and Council meetings

D. General Health Benefits Consulting

The selected vendor shall perform general health benefits consulting services on a broad range of topics which arise in the administration of the health benefits program. The State seeks proposals that will deliver consulting services at a minimum on the following topics. The State's estimate of the necessary hours of general consulting for each year of the contract agreement can be found in Section IV, Financial Section associated with each of the following topics.

1. HBC Consulting

As previously discussed in the Program Profile section of this RFP, the purpose of the HBC is to advise the State on issues related to the purchase and administration of health benefit plans and to make recommendations in benefit design, utilization management, and/or provider payment policies regarding the active employee membership. Some members of this group also participate in the bi-annual collective bargaining. Therefore, much of the HBC discussions directly relate to anticipated collective bargaining subjects advanced by the State and/or the unions.

The HBC also has an HBC Wellness workgroup that reports to the HBC which is focused primarily on a 2006 executive order establishing a wellness program and promoting health and wellness programs for State employees and their families. The workgroup in turn supports the Commissioner appointed wellness coordinators throughout State government in establishing and maintaining a workplace wellness program.

DAS may utilize the services of the vendor to assist the HBC with general health benefits consulting throughout its work before, during and after collective bargaining. The Department anticipates that its vendor will continue to provide information and assistance to the HBC and the HBC workgroup, including support in analyzing plan-specific data provided by vendors and carriers. The resources shall include but not be limited to providing information on health care cost trends, current trends and

research on plan design, vendor management, how to obtain better access to health information, quality measures, disease management, and wellness. When necessary, DAS shall require attendance by at least one representative of the general health benefits consulting team who will also assist DAS with meeting preparations.

Given the nature of this relationship, the State requires the same individual continue this role throughout the life of the contract unless requested by the State or otherwise mutually agreed upon excluding times when subject matter requires other experts within your organization. This group meets on a monthly basis but may meet more frequently as business needs arise.

2. Collective Bargaining Agreement (CBA) Consulting

The current collective bargaining agreements cover the years 2013 through 2015. The State of New Hampshire currently negotiates its CBA's on a bi-annual basis for classified state employees. The negotiations include wages, benefits and working conditions. It also includes agency-specific "sub-unit" agreements which are additional negotiated agreements which apply to employees of those agencies. Preparation by the State CBA team for the next cycle of bargaining will likely begin in October 2014. The actual negotiations will not begin until January 2015.

DAS will require its vendor to advise the State negotiation team and provide financial analysis and modeling of recommended benefit design changes proposed by the State, a union, or vendor.

3. Retiree Health Benefits Consulting

The State seeks advice as to the most cost-effective manner to provide coverage for its Medicare-eligible group of retirees, in light of the many recent changes to Medicare. In addition, the State seeks advice as to options for continued coverage for its retirees, especially in light of retiree health benefit budget cuts in FY14 and FY15. Coverage for both groups is subject to legislative oversight, but is not collectively bargained. Information regarding recent changes and current coverage is available at: http://admin.state.nh.us/hr/retirement_benefits.html

4. Department Enrichment

DAS is committed to developing its staff in order to meet the challenges of managing this complex and dynamic self-funded program. Some of the enrichment DAS would request but is not limited to the following:

- Health benefit and health policy seminars given either by the vendor or other affiliates for the types of benefits the State offers
- Vendor monitoring methodology recommendations
- LEAN enterprise training and/or facilitation
- Time management, multi-tasking
- RFP development and scheduling
- Invoicing best practice
- HIPAA Privacy and Security

- Knowledge transfer on provider reimbursement, care quality strategies and other evolving market features
- Program review and analysis with recommendations for changes
- Assist the State with documenting key repetitive processes
- Other subjects as requested by the State

5. National Health Reform

The State seeks advice on how best to leverage the Affordable Care Act (ACA) to reduce the amount the State spends on employee and retiree health care benefits. As the State procures administrative services, proposes plan design changes and considers other changes, it will look to its vendor to assist in exploiting ACA opportunities to change the delivery system and reduce the rate of growth in health care costs over time. It is the intent of the State to consider its options under the ACA, including the health insurance exchanges, to effectively control costs. We expect our vendor to continuously advise us, in our on-going administration of the health and dental plans, as to strategies and opportunities for cost management and health improvement.

Of particular interest to the State is assistance in analyzing and addressing the Excise Tax on High Cost Coverage, or "Cadillac Tax". Additionally the State requires consulting services to assist it with assessing and evaluating employer responsibilities under the ACA.

6. Marketing for Employee Engagement

The State seeks advice on enhancing its existing communication methods to achieve greater employee engagement in:

- a. Wellness and health promotion;
- b. Health Care Consumerism
- c. Cost implications of health care decisions; and
- d. General health care literacy and competence.

The State will look to its vendor to provide assistance in creating a strategy to effectively inform, engage and motivate employees and retirees. The desired assistance will complement existing communications resources and should provide tools, programs and messaging to motivate health plan enrollees to think differently and act differently. In essence, the State seeks assistance in developing a marketing campaign to change enrollee behavior.

7. HIPAA Consultation

The State may seek advice and consultation to support its HIPAA privacy and security rule compliance on the part of its health benefit program, which constitutes a "health plan" under those rules. The State plans a full security assessment in 2015 or as soon thereafter as practicable and bidders should be prepared to directly perform, or subcontract for, a Security Assessment.

8. Guidance on Data Analysis

The vendor will be expected to engage with the State and its vendors to assist the State in identifying key indicators in its healthcare data that are driving costs. The vendor shall provide guidance on the development of steps the State can take to lower health care costs or improve quality.

9. Other General Health Benefits Consulting

Because the State cannot anticipate and provide detail around all other general health benefits consulting the State may require during the contract agreement period, the State may need to look to its vendor for unanticipated health benefits program consulting. The Scope of these services shall be at a minimum additional consulting within the required services already outlined within this RFP but may also require further health benefit vendor expertise not already contemplated within this RFP with respect to the staff the selected vendor may already anticipate given the required services already outlined within this RFP. This includes an expectation vendor will provide analysis and compliance recommendations as relates to federal/state proposals, laws or regulations affecting the current benefits plans. Therefore, the State shall require the selected vendor to work with the State to assign the appropriate staff based on the State's need as mutually agreed upon.

E. Provisional Timeline

The following outline is a provisional timeline with respect to the State's anticipated needs for the contract agreement period. This timeline is meant to illustrate the State's needs and is not meant to be exact and is subject to change based on the State's business needs. The State intends to seek authority from the Governor and Council to carry forward funds so that any service could be performed in any year of the contract.

Based on a January 1, 2015 implementation date, the following services will be performed in Year 1 of the consulting contract:

- Working rate development for CY 2016 health and dental plans
- Medicare Part D actuarial equivalency determination for state retiree drug plan for Drug Subsidy plan year beginning July 1, 2015.
- Evaluation of EGWP as an alternative to RDS and implementation support if appropriate
- GASB/OPEB valuation for the period ending 12/31/2014, taking into consideration changes to retiree health eligibility laws over the last several years
- Vendor Claims Audit reviews of:
 - Medical claims (to include Behavioral Health) for CY 2014;
 - Prescription drug claims for CY 2014;
 - Short Term Disability if warranted;
 - Life Insurance if warranted;
 - Dental claims for CY 2014 and;
 - FSA/HRA claims at for CY 2013 and CY 2014
- Vendor RFP for medical benefit administrator

- Vendor RFP for employee wellness incentive vendor
- Vendor RFP for life insurance
- Vendor RFP for Short Term Disability
- General benefits consulting

Year 2 (2016) of the consulting contract will include the following services:

- Budget rate development for State operating budget FY18/19
- Working rate development for CY 2017 medical and dental plans
- Medicare Part D actuarial equivalency determination for state retiree drug plan for Drug Subsidy plan year beginning July 1, 2016.
- Evaluation of EGWP as an alternative to RDS and implementation support if appropriate
- GASB/OPEB valuation update
- Vendor Claims Audit reviews of:
 - Medical claims (to include Behavioral Health) for CY 2015;
 - Prescription drug claims for CY 2015;
 - Dental claims for CY 2015;
 - FSA/HRA Claims for CY2015 and;
 - Short Term Disability if warranted
- Vendor RFP for the prescription drug benefit administrator
- Vendor RFP for the FSA/HRA benefits administrator
- General benefits consulting

Year 3 (2017) of the consulting contract will include the following services:

- Working rate development for CY 2018 medical and dental plans
- Medicare Part D actuarial equivalency determination for state retiree drug plan for Drug Subsidy plan year beginning July 1, 2017. The State is currently conducting a financial analysis to determine if the Medicare population will be transitioned to an EGWP. If the transition occurs, RDS attestation will no longer be necessary. EGWP services may be necessary.
- GASB/OPEB valuation for the period ending 12/31/2016
- Vendor Claims Audit reviews of:
 - Medical claims (to include Behavioral Health) for CY 2016;
 - Prescription drug claims for CY 2016;

- Dental claims for CY 2016;
- Short Term Disability if warranted and;
- FSA/HRA claims at for CY 2016
- Vendor RFP for medical benefit administrator
- Vendor RFP for dental benefits administrator
- General benefits consulting

SECTION IV

FINANCIAL SECTION

A. ACTUARIAL, CLAIMS AUDIT, AND PROCUREMENT

In the following grid, please provide a fully loaded **guaranteed flat fee based price** for each year of the contract for each separate project listed as identified in Section III, Required Services. This portion of the pricing shall count for **35%** of the score of this section. Please provide separate costs for each separate project area listed, along with a total cost for the three year contract. The fees provided in this section of the RFP shall be used solely for evaluating each vendor's proposal and shall equal the total maximum amount the State shall be invoiced for all services provided as outlined in this RFP. The State shall not pay any expenses or additional fees presented by the vendor over and above fees quoted in this financial section. Failure to complete any portions of the following grids is grounds for rejection.

Service	Year One 2015	Year Two 2016	Year Three 2017
Actuarial and Underwriting			
Budget Rate Development			
Working Rate Development			
Medicare Part D Subsidy Attestations			
GASB/OPEB Valuation			
GASB/OPEB Valuation Updates			
Vendor Claims Audits			
Medical Claims Audit (to include Behavioral Health claims)			
Pharmacy Claims Audit			
Dental Claims Audit			
Flexible Spending/Health Reimbursement Claims Audit			
Procurements			
Medical Benefits Administration			
Dental Benefits Administration			
Pharmacy Benefits Management			
FSA/HRA Benefit Administration			
Employee Wellness Incentive Administrator			
Life Insurance			
Short Term Disability			
Assessments			
HIPAA Security Assessment			
Annual Totals			

B. GENERAL HEALTH BENEFITS CONSULTING

In the following grid, please provide a fully loaded **guaranteed flat fee based price** for each year of the contract for each separate project listed as identified in Section III, Required Services. This portion of the pricing shall count for **20%** of the score of this section. Please provide separate costs for each separate project area listed, along with a total cost for the three year contract. The fees provided in this section of the RFP shall be used solely for evaluating each vendor's proposal and shall equal the total maximum amount the State shall be invoiced for all services provided as outlined in this RFP. The hours listed below are approximate and The State shall not pay any expenses or additional fees presented by the vendor over and above fees quoted in this financial section. Failure to complete any portions of the following grids is grounds for rejection.

General Health Benefits Consulting	Estimated Hours Required	Year One 2015	Estimated Hours Required	Year Two 2016	Estimated Hours Required	Year Three 2017
HBC Support	50		50		50	
Collective Bargaining	200		75		200	
Retiree Health Benefits	150		150		150	
EGWP	100		75		50	
Department Enrichment	100		100		100	
National Healthcare Reform	50		50		50	
Marketing for Employee Engagement	100		100		100	
HIPAA Privacy and Security	40		40		40	
Other General Health Benefits Consulting	200		200		200	
Data Analysis Consulting (not specific to the above)	30		30		30	
Annual Total						

C. PERFORMANCE GUARANTEES

The exhibit below identifies the specific performance guarantees that shall be the basis of performance responsibilities for any resulting contract. The State will be looking for a flat dollar (\$) amount for each performance guarantee listed below. This portion shall count for **5%** of the score of this section.

Bidders are encouraged to place a material amount at risk per contract year; a bidder's willingness to offer meaningful guarantees will be reflected in their score.

Performance guarantee metrics are to be self-reported. All guarantees shall be measured annually on a calendar year basis. Any penalties due to the State will be remitted on a separate check, and not as an invoice credit, not later than sixty (60) days after the close of the year.

Provide the total amount per contract year at risk for performance guarantees. At time of contract, the parties shall mutually agree to the allocation of the at risk funds.

\$ _____

You are required to respond to each performance guarantee by indicating your organization's willingness to agree to each performance guarantee.

	Standard	Confirm Your Willingness to Guarantee [Yes/No]
Claims Audits		
Audit process length	Claims audits will be complete within 180 days of initiation	
Audit report accuracy	Audit reports will be accurate	
GASB OPEB Valuation		
Valuation accuracy	Final report will be accurate and will include all aspects of eligibility and plan design and other factors required to provide an accurate valuation	
Valuation delivery	Final report will be delivered by a date mutually agreed upon	
Materials		
Accuracy	All materials, presentations, training guides, documents provided to the State will be accurate	
Response Time		
Returned calls	Calls from the State will be returned within 8 hours 95% of the time	
Financial		
Working rates (to include trend	Calendar year working rates delivered to State by	

	Standard	Confirm Your Willingness to Guarantee [Yes/No]
analysis)	October 1 st of each year	

SECTION V

QUESTIONNAIRE

GENERAL REQUIREMENTS AND QUESTIONS FOR ALL BIDDERS

In order for your proposal to be considered and accepted, your organization must provide answers to the questions presented in this section. When answering the questions contained in the Questionnaire Section of this Request for Proposal, please repeat the questions and provide your answers numbered to correspond to the question as indicated in the RFP. All questions must be answered. Reference should not be made to a prior response. Be sure to refer to the earlier sections of this RFP before responding to any of the questions so that you have a complete understanding of all of the State's requirements with respect to the proposal.

A. CONSULTING EXPERIENCE AND BACKGROUND

1. The State is interested in understanding your organization's history and experience in health benefits consulting. We are particularly interested in your experience with public sector clients with a labor/management environment. In (3) three pages, please provide a narrative addressing the following:
 - a. A description of your organization's client philosophy and management strategy;
 - b. A description of your organization's experience and capabilities working within a labor/management environment similar to the State's;
 - c. Three (3) examples of recent projects with which your organization was engaged in providing consulting to labor/management groups. Please include your organization's role in these projects.
2. In (2) two pages or less, please provide a response to the following questions:
 - a. How do you ensure that you are providing creative solutions to your client's specific and unique needs, concerns and goals?
 - b. What makes your organization most suited to provide benefits consulting services to New Hampshire?
3. In (2) two pages or less, describe your experience providing these consulting services and any experience that you have within New Hampshire's health care sector. Within your description please also include the identification of opportunities you might recommend for the State as an employer to leverage circumstances here to generate health benefit savings, efficiencies or quality improvements given your experience within the health care sector or the sector(s) you are familiar with. If your organization's experience is not within New Hampshire's health care sector, please include the name of the State(s) being used for the basis of your description.
4. In (2) two pages less, describe your approach in helping clients identify and implement strategies to contain costs and improve the quality of health care delivered to members with respect to achieving the highest value healthcare benefits for their employees, retirees and families. At a minimum, your description must include your organizations approach to but not be limited to the following:
 - a. Quality care management;
 - b. Cost-effective medical services;

- c. The most current prescription drug pricing arrangements;
 - d. Financial modeling and benchmarking to assess performance and the like.
5. Please attach your organization's proposed staffing plan for the segments of the engagement that will adequately address the program needs. The plan must identify at a minimum but not be limited to the individuals who would be responsible for the day to day service contact with the State in the form of an organizational chart, an outline of their length of experience with your organization, and their career. In addition, the plan shall include resumes for each of the individuals proposed.

B. EXPECTED QUALITY OF SERVICE

Actuarial and Underwriting Consulting

1. In (2) two pages or less, describe your organization's approach to providing actuarial and underwriting services to public sector clients. Within your description you must provide responses to the following;
- a. Whether there will be a separate team for these services;
 - b. Whether you meet on-site with your clients;
 - c. How you communicate with clients so as to obtain and exchange information;
 - d. Whether you have provided RDS attestations and GASB/OPEB valuation services to clients;
 - e. A description of how you worked with your clients to achieve the required RDS attestations and the GASB/OPEB valuations and;
 - f. A description of the technical expertise and professional associations of your proposed staffing for these services

Health Benefit Vendor Claim Audits

1. In (2) two pages or less, describe your capacity and qualifications for performing the claims audits as described within Section III, Required services of the RFP with respect to claims audits. Please include the following;
- a. Whether you have the resources to conduct multiple audits at one time;
 - b. A brief description of your organization's experience conducting the following claims audits;
 - i. medical (to include Behavioral Health and substance abuse)
 - ii. prescription drug,
 - iii. dental and;
 - iv. FSA/HRA Plans

Procurements

1. In (4) pages or less, please describe the approach taken by your organization to administrative service procurements. Please include responses to the following questions and requirements explaining how your organization will accomplish the following:
 - a. Assess the needs of clients with respect to competitively bidding these services? Describe the types of support you provide to clients that must procure through highly formalized procedures.
 - b. How you would assist the State with its health benefit vendor procurements by providing technical review and assistance with the development of Requests for Proposals, actuarial analysis of rate quotes, financial analysis of cost proposals and comparative analysis of the range of services prescribed in the respective RFP.
 - c. Provide "Best Practice" consultation with vendors for medical, dental, prescription drug benefits administration and other related contracts.
 - d. Provide analysis and compliance recommendations of financial and administrative consequences of federal/state proposals, laws or regulations affecting the current benefits plans.
 - e. Support the Benefits Administrators in the development and implementation of quality measurements/standards for inclusion in contracts.
 - f. Provide analysis of financial and plan design issues including plan-funding alternatives, revision of benefit design features, and contracting analysis during collective bargaining and throughout the life of the contract as requested.

General Health Benefits Consulting

1. In (2) two pages or less, explain your organization's approach to advising clients regarding employee education campaigns and member engagement, generally. How do you advise clients regarding member communications, in terms of style, content, frequency, methods and outlets, with respect to the range of topics, from plan design changes to health promotion to cost awareness? How do tailor this advice to unionized, public sector clients?
2. In (2) two pages or less, describe your approach to assisting your clients to become better administrators of their employee benefits programs, in terms of vendor monitoring and managing, compliance with federal requirements (including HIPAA privacy and security, the Accountable Care Act and other eligibility and coverage rules), anticipating marketplace developments and any other activities that would enhance the effectiveness of benefits administration.

APPENDICES

APPENDIX A	State of NH Transmittal Letter
APPENDIX B	P-37 Form Contract
APPENDIX C	Business Associate Agreement Form Contract
APPENDIX D	Hourly Rates

APPENDIX A

STATE OF NEW HAMPSHIRE RFP TRANSMITTAL LETTER

Date: _____ Company Name: _____
Address: _____

To: Point of Contact: Tammy Nelson
Telephone: (603)-271-2009; Fax: (603) 271-7564
Email: Tammy.Nelson@nh.gov

RE: RFP Name: Consulting Services RFP Opening Date and Time: June 3, 2014, 2:00 PM
RFP Number: RFP #1608-14

Dear Madam:

[Insert Name of signor _____], on behalf of [Insert name of company submitting a proposal _____] (collectively referred to as "Vendor") hereby submits an offer as contained in the written proposal submitted herewith to the State of New Hampshire in response to RFP #1608-14, Consulting Services, at the price(s) quoted herein in complete accordance with the RFP specifications.

[Print Signor name _____] is authorized to legally obligate [Print Company Name _____].

Vendor attests to the fact that:

- 1. The Vendor has reviewed and agreed to be bound by all RFP terms and conditions.
2. The Vendor has not altered any of the language or other provisions contained in the RFP document.
3. The proposal is effective from the Proposal Submission Deadline of June 3, 2014 until the contract effective date of January 1, 2015.
4. The prices Vendor has quoted in the proposal were established without collusion with other eligible vendors.
5. The Vendor has read and fully understands this RFP.
6. Vendor's official point of contact is _____

Title _____
Telephone _____ Email _____

Authorized Signor Signature Printed _____

Authorized Signor Signature _____

COUNTY: _____ STATE: _____

NOTARY PUBLIC/JUSTICE OF THE PEACE

On the ____ day of _____, 2014, there appeared before me, the State and County foresaid a person who satisfactorily identified him/herself as _____ and acknowledge that he/she executed this document indicated above.

In witness thereof, I hereunto set my hand and official seal.

(Notary Public/Justice of the Peace)

My commission expires: _____ (Date)

APPENDIX B

Subject: Consulting Services for Actuarial, Claim Audit, Procurement and General Health Benefits

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name		1.2 State Agency Address	
1.3 Contractor Name		1.4 Contractor Address	
1.5 Contractor Phone Number	1.6 Account Number	1.7 Completion Date	1.8 Price Limitation
1.9 Contracting Officer for State Agency		1.10 State Agency Telephone Number	
1.11 Contractor Signature		1.12 Name and Title of Contractor Signatory	
1.13 Acknowledgement: State of _____, County of _____			
On _____, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace			
[Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace			
1.14 State Agency Signature		1.15 Name and Title of State Agency Signatory	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (<i>if applicable</i>)			
By: _____		Director, On: _____	
1.17 Approval by the Attorney General (Form, Substance and Execution)			
By: _____		On: _____	
1.18 Approval by the Governor and Executive Council			
By: _____		On: _____	

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 (“State”), engages contractor identified in block 1.3 (“Contractor”) to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference (“Services”).

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement (“Effective Date”).

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT. Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 (“Equal Employment Opportunity”), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor’s books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State’s representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer’s decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder (“Event of Default”):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

- 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
- 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
- 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.

- 9.1 As used in this Agreement, the word “data” shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
- 9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
- 9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report (“Termination Report”) describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR’S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers’ compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the actions or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

- 14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
- 14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and
- 14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.
- 14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.
- 14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS’ COMPENSATION.

- 15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A (“Workers’ Compensation”).
- 15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers’ Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers’ Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers’ Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers’ Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a

waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

APPENDIX C

The Contractor identified in Section _____ of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 and those parts of the HITECH Act applicable to business associates. As defined herein, "Business Associate" shall generally have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the party to this Agreement, shall mean [name of Business Associate]. "Covered Entity" shall generally have the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this Agreement shall mean the State of New Hampshire Department of Administrative Services Employee and Retiree Health Benefit Program. "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

BUSINESS ASSOCIATE AGREEMENT

1. Definitions

- a. The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.
- b. All terms not otherwise defined herein shall have the same meaning as those set forth in the HIPAA Rules.

2. Use and Disclosure of Protected Health Information (PHI)

- a. Business Associate shall not use, disclose, maintain or transmit PHI except as reasonably necessary to provide the services set forth in this Agreement or as required by law.
- b. Business Associate agrees to make uses and disclosures and requests for PHI consistent with Covered Entity's minimum necessary policies and procedures.
- c. Business Associate may not use or disclose protected health information in a manner that would violate Subpart E of 45 CFR Part 164 if done by Covered Entity, except for the specific uses and disclosures set forth below.
- d. Business Associate may use protected health information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of Business Associate. To the extent Business Associate discloses PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (a) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (b) an agreement from such third party to notify Business Associate of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- e. Business Associate may provide data aggregation services relating to the health care operations of Covered Entity.
- f. Business Associate is authorized to use PHI to de-identify the information in accordance with 45 CFR 164.514(a)-(c). Business Associate shall de-identify the PHI in a manner agreed upon by Business Associate and Covered Entity. Uses and disclosures of the de-identified information shall be limited to those consistent with the provisions of this Agreement.
- g. Business Associate shall not, unless such disclosure is reasonably necessary to provide services outlined in the Agreement, disclose any PHI in response to a request for disclosure on the basis it is required by law without first notifying Covered Entity. In the event Covered Entity objects to the disclosure it shall seek the appropriate relief and the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.
- h. Covered Entity may from time to time agree, pursuant to 45 CFR 164.522, to be bound by additional restrictions over and above those uses, disclosures and security safeguards of PHI outlined in the HIPAA Rules. Covered Entity shall notify Business Associate, in writing, of any such agreements. Business Associate agrees to be bound by any such additional restrictions.

3. Obligations and Activities of Business Associate

- a. Business Associate shall use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information, to prevent use or disclosure of protected health information other than as provided for by the Agreement.
- b. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving PHI, ePHI, or Unsecured PHI as required by 45 CFR 164.410.
- c. Business Associate shall report a breach or a potential breach to Covered Entity upon discovery of any such incident. Business Associate will handle breach notifications to individuals, the United States Department of Health and Human Services Office for Civil Rights, and, where applicable, the media. Should it be necessary to notify the media of any such breach, Business Associate will ensure that Covered Entity will receive notice of the breach prior to such incident being reported to the media.
- d. Business Associate shall, in accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure, as evidenced in writing, that any subcontractors that create, receive, maintain or transmit PHI on behalf of Business Associate agree to the same restrictions, conditions and requirements that apply to Business Associate with respect to such information, including the duty to return or destroy PHI. Covered Entity shall be considered a direct third party beneficiary of Business Associate's corresponding business associate agreements with any of its contracted business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates.
- e. To the extent Business Associate is to carry out one or more of Covered Entity's obligations under Subpart E of 45 CFR Part 164, Business Associate shall comply with the requirements of Subpart E that apply to Covered Entity in the performance of such obligation(s).
- f. Business Associate shall make available all of its internal practices, policies and procedures, books and records to the Secretary for the purpose of determining Covered Entity's compliance with the HIPAA Rules.
- g. Within five (5) business days of receiving a written request from Covered Entity, Business Associate shall make available to the Covered Entity during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI for the purpose of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

Individual Rights and PHI

h. Access

- i. Business Associate shall respond to an individual's request for access to his or her PHI as part of Business Associate's normal customer service function, if the request is communicated to Business Associate directly by the individual or the individual's personal representative. Business Associate shall respond to the request with regard to PHI that Business Associate and/or its subcontractors maintain in a manner and time frame consistent with requirements specified in the HIPAA Privacy Regulation.
- ii. In addition, Business Associate shall assist Covered Entity in responding to requests made to Covered Entity by individuals to invoke a right of access under the HIPAA Privacy Regulation by performing the following functions:
 1. Upon receipt of written notice (including fax and email) from Covered Entity, Business Associate shall make available to Covered Entity, or at Covered Entity's direction to the individual (or the individual's personal representative), any PHI about the individual created or received for or from Covered Entity in Business Associate's custody or control (and/or the custody or control of its subcontractors), for inspection and obtaining copies so that Covered Entity may meet its access obligations under 45 CFR 164.524, and, where applicable, the HITECH Act. Business Associate shall make such information available in an electronic format where required by the HITECH Act.

- i. Amendment
 - i. Business Associate shall respond to an individual's request to amend his or her PHI as part of Business Associate's normal customer service functions, if the request is communicated to Business Associate directly by the individual or the individual's personal representative. Business Associate shall respond to the request with respect to the PHI Business Associate and its subcontractors maintain in a manner and time frame consistent with requirements specified in the HIPAA Privacy Regulation.
 - ii. In addition, Business Associate shall assist Covered Entity in responding to requests made to Covered Entity to invoke a right to amend under the HIPAA Privacy Regulation by performing the following functions:
 - 1. Upon receipt of written notice (including fax and email) from Covered Entity, Business Associate shall amend any portion of the PHI created or received for or from Covered Entity in Business Associate's custody or control (and/or the custody or control of its subcontractors), so that Covered Entity may meet its amendment obligations under 45 CFR 164.526.
- j. Disclosure Accounting
 - i. Business Associate shall respond to an individual's request for an accounting of disclosures of his or her PHI as part of Business Associate's normal customer service function, if the request is communicated to the Business Associate directly by the individual or the individual's personal representative. Business Associate shall respond to a request with respect to the PHI Business Associate and its subcontractors maintain in a manner and time frame consistent with requirements specified in the HIPAA Privacy Regulation.
 - ii. In addition, Business Associate shall assist Covered Entity in responding to requests made to Covered Entity by individuals or their personal representatives to invoke a right to an accounting of disclosures under the HIPAA Privacy Regulation by performing the following functions so that Covered Entity may meet its disclosure accounting obligation under 45 CFR 164.528:
 - iii. Disclosure Tracking
 - 1. Business Associate shall record each disclosure that Business Associate makes of individuals' PHI, which is not excepted from disclosure accounting under Section II.C.2.b.
 - 2. The information about each disclosure that Business Associate must record ("Disclosure Information") is (a) the disclosure date, (b) the name and (if known) address of the person or entity to whom Business Associate made the disclosure, (c) a brief description of the PHI disclosed, and (d) a brief statement of the purpose of the disclosure or a copy of any written request for disclosure under 45 Code of Federal Regulations § 164.502(a)(2)(ii) or § 164.512. Disclosure Information also includes any information required to be provided by the HITECH Act.
 - 3. For repetitive disclosures of individuals' PHI that Business Associate makes for a single purpose to the same person or entity (including to Covered Entity or Employer), Business Associate may record (a) the Disclosure Information for the first of these repetitive disclosures, (b) the frequency, periodicity or number of these repetitive disclosures, and (c) the date of the last of these repetitive disclosures.
 - iv. Exceptions from Disclosure Tracking
 - 1. Business Associate shall not be required to record Disclosure Information or otherwise account for disclosures of individuals' PHI (a) for Treatment, Payment or Health Care Operations, (except where required by the HITECH Act, as of the effective dates of such requirements) (b) to the individual who is the subject of the PHI, to that individual's personal representative, or to another person or entity authorized by the individual (c) to persons involved in that individual's health care or payment for health care as provided by 45 Code of Federal Regulations

§ 164.510, (d) for notification for disaster relief purposes as provided by 45 Code of Federal Regulations § 164.510, (e) for national security or intelligence purposes, (f) to law enforcement officials or correctional institutions regarding inmates, (g) that are incident to a use or disclosure that is permitted by this Agreement or the ASO Agreement, (h) as part of a limited data set in accordance with 45 CFR 164.514(e), or (i) that occurred prior to Covered Entity's compliance date.

v. Disclosure Tracking Time Periods

1. Unless otherwise provided by the HITECH Act and/or any accompanying regulations, Business Associate shall have available for Covered Entity the Disclosure Information required by Section 3.j.iii.2 above for the six (6) years immediately preceding the date of Covered Entity's request for the Disclosure Information.

vi. Provision of Disclosure Accounting

1. Upon receipt of written notice (including fax and email) from Covered Entity, Business Associate will make available to Covered Entity, or at Covered Entity's direction to the individual (or the individual's personal representative), the Disclosure Information regarding the Individual, so Covered Entity may meet its disclosure accounting obligations under 45 CFR 164.528 and the HITECH Act.

k. Confidential Communications

i. Business Associate shall respond to an individual's request for a confidential communication as part of Business Associate's normal customer service function, if the request is communicated to Business Associate directly by the individual or the individual's personal representative. Business Associate shall respond to the request with respect to the PHI Business Associate and its subcontractors maintain in a manner and time frame consistent with requirements specified in the HIPAA Privacy Regulation. If an individual's request, made to Business Associate, extends beyond information held by Business Associate or Business Associate's subcontractors, Business Associate shall refer individual to Covered Entity. Business Associate assumes no obligation to coordinate any request for a confidential communication of PHI maintained by other business associates of Covered Entity.

ii. In addition, Business Associate shall assist Covered Entity in responding to requests to it by individuals (or their personal representatives) to invoke a right of confidential communication under the HIPAA Privacy Regulation by performing the following functions:

1. Upon receipt of written notice (including fax and email) from Covered Entity, Business Associate will begin to send all communications of PHI directed to the individual to the identified alternate address so that Covered Entity may meet its access obligations under 45 CFR 164.524.

l. Restrictions

i. Business Associate shall respond to an individual's request for a restriction as part of Business Associate's normal customer service function, if the request is communicated to Business Associate directly by the individual (or the individual's personal representative). Business Associate shall respond to the request with respect to the PHI Business Associate and its subcontractors maintain in a manner and time frame consistent with requirements specified in the HIPAA Privacy Regulation.

ii. In addition, Business Associate shall promptly, upon receipt of notice from Covered Entity, restrict the use or disclosure of individuals' PHI, provided the Business Associate has agreed to such a restriction. Covered Entity agrees that it will not commit Business Associate to any restriction on the use or disclosure of individuals' PHI for treatment, payment or health care operations without Business Associate's prior written approval.

4. Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR § 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.

- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals to use or disclose his or her PHI to the extent that such changes may affect Business Associate's use or disclosure of PHI.
- c. Covered entity shall promptly notify Business Associate of any restrictions on 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.

5. Term and Termination

- a. The term of this Agreement shall be effective as of _____, and shall terminate on _____ or on the date covered entity terminates for cause as authorized in paragraph (b) of this Section, whichever is sooner.
- b. In addition to standard provision #10 of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Appendix G. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.
- c. Upon termination of this Agreement for any reason, Business Associate, with respect to PHI received from Covered Entity, or created, maintained or received by Business Associate on behalf of Covered Entity, shall:
 - i. Retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities;
 - ii. Return to Covered Entity [or, if agreed to by Covered Entity, destroy] the remaining PHI that Business Associate still maintains in any form;
 - iii. Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI to prevent use or disclosure of the PHI, other than as provided for in this Section, for as long as Business Associate retains the PHI;
 - iv. Not use or disclose the PHI retained by Business Associate other than for the purposes for which such PHI was retained and subject to the same conditions set out in this Agreement which applied prior to termination; and
 - v. Return to Covered Entity [or, if agreed to by Covered Entity, destroy] the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.
- d. The obligations of Business Associate under this Section shall survive the termination of this Agreement.

6. Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the HIPAA Rules as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for compliance with the requirements of the HIPAA Rules and any other applicable law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be interpreted to permit compliance with the HIPAA Rules.
- e. Segregation. If any term or condition of this Attachment G or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Attachment G are declared severable.
- f. Survival. Provisions in this Attachment G regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section [XXX], the defense and indemnification provisions of section _____ and provision #13 of the standard contract P-37, shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Appendix D.

The State of New Hampshire Employee
and Retiree Health Benefit Program

Contractor

Signature of Authorized Representative

Signature of Authorized Representative

Name of Authorized Representative

Name of Authorized Representative

Title of Authorized Representative

Title of Authorized Representative

Date

Date

APPENDIX D

HOURLY RATES

In the following grid, please provide fully loaded hourly rates for each year of the contract for each individual who will provide services to the State under this contract.

Year One 2015

Staff Position	Rate Per Hour

Year Two 2016

Staff Position	Rate Per Hour

Year Three 2017

Staff Position	Rate Per Hour