

Addendum 2

State of Connecticut Department of Social Services
Actuarial Consulting Services
Request for Proposals ACS_RFP_040909

The State of Connecticut Department of Social Services is issuing Addendum 2 to the Actuarial Consulting Services Request for Proposals.

Addendum 2 contains the following section:

Section 1 - Responses to Questions # 11 and # 34.

Responses to Questions # 11 and # 34.

11. Please provide copies of final reports and actuarial certifications, as appropriate, for each project completed by your actuarial consultant over the past 2 years.

Response: The question/request has no relevance to the RFP as it is not a requirement.

34. Please provide current rate setting documents including the rate cells and methodology used for setting the capitation rates and actuarial certifications for each of these programs.

Response: Please refer to Response # 11.

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Date Issued: May 20, 2009

Approved: *Marcia McDonough*
Marcia McDonough

State of Connecticut Department of Social Services
(Original signature on document in procurement file)

This Addendum must be signed and returned with your submission.

Authorized Signer

Name of Company

Addendum 1

State of Connecticut Department of Social Services
Actuarial Consulting Services
Request for Proposals ACS_RFP_050609

The State of Connecticut Department of Social Services is issuing Addendum 1 to the Actuarial Consulting Services Request for Proposals.

Addendum 1 contains the following section:

1. **Section 1** - Amendment to Section II. Overview of the Procurement Process
K. Acceptance of Proposal Contents
 2. **Section 2** - Revised Procurement Schedule
 3. **Section 3** - Responses to Questions
-

Section 1 - Amendment to Section II. Overview of the Procurement Process K. Acceptance of Proposal Contents

The original RFP issued on 04/09/09 is amended to correct Section II. K. The word “proposal” is deleted and replaced with “qualification” as follows: The proposal must include a Signatory Acceptance (Appendix 2), without *qualification*, of all terms and conditions as stated in this RFP and Part II of the Department/DSS’ PSA contract. Successful bidders may suggest alternate language after accepting without *qualification* the Mandatory Terms and Conditions as specified in the PSA contract.

K. ACCEPTANCE OF PROPOSAL CONTENTS

If acquisition action ensues, the contents of this RFP and the proposals of the successful bidders will form the basis of contractual obligations in the final contract. The resultant contract will be a Personnel Service Agreement (PSA) contract (Appendix 1) between the successful bidder and the Department/DSS. The proposal must include a Signatory Acceptance (Appendix 2), without qualification, of all terms and conditions as stated in this RFP and Part II of the Department/DSS’ PSA contract. Successful bidders may suggest alternate language after accepting without qualification the Mandatory Terms and Conditions as specified in the PSA contract. The Department/DSS may, after consultation with the State of Connecticut Attorney General’s Office and the Office of Policy and Management (OPM), agree to incorporate the alternate language in any resultant contract; however, the Department/DSS’ decision is final. Any proposal that fails to comply in any way with this requirement may be disqualified as non-responsive. The Department/DSS is solely responsible for rendering decisions in matters of interpretation on all terms and conditions.

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Section 2 - Revised Procurement Schedule:

Posting/release of the Department of Social Services' official responses to questions (Questions/Answers Addenda)	May 13, 2009
Proposals due (no later than 3:00 p.m. eastern standard time)	May 29, 2009
Recommendations to Commissioners	June 25, 2009
Announcement of awards for contract negotiation	June 29, 2009
Contract negotiations end/contract execution	TBD
Actuarial Consulting Services commences	TBD

Section 3 - Responses to Questions

1. In Section I.A., Purpose, #1-4 on page 3, the scope of work includes assisting and reviewing tasks performed by DSS/DFMA staff. What is the expected division of work between DSS/DFMA staff and the actuarial contractor?

Response: DSS/DFMA will have primary responsibilities for actuarial tasks; whereas, the consultant's tasks will be based upon the needs for support services required by the Actuarial Unit and the Department. There also may be instances when individual projects may be assigned to the consultant for analyses of special projects or programs.

2. Section 1.K., Acceptance of Proposal Content, on page 12, indicates the terms and conditions must be accepted, "without Proposal..." Section IV, A. Proposal Contents, #6. on page 19 also uses this "without Proposal" language. Previous RFPs have included similar language that indicates the terms and conditions must be accepted "without qualification." Please provide more information on what "without Proposal" means.

Response: Refer to Section 1 of this Addendum-Amendment to Section II. Overview of the Procurement Process K. Acceptance of Proposal Contents

3. Section I.F., Bidder Qualifications, on page 6 and Section IV.B., Organizational Capability, #1, on page 21 state that Bidder's analytical support staff (if applicable) must also demonstrate similar minimum experience requirements (Associates or Fellows of the Society of Actuaries, members of the American Academy of Actuaries with a minimum of five years experience in health care actuarial consulting services). Is the Department only looking for credentialed actuaries to be part of the team or can there be others that are included as part of the team, either as key personnel or support personnel, as long as their work is overseen by an actuary?

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Response: The Department is not looking for consulting services to be provided solely by actuaries. Support may also be provided by others, which may include key personnel or support personnel, as long as their work is overseen and approved by a credentialed actuary with a minimum of 5 years experience with Medicaid or health related products, and they can demonstrate similar minimum experience requirements.

4. Section III.B., Instructions for Proposal Structure (Page 16), Number 1 indicates an original (clearly marked) and five (5) exact, legible copies of the proposal must be submitted. Page 18, Section 4.A. also indicates an original and five copies are needed. Page 16, Section III.B.3.a) indicates an original and six copies should be submitted. In addition to the original, how many copies should be submitted?

Response: Five copies.

5. In Section IV. B., Organizational Capability, #2.(d) on page 22, please clarify the number of references needed for each key personnel.

Response: Three references.

6. In Section V, C., Evaluation of Organizational Capability, page 30, paragraph 2, a work plan is identified as part of the evaluation and in Section V. E., Evaluation of the Business Cost Section, page 31, cost reasonableness is determined by examining the Business Narrative and the relationship between the costs, personnel, and the work plan outlined in the proposal. Requirements for a work plan are not provided in Section IV, Proposal Contents. Please provide information about what should be included in the work plan, if required, and where in the response it should be placed. Please also indicate if the work plan counts towards the page restrictions.

Response: The consultant may be asked to provide support to the Actuarial Unit in any tasks that they are responsible for. This would include rate setting, analyses of medical programs, populations and benefit levels, etc. The work plan relates to Section IV. B. Organizational Capability and Structure. The Department is looking for a general outline of the functional and technical abilities of the bidders or organizations and the benefit they would bring to the duties and responsibilities outlined for the Actuarial Unit. These responses in Section IV.B.1.-6. are counted in the page restrictions.

7. In completing Appendix 11, All-Inclusive Hourly Rate Worksheet, is it permissible to provide hourly rates that vary for each year of the contract, including the optional services. What is the first year budget for the contract?

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Response: The hourly rates may vary for each year of the contract, including the rates for optional services.

To obtain competitive pricing, the Department will not disclose its budget estimate for this project.

8. Please indicate why this contract is out to bid; for example, whether vendor reprocurement is required every X years (state number of years), dissatisfaction with the current vendor, or other reasons.

Response: The existing consultant contracts are set to expire on June 30, 2009. The Department has determined to bring the majority of the responsibility previously performed through these contracts in-house. An independent actuary will remain to satisfy the requirements outlined in the RFP and to assist the newly created Actuarial Unit with tasks as may be needed.

9. Please indicate whether the scope of services as outlined in Section I.A of the RFP are the same as those provided by the current actuarial consultant for the Department of Social Services/Division of Financial Management (DSS/DFMA). In addition, please identify:
- a. the name of the firm that DSS/DFMA currently uses for actuarial services,
 - b. how long they have been DSS/DFMA's consultant,
 - c. the amount of total billings for actuarial services for each of the past three years,
 - d. the current hourly rates by staff level and total annual fees paid to your actuarial consultant by project, a copy of your contract with the actuarial consultant, and
 - e. Please provide copies of actual bills for the past two years.

Response: The Department has determined to bring the majority of the responsibility previously performed through these contracts in house. An independent actuary will remain to satisfy the requirements outlined in the RFP and to assist the newly created Actuarial Unit with tasks as may be needed.

- a. Currently the Department has the following two Contractors for actuarial and analytical services: Mercer Health & Benefits LLC for the HUSKY program and Schramm Raleigh Health Strategy for the Charter Oak Health Plan program.
- b. Mercer Health & Benefits LLC has had a contract with DSS since 1997. Schramm Raleigh Health Strategy has had a contract with DSS since 2007.

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- c. **State Fiscal Year 2006 - \$2.0 million; State Fiscal Year 2007 - \$1.9 million; State Fiscal Year 2008 - \$2.9 million; and an estimated \$4.0 million in State Fiscal Year 2009.**
- d. **We have attached a copy of the contract for actuarial consulting services. The contract includes the current hourly rates per specified personnel category. (Refer to attachment 9dMContract and 9dSRContract)**
- e. **We have attached a summary of billings for the projects for SFY 2009. This summary includes both actual and estimated expenditures. (Refer to attachment 9eFees)**

10. Do you have funding allocated for the requested services under this RFP? If yes, what is the budgeted amount?

Response: Yes, funding is allocated. To obtain competitive pricing, the Department will not disclose its budget estimate for this project.

11. Please provide copies of final reports and actuarial certifications, as appropriate, for each project completed by your actuarial consultant over the past 2 years.

Response: The response to question 11 will be posted in Addendum 2.

12. Please describe the role DSS/DFMA's Actuarial and Analytical Support Unit will have in the rate development, including project organization, data analysis, and other, as appropriate. Please describe actual tasks performed by the Unit in prior two years in comparison to what the actuarial consultant's tasks.

Response: Please refer to the answer to Question 1. The Actuarial Unit is just being established and is beginning to take on the responsibility for tasks previously provide through the prior contracts with Mercer Health & Benefits LLC and Schramm Raleigh Health Strategy.

13. Please describe the forum for discussing contract language concerns.

Response: Discussion regarding contract language will take place in meetings between DFMA, Contract Administration and the successful bidder.

14. Please confirm the number and the list of Medicaid programs that is included in the RFP.

**Response: The medical programs that fall under the RFP would include:
➤ Medicaid**

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- **programs for remedial, preventive, and long term medical care for:**
- **income eligible aged, blind or disabled individuals, and**
- **families with children (i.e., Medicaid Managed Care program (HUSKY A);**
- **Home and community-based care waivers;**
- **Dental**
- **Pharmacy**
- **Behavior Health Partnership**
- **The State Children’s Health Insurance Program (also known as SCHIP or HUSKY B);**
- **HUSKY Plus;**
- **Charter Oak Health Plan;**
- **SAGA Medical Assistance.**

It should be noted that the services provided by the Department’s actuarial team may also include programs other than medical (i.e., fuel assistance, housing, etc.).

15. Please describe data sources that have been used by your actuarial consultant in the development of capitation rates for the programs listed in the background section. Also describe the form in which the data are provided to the consultant (e.g., summarized tables, detailed claims records, something else.) If detailed data are provided, please describe the volume of data, the manner in which it is transmitted, and the general data format (e.g., ASCII file, SAS data set, other.) If data are provided in a summarized format, please describe the criteria used for producing the summary reports and examples of the report formats that have been provided to the consultant. Please comment on the possibility of modifying the report formats to meet the specific analytic needs of this analysis.

Response: The actual development of rates will be done in the Department’s Actuarial Unit. In doing so, there may be instances when technical assistance may be required. In providing assistance, the resultant consultant may work with the Department to access data for various analyses (i.e., program changes, carve-out, etc.). The majority of data is anticipated to reside within the Department’s various systems. Primary data sources would include reports from the Department’s InterChange system, Eligibility Management System (EMS), Data Warehouse as well as various reports from other contractors such as ACS (the Department’s contracted enrollment broker), Value Option and Benecare who are assisting the Department in managing its various programs. Samples of reports are available on the bidders’ library for the HUSKY and Charter Oak procurement. The reports may be accessed on the State’s

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Procurement/Contracting Portal at the State of Connecticut Department of Social Services' Vendors/Contractors page at <http://www.ct.gov/dss/cwp/view.asp?a=2345&q=304920&dssNav=|>.

In addition, normal outside actuarial resources used for trending should be available. Historically, data sources have included encounter data and financial reports from the participating MCO's (Managed Care Organizations), relevant FFS data, as well as, eligibility and other provider data. The Consultant may have data from other states or service areas that can be applied. Additionally, studies, as well as, reports from the Office of Health Care Access (OHCA), various trend analyses and other pertinent sources may be used.

16. With regard to the risk assessment methodology, do you currently employ risk adjustment for determining payments? If so, what risk assessment tool is currently being used? Additionally, who do you anticipate, your consultant or DSS/DFMA staff, will have responsibility for running the software to obtain risk scores for each individual?

Response: DSS does not currently use risk adjustment for determining payments.

17. Please provide number of expected onsite meetings annually.

Response: The exact number of onsite meetings would be dependent on business needs. At a minimum, we expect to have an onsite meeting on a quarterly basis. In addition, we expect to conduct on-going meetings with the MCOs that the consultant may be requested to participate in.

18. Please provide an overview of the deliverables expected in each year of the contract including the optional renewal periods.

Response: Specific deliverables for each year of the contract are unknown, but please refer to Section IV - Proposal Contents C. Scope of Services 4. **The Department is seeking an ACS contractor to provide, a)-d)** for deliverables required by the Resultant Contractor in the RFP.

The Contractor and the Department will agree on the due dates for each of the deliverables. They shall be scheduled and agreed to by the parties prior to the Department's direction to the Contractor to begin the task(s).

19. Please provide information on current subcontracting arrangements in support of your goals efforts to enhance opportunities for Small, Minority, or Women's Business Enterprises. Specifically, which subcontractor entities are currently assisting with

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similar work, what is their role, and what are the total fees paid to such entities. Also explain how such subcontracting will be considered in the evaluation of the proposals.

Response: Examples of subcontracting opportunities for Small, Minority, or Women's Business Enterprises are supplying goods or services to the Resultant Contractor such as outreach services, printing services; services to aid the Resultant Contractor. There are no subcontractors currently assisting in similar work.

As stated in the RFP during the evaluation process, special consideration will be given to those Bidders who document their use of a certified small business or show the Bidder's commitment to, whenever possible, use a certified small business.

20. Section III.B - Section III.B – Instructions for Proposal Structure, Item #1 (Delivery Condition) & #3a (Binding of Proposals) on page 16. Please clarify whether DSS/DFMA would like 5 or 6 copies of our proposal.

Response: Refer to question #4.

21. Section II.B – Instructions for Proposal Structures, Item #3f on page 17. We typically print our documents on the front and back of the page to save paper, is this acceptable for the original and copies of our proposal?

Response: Yes, printing on front and back of a page is acceptable and will be counted as two pages.

22. Section II.K. Acceptance of proposal Contents - Will the State consider an amendment to the RFP allowing for redlined contracts to be submitted and signed as part of the proposal submission?

Response: No.

23. Section II.K. Acceptance of Proposal Contents - Will the State allow the contractor to limit its liability under the terms of the contract? Will the State consider resolving disputes using alternative dispute resolution?

Response: As stated in Section II.K. Acceptance of Proposal Contents, the proposal must include a Signatory Acceptance (Appendix 2), without Proposal, of all terms and conditions as stated in this RFP and Part II of the Department of Social Services' PSA contract. Successful Bidders may suggest alternate language after accepting without Proposal the Mandatory Terms and Conditions

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as specified in the PSA contract. The Department of Social Services may, after consultation with the State of Connecticut Attorney General's Office and the Office of Policy and Management (OPM), agree to incorporate the alternate language in any resultant contract; however, the Department of Social Services' decision is final. Any proposal that fails to comply in any way with this requirement may be disqualified as non-responsive. The Department of Social Services is solely responsible for rendering decisions in matters of interpretation on all terms and conditions before and after contract execution.

The State will respond to questions as submitted above when the successful bidder is given the right to negotiate a contract for the procurement.

24. Section II.O. Resultant Contract Period, Funding, and Number of Awards - Is there an incumbent firm currently under contract with DSS/DFMA to provide the services listed in this proposal? If so, who is the incumbent and how long have they held this contract?

Response: Please refer to the answers to Questions 9a and 9b.

25. Section III.B.1 Instructions for Proposal Structure (Delivery Condition) – The RFP requires Microsoft Word format for all items except those that can be scanned into word such as pictures or signatures. Is Adobe PDF format acceptable in instances where an entire document is included and not available in Microsoft Word, such as the bidder's audited financial statement?

Response: Yes.

26. Section III.B.3. (e) Instructions for Proposal Structure (Proposal Construction- Page Numbers) – To the extent that items are not in Word, how should the page number requirements be met?

Response: Hand written page numbers will meet RFP requirements.

27. Section IV.B.1 Organizational Capability and Structure (Summary of Organizational Capacity) - The RFP requires analytical support staff to demonstrate minimum experience requirements consistent with the actuarial consultants. Does this requirement indicate that all analytical support staff have a minimum of 5 years experience and be Associates or Fellows of the Society of Actuaries and Members of the American Academy of Actuaries? Additionally, does this requirement indicate that no individual may perform services under this contract if they do not meet these requirements?

Response: Please refer to the answer to Question 3.

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28. Who holds the current actuarial consulting services contract or contracts? How long has the incumbent been under contract?

Response: Please refer to the answers to Questions 9a and 9b.

29. May an otherwise qualified offeror that has an organizational affiliation with a Connecticut MCO respond to the RFP and be considered? If such an offeror may respond to the RFP, what types of disclosures and information should the offeror provide and should that information be provided as part of the offeror's proposal or in some other way?

Response: Refer to Section II. L. Bidder Assurances - # 6. **Real or perceived conflicts of interest** located on page 13 of the RFP.

30. Who submitted letters of intent for this opportunity?

Response:

- 1) Mercer Health & Benefits LLC
- 2) Lewis & Ellis, Inc.
- 3) NovaRest Actuarial Consulting
- 4) Compass Health Analytics, Inc.
- 5) PricewaterhouseCoopers LLP
- 6) Schramm Raleigh Health Strategy
- 7) Milliman, Inc.
- 8) The Lewin Group

31. What is the amount paid for the actuarial consulting services under the current contract or contracts?

Response: For the current State fiscal year, DSS is estimated to pay approximately \$4.0 million for actuarial consulting services.

32. May we see the timeline of the most recent actuarial work including data delivery to the actuaries and final rate certification?

Response: This is not available.

33. Are there specific timelines for each of the tasks and deliverables included in the proposed contract that need to be met for each of the programs? If so, can you please provide the timelines?

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Response: The Contractor and the Department will agree to the due dates for each of the deliverables. They shall be scheduled and agreed to by the parties prior to the Department's direction to the Contractor to begin the task(s).

34. Please provide current rate setting documents including the rate cells and methodology used for setting the capitation rates and actuarial certifications for each of these programs.

Response: The response to question 34 will be posted in Addendum 2.

35. Section IV.B.2(2)(d) Organizational Capability and Structure (Key Positions) - The RFP requests contact information for persons able to provide information concerning the key personnel and experience. Is this requirement in addition to bidder references requested in another section of the RFP? How many references are requested for each individual?

Response: Yes, refer to question #5.

36. Section IV.B.3(a)(3) Organizational Capability and Structure (Corporate Experience) - The RFP requires a signed release allowing the State to access evaluative information. What is the format and content required for the signed release? Will the State provide a template for the release statement?

Response: The State will not provide a template for the signed release. An acceptable signed release provides authorization for the State to access evaluative information.

37. Section IV.B.5 Organizational Capability and Structure (Small, Minority, or Women's Business Enterprise) - Will the State accept proposals with less than 25% set-aside for Small, Minority, or Women's Business Enterprises?

Response: Yes.

38. Section IV.B.5 Organizational Capability and Structure (Small, Minority, or Women's Business Enterprise) - What percentage of the evaluation score is attributable to the Small, Minority, or Women's Business Enterprise component?

Response: The Department will not release the established values for individual criteria.

39. Section IV.B.5 Organizational Capability and Structure (Small, Minority, or Women's Business Enterprise) Will the State consider "good faith effort" to include a Small,

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Minority, or Women's Business Enterprise that is not on the approved listing for CT? From our review, there appears to be only one vendor on the current listing that provides actuarial consulting services.

Response: The bidder will not receive special consideration for proposing to utilize a small, minority, or Women's Business Enterprise that is not a certified small business in the State of CT.

40. Section IV.C. Scope of Services - Does this contract encompass all actuarial consulting services purchased by the DSS? Is there a separate contract for other Medicaid related actuarial consulting services?

Response: This contract may not encompass all actuarial services purchased by DSS. There may be instances where independent actuarial services would be required that are not incorporated under this contract.

41. Section IV.C. Scope of Services - Will the State provide a listing of immediate initiatives being considered such as expansion of managed care to disabled adults, PCCM programs, or other modifications to the Medicaid program?

Response: The following represents a listing of some of the issues being reviewed by the State:

- **Statewide rollout of Primary Care Case Management (PCCM) for SFY 2011, subject to a program evaluation.**
- **Exploring waiver options for the enrollment of ABDs (aged, blinds or disabled) population in managed care,**
- **Federal participation for SAGA and Charter Oak Health Plan,**
- **Mental Health Parity in the Charter Oak Health Plan program**
- **Health Resources and Services Administration (HRSA) State Planning Grant**
- **Exploration of the application of an Administrative Services Organizations (ASO) model for non-emergency medical transportation services.**
- **Economic Stimulus Plan (American Recovery and Reinvestment Act)**

The implementation dates of the above items have not been scheduled.

42. Section IV.C.4(c) Scope of Services - Does the scope of services include the actuarially sound rate certification required under CFR 438.6(C)? Section C.4.c

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indicates "assistance in developing an actuarially sound health benefit analysis in accordance with the regulatory requirements of 42 CFR 438.6(c)". Can the State clarify that this section of the RFP includes all aspects of the managed care capitation rate-setting such as development of data books and assistance in health plan negotiations.

Response: The actual development of rates will be done in the Department's Actuarial Unit. In doing so, there may be instances when technical assistance will be required. The actuarial certification of rates is anticipated to be performed by the DSS actuary.

43. Section IV.D.2 Business Cost Section - The RFP requires that the hourly rates should be all-inclusive. Will the State provide estimates of how much travel and on-site work is anticipated?

Response: Please refer to the answer to Question 17.

44. Section IV.D.2 Business Cost Section - Will the State provide the estimated range of annual hours expected under this contract?

Response: Please refer to the answer to Question 1.

**PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT**

CO-802A REV. 3/98 (Stock No. 6938-170-01)

Print or Type

**OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION**

CORE CT # 97DSS1202CK

1. THE STATE AGENCY AND THE CONTRACTOR, AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE C.G.S. AS APPLICABLE.

		(1) ORIGINAL <input type="checkbox"/> AMENDMENT <input checked="" type="checkbox"/> 15		(2) IDENTIFICATION NO. PS 7846100	
CONTRACTOR	(3) CONTRACTOR NAME MERCER HEALTH & BENEFITS			(4) ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	
	3131 East Camelback Road, Suite 300, Phoenix, AZ 85016			CONTRACTOR FEIN/SSN 34-2015463	
STATE AGENCY	(5) AGENCY NAME AND ADDRESS Department of Social Services, 25 Sigourney Street, Hartford, CT 06106				(6) AGENCY NO. DSS6000
CONTRACT PERIOD	(7) DATE (FROM) 04/01/1997	THROUGH () 06/30/2009	(8) INDICATE MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO NEITHER <input checked="" type="checkbox"/>		
CANCELLATION CLAUSE	THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).				(9) REQUIRED NO. OF DAYS WRITTEN NOTICE. 15 Days

COMPLETE DESCRIPTION OF SERVICE

(10) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.)

FURTHER AMEND CONTRACT NUMBER 7846100 (CORE CT # 97DSS1202CK) AS AMENDED BY AMENDMENTS 1,2,3,4,5,6, 7, 8, 9, 10, 11, 12, 13 & 14 TO EXTEND THE TERM OF THE CONTRACT FOR A PERIOD OF NINE (9) MONTHS FROM 09/30/08 TO 06/30/09. THE CONTRACTOR SHALL CONTINUE TO PROVIDE RATE SETTING AND ACTUARIAL CONSULTING SERVICES AS DIRECTED BY THE DEPARTMENT. THE DEPARTMENT AND THE CONTRACTOR SHALL IDENTIFY THE SPECIFIC RATE SETTING AND ACTUARIAL CONSULTING SERVICES TO BE PERFORMED DURING THE PERIOD 10/1/08 THROUGH 06/30/09. SPECIFIC TASKS SHALL BE BASED ON THE TASKS SET FORTH IN AMENDMENT SEVEN TO THIS CONTRACT. THE MANDATORY TERMS AND CONDITIONS SET FORTH ON PAGES 2 THROUGH 20 OF AMENDMENT 11 AND FURTHER AMENDED IN AMENDMENT 12, ARE DELETED IN THEIR ENTIRETY AND REPLACED WITH THE MANDATORY TERMS AND CONDITIONS SET FORTH ON PAGES 2 THROUGH 20 OF THIS AMENDMENT 15.

COST AND SCHEDULE OF PAYMENT

(11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

THE MAXIMUM VALUE OF THIS CONTRACT SHALL BE INCREASED BY \$1,250,000.00 FROM \$23,715,242 to \$24,965,242. FOLLOWING THE EXECUTION OF THIS AMENDMENT AND THE IDENTIFICATION OF THE SPECIFIC TASKS, THE DEPARTMENT AND THE CONTRACTOR SHALL ALLOCATE THE \$1,250,000.00 ADDED TO THIS CONTRACT THROUGH THIS AMENDMENT TO THE SPECIFIC TASKS TO BE PERFORMED BY THE CONTRACTOR. THE DEPARTMENT AND THE CONTRACTOR SHALL IDENTIFY SPECIFIC DELIVERABLES THAT ARE TO BE PRODUCED BY THE CONTRACTOR AND RECEIVED AND ACCEPTED BY THE DEPARTMENT IN ORDER TO RECEIVE PAYMENT.

(12) ACT CD	(13) DOC TYP	(14) COM TY P	(15) LSE TYP	(16) ORIG AGCY	(17) DOCUMENT NO.	(18) COMMIT AGCY	(19) COMMIT NO.	(20) VENDOR FEIN/SSN - SUFFIX
	PS					DSS6000		132-83-4414

(21) COMMITTED AMOUNT	(22) OBLIGATED AMOUNT	(23) CONTRACT PERIOD (FROM/TO)
	\$24,965,242.00	04/01/97 - 06/30/09

(24) Line No.	(25) Report Reference	(26) Fund	(27) Department	(28)			(29) Account	(30) Project/Grant	(31) Chart 1	(32) Chart 2	(33) Amount
				Program	SID						
	2009	11000	DSS60521	14000	10020	51131	DSS_NONPROJECT	168012	DSS00231		

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS		STATUTORY AUTHORITY §§ 4- 8, 17b-3	
(35) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) <i>Maria C. Dominiak</i>	TITLE Maria C. Dominiak, Principal	DATE 9/29/08	
(36) AGENCY (AUTHORIZED OFFICIAL) <i>Michael P. Starkowski</i>	TITLE Michael P. Starkowski, Commissioner	DATE 9/30/08	
(37) OFFICE OF POLICY & MGMT. DEPT. OF ADMIN. SERV. <i>[Signature]</i>	TITLE	DATE	
(38) ATTORNEY GENERAL (APPROVED AS TO FORM) <i>[Signature]</i>	ASSOC. ATTY. GENERAL	DATE 10/23/08	

MANDATORY TERMS AND CONDITIONS. The terms and conditions contained in this section constitute a basis for this Contract. These terms and conditions, as well as others so labeled elsewhere in this document, are mandatory for this Contract. The Department is solely responsible for rendering decisions in matters of interpretation on all terms and conditions. The Contractor agrees to comply with the following mandatory terms and conditions:

A. **Liaison:** Both parties agree to have specifically named liaisons at all times. These representatives of the parties will be the first contacts regarding any questions and problems that arise during implementation and operation of this contract.

B. Notices

1. Wherever under this contract one party is required to give notice to the other, such notice shall be deemed given upon delivery, if delivered by hand (in which case assigned receipt will be obtained), or 3 days after posting if sent by registered or certified mail, return receipt requested. Notices shall be addressed as follows:

a. In case of notice(s) to the Contractor:
Maria C. Dominiak, Principal
Mercer Health & Benefits
3131 East Camelback Road, Suite 300
Phoenix, AZ 85016-4536
602-522-6517
Maria.dominiak@mercer.com

with a copy to:

Marsh & McLennan Companies, Inc.
1166 Avenue of the Americas
New York, NY 10036
Attention: Legal Department
212-345-5627 Fax

b. In case of notice(s) to the Department regarding this contract:
Kathleen M. Brennan
Contract Administration Unit
Department of Social Services
25 Sigourney Street
Hartford, CT 06106
860-424-5693
860-424-4953 FAX
Kathleen.brennan@ct.gov

2. Said notices shall become effective on the date of receipt as specified above or the date specified in the notice, whichever comes later. Either party may change its address for notification purposes by mailing a notice stating the change and setting forth the new address, which shall be effective on the tenth day following receipt.

C. Contractor Obligations

1. **Credits and Rights in Data:**

a. "Data" shall mean all results, technical information and materials developed and/or obtained in the performance of the services hereunder, including but not limited to all reports,

surveys, plans, charts, recordings (video and/or sound), pictures, curricula, public awareness or prevention campaign materials, drawings, analyses, graphic representations, computer programs and printouts, notes and memoranda and documents, whether finished or unfinished, which result from or are prepared in connection with the services performed hereunder.

- b. All materials developed specifically and exclusively for the Department during the term of this contract are considered proprietary to the Department and shall remain confidential. Throughout the term of this contract, the Contractor must secure the Department's written approval prior to the release of any confidential information whatsoever that pertains to the work or activities provided under this contract.
- c. Unless expressly waived in writing by the Department, all documents, reports and other publications for public distribution during or resulting from the performances of this contract shall include a statement acknowledging the financial support of the state and the Department and, where applicable, the federal government. All such publications shall be released in conformance with applicable federal and state law and all regulations regarding confidentiality.
- d. Any liability arising from such a release by the Contractor shall be the sole responsibility of the Contractor and the Contractor shall indemnify the Department, unless the Department or its agents co-authored said publication and said release is done with the prior written approval of the commissioner of the Department.
- e. Any publication shall contain the following statement: "This publication does not express the views of the Department or the State of Connecticut. The views and opinions expressed are those of the authors."
- f. The Contractor or any of its agents shall not copyright data and information obtained under the terms and conditions of this contract, unless expressly authorized in writing by the Department.
- g. Notwithstanding anything to the contrary contained in this Contract but subject to the Department's obligation to comply with requests for information made through the Freedom of Information Act (FOIA) the Department, and/or the State of Connecticut will not disclose any confidential and/or proprietary information of the Contractor supplied to the Department under this Contract, which Contractor has clearly marked as confidential or proprietary, to any third party without Contractor's consent. The Department and/or the State of Connecticut, shall be responsible for, and Contractor shall have no liability with respect to the use of such material or work product in a manner not mutually contemplated by the parties when Contractor first was retained to provide such material or work product. The Department and/or the State of Connecticut will reimburse the Contractor as a result of the Department's and/or the State of Connecticut's breach of this obligation. The Department and/or the State of Connecticut agree not to refer to Contractor or attribute any information to informing or influencing any other party, including the investment community, without Contractor's prior written consent. The forgoing shall not restrict the Department or the State of Connecticut from disclosing any advice given to it or other material or work product supplied by Contractor under this Contract if required under FOIA or other laws.

2. Ownership:

- a. All products and materials developed specifically and exclusively for the Department as a result of this contract by the Contractor, or any of its subcontractors hired for the purposes of this contract, shall remain the property of the Department. Products and materials are defined as, but are not limited to, copyrighted materials, camera ready copy, mechanical,

videos, brochures, posters and stock thereof; designs, data and all other matter and information that is collected or developed specifically and exclusively for the Department for the purpose of this contract. Disposition of all such products and materials shall remain at the discretion of the Department during the effective period of this contract and thereafter.

- b. Notwithstanding anything to the contrary contained in this contract, it is understood and agreed that the Contractor shall retain all of its rights in its proprietary information including, without limitation, its methods of analysis, ideas, concepts, expressions, know how, techniques, skills, knowledge and experience possessed by the Contractor prior to, or acquired by the Contractor during, the performance of this contract and the Contractor shall not be restricted in any way with respect thereto.
3. **Inspection of Work Performed:** The Department or its authorized representative shall at all reasonable times upon reasonable advance notice have the right to enter into the Contractor's premises, or such other places where duties under this contract are being performed to inspect, monitor or otherwise evaluate such work being performed. The Contractor and all subcontractors must provide all reasonable facilities and assistance for Department representatives to facilitate such inspections. All inspections and evaluations shall be performed in such a manner as will not unduly delay work.
4. **Prohibited Interest:** The Contractor warrants that no state appropriated funds have been paid or will be paid by or on behalf of the Contractor to contract with or retain any company or person, other than bona fide employees working solely for the Contractor, to influence or attempt to influence an officer or employee of any state agency in connection with the awarding, extension, continuation, renewal, amendment, or modification of this agreement, or to pay or agree to pay any company or person, other than bona fide employees working solely for the Contractor, any fee, commission, percentage, brokerage fee, gift or any other consideration contingent upon or resulting from the award or making of this Agreement.
5. **Offer of Gratuities:** By its agreement to the terms of this contract, the Contractor certifies that no elected or appointed official or employee of the State of Connecticut has or will benefit financially or materially from this contract. The Department may terminate this contract if it is determined that gratuities of any kind were either offered or received by any of the aforementioned officials or employees from the Contractor or its agents or employees.
6. **Related Party Transactions:** The Contractor shall report all related party transactions, as defined in this Section, to the Department on an annual basis. "Related party" means a person or organization related through marriage, ability to control, ownership, family or business association. Past exercise of influence or control need not be shown, only the potential or ability to exercise influence or control, directly or indirectly. "Related party transactions" between a Contractor, its employees, Board members or members of the Contractor's governing body and a related party include, but are not limited to, (a) real estate sales or leases; (b) leases for equipment, vehicles or household furnishings; (c) mortgages, loans and working capital loans and (d) contracts for management, consultant and professional services as well as for materials, supplies and other services purchased by the Contractor.
7. **Insurance:** The Contractor shall carry and maintain at all times during the term of the contract, and during the time that any provisions survive the term of the contract, sufficient general liability insurance to satisfy its obligations under this contract.
8. **Record Keeping and Access:** The Contractor shall maintain books, records, documents, program and individual service records and other evidence of its accounting and billing procedures and practices which sufficiently and properly reflect all costs of any nature incurred in

the performance of this contract. Upon reasonable prior notice, no less than three (3) business days, these records shall be subject at all reasonable times to monitoring, inspection, review or audit by authorized employees or agents of the state or, where applicable, federal agencies. The Contractor shall retain all such records concerning this contract for a period of 3 years after the completion and submission to the state of the Contractor's annual financial audit.

9. Confidentiality

- a. All material and information provided to the Contractor by the State or acquired by the Contractor in performance of the contract whether verbal, written, recorded magnetic media, cards or otherwise shall be regarded as confidential information and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with Federal and State statutes and regulations. The Contractor agrees that it is prohibited from releasing any and all information provided by the Department or providers or any information generated by the Contractor without the prior express written consent of the Contract Administrator.
- b. The confidentiality obligations set forth above shall not apply to data, information or material which (i) at the time disclosed to, or obtained by the Contractor, is in the public domain; (ii) becomes part of the public domain through no fault of the Contractor; (iii) is communicated to the Contractor by a third party who is not, to the Contractor's knowledge, subject to any confidentiality obligations with respect thereto; (iv) is independently developed by the Contractor; or (v) is required to be disclosed by the Contractor pursuant to any statute, regulation, order, subpoena, document discovery request or other legal process.

10. **Force Majeure:** Neither party shall incur liability for any failure to perform its obligations under this contract due to causes beyond its reasonable control including, but not limited to, fire-storm-flood-earthquake-accident-acts of war-acts of God-acts of Federal, State, or local government or any agency thereof and judicial action-acts of third parties and computer or equipment failures other than those caused by the sole negligence of either party.

11. Indemnification

- a. The Contractor agrees to indemnify, defend and hold harmless the State of Connecticut; as well as all Departments, officers, agents and employees of the State from and against any and all claims, losses or suits according or resulting to any Contractors, subcontractors, laborers and any person, firm or corporation who may be injured or damaged by the negligence or willful misconduct of the Contractor in the performance of this contract.
- b. The Department may request, in writing, evidence of the Contractor's workers compensation insurance policy. If such a request is made, the Contractor must file such evidence of its workers compensation insurance policy with the Department's Contract Administrator, no later than 15 business days following receipt of the request.
- c. The Contractor, at his own expense, must defend any and all claims or suits which may be brought against the Department or the State for the infringement of any patents, copyrights, proprietary rights or right of privacy arising from the Contractor's or State's use of any equipment, materials or information prepared or developed by the Contractor in conjunction with the performance of this contract. The Contractor shall not be liable hereunder to the extent such suit is attributable to the acts or omissions of the State or the Department. The Contractor shall, in any such suit, satisfy any and all damages assessed against the State or its Departments, be it resolved by settlement, final judgment, consent or any other manner.

12. Settlement of Disputes and Claims Commission:

- a. Any dispute concerning the interpretation or application of this contract the commissioner of the Department or his/her designee whose decision shall be final subject to any rights the Contractor may have pursuant to state law. In appealing a dispute to the commissioner pursuant to this provision, the Contractor shall be afforded an opportunity to be heard and offer evidence in support of its appeal. Pending final resolution of a dispute, the Contractor and the Department shall proceed diligently with the performance of the contract.
- b. **Claims Commission.** The Contractor agrees that the sole and exclusive means for the presentation of any claim against the State arising from this contract shall be in accordance with Chapter 53 of the Connecticut General Statutes (Claims Against the State) and the Contractor further agrees not to initiate legal proceedings except as authorized by that Chapter in any State or Federal Court in addition to or in lieu of said Chapter 53 proceedings.

13. Litigation:

- a. The Contractor shall provide written notice to the Department of any litigation that relates to the services financed under this contract or that has the potential to impair the ability of the Contractor to fulfill the terms and conditions of this contract, including but not limited to financial, legal or any other situation which may prevent the Contractor from meeting its obligations under the contract.
- b. The Contractor shall provide written notice to the Department of any final decision by any tribunal or state or federal agency or court which is adverse to the Contractor or which results in a settlement, compromise or claim or agreement of any kind for any action or proceeding brought against the Contractor or its employee or agent under the Americans with Disabilities Act of 1990, executive orders Nos. 3 & 17 of Governor Thomas J. Meskill and any other provisions of federal or state law concerning equal employment opportunities or nondiscriminatory practices.

- 14. Lobbying:** The Contractor agrees to abide by State and Federal lobbying laws and further specifically agrees not to include in any claim for reimbursement any expenditures associated with activities to influence, directly or indirectly, legislation pending before Congress, or the Connecticut General Assembly or any administrative or regulatory body unless otherwise required by this contract.

D. STATUTORY AND REGULATORY COMPLIANCE

1. **Compliance with Law and Policy:** Contractor shall comply with all pertinent provisions of local, state and federal laws and regulations as well as Departmental policies and procedures applicable to Contractor's programs as specified in this contract. The Department shall notify the Contractor of any applicable new or revised laws, regulations, policies or procedures that the Department has responsibility to promulgate or enforce.
2. **Suspension or Debarment:**
 - a. Signature on contract certifies the Contractor or any person (including subcontractors) involved in the administration of Federal or State funds:

- i. is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any governmental Department or agency (Federal, State or local);
- ii. within a three year period preceding this Contract, has not been convicted or had a civil judgment rendered against him/her for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;
- iii. is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the above offenses; and
- iv. has not within a three year period preceding this agreement had one or more public transactions terminated for cause or fault.

b. Any change in the above status shall be reported to the Department immediately.

3. **Non-discrimination Regarding Sexual Orientation:** Unless otherwise provided by Conn. Gen. Stat. §46a-81p, the Contractor agrees to the following provisions required pursuant to §4a-60a of the Conn. Gen. Stat.:

a. The Contractor agrees:

- i. and warrants that in the performance of the contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the State of Connecticut and that employees are treated when employed without regard to their sexual orientation;
- ii. to provide each labor union or representatives of workers with which such Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding a notice to be provided by the commission on human rights and opportunities advising the labor union or workers' representative of the Contractor's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment;
- iii. to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to §46a-56 of the Conn. Gen. Stat.
- iv. to provide the commission on human rights and opportunities with such information requested by the commission and permit access to pertinent books, records and accounts concerning the employment practices and procedures of the Contractor which relate to provisions of this section and §46a-56 of the Conn. Gen. Stat.

b. The Contractor shall include the provisions of Subsection a of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for

noncompliance in accordance with §46a-56 of the Conn. Gen. Stat. provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

4. **Executive Orders Nos. 3, 16, 17, and 7C and 14,;**

- a. **Executive Order No. 3: Nondiscrimination:** This contract is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971 and, as such, this contract may be canceled, terminated or suspended by the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Three, or any state or federal law concerning nondiscrimination, notwithstanding that the Labor Commissioner is not a party to this contract. The parties to this contract, as part of the consideration hereof, agree that said Executive Order No. Three, is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to contract performance in regard to nondiscrimination, until the contract is completed or terminated before completion. The Contractor agrees, as part consideration hereof, that this contract is subject to the Guidelines and Rules issued by the State Labor Commissioner to implement Executive Order No. Three and that the Contractor will not discriminate in employment practices or policies, will file all reports as required and will fully cooperate with the State of Connecticut and the State Labor Commissioner.
- b. **Executive Order No. 16: Violence in the Workplace Prevention Policy:** This contract is also subject to provisions of Executive Order No. Sixteen of Governor John G. Rowland promulgated August 4, 1999 and, as such, this contract may be cancelled, terminated or suspended by the contracting agency or the State for violation of or noncompliance with said Executive Order No. Sixteen. The parties to this contract, as part of the consideration hereof, agree that:
 - i. Contractor shall prohibit employees from bringing into the state work site, except as may be required as a condition of employment, any weapon/dangerous instrument defined in Subsection (ii) to follow.
 - ii. Weapon means any firearm, including a BB gun, whether loaded or unloaded, any knife (excluding a small pen or pocket knife), including a switchblade or other knife having an automatic spring release device, a stiletto, any police baton or nightstick or any martial arts weapon or electronic defense weapon. Dangerous instrument means any instrument, article or substance that, under the circumstances, is capable of causing death or serious physical injury.
 - iii. Contractor shall prohibit employees from attempting to use, or threaten to use, any such weapon or dangerous instrument in the state work site and employees shall be prohibited from causing, or threatening to cause, physical injury or death to any individual in the state work site.
 - iv. Contractor shall adopt the above prohibitions as work rules, violation of which shall subject the employee to disciplinary action up to and including discharge. The Contractor shall require that all employees are aware of such work rules.
 - v. Contractor agrees that any subcontract it enters into in the furtherance of the work to be performed hereunder shall contain the provisions (i) through (iv), above.

- c. **Executive Order No. 17: Connecticut State Employment Service Listings:** This contract is also subject to provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973 and, as such, this contract may be canceled, terminated or suspended by the contracting agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order Number Seventeen, notwithstanding that the Labor Commissioner may not be a party to this contract. The parties to this contract, as part of the consideration hereof, agree that Executive Order No. Seventeen, is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction in respect to contract performance in regard to listing all employment openings with the Connecticut State Employment Service.
- d. This Agreement is subject to **Executive Order No. 7C of Governor Jodi M. Rell, promulgated on July 13, 2006.** The Parties to this Agreement, as part of the consideration hereof, agree that:
- i. The State Contracting Standards Board (“the Board”) may review this contract and recommend to the state contracting agency termination of the contract for cause. The State contracting agency shall consider the recommendations and act as required or permitted in accordance with the contract and applicable law. The Board shall provide the results of its review, together with its recommendations, to the state contracting agency and any other affected party in accordance with the notice provisions in the contract no later than 15 days after the Board finalizes its recommendation. For the purposes of this Section, “for cause” means:
 - (1) a violation of the State Ethics Code (Conn. Gen. Stat. Chapter 10) or Section 4a-100 of the Conn. Gen. Statutes or
 - (2) wanton or reckless disregard of any state contracting and procurement process by any person substantially involved in such contract or state contracting agency.
 - ii. For the purposes of this Section, “contract” shall not include real property transactions involving less than a fee simple interest or financial assistance comprised of state or federal funds, the form of which may include but is not limited to grants, loans, loan guarantees, and participation interests in loans, equity investments and tax credit programs. Notwithstanding the foregoing, the Board shall not have any authority to recommend the termination of a contract for the sale or purchase of a fee simple interest in real property following transfer of title.
 - iii. Notwithstanding the contract value listed in Conn. Gen. Stat. §§ 4-250 and 4-252 and section 8 of Executive Order No. 1, all State Contracts between State agencies and private entities with a value of \$50,000 or more in a calendar or fiscal year shall comply with the gift affidavit requirements of said Sections. For purposes of this section, the term “certification” shall include the campaign contribution and annual gift affidavits required by section 8 of Executive Order Number 1.
- e. This Agreement is subject to **Executive Order No. 14: Procurement of cleaning products and services.** This Agreement is subject to the provisions of Executive Order No. 14 of Governor M. Jodi Rell promulgated April 17, 2006. Pursuant to this Executive Order, the contractor shall use cleaning and/or sanitizing products having properties that minimize potential impacts on human health and the environment, consistent with maintaining clean and sanitary facilities.

5. **Nondiscrimination and Affirmative Action Provisions in Contracts of the State and Political Subdivisions Other Than Municipalities:** The Contractor agrees to comply with provisions of § 4a-60 of the Connecticut General Statutes

- a. Every contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions:
 - i. The Contractor agrees and warrants that in the performance of the contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut. The Contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved;
 - ii. the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the commission;
 - iii. the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the commission advising the labor union or workers' representative of the Contractor's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment;
 - iv. the Contractor agrees to comply with each provision of this section and Conn. Gen. Stat. §§ 46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to Conn. Gen. Stat. §§ 46a-56, 46a-68e and 46a-68f;
 - v. the Contractor agrees to provide the commission of human rights and opportunities with such information requested by the commission and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this section and Conn. Gen. Stat. § 46a-56. If the contract is a public works contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project.
- b. For the purposes of this section, "minority business enterprise" means any small Contractor or supplier of materials 51% or more of capital stock, if any, or assets of which is owned by a person or persons:
 - i. who are active in the daily affairs of the enterprise,
 - ii. who have the power to direct the management and policies of the enterprise and

- iii. who are members of a minority, as such term is defined in Subsection (a) of Conn. Gen. Stat. § 4a-60g
 - c. "Good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.
 - d. Determinations of the Contractor's good faith efforts shall include but shall not be limited to the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative action advertising; recruitment and training; technical assistance activities and such other reasonable activities or efforts as the commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.
 - e. The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the commission, of its good faith efforts.
 - f. Contractor shall include the provisions of Subsection a of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provision shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. § 46a-56; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the Contractor may request the state of Connecticut to enter into such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.
6. **Americans with Disabilities Act of 1990:** This clause applies to those Contractors which are or will come to be responsible for compliance with the terms of the Americans with Disabilities Act of 1990 (42 USCS §§12101-12189 and §§12201-12213) (Supp. 1993); 47 USCS §§225, 611 (Supp. 1993). During the term of the contract, the Contractor represents that it is familiar with the terms of this Act and that it is in compliance with the law. The Contractor warrants that it will hold the state harmless from any liability which may be imposed upon the state as a result of any failure of the Contractor to be in compliance with this Act. As applicable, the Contractor agrees to abide by provisions of Sec. 504 of the federal Rehabilitation Act of 1973, as amended, 29 U.S.C. §794 (Supp. 1993), regarding access to programs and facilities by people with disabilities.
 7. **Utilization of Minority Business Enterprises:** It is the policy of the state that minority business enterprises should have the maximum opportunity to participate in the performance of government contracts. The Contractor agrees to use commercially best efforts consistent with 45 C.F.R. 74.160 et seq. (1992) and paragraph 9 of Appendix G thereto for the administration of programs or activities using HHS funds; and §§13a-95a, 4a-60, to 4a-62, 4b-95(b) and 32-9e of the Conn. Gen. Stat. to carry out this policy in the award of any subcontracts
 8. **Non-Smoking:** If the Contractor is an employer subject to the provisions of Section 31-40q of the Connecticut General Statutes, the Contractor agrees to provide the Department with a copy or its written rules concerning smoking. The rules or a statement that the Contractor is not subject to the provisions of Section 31- 40q of the Connecticut General Statutes must be received by the Department prior to this contract's approval.
 9. **Government Function & Freedom of Information:** If the amount of this contract exceeds \$2,500,000.00 and the contract is for the performance of a governmental function, as that term is

defined in Conn. Gen. Stat. Sec. 1-200(11), the Department is entitled to receive a copy of the records and files related to the Contractor's performance of the governmental function and may be disclosed by the Department pursuant to the Freedom of Information Act.

10. **Whistleblowing:** This Agreement is subject to the provisions of § 4-61dd of the Connecticut General Statutes. In accordance with this statute, if an officer, employee or appointing authority of the Contractor takes or threatens to take any personnel action against any employee of the Contractor in retaliation for such employee's disclosure of information to any employee of the Contracting state or quasi-public agency or the Auditors of Public Accounts or the Attorney General under the provisions of subsection (a) of such statute, the Contractor shall be liable for a civil penalty of not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of this Agreement. Each violation shall be a separate and distinct offense and in the case of a continuing violation, each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The State may request that the Attorney General bring a civil action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. In accordance with subsection (f) of such statute, each large state Contractor, as defined in the statute, shall post a notice of the provisions of the statute relating to large state Contractors in a conspicuous place which is readily available for viewing by the employees of the Contractor.
11. **Campaign Contribution Restrictions.** On February 8, 2007, Governor Rell signed into law Public Act 07-1, An Act Concerning the State Contractor Contribution Ban and Gifts to State and Quasi-Public Agencies. For all State contracts as defined in section 9-612(f)(1)(C) having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this Agreement expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See SEEC Form 11.

12. **HIPAA Requirements:**

NOTE: Numbering in this Section may not be consistent with the remainder of this contract as much of it is presented verbatim from the federal source.

- a. If the Contractor is a Business Associate under HIPAA, the Contractor must comply with all terms and conditions of this Section of the Contract. If the Contractor is not a Business Associate under HIPAA, this Section of the Contract does not apply to the Contractor for this Contract.
- b. The Contractor is required to safeguard the use, publication and disclosure of information on all applicants for and all clients who receive, services under the contract in accordance "with all applicable federal and state law regarding confidentiality, which includes but is not limited to the requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C and E; *and*
- c. The State of Connecticut Department named on page 1 of this Contract (hereinafter "Department") is a "covered entity" as that term is defined in 45 C.F.R. §160.103; *and*
- d. The Contractor, on behalf of the Department, performs functions that involve the use or disclosure of "individually identifiable health information," as that term is defined in 45 C.F.R. §160.103 ; *and*

- e. The Contractor is a “business associate” of the Department, as that term is defined in 45 C.F.R. §160.103; *and*
- f. The Contractor and the Department agree to the following in order to secure compliance with the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C and E:

I. Definitions

- A. Business Associate. “Business Associate” shall mean the Contractor.
- B. Covered Entity. “Covered Entity” shall mean the Department of the State of Connecticut named on page 1 of this Contract.
- B1 Designated Record Set. “Designated Record Set” shall have the same meaning as the term “designated record set” in 45 C.F.R. §164.501.
- C. Individual. “Individual” shall have the same meaning as the term “individual” in 45 C.F.R. §160.103 and shall include a person who qualifies as a personal representative as defined in 45 C.F.R. §164.502(g).
- D. Privacy Rule. “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and parts 164, subparts A and E.
- E. Protected Health Information. “Protected Health Information” or “PHI” shall have the same meaning as the term “protected health information” in 45 C.F.R. §160.103, limited to information created or received by the Business Associate from or on behalf of the Covered Entity.
- F. Required by Law. “Required by Law” shall have the same meaning as the term “required by law” in 45 C.F.R. §164.103.
- G. Secretary. “Secretary” shall mean the Secretary of the Department of Health and Human Services or his designee.
- H. More Stringent. “More stringent” shall have the same meaning as the term “more stringent” in 45 C.F.R. §160.202.
- I. Section of Contract. “(T)his Section of the Contract” refers to the HIPAA Provisions stated herein, in their entirety.
- J. Security Incident. “Security Incident” shall have the same meaning as the term “security incident” in 45 C.F.R. §164.304.
- K. Security Rule. “Security Rule” shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 160 and Parts 164, subpart A and C.

II. Obligations and Activities of Business Associates

- A. Business Associate agrees not to use or disclose PHI other than as permitted or required by this Section of the Contract or as Required by Law

- B. Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for in this Section of the Contract.
- B1. Business Associate agrees to use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of electronic protected health information that it creates, receives, maintains or transmits on behalf of the Covered Entity.
- C. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of a use or disclosure of PHI by Business Associate in violation of this Section of the Contract.
- D. Business Associate agrees to report to Covered Entity any use or disclosure of PHI not provided for by this Section of the Contract or any security incident of which it becomes aware.
- E. Business Associate agrees to insure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate, on behalf of the Covered Entity, agrees to the same restrictions and conditions that apply through this Section of the Contract to Business Associate with respect to such information.
- F. Business Associate agrees to provide access, at the request of the Covered Entity and in the time and manner agreed to by the parties, to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 C.F.R. §164.524.
- G. Business Associate agrees to make any amendments to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. §164.526 at the request of the Covered Entity and in the time and manner agreed to by the parties.
- H. Business Associate agrees to make internal practices, books and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by, Business Associate on behalf of Covered Entity, available to Covered Entity or to the Secretary in a time and manner agreed to by the parties or designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
- I. Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. §164.528.
- J. Business Associate agrees to provide to Covered Entity, in a time and manner agreed to by the parties, information collected in accordance with paragraph I of this Section of the Contract, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. §164.528.
- K. Business Associate agrees to comply with any state law that is more stringent than the Privacy Rule.

III. Permitted Uses and Disclosure by Business Associate

- A. General Use and Disclosure Provisions: Except as otherwise limited in this Section of the Contract, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in this Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.
- B. Specific Use and Disclosure Provisions:
 - 1. Except as otherwise limited in this Section of the Contract, Business Associate may use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.
 - 2. Except as otherwise limited in this Section of the Contract, Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
 - 3. Except as otherwise limited in this Section of the Contract, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. §164.504(e)(2)(i)(B).

IV. Obligations of Covered Entity

- A. Covered Entity shall notify Business Associate of any limitations in its notice of privacy practices of Covered Entity, in accordance with 45 C.F.R. 164.520, or to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
- B. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.
- C. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. §164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

V. Permissible Requests by Covered Entity

Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by the Covered Entity, except that Business Associate may use and disclose PHI for data aggregation and management and administrative activities of Business Associate, as permitted under this Section of the Contract.

VI. Term and Termination

- A. Term. The Term of this Section of the Contract shall be effective as of the date the Contract is effective and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.
- B. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
 - 1. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate the Contract if Business Associate does not cure the breach or end the violation within the time specified by the Covered Entity; or
 - 2. Immediately terminate the Contract if Business Associate has breached a material term of this Section of the Contract and cure is not possible; or
 - 3. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.
- C. Effect of Termination.
 - 1. Except as provided in paragraph (ii) of this Subsection c, upon termination of this Contract, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.
 - 2. In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon documentation by Business Associate that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Section of the Contract to such PHI and limit further uses and disclosures of PHI to those purposes that make return or destruction infeasible, for as long as Business Associate maintains such PHI. Infeasibility of the return or destruction of PHI includes, but is not limited to, requirements under state or federal law that the Business Associate maintains or preserves the PHI or copies thereof.

VII. Miscellaneous HIPAA Provisions

- A. Regulatory References. A reference in this Section of the Contract to a section in the Privacy Rule means the section as in effect or as amended.
- B. Amendment. The Parties agree to take such action as is necessary to amend this Section of the Contract from time to time as is necessary for Covered

Entity to comply with requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

- C. Survival. The respective rights and obligations of Business Associate under Section 6, Subsection c of this Section of the Contract shall survive the termination of this Contract.
- D. Effect on Contract. Except as specifically required to implement the purposes of this Section of the Contract, all other terms of the contract shall remain in force and effect.
- E. Construction. This Section of the Contract shall be construed as broadly as necessary to implement and comply with the Privacy Standard. Any ambiguity in this Section of the Contract shall be resolved in favor of a meaning that complies and is consistent with, the Privacy Standard.
- F. Disclaimer. Covered Entity makes no warranty or representation that compliance with this Section of the Contract will be adequate or satisfactory for Business Associate's own purposes. Covered Entity shall not be liable to Business Associate for any claim, loss or damage related to or arising from the unauthorized use or disclosure of PHI by Business Associate or any of its officers, directors, employees, Contractors or agents, or any third party to whom Business Associate has disclosed PHI pursuant to paragraph II D of this Section of the Contract. Business Associate is solely responsible for all decisions made and actions taken, by Business Associate regarding the safeguarding, use and disclosure of PHI within its possession, custody or control.
- G. Indemnification. The Business Associate shall indemnify and hold the Covered Entity harmless from and against all claims, liabilities, judgments, fines, assessments, penalties, awards, or other expenses, of any kind or nature whatsoever, including, without limitation, attorney's fees, expert witness fees and costs of investigation, litigation or dispute resolution, relating to or arising out of any violation by the Business Associate and its agents, including subcontractors, of any obligation of Business Associate and its agents, including subcontractors, under this Section of the Contract.

E. MISCELLANEOUS PROVISIONS

1. **Assignment:** The Contractor shall not assign or transfer any interest in this Contract without the prior written approval of the Contract Administrator, which consent shall not be unreasonably withheld or delayed. This shall not be construed as limiting the Contractor's rights to subcontract some of the services to be performed hereunder as provided in this Contract.
2. **Subcontracting:** None of the services to be provided by the Contractor shall be subcontracted or delegated to any other organization, association, individual, corporation, partnership or group of individuals or other such entity without the prior written consent of the Department. Any subcontract to which the State has consented in writing shall be in writing attached to the contract and made a part thereof and shall in no way alter the contract terms and conditions. Said subcontract shall contain a provision related to the inspection of work performed, provided for in section C 3 infra. No subcontract or delegation shall relieve or discharge the Contractor from any obligation, provision or liability thereunder. The Contractor agrees to make a good faith effort to award a reasonable proportion of subcontracts to small and minority businesses in accordance with CGS Section 4a-60g.

3. **Choice of Law and Forum:** The Contractor agrees to be bound by the law of the State of Connecticut and the federal government where applicable and agrees that this contract shall be construed and interpreted in accordance with Connecticut law and federal law where applicable.
4. **Mergers and Acquisitions:**
 - a. Contracts in whole or in part are not transferable or assignable without the prior written agreement of the Department, which consent shall not be unreasonably withheld or delayed.
 - b. If not contractually or legally restricted, at least 45 days before the effective date of any fundamental changes in corporate status, including merger, acquisition, transfer of assets and any change in fiduciary responsibility, involving an unrelated third party, the Contractor shall provide the Department with written notice of such changes.
 - c. The Contractor shall comply with reasonable requests for documentation deemed necessary by the Department to determine whether the Department will provide prior written agreement as required by Section II.E.4 above. The Department shall notify the Contractor of such determination not later than 15 business days from the date the Department receives such requested documentation.
5. **Equipment:** In the event this contract is terminated or not renewed, the Department reserves the right to recoup any equipment, deposits or down payments made or purchased with start-up funds or other funds specifically designated for such purpose under this contract. For purposes of this provision, equipment means tangible personal property with a normal useful life of at least one year and a value of at least \$2,500. Equipment shall be considered purchased from Contractor funds and not from Department funds if the equipment is purchased for a program that has other sources of income equal to or greater than the equipment purchase price.
6. **Independent Capacity of Contractor:** The Contractor, its officers, employees, subcontractors, or any other agent of the Contractor in the performance of this contract will act in an independent capacity and not as officers or employees of the state of Connecticut or of the Department.
7. **Severability:** If any provision of this contract is declared or found to be illegal, unenforceable, or void, then both parties shall be relieved of all obligations under that provision. The remainder of this contract shall be enforced to the fullest extent permitted by law.
8. **Non-enforcement not to constitute waiver:** The failure of either party to insist upon strict performance of any terms or conditions of this agreement shall not be deemed a waiver of the term or condition or any remedy that each party has with respect to that term or condition nor shall it preclude a subsequent default by reason of the failure to perform.

F. Revisions, Reductions, Default, and Cancellation

1. Contract Revisions and Amendments:

- a. A formal contract amendment, in writing, shall not be effective until executed by both parties to the contract and, where applicable, the Attorney General. Such amendments shall be required for extensions to the final date of the contract period and to terms and conditions specifically stated in the scope of work, including but not limited to revisions to the maximum contract payment, to the unit cost of service, to the contract's objectives, services, or plan, to due dates for reports, to completion of objectives or services and to any other contract revisions determined material by the Department.

- b. The Contractor shall submit to the Department in writing any proposed revision to the contract and the Department shall notify the Contractor of receipt of the proposed revision. Any proposal deemed material shall be executed pursuant to (a) of this section. The Department may accept any proposal as a technical amendment and notify the Contractor in writing of the same. A technical amendment shall be effective on the date approved by the Department, unless expressly stated otherwise.
- c. No amendments may be made to a lapsed contract.

2. Contract Reduction:

- a. The Department reserves the right to reduce the contracted amount of compensation at any time in the event that:
 - i. the Governor or the Connecticut General Assembly rescinds, reallocates, or in any way reduces the total amount budgeted for the operation of the Department during the fiscal year for which such funds are withheld; or
 - ii. Federal funding reductions result in reallocation of funds within the Department.
- b. The Contractor and the Department agree to negotiate on the implementation of the reduction within 30 days of receipt of formal notification of intent to reduce the contracted amount of compensation from the Department. If agreement on the implementation of the reduction is not reached within 30 calendar days of such formal notification and a contract amendment has not been executed, the Department may terminate the contract 60 days from receipt of such formal notification. The Department will formally notify the Contractor of the termination date.

3. Default by the Contractor:

- a. If the Contractor defaults as to, or otherwise fails to comply with, any of the conditions of this contract the Department may, subject to subsection 3.c. below:
 - i. withhold payments until the default is resolved to the reasonable satisfaction of the Department;
 - ii. temporarily or permanently discontinue services under the contract;
 - iii. require that unexpended funds be returned to the Department;
 - iv. terminate this contract;
 - v. take such other actions of any nature whatsoever as may be deemed appropriate for the best interests of the state or the program(s) provided under this contract or both;
 - vi. any combination of the above actions.
- b. In addition to the rights and remedies granted to the Department by this contract, the Department shall have all other rights and remedies granted to it by law in the event of breach of or default by the Contractor under the terms of this contract.

- c. Prior to invoking any of the remedies for default specified in this paragraph the Department shall notify the Contractor in writing of the specific facts and circumstances constituting default or failure to comply with the conditions of this contract and proposed remedies. Within 10 business days of receipt of this notice, the Contractor shall correct any contractual defaults specified in the notice and submit written documentation of correction to the reasonable satisfaction of the Department or request in writing a meeting with the commissioner of the Department or his/her designee. Any such meeting shall be held within 5 business days of the written request. At the meeting, the Contractor shall be given an opportunity to respond to the Department's notice of default and to present a plan of correction with applicable time frames. Within 5 business days of such meeting, the commissioner of the Department shall notify the Contractor in writing of his/her response to the information provided including acceptance of the plan of correction and, if the commissioner finds continued contractual default for which a satisfactory plan of corrective action has not been presented, the specific remedy for default the Department intends to invoke. This action of the commissioner shall be considered final.
- d. If at any step in this process the Contractor fails to comply with the procedure and, as applicable, the agreed upon plan of correction, the Department may proceed with default remedies.

4. Cancellation and Recoupment:

- a. This agreement shall remain in full force and effect for the entire term of the contract period, unless either party provides written notice 90 days or more from the date of termination, except that no cancellation by the Contractor may be effective for failure to provide services for the agreed price or rate and cancellation by the Department shall not be effective against services already rendered, so long as the services were rendered in compliance with the contract during the term of the contract.
- b. In the event the health or welfare of the service recipients is endangered, the Department may cancel the contract and take any immediate action without notice it deems appropriate to protect the health and welfare of service recipients. The Department shall notify the Contractor of the specific reasons for taking such action in writing within 5 business days of cancellation. Within 5 business days of receipt of this notice, the Contractor may request in writing a meeting with the commissioner of the Department or his/her designee. Any such meeting shall be held within 5 business days of the written request. At the meeting, the Contractor shall be given an opportunity to present information on why the Department's actions should be reversed or modified. Within 5 business days of such meeting, the commissioner of the Department shall notify the Contractor in writing of his/her decision upholding, reversing or modifying the action of the Department. This action of the commissioner shall be considered final.
- c. The Department reserves the right to cancel the contract with prior notice when the funding for the contract is no longer available.



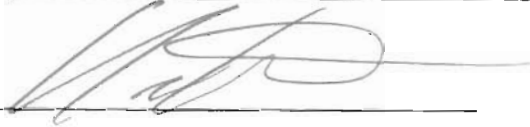
Certification Of State Agency Official or Employee Authorized to Execute Contracts

I, the undersigned State agency official or State employee, certify that (1) I am authorized to execute the attached contract on behalf of the State Agency named below, and (2) the selection of the contractor named below was not the result of collusion, the giving of a gift or the promise of a gift, compensation, fraud or inappropriate influence from any person.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

MERCER HEALTH & BENEFITS – Contractor Name

Department of Social Services – Awarding State Agency



9/30/07

Signature

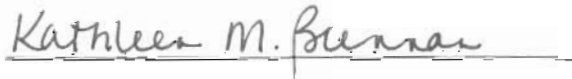
Date

Michael P. Starkowski, Commissioner, Department of Social Services

Printed Name

Title

Sworn and subscribed before me on this 30 day of September, 2008.




Kathleen M. Brennan
Commissioner of the Superior Court
Juris No. 307252

Contract Number: PS 7846100 A15
Contract Term: 04/01/97 - 06/30/09
Contract Total: \$24,965,242.00

**CERTIFICATE
OF THE
ASSISTANT SECRETARY
OF
MERCER HEALTH & BENEFITS, LLC**

I, Margaret M. O'Brien, Assistant Secretary of Mercer Health & Benefits, LLC, a Delaware Limited Liability Corporation (the "LLC"), do hereby certify that at a duly authorized meeting of the Board of Directors of the LLC, dated July 1, 2006, the Board adopted procedures authorizing any duly elected Worldwide Partner or Principal of the LLC, including **Maria C. Dominiak** to execute, approve and deliver on behalf of the LLC, contracts, agreements, applications and other instruments in the name and on behalf of the LLC.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the LLC this 2nd day of October 2008.

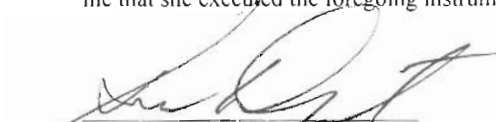


Margaret M. O'Brien
Assistant Secretary

State of New York)

County of New York)

On this 2nd day of October 2008, before me personally came Margaret M. O'Brien to me known, who acknowledged to me that she executed the foregoing instrument.



Notary Public

SANDRA DAVENPORT
Notary Public, State of New York
No. 01DA6139698
Qualified in Queens County
Certified in New York County
Commission Expires January 17, 2010

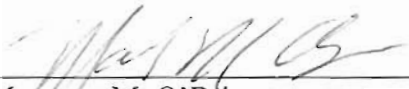
CERTIFICATION

(By corporate or other business entity regarding support of nondiscrimination against persons on account of their race, color, religious creed, age, marital or civil union status, national origin, ancestry, sex, mental retardation, physical disability or sexual orientation.)

I Margaret M. O'Brien, Assistant Secretary of Mercer Health & Benefits LLC an entity lawfully organized and existing under the laws of the State of Delaware (the "LLC"), do hereby certify that the following is a true and correct copy of a resolution adopted on the 19th day of September, 2007 by the governing body of Mercer Health & Benefits LLC in accordance with all of its documents of governance and management and the laws of the State of Delaware, and further certify that such resolution has not been modified, rescinded or revoked, and is, at present, in full force and effect.

RESOLVED: That the LLC hereby adopts as its policy to support the nondiscrimination agreements and warranties required under Connecticut General Statutes § 4a-60(a)(1) and § 4a-60a(a)(1), as amended in State of Connecticut Public Act 07-245 and sections 9(a)(1) and 10(a)(1) of Public Act 07-142.

IN WITNESS WHEREOF, the undersigned has executed this certificate this 2nd day of October 2008

By : 
Margaret M. O'Brien

Title: Assistant Secretary

Effective October 2, 2008



STATE OF CONNECTICUT GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION

Certification to accompany a State contract with a value of \$50,000 or more in a calendar or fiscal year, pursuant to C.G.S. §§ 4-250 and 4-252(c); Governor M. Jodi Rell's Executive Orders No. 1, Para. 8, and No. 7C, Para. 10; and C.G.S. §9-612(g)(2), as amended by Public Act 07-1

INSTRUCTIONS:

Complete all sections of the form. Attach additional pages, if necessary, to provide full disclosure about any lawful campaign contributions made to campaigns of candidates for statewide public office or the General Assembly, as described herein. Sign and date the form, under oath, in the presence of a Commissioner of the Superior Court or Notary Public. Submit the completed form to the awarding State agency at the time of initial contract execution (and on each anniversary date of a multi-year contract, if applicable).

CHECK ONE: Initial Certification Annual Update (Multi-year contracts only.)

GIFT CERTIFICATION:

As used in this certification, the following terms have the meaning set forth below:

- 1) "Contract" means that contract between the State of Connecticut (and/or one or more of its agencies or instrumentalities) and the Contractor, attached hereto, or as otherwise described by the awarding State agency below;
- 2) If this is an Initial Certification, "Execution Date" means the date the Contract is fully executed by, and becomes effective between, the parties; if this is an Annual Update, "Execution Date" means the date this certification is signed by the Contractor;
- 3) "Contractor" means the person, firm or corporation named as the contractor below;
- 4) "Applicable Public Official or State Employee" means any public official or state employee described in C.G.S. §4-252(c)(1)(i) or (ii);
- 5) "**Gift**" has the same meaning given that term in C.G.S. § 4-250(1);
- 6) "Planning Start Date" is the date the State agency began planning the project, services, procurement, lease or licensing arrangement covered by this Contract, as indicated by the awarding State agency below; and
- 7) "Principals or Key Personnel" means and refers to those principals and key personnel of the Contractor, and its or their agents, as described in C.G.S. §§ 4-250(5) and 4-252(c)(1)(B) and (C).

I, the undersigned, am the official authorized to execute the Contract on behalf of the Contractor. I hereby certify that, between the Planning Start Date and Execution Date, neither the Contractor nor any Principals or Key Personnel has made, will make (or has promised, or offered, to, or otherwise indicated that he, she or it will, make) any **Gifts** to any Applicable Public Official or State Employee.

I further certify that no Principals or Key Personnel know of any action by the Contractor to circumvent (or which would result in the circumvention of) the above certification regarding **Gifts** by providing for any other principals, key personnel, officials, or employees of the Contractor, or its or their agents, to make a **Gift** to any Applicable Public Official or State Employee. I further certify that the Contractor made the bid or proposal for the Contract without fraud or collusion with any person.

CAMPAIGN CONTRIBUTION CERTIFICATION:

I further certify that, on or after December 31, 2006, neither the Contractor nor any of its principals, as defined in C.G.S. § 9-612(g)(1), has made any **campaign contributions** to, or solicited any contributions on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support, any candidate for statewide public office, in violation of C.G.S. § 9-612(g)(2)(A). I further certify that **all lawful campaign contributions** that have been made on or after December 31, 2006 by the Contractor or any of its principals, as defined in C.G.S. § 9-612(g)(1), to, or solicited on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support any candidates for statewide public office or the General Assembly, are listed below:



STATE OF CONNECTICUT GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION

Lawful Campaign Contributions to Candidates for Statewide Public Office:

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

Lawful Campaign Contributions to Candidates for the General Assembly:

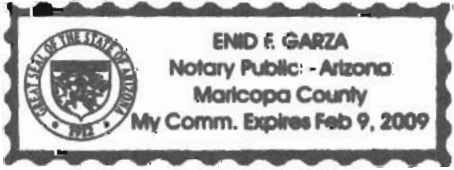
<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Mercer Health & Benefits LC
Printed Contractor Name

Maria C. Dommarak
Signature of Authorized Official

Subscribed and acknowledged before me this 27th day of September, 2008.



Enid F. Garza
Commissioner of the Superior Court (or Notary Public)

For State Agency Use Only

Awarding State Agency

Planning Start Date

Contract Number or Description



STATE OF CONNECTICUT CONSULTING AGREEMENT AFFIDAVIT

Affidavit to accompany a State contract for the purchase of goods and services with a value of \$50,000 or more in a calendar or fiscal year, pursuant to Connecticut General Statutes §§ 4a-81(a) and 4a-81(b)

INSTRUCTIONS:

If the bidder or vendor has entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1): Complete all sections of the form. If the bidder or vendor has entered into more than one such consulting agreement, use a separate form for each agreement. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public. **If the bidder or vendor has not entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1):** Complete only the shaded section of the form. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public.

Submit completed form to the awarding State agency with bid or proposal. For a sole source award, submit completed form to the awarding State agency at the time of contract execution.

This affidavit must be amended if the contractor enters into any new consulting agreement(s) during the term of the State contract.

AFFIDAVIT: [Number of Affidavits Sworn and Subscribed On This Day: _____]

I, the undersigned, hereby swear that I am the chief official of the bidder or vendor awarded a contract, as described in Connecticut General Statutes § 4a-81(a), or that I am the individual awarded such a contract who is authorized to execute such contract. I further swear that I have not entered into any consulting agreement in connection with such contract, **except for the agreement listed below:**

_____		_____
Consultant's Name and Title		Name of Firm (if applicable)
_____	_____	_____
Start Date	End Date	Cost
Description of Services Provided: _____		

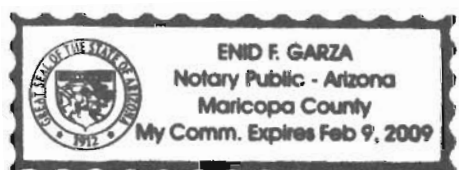
Is the consultant a former State employee or former public official? YES NO

If YES: _____
Name of Former State Agency Termination Date of Employment

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

<u>Mercer Health & Benefits LLC</u>	<u>Maria C. Dominak</u>	<u>9/29/08</u>
Printed Name of Bidder or Vendor	Signature of Chief Official or Individual	Date
	<u>MARIA C. DOMINAK</u>	<u>DEPT. of SOCIAL SERVICES</u>
	Printed Name (of above)	Awarding State Agency

Sworn and subscribed before me on this 29th day of September, 2008.



Commissioner of the Superior Court
or Notary Public



STATE OF CONNECTICUT
AFFIRMATION OF RECEIPT OF STATE ETHICS LAWS SUMMARY

Affirmation to accompany a large State construction or procurement contract, having a cost of more than \$500,000, pursuant to Connecticut General Statutes §§ 1-101mm and 1-101qq

INSTRUCTIONS:

Complete all sections of the form. Submit completed form to the awarding State agency or contractor, as directed below.

CHECK ONE:

- I am a person seeking a large State construction or procurement contract. I am submitting this affirmation to the awarding State agency with my bid or proposal. [Check this box if the contract will be awarded through a competitive process.]
I am a contractor who has been awarded a large State construction or procurement contract. I am submitting this affirmation to the awarding State agency at the time of contract execution. [Check this box if the contract was a sole source award.]
I am a subcontractor or consultant of a contractor who has been awarded a large State construction or procurement contract. I am submitting this affirmation to the contractor.

IMPORTANT NOTE:

Contractors shall submit the affirmations of their subcontractors and consultants to the awarding State agency. Failure to submit such affirmations in a timely manner shall be cause for termination of the large State construction or procurement contract.

AFFIRMATION:

I, the undersigned person, contractor, subcontractor, consultant, or the duly authorized representative thereof, affirm (1) receipt of the summary of State ethics laws* developed by the Office of State Ethics pursuant to Connecticut General Statutes § 1-81b and (2) that key employees of such person, contractor, subcontractor, or consultant have read and understand the summary and agree to comply with its provisions.

* The summary of State ethics laws is available on the State of Connecticut's Office of State Ethics website at http://www.ct.gov/ethics/lib/ethics/contractors_guide_final2.pdf

Signature: Maria C. Dominiak, Date: 9/29/08, Title: PRINCIPAL, Firm: MERCER HEALTH & BENEFITS LLC, Street Address: 3131 E. CAMELBACK RD. STE 300, City: PHOENIX, State: AZ, Zip: 85016, Federal Employer ID Number (FEIN) or Social Security Number (SSN): 34-2015463, Awarding State Agency: DEPT. OF SOCIAL SERVICES

**PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT**

CO-802A REV. 3/98 (Stock No. 6938-170-01)

Print or Type

**OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION**

I, THE STATE AGENCY AND THE CONTRACTOR, AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE C.G.S. AS APPLICABLE

CORE CT # 97DSS1202CK

⁽¹⁾ ORIGINAL <input type="checkbox"/> AMENDMENT <input checked="" type="checkbox"/> 14	⁽²⁾ IDENTIFICATION NO. PS 7846100
---	---

CONTRACTOR	⁽³⁾ CONTRACTOR NAME MERCER HEALTH & BENEFITS	⁽⁴⁾ ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
	3131 East Camelback Road, Suite 300, Phoenix, AZ 85016	CONTRACTOR FEIN/SSN 34-2015463

STATE AGENCY	⁽⁵⁾ AGENCY NAME AND ADDRESS Department of Social Services, 25 Sigourney Street, Hartford, CT 06106	⁽⁶⁾ AGENCY NO. DSS6000
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CONTRACT PERIOD	⁽⁷⁾ DATE (FROM) 04/01/1997	⁽⁷⁾ THROUGH 09/30/2008	⁽⁸⁾ INDICATE MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO <input type="checkbox"/> NEITHER X <input checked="" type="checkbox"/>
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CANCELLATION CLAUSE	THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT)	⁽⁹⁾ REQUIRED NO. OF DAYS WRITTEN NOTICE 15 Days
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COMPLETE DESCRIPTION OF SERVICE	⁽¹⁰⁾ CONTRACTOR AGREES TO (Include special provisions - Attach additional blank sheets if necessary.)	
	<p>FURTHER AMEND CONTRACT NUMBER 7846100 (CORE CT # 97DSS1202CK) AS AMENDED BY AMENDMENTS 1,2,3,4,5,6, 7, 8, 9, 10, 11, 12 & 13 TO EXTEND THE TERM OF THE CONTRACT FOR A PERIOD OF THREE (3) MONTHS FROM 06/30/08 TO 09/30/08. THE CONTRACTOR SHALL CONTINUE TO PROVIDE RATE SETTING AND ACTUARIAL CONSULTING SERVICES AS DIRECTED BY THE DEPARTMENT. THE DEPARTMENT AND THE CONTRACTOR SHALL IDENTIFY THE SPECIFIC RATE SETTING AND ACTUARIAL CONSULTING SERVICES TO BE PERFORMED DURING THE PERIOD 07/1/08 THROUGH 09/30/08. SPECIFIC TASKS SHALL BE BASED ON THE TASKS SET FORTH IN AMENDMENT SEVEN TO THIS CONTRACT. ALL OTHER TERMS AND CONDITIONS NOT SPECIFICALLY AMENDED HEREIN INCLUDING THE MANDATORY TERMS AND CONDITIONS SET FORTH ON PAGES 2 THROUGH 20 OF AMENDMENT 11 AND AS FURTHER AMENDED IN AMENDMENT 12, REMAIN IN FULL FORCE AND EFFECT.</p>	

COST AND SCHEDULE OF PAYMENT	⁽¹¹⁾ PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES	
	<p>THE MAXIMUM VALUE OF THIS CONTRACT SHALL BE INCREASED BY \$750,000.00 FROM \$22,965,242 to \$23,715,242. FOLLOWING THE EXECUTION OF THIS AMENDMENT AND THE IDENTIFICATION OF THE SPECIFIC TASKS, THE DEPARTMENT AND THE CONTRACTOR SHALL ALLOCATE THE \$750,000.00 ADDED TO THIS CONTRACT THROUGH THIS AMENDMENT TO THE SPECIFIC TASKS TO BE PERFORMED BY THE CONTRACTOR. THE DEPARTMENT AND THE CONTRACTOR SHALL IDENTIFY SPECIFIC DELIVERABLES THAT ARE TO BE PRODUCED BY THE CONTRACTOR AND RECEIVED AND ACCEPTED BY THE DEPARTMENT IN ORDER TO RECEIVE PAYMENT.</p>	

⁽¹²⁾ ACT CD	⁽¹³⁾ DOC TYP	⁽¹⁴⁾ COM TY P	⁽¹⁵⁾ LSE TYP	⁽¹⁶⁾ ORIG. AGCY	⁽¹⁷⁾ DOCUMENT NO	⁽¹⁸⁾ COMMIT AGCY	⁽¹⁹⁾ COMMIT NO.	⁽²⁰⁾ VENDOR FEIN/SSN - SUFFIX
	PS					DSS6000		132-83-4414

⁽²¹⁾ COMMITTED AMOUNT	⁽²²⁾ OBLIGATED AMOUNT	⁽²³⁾ CONTRACT PERIOD (FROM/TO)
	\$23,715,242.00	04/01/97 - 09/30/08

Line No.	Fund	Department	Program	SID	Account	Project/Grant	Chart 1	Chart 2	Amount
2008	11000	DSS60521	14000	10020	51131	DSS_NONPROJECT	168012	DSS00231	

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS		STATUTORY AUTHORITY §§ 4-8, 17b-3	
⁽³⁵⁾ CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) 	TITLE Maria C. Dominiak, Principal	DATE 6/26/08	
⁽³⁶⁾ AGENCY (AUTHORIZED OFFICIAL) 	TITLE Michael P. Starkowski, Commissioner	DATE 6/27/08	
⁽³⁷⁾ OFFICE OF POLICY & MGMT. / DEPT. OF ADMIN. SERV. 	TITLE ASSOC. ATTY. GENERAL	DATE 8/10/08	

DISTRIBUTION PART 1 - CONTRACTOR PART 2 - COMPTROLLER PART 3 - OPMDAS PART 4 - ATTORNEY GENERAL PART 5 - AGENCY



Certification Of State Agency Official or Employee Authorized to Execute Contracts

I, the undersigned State agency official or State employee, certify that (1) I am authorized to execute the attached contract on behalf of the State Agency named below, and (2) the selection of the contractor named below was not the result of collusion, the giving of a gift or the promise of a gift, compensation, fraud or inappropriate influence from any person.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

MERCER HEALTH & BENEFITS – Contractor Name

Department of Social Services – Awarding State Agency

Signature

6/30/08

Date

Michael P. Starkowski, Commissioner, Department of Social Services

Printed Name

Title

Sworn and subscribed before me on this 30 day of June, 2008.

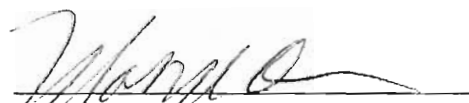
Kathleen M. Brennan
Commissioner of the Superior Court
Juris No. 307252

Contract Number: PS 7846100 A14
Contract Term: 04/01/97 - 09/30/08
Contract Total: \$23,715,242.00

**CERTIFICATE
OF THE
ASSISTANT SECRETARY
OF
MERCER HEALTH & BENEFITS, LLC**

I, Margaret M. O'Brien, Assistant Secretary of Mercer Health & Benefits, LLC, a Delaware Limited Liability Corporation (the "LLC"), do hereby certify that at a duly authorized meeting of the Board of Directors of the LLC, dated July 1, 2006, the Board adopted procedures authorizing any duly elected Worldwide Partner or Principal of the LLC, including **Maria C. Dominiak**, to execute, approve and deliver on behalf of the LLC, contracts, agreements, applications and other instruments in the name and on behalf of the LLC.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the LLC this 30th day of June 2008.




Margaret M. O'Brien
Assistant Secretary

State of New York)

County of New York)

On this 30th day of June 2008, before me personally came Margaret M. O'Brien to me known, who acknowledged to me that she executed the foregoing instrument.



Notary Public

SANDRA DAVENPORT
Notary Public, State of New York
No. 01DA5139698
Qualified in Queens County
Certified in New York County
Commission Expires January 17, 2010


CERTIFICATION

(By corporate or other business entity regarding support of nondiscrimination against persons on account of their race, color, religious creed, age, marital or civil union status, national origin, ancestry, sex, mental retardation, physical disability or sexual orientation.)

I Margaret M. O'Brien, Assistant Secretary of Mercer Health & Benefits LLC an entity lawfully organized and existing under the laws of the State of Delaware (the "LLC"), do hereby certify that the following is a true and correct copy of a resolution adopted on the 19th day of September, 2007 by the governing body of Mercer Health & Benefits LLC in accordance with all of its documents of governance and management and the laws of the State of Delaware, and further certify that such resolution has not been modified, rescinded or revoked, and is, at present, in full force and effect.

RESOLVED: That the LLC hereby adopts as its policy to support the nondiscrimination agreements and warranties required under Connecticut General Statutes § 4a-60(a)(1) and § 4a-60a(a)(1), as amended in State of Connecticut Public Act 07-245 and sections 9(a)(1) and 10(a)(1) of Public Act 07-142.

IN WITNESS WHEREOF, the undersigned has executed this certificate this 30th day of June 2008

By : 
Margaret M. O'Brien
Title: Assistant Secretary

Effective June 30, 2008



STATE OF CONNECTICUT
AFFIRMATION OF RECEIPT OF STATE ETHICS LAWS SUMMARY

Affirmation to accompany a large State construction or procurement contract, having a cost of more than \$500,000, pursuant to Connecticut General Statutes §§ 1-101mm and 1-101qq

INSTRUCTIONS:

Complete all sections of the form. Submit completed form to the awarding State agency or contractor, as directed below.

CHECK ONE:

- I am a person seeking a large State construction or procurement contract. I am submitting this affirmation to the awarding State agency with my bid or proposal. [Check this box if the contract will be awarded through a competitive process.]
- I am a contractor who has been awarded a large State construction or procurement contract. I am submitting this affirmation to the awarding State agency at the time of contract execution. [Check this box if the contract was a sole source award.]
- I am a subcontractor or consultant of a contractor who has been awarded a large State construction or procurement contract. I am submitting this affirmation to the contractor.

IMPORTANT NOTE:

Contractors shall submit the affirmations of their subcontractors and consultants to the awarding State agency. Failure to submit such affirmations in a timely manner shall be cause for termination of the large State construction or procurement contract.

AFFIRMATION:

I, the undersigned person, contractor, subcontractor, consultant, or the duly authorized representative thereof, affirm (1) receipt of the summary of State ethics laws* developed by the Office of State Ethics pursuant to Connecticut General Statutes § 1-81b and (2) that key employees of such person, contractor, subcontractor, or consultant have read and understand the summary and agree to comply with its provisions.

* The summary of State ethics laws is available on the State of Connecticut's Office of State Ethics website at http://www.ct.gov/ethics/lib/ethics/contractors_guide_final2.pdf

<p><u>Maria C. Dominick</u> Signature</p> <p><u>MARIA C. DOMINICK</u> Printed Name</p> <p><u>Mercer Health & Benefits LLC</u> Firm or Corporation (if applicable)</p> <p><u>3131 E. Camelback Rd, Suite 300</u> Street Address</p> <p><u>34-2015463</u> Federal Employer ID Number (FEIN) or Social Security Number (SSN)</p>	<p><u>6/26/08</u> Date</p> <p><u>PRINCIPAL</u> Title</p> <p><u>Phoenix</u> <u>AZ</u> <u>85016</u> City State Zip</p> <p><u>Dept. of Social Services</u> Awarding State Agency</p>
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STATE OF CONNECTICUT
CONSULTING AGREEMENT AFFIDAVIT

Affidavit to accompany a State contract for the purchase of goods and services with a value of \$50,000 or more in a calendar or fiscal year, pursuant to Connecticut General Statutes §§ 4a-81(a) and 4a-81(b)

INSTRUCTIONS:

If the bidder or vendor has entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1): Complete all sections of the form. If the bidder or vendor has entered into more than one such consulting agreement, use a separate form for each agreement. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public. If the bidder or vendor has not entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1): Complete only the shaded section of the form. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public.

Submit completed form to the awarding State agency with bid or proposal. For a sole source award, submit completed form to the awarding State agency at the time of contract execution.

This affidavit must be amended if the contractor enters into any new consulting agreement(s) during the term of the State contract.

AFFIDAVIT: [Number of Affidavits Sworn and Subscribed On This Day: _____]

I, the undersigned, hereby swear that I am the chief official of the bidder or vendor awarded a contract, as described in Connecticut General Statutes § 4a-81(a), or that I am the individual awarded such a contract who is authorized to execute such contract. I further swear that I have not entered into any consulting agreement in connection with such contract, except for the agreement listed below:

Form with fields for Consultant's Name and Title, Name of Firm (if applicable), Start Date, End Date, Cost, and Description of Services Provided.

Is the consultant a former State employee or former public official? [] YES [X] NO

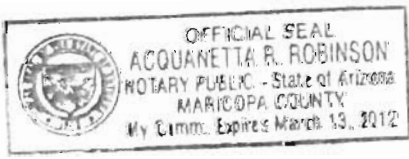
If YES: Name of Former State Agency, Termination Date of Employment

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Merger Health & Benefits LLC, Maria C. Dominkak, 6/26/08
Printed Name of Bidder or Vendor, Signature of Chief Official or Individual, Date

Maria C. Dominkak, Dept. of Social Services
Printed Name (of above), Awarding State Agency

Sworn and subscribed before me on this 26 day of June, 2008.



Acquannetta R. Robinson
Commissioner of the Superior Court or Notary Public



STATE OF CONNECTICUT GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION

Certification to accompany a State contract with a value of \$50,000 or more in a calendar or fiscal year, pursuant to C.G.S. §§ 4-250 and 4-252(c); Governor M. Jodi Rell's Executive Orders No. 1, Para. 8. and No. 7C, Para. 10; and C.G.S. §9-612(g)(2), as amended by Public Act 07-1

INSTRUCTIONS:

Complete all sections of the form. Attach additional pages, if necessary, to provide full disclosure about any lawful campaign contributions made to campaigns of candidates for statewide public office or the General Assembly, as described herein. Sign and date the form, under oath, in the presence of a Commissioner of the Superior Court or Notary Public. Submit the completed form to the awarding State agency at the time of initial contract execution (and on each anniversary date of a multi-year contract, if applicable).

CHECK ONE: Initial Certification Annual Update (Multi-year contracts only.)

GIFT CERTIFICATION:

As used in this certification, the following terms have the meaning set forth below:

- 1) "Contract" means that contract between the State of Connecticut (and/or one or more of its agencies or instrumentalities) and the Contractor, attached hereto, or as otherwise described by the awarding State agency below;
- 2) If this is an Initial Certification, "Execution Date" means the date the Contract is fully executed by, and becomes effective between, the parties; if this is an Annual Update, "Execution Date" means the date this certification is signed by the Contractor;
- 3) "Contractor" means the person, firm or corporation named as the contractor below;
- 4) "Applicable Public Official or State Employee" means any public official or state employee described in C.G.S. §4-252(c)(1)(i) or (ii);
- 5) "Gift" has the same meaning given that term in C.G.S. § 4-250(1);
- 6) "Planning Start Date" is the date the State agency began planning the project, services, procurement, lease or licensing arrangement covered by this Contract, as indicated by the awarding State agency below; and
- 7) "Principals or Key Personnel" means and refers to those principals and key personnel of the Contractor, and its or their agents, as described in C.G.S. §§ 4-250(5) and 4-252(c)(1)(B) and (C).

I, the undersigned, am the official authorized to execute the Contract on behalf of the Contractor. I hereby certify that, between the Planning Start Date and Execution Date, neither the Contractor nor any Principals or Key Personnel has made, will make (or has promised, or offered, to, or otherwise indicated that he, she or it will, make) any **Gifts** to any Applicable Public Official or State Employee.

I further certify that no Principals or Key Personnel know of any action by the Contractor to circumvent (or which would result in the circumvention of) the above certification regarding **Gifts** by providing for any other principals, key personnel, officials, or employees of the Contractor, or its or their agents, to make a **Gift** to any Applicable Public Official or State Employee. I further certify that the Contractor made the bid or proposal for the Contract without fraud or collusion with any person.

CAMPAIGN CONTRIBUTION CERTIFICATION:

I further certify that, on or after December 31, 2006, neither the Contractor nor any of its principals, as defined in C.G.S. § 9-612(g)(1), has made any **campaign contributions** to, or solicited any contributions on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support, any candidate for statewide public office, in violation of C.G.S. § 9-612(g)(2)(A). I further certify that **all lawful campaign contributions** that have been made on or after December 31, 2006 by the Contractor or any of its principals, as defined in C.G.S. § 9-612(g)(1), to, or solicited on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support any candidates for statewide public office or the General Assembly, are listed below:



STATE OF CONNECTICUT GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION

Lawful Campaign Contributions to Candidates for Statewide Public Office:

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

Lawful Campaign Contributions to Candidates for the General Assembly:

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Merrier Health Benefits LLC
Printed Contractor Name

Maria C. Dominate
Signature of Authorized Official

Subscribed and acknowledged before me this 26 day of June, 2008.



Acquanetta R. Robinson
Commissioner of the Superior Court (or Notary Public)

For State Agency Use Only

Awarding State Agency

Planning Start Date

Contract Number or Description



**STATE OF CONNECTICUT
AFFIRMATION OF RECEIPT OF STATE ETHICS LAWS SUMMARY**

Affirmation to accompany a large State construction or procurement contract, having a cost of more than \$500,000, pursuant to Connecticut General Statutes §§ 1-101mm and 1-101qq

INSTRUCTIONS:

Complete all sections of the form. Submit completed form to the awarding State agency or contractor, as directed below.

CHECK ONE:

- I am a person seeking a large State construction or procurement contract. I am submitting this affirmation to the awarding State agency with my bid or proposal. [Check this box if the contract will be awarded through a competitive process.]
- I am a contractor who has been awarded a large State construction or procurement contract. I am submitting this affirmation to the awarding State agency at the time of contract execution. [Check this box if the contract was a sole source award.]
- I am a subcontractor or consultant of a contractor who has been awarded a large State construction or procurement contract. I am submitting this affirmation to the contractor.

IMPORTANT NOTE:

Contractors shall submit the affirmations of their subcontractors and consultants to the awarding State agency. Failure to submit such affirmations in a timely manner shall be cause for termination of the large State construction or procurement contract.

AFFIRMATION:

I, the undersigned person, contractor, subcontractor, consultant, or the duly authorized representative thereof, affirm (1) receipt of the summary of State ethics laws* developed by the Office of State Ethics pursuant to Connecticut General Statutes § 1-81b and (2) that key employees of such person, contractor, subcontractor, or consultant have read and understand the summary and agree to comply with its provisions.

* The summary of State ethics laws is available on the State of Connecticut's Office of State Ethics website at http://www.ct.gov/ethics/lib/ethics/contractors_guide_final2.pdf

<p><u>Maria C. Dominiak</u> Signature</p> <p><u>MARIA C. DOMINIAK</u> Printed Name</p> <p><u>Mercer Health & Benefits LLC</u> Firm or Corporation (if applicable)</p> <p><u>3131 E. Camelback Rd, Suite 300</u> Street Address</p> <p><u>34-2015463</u> Federal Employer ID Number (FEIN) or Social Security Number (SSN)</p>	<p><u>6/26/08</u> Date</p> <p><u>PRINCIPAL</u> Title</p> <p><u>Phoenix</u> <u>AZ</u> <u>85216</u> City State Zip</p> <p><u>Dept. of Social Services</u> Awarding State Agency</p>
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STATE OF CONNECTICUT
CONSULTING AGREEMENT AFFIDAVIT

Affidavit to accompany a State contract for the purchase of goods and services with a value of \$50,000 or more in a calendar or fiscal year, pursuant to Connecticut General Statutes §§ 4a-81(a) and 4a-81(b)

INSTRUCTIONS:

If the bidder or vendor has entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1): Complete all sections of the form. If the bidder or vendor has entered into more than one such consulting agreement, use a separate form for each agreement. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public. If the bidder or vendor has not entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1): Complete only the shaded section of the form. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public.

Submit completed form to the awarding State agency with bid or proposal. For a sole source award, submit completed form to the awarding State agency at the time of contract execution.

This affidavit must be amended if the contractor enters into any new consulting agreement(s) during the term of the State contract.

AFFIDAVIT: [Number of Affidavits Sworn and Subscribed On This Day: _____]

I, the undersigned, hereby swear that I am the chief official of the bidder or vendor awarded a contract, as described in Connecticut General Statutes § 4a-81(a), or that I am the individual awarded such a contract who is authorized to execute such contract. I further swear that I have not entered into any consulting agreement in connection with such contract, except for the agreement listed below:

Form fields for Consultant's Name and Title, Name of Firm, Start Date, End Date, Cost, and Description of Services Provided.

Is the consultant a former State employee or former public official? [] YES [X] NO

If YES: Name of Former State Agency, Termination Date of Employment

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Mercer Health & Benefits LLC, Maria C. Dominiak, 6/26/08
Printed Name of Bidder or Vendor, Signature of Chief Official or Individual, Date

Maria C. Dominiak, Dept. of Social Services
Printed Name (of above), Awarding State Agency

Sworn and subscribed before me on this 26 day of June, 2008.



Acquanelta R. Robinson
Commissioner of the Superior Court
or Notary Public



STATE OF CONNECTICUT GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION

Certification to accompany a State contract with a value of \$50,000 or more in a calendar or fiscal year, pursuant to C.G.S. §§ 4-250 and 4-252(c); Governor M. Jodi Rell's Executive Orders No. 1, Para. 8, and No. 7C, Para. 10; and C.G.S. §9-612(g)(2), as amended by Public Act 07-1

INSTRUCTIONS:

Complete all sections of the form. Attach additional pages, if necessary, to provide full disclosure about any lawful campaign contributions made to campaigns of candidates for statewide public office or the General Assembly, as described herein. Sign and date the form, under oath, in the presence of a Commissioner of the Superior Court or Notary Public. Submit the completed form to the awarding State agency at the time of initial contract execution (and on each anniversary date of a multi-year contract, if applicable).

CHECK ONE: Initial Certification Annual Update (Multi-year contracts only.)

GIFT CERTIFICATION:

As used in this certification, the following terms have the meaning set forth below:

- 1) "Contract" means that contract between the State of Connecticut (and/or one or more of its agencies or instrumentalities) and the Contractor, attached hereto, or as otherwise described by the awarding State agency below;
- 2) If this is an Initial Certification, "Execution Date" means the date the Contract is fully executed by, and becomes effective between, the parties; if this is an Annual Update, "Execution Date" means the date this certification is signed by the Contractor;
- 3) "Contractor" means the person, firm or corporation named as the contractor below;
- 4) "Applicable Public Official or State Employee" means any public official or state employee described in C.G.S. §4-252(c)(1)(i) or (ii);
- 5) "Gift" has the same meaning given that term in C.G.S. § 4-250(1);
- 6) "Planning Start Date" is the date the State agency began planning the project, services, procurement, lease or licensing arrangement covered by this Contract, as indicated by the awarding State agency below; and
- 7) "Principals or Key Personnel" means and refers to those principals and key personnel of the Contractor, and its or their agents, as described in C.G.S. §§ 4-250(5) and 4-252(c)(1)(B) and (C).

I, the undersigned, am the official authorized to execute the Contract on behalf of the Contractor. I hereby certify that, between the Planning Start Date and Execution Date, neither the Contractor nor any Principals or Key Personnel has made, will make (or has promised, or offered, to, or otherwise indicated that he, she or it will, make) any **Gifts** to any Applicable Public Official or State Employee.

I further certify that no Principals or Key Personnel know of any action by the Contractor to circumvent (or which would result in the circumvention of) the above certification regarding **Gifts** by providing for any other principals, key personnel, officials, or employees of the Contractor, or its or their agents, to make a **Gift** to any Applicable Public Official or State Employee. I further certify that the Contractor made the bid or proposal for the Contract without fraud or collusion with any person.

CAMPAIGN CONTRIBUTION CERTIFICATION:

I further certify that, on or after December 31, 2006, neither the Contractor nor any of its principals, as defined in C.G.S. § 9-612(g)(1), has made any **campaign contributions** to, or solicited any contributions on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support, any candidate for statewide public office, in violation of C.G.S. § 9-612(g)(2)(A). I further certify that **all lawful campaign contributions** that have been made on or after December 31, 2006 by the Contractor or any of its principals, as defined in C.G.S. § 9-612(g)(1), to, or solicited on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support any candidates for statewide public office or the General Assembly, are listed below:



STATE OF CONNECTICUT GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION

Lawful Campaign Contributions to Candidates for Statewide Public Office:

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

Lawful Campaign Contributions to Candidates for the General Assembly:

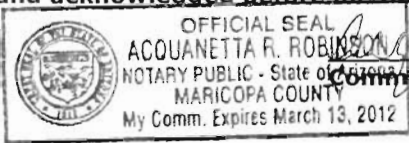
<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Merrier Health & Benefits LLC
Printed Contractor Name

Anna C. Donnell
Signature of Authorized Official

Subscribed and acknowledged before me this 26 day of June, 2008.



Acquanetta R. Robinson
Commissioner of the Superior Court (or Notary Public)

For State Agency Use Only

Awarding State Agency

Planning Start Date

Contract Number or Description

**PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT**

CO-802A REV. 3/98 (Stock No. 6938-170-01)

Print or Type

**OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION**

CORE CT # 97DSS1202CK

1. THE STATE AGENCY AND THE CONTRACTOR, AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO

THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE C.G.S. AS APPLICABLE.

(1) ORIGINAL <input type="checkbox"/> AMENDMENT <input checked="" type="checkbox"/> 13	(2) IDENTIFICATION NO. PS 7846100
--	--------------------------------------

CONTRACTOR	(3) CONTRACTOR NAME MERCER HEALTH & BENEFITS	(4) ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
	3131 East Camelback Road, Suite 300, Phoenix, AZ 85016	CONTRACTOR FEIN/SSN 34-2015463

STATE AGENCY	(5) AGENCY NAME AND ADDRESS Department of Social Services, 25 Sigourney Street, Hartford, CT 06106	(6) AGENCY NO. DSS6000
---------------------	---	---------------------------

CONTRACT PERIOD	(7) DATE (FROM) 04/01/1997	THROUGH () 06/30/2008	(8) INDICATE MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO NEITHER X
------------------------	-------------------------------	---------------------------	--

CANCELLATION CLAUSE	THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).	(9) REQUIRED NO. OF DAYS WRITTEN NOTICE. 15 Days
----------------------------	---	---

(10) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.)

COMPLETE DESCRIPTION OF SERVICE

FURTHER AMEND CONTRACT NUMBER 7846100 (CORE CT # 97DSS1202CK) AS AMENDED BY AMENDMENTS 1,2,3,4,5,6, 7, 8, 9, 10, 11 & 12 TO EXTEND THE TERM OF THE CONTRACT FOR A PERIOD OF SIX(6) MONTHS FROM 12/31/07 TO 06/30/08. THE CONTRACTOR SHALL CONTINUE TO PROVIDE RATE SETTING AND ACTUARIAL CONSULTING SERVICES AS DIRECTED BY THE DEPARTMENT. THE DEPARTMENT AND THE CONTRACTOR SHALL IDENTIFY THE SPECIFIC RATE SETTING AND ACTUARIAL CONSULTING SERVICES TO BE PERFORMED DURING THE PERIOD 1/1/08 THROUGH 06/30/08. SPECIFIC TASKS SHALL BE BASED ON THE TASKS SET FORTH IN AMENDMENT SEVEN TO THIS CONTRACT. ALL OTHER TERMS AND CONDITIONS NOT SPECIFICALLY AMENDED HEREIN INCLUDING THE MANDATORY TERMS AND CONDITIONS SET FORTH ON PAGES 2 THROUGH 20 OF AMENDMENT 11 AND AS FURTHER AMENDED IN AMENDMENT 12, REMAIN IN FULL FORCE AND EFFECT.

(11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

COST AND SCHEDULE OF PAYMENT

THE MAXIMUM VALUE OF THIS CONTRACT SHALL BE INCREASED BY \$2,199,318.00 FROM \$20,765,924.00 to \$22,965,242. FOLLOWING THE EXECUTION OF THIS AMENDMENT AND THE IDENTIFICATION OF THE SPECIFIC TASKS, THE DEPARTMENT AND THE CONTRACTOR SHALL ALLOCATE THE \$2,199,318.00 ADDED TO THIS CONTRACT THROUGH THIS AMENDMENT TO THE SPECIFIC TASKS TO BE PERFORMED BY THE CONTRACTOR. THE DEPARTMENT AND THE CONTRACTOR SHALL IDENTIFY SPECIFIC DELIVERABLES THAT ARE TO BE PRODUCED BY THE CONTRACTOR AND RECEIVED AND ACCEPTED BY THE DEPARTMENT IN ORDER TO RECEIVE PAYMENT.

(12) ACT CD PS	(13) DOC TYP	(14) COM TY P	(15) LSE. TYP.	(16) ORIG AGCY	(17) DOCUMENT NO.	(18) COMMIT AGCY DSS6000	(19) COMMIT. NO.	(20) VENDOR FEIN/SSN - SUFFIX 132-83-4414
-------------------	--------------	---------------	----------------	----------------	-------------------	-----------------------------	------------------	--

(21) COMMITTED AMOUNT	(22) OBLIGATED AMOUNT \$22,965,242.00	(23) CONTRACT PERIOD (FROM/TO) 04/01/97 - 06/30/08
-----------------------	--	---

(24) Line No.	(25) Fund Reference	(26) Fund	(27) Department	(28)			(30) Project/Grant	(31) Chart 1	(32) Chart 2	(33) Amount
				Program	SID	Account				
	2008	11000	DSS60521	14000	10020	51131	DSS_NONPROJECT	168012	DSS00231	

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS		STATUTORY AUTHORITY §§ 4- 8, 17b-3	
(35) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) <i>Maria C. Dominiak</i>	TITLE Maria C. Dominiak, Principal	DATE 12/24/07	
(36) AGENCY (AUTHORIZED OFFICIAL) <i>Michael P. Starkowski</i>	TITLE Michael P. Starkowski, Commissioner	DATE 12/24/07	
(37) OFFICE OF POLICY & MGMT./DEPT. OF ADMIN. SERV.	TITLE	DATE	
(38) ATTORNEY GENERAL (APPROVED AS TO FORM) <i>William B. A. K.</i>	TITLE ASSOC. ATTY. GENERAL	DATE 1/24/08	

DISTRIBUTION: PART 1 - CONTRACTOR PART 2 - COMPTROLLER PART 3 - OPMDAS PART 4 - ATTORNEY GENERAL - PART 5 - AGENCY

**PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT**

CO-802A REV. 3/98 (Stock No. 6938-170-01)

Print or Type

**OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION**

1. THE STATE AGENCY AND THE CONTRACTOR, AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO

THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE C.G.S. AS APPLICABLE.

CORE CT # 97DSS1202CK

		⁽¹⁾ ORIGINAL <input type="checkbox"/> AMENDMENT <input checked="" type="checkbox"/> 13		⁽²⁾ IDENTIFICATION NO. PS 7846100	
CONTRACTOR	⁽³⁾ CONTRACTOR NAME MERCER HEALTH & BENEFITS			⁽⁴⁾ ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	
	3131 East Camelback Road, Suite 300, Phoenix, AZ 85016			CONTRACTOR FEIN/SSN 34-2015463	
STATE AGENCY	⁽⁵⁾ AGENCY NAME AND ADDRESS Department of Social Services, 25 Sigourney Street, Hartford, CT 06106				⁽⁶⁾ AGENCY NO. DSS6000
CONTRACT PERIOD	⁽⁷⁾ DATE (FROM)	⁽⁸⁾ THROUGH	⁽⁹⁾ INDICATE		
	04/01/1997	06/30/2008	MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO NEITHER X		
CANCELLATION CLAUSE	THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).				⁽¹⁰⁾ REQUIRED NO. OF DAYS WRITTEN NOTICE 15 Days

COMPLETE DESCRIPTION OF SERVICE

⁽¹⁰⁾ CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.)

FURTHER AMEND CONTRACT NUMBER 7846100 (CORE CT # 97DSS1202CK) AS AMENDED BY AMENDMENTS 1,2,3,4,5,6, 7, 8, 9, 10, 11 & 12 TO EXTEND THE TERM OF THE CONTRACT FOR A PERIOD OF SIX(6) MONTHS FROM 12/31/07 TO 06/30/08. THE CONTRACTOR SHALL CONTINUE TO PROVIDE RATE SETTING AND ACTUARIAL CONSULTING SERVICES AS DIRECTED BY THE DEPARTMENT. THE DEPARTMENT AND THE CONTRACTOR SHALL IDENTIFY THE SPECIFIC RATE SETTING AND ACTUARIAL CONSULTING SERVICES TO BE PERFORMED DURING THE PERIOD 1/1/08 THROUGH 06/30/08. SPECIFIC TASKS SHALL BE BASED ON THE TASKS SET FORTH IN AMENDMENT SEVEN TO THIS CONTRACT. ALL OTHER TERMS AND CONDITIONS NOT SPECIFICALLY AMENDED HEREIN INCLUDING THE MANDATORY TERMS AND CONDITIONS SET FORTH ON PAGES 2 THROUGH 20 OF AMENDMENT 11 AND AS FURTHER AMENDED IN AMENDMENT 12, REMAIN IN FULL FORCE AND EFFECT.

COST AND SCHEDULE OF PAYMENT

⁽¹¹⁾ PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES

THE MAXIMUM VALUE OF THIS CONTRACT SHALL BE INCREASED BY \$2,199,318.00 FROM \$20,765,924.00 to \$22,965,242. FOLLOWING THE EXECUTION OF THIS AMENDMENT AND THE IDENTIFICATION OF THE SPECIFIC TASKS, THE DEPARTMENT AND THE CONTRACTOR SHALL ALLOCATE THE \$2,199,318.00 ADDED TO THIS CONTRACT THROUGH THIS AMENDMENT TO THE SPECIFIC TASKS TO BE PERFORMED BY THE CONTRACTOR. THE DEPARTMENT AND THE CONTRACTOR SHALL IDENTIFY SPECIFIC DELIVERABLES THAT ARE TO BE PRODUCED BY THE CONTRACTOR AND RECEIVED AND ACCEPTED BY THE DEPARTMENT IN ORDER TO RECEIVE PAYMENT.

⁽¹²⁾ ACT CD	⁽¹³⁾ DOC TYP	⁽¹⁴⁾ COM TY P	⁽¹⁵⁾ LSE. TYP.	⁽¹⁶⁾ ORIG. AGCY	⁽¹⁷⁾ DOCUMENT NO.	⁽¹⁸⁾ COMMIT AGCY	⁽¹⁹⁾ COMMIT. NO.	⁽²⁰⁾ VENDOR FEIN/SSN - SUFFIX
	PS					DSS6000		132-83-4414

⁽²¹⁾ COMMITTED AMOUNT	⁽²²⁾ OBLIGATED AMOUNT	⁽²³⁾ CONTRACT PERIOD (FROM/TO)
	\$22,965,242.00	04/01/97 - 06/30/08

⁽²⁴⁾ Line No.	⁽²⁵⁾ Budget Reference	⁽²⁶⁾ Fund	⁽²⁷⁾ Department	⁽²⁸⁾			⁽³⁰⁾ Project/Grant	⁽³¹⁾ Chart 1	⁽³²⁾ Chart 2	⁽³³⁾ Amount
				Program	SID	Account				
	2008	11000	DSS60521	14000	10020	51131	DSS_NONPROJECT	168012	DSS00231	

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS		STATUTORY AUTHORITY §§ 4-8, 17b-3	
⁽³⁵⁾ CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE)		TITLE	Maria C. Dominiak, Principal
⁽³⁶⁾ AGENCY (AUTHORIZED OFFICIAL)		TITLE	Michael P. Starkowski, Commissioner
⁽³⁷⁾ OFFICE OF POLICY & MGMT./DEPT. OF ADMIN. SERV.		TITLE	
⁽³⁸⁾ ATTORNEY GENERAL (APPROVED AS TO FORM)		TITLE	ASSOC. ATTY. GENERAL
		DATE	12/24/08

DISTRIBUTION: PART 1 - CONTRACTOR PART 2 - COMPTROLLER PART 3 - OPWDAS PART 4 - ATTORNEY GENERAL - PART 5 - AGENCY

CERTIFICATION


(By corporate or other business entity regarding support of nondiscrimination against persons on account of their race, color, religious creed, age, marital or civil union status, national origin, ancestry, sex, mental retardation, physical disability or sexual orientation.)

I Margaret M. O'Brien, Assistant Secretary of Mercer Health & Benefits LLC an entity lawfully organized and existing under the laws of the State of Delaware (the "LLC"), do hereby certify that the following is a true and correct copy of a resolution adopted on the 19th day of September, 2007 by the governing body of Mercer Health & Benefits LLC in accordance with all of its documents of governance and management and the laws of the State of Delaware, and further certify that such resolution has not been modified, rescinded or revoked, and is, at present, in full force and effect.

RESOLVED: That the LLC hereby adopts as its policy to support the nondiscrimination agreements and warranties required under Connecticut General Statutes § 4a-60(a)(1) and § 4a-60a(a)(1), as amended in State of Connecticut Public Act 07-245 and sections 9(a)(1) and 10(a)(1) of Public Act 07-142.

IN WITNESS WHEREOF, the undersigned has executed this certificate this 31st day of **December 2007**

By :



Margaret M. O'Brien

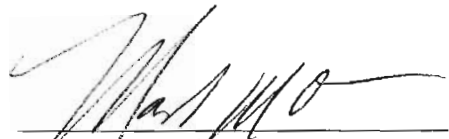
Title: Assistant Secretary

Effective December 31st, 2007

**CERTIFICATE
OF THE
ASSISTANT SECRETARY
OF
MERCER HEALTH & BENEFITS, LLC**

I, Margaret M. O'Brien, Assistant Secretary of Mercer Health & Benefits, LLC, a Delaware Limited Liability Company (the "LLC"), do hereby certify that Maria Dominiak is a duly elected Principal of the LLC and, in his such capacity as such, is authorized to execute, approve and deliver on behalf of the LLC, contracts, agreements, applications and other instruments in the name and on behalf of the LLC.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the LLC this 31st day of December, 2007.

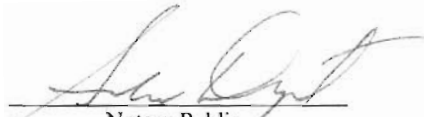


Margaret M. O'Brien
Assistant Secretary

State of New York)

County of New York)

On this 31st day of December, 2007, before me personally came Margaret M. O'Brien to me known, who acknowledged to me that she executed the foregoing instrument.



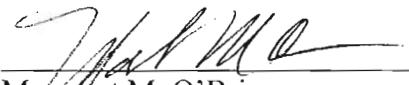
Notary Public

SANDRA DAVENPORT
Notary Public, State of New York
No. 01DA6139698
Qualified in Queens County
Certified in New York County
Commission Expires January 17, 2012

**CERTIFICATE
OF THE
ASSISTANT SECRETARY
OF
MERCER HEALTH & BENEFITS, LLC**

I, Margaret M. O'Brien, Assistant Secretary of Mercer Health & Benefits, LLC, a Delaware Limited Liability Company (the "LLC"), do hereby certify that Maria Dominiak is a duly elected Principal of the LLC and, in his such capacity as such, is authorized to execute, approve and deliver on behalf of the LLC, contracts, agreements, applications and other instruments in the name and on behalf of the LLC.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the LLC this 31st day of December, 2007.

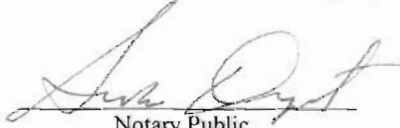


Margaret M. O'Brien
Assistant Secretary

State of New York)

County of New York)

On this 31st day of December, 2007, before me personally came Margaret M. O'Brien to me known, who acknowledged to me that she executed the foregoing instrument.



Notary Public

SANDRA DAVENPORT
Notary Public, State of New York
No. 01DA6139698
Qualified in Queens County
Certified in New York County
Commission Expires January 17, 2018



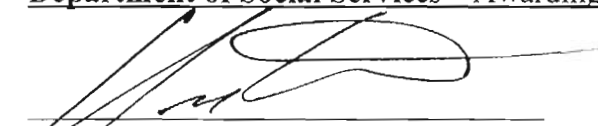
Certification Of State Agency Official or Employee Authorized to Execute Contracts

I, the undersigned State agency official or State employee, certify that (1) I am authorized to execute the attached contract on behalf of the State Agency named below, and (2) the selection of the contractor named below was not the result of collusion, the giving of a gift or the promise of a gift, compensation, fraud or inappropriate influence from any person.

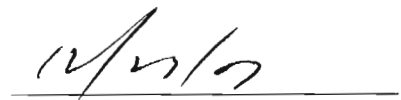
Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

MERCER HEALTH & BENEFITS – Contractor Name

Department of Social Services – Awarding State Agency



Signature

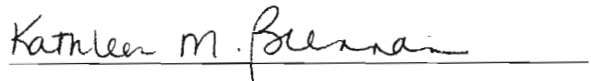


Date

Michael P. Starkowski, Commissioner, Department of Social Services

Printed Name Title

Sworn and subscribed before me on this 27 day of December, 2007.



Kathleen M. Brennan
Commissioner of the Superior Court
Juris No. 307252

Contract Number: PS 7846100 A13
Contract Term: 04/01/97 - 06/30/08
Contract Total: \$22,965,242.00



STATE OF CONNECTICUT GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION

Certification to accompany a State contract with a value of \$50,000 or more in a calendar or fiscal year, pursuant to C.G.S. §§ 4-250 and 4-252(c); Governor M. Jodi Rell's Executive Orders No. 1, Para. 8. and No. 7C, Para. 10; and C.G.S. §9-612(g)(2), as amended by Public Act 07-1

INSTRUCTIONS:

Complete all sections of the form. Attach additional pages, if necessary, to provide full disclosure about any lawful campaign contributions made to campaigns of candidates for statewide public office or the General Assembly, as described herein. Sign and date the form, under oath, in the presence of a Commissioner of the Superior Court or Notary Public. Submit the completed form to the awarding State agency at the time of initial contract execution (and on each anniversary date of a multi-year contract, if applicable).

CHECK ONE: Initial Certification Annual Update (Multi-year contracts only.)

GIFT CERTIFICATION:

As used in this certification, the following terms have the meaning set forth below:

- 1) "Contract" means that contract between the State of Connecticut (and/or one or more of its agencies or instrumentalities) and the Contractor, attached hereto, or as otherwise described by the awarding State agency below;
- 2) If this is an Initial Certification, "Execution Date" means the date the Contract is fully executed by, and becomes effective between, the parties; if this is an Annual Update, "Execution Date" means the date this certification is signed by the Contractor;
- 3) "Contractor" means the person, firm or corporation named as the contractor below;
- 4) "Applicable Public Official or State Employee" means any public official or state employee described in C.G.S. §4-252(c)(1)(i) or (ii);
- 5) "**Gift**" has the same meaning given that term in C.G.S. § 4-250(1);
- 6) "Planning Start Date" is the date the State agency began planning the project, services, procurement, lease or licensing arrangement covered by this Contract, as indicated by the awarding State agency below; and
- 7) "Principals or Key Personnel" means and refers to those principals and key personnel of the Contractor, and its or their agents, as described in C.G.S. §§ 4-250(5) and 4-252(c)(1)(B) and (C).

I, the undersigned, am the official authorized to execute the Contract on behalf of the Contractor. I hereby certify that, between the Planning Start Date and Execution Date, neither the Contractor nor any Principals or Key Personnel has made, will make (or has promised, or offered, to, or otherwise indicated that he, she or it will, make) any **Gifts** to any Applicable Public Official or State Employee.

I further certify that no Principals or Key Personnel know of any action by the Contractor to circumvent (or which would result in the circumvention of) the above certification regarding **Gifts** by providing for any other principals, key personnel, officials, or employees of the Contractor, or its or their agents, to make a **Gift** to any Applicable Public Official or State Employee. I further certify that the Contractor made the bid or proposal for the Contract without fraud or collusion with any person.

CAMPAIGN CONTRIBUTION CERTIFICATION:

I further certify that, on or after December 31, 2006, neither the Contractor nor any of its principals, as defined in C.G.S. § 9-612(g)(1), has made any **campaign contributions** to, or solicited any contributions on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support, any candidate for statewide public office, in violation of C.G.S. § 9-612(g)(2)(A). I further certify that **all lawful campaign contributions** that have been made on or after December 31, 2006 by the Contractor or any of its principals, as defined in C.G.S. § 9-612(g)(1), to, or solicited on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support any candidates for statewide public office or the General Assembly, are listed below:



STATE OF CONNECTICUT GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION

Lawful Campaign Contributions to Candidates for Statewide Public Office:

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

Lawful Campaign Contributions to Candidates for the General Assembly:

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

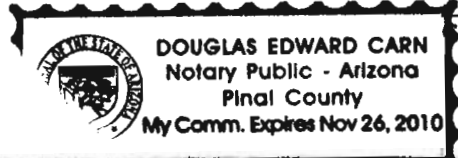
Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Maria C. Dominick Mercer Health Benefits
Printed Contractor Name

Maria C. Dominick
Signature of Authorized Official

Subscribed and acknowledged before me this 24 day of DECEMBER, 2007.

Douglas Ed Carn
Commissioner of the Superior Court (or Notary Public)



For State Agency Use Only

_____	_____
Awarding State Agency	Planning Start Date

Contract Number or Description	



STATE OF CONNECTICUT CONSULTING AGREEMENT AFFIDAVIT

Affidavit to accompany a State contract for the purchase of goods and services with a value of \$50,000 or more in a calendar or fiscal year, pursuant to Connecticut General Statutes §§ 4a-81(a) and 4a-81(b)

INSTRUCTIONS:

If the bidder or vendor has entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1): Complete all sections of the form. If the bidder or vendor has entered into more than one such consulting agreement, use a separate form for each agreement. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public. **If the bidder or vendor has not entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1):** Complete only the shaded section of the form. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public.

Submit completed form to the awarding State agency with bid or proposal. For a sole source award, submit completed form to the awarding State agency at the time of contract execution.

This affidavit must be amended if the contractor enters into any new consulting agreement(s) during the term of the State contract.

AFFIDAVIT: [Number of Affidavits Sworn and Subscribed On This Day: _____]

I, the undersigned, hereby swear that I am the chief official of the bidder or vendor awarded a contract, as described in Connecticut General Statutes § 4a-81(a), or that I am the individual awarded such a contract who is authorized to execute such contract. I further swear that I have not entered into any consulting agreement in connection with such contract, **except for the agreement listed below:**

_____ Consultant's Name and Title		_____ Name of Firm (if applicable)
_____ Start Date	_____ End Date	_____ Cost
Description of Services Provided: _____		

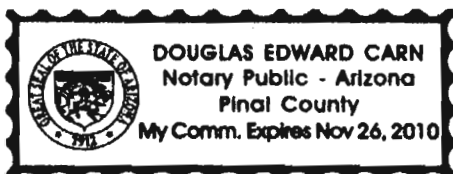
Is the consultant a former State employee or former public official? YES NO

If YES: _____
Name of Former State Agency Termination Date of Employment

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

<u>Mercer Health+Benefits</u> Printed Name of Bidder or Vendor	<u>Maria C Dominiak</u> Signature of Chief Official or Individual	<u>12/24/07</u> Date
	<u>Maria C Dominiak</u> Printed Name (of above)	_____ Awarding State Agency

Sworn and subscribed before me on this 24 day of DECEMBER, 2007.



Douglas Edward Carn
Commissioner of the Superior Court
or Notary Public



STATE OF CONNECTICUT GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION

Certification to accompany a State contract with a value of \$50,000 or more in a calendar or fiscal year, pursuant to C.G.S. §§ 4-250 and 4-252(c); Governor M. Jodi Rell's Executive Orders No. 1, Para. 8, and No. 7C, Para. 10; and C.G.S. §9-612(g)(2), as amended by Public Act 07-1

INSTRUCTIONS:

Complete all sections of the form. Attach additional pages, if necessary, to provide full disclosure about any lawful campaign contributions made to campaigns of candidates for statewide public office or the General Assembly, as described herein. Sign and date the form, under oath, in the presence of a Commissioner of the Superior Court or Notary Public. Submit the completed form to the awarding State agency at the time of initial contract execution (and on each anniversary date of a multi-year contract, if applicable).

CHECK ONE: Initial Certification Annual Update (Multi-year contracts only.)

GIFT CERTIFICATION:

As used in this certification, the following terms have the meaning set forth below:

- 1) "Contract" means that contract between the State of Connecticut (and/or one or more of its agencies or instrumentalities) and the Contractor, attached hereto, or as otherwise described by the awarding State agency below;
- 2) If this is an Initial Certification, "Execution Date" means the date the Contract is fully executed by, and becomes effective between, the parties; If this is an Annual Update, "Execution Date" means the date this certification is signed by the Contractor;
- 3) "Contractor" means the person, firm or corporation named as the contractor below;
- 4) "Applicable Public Official or State Employee" means any public official or state employee described in C.G.S. §4-252(c)(1)(i) or (ii);
- 5) "Gift" has the same meaning given that term in C.G.S. § 4-250(1);
- 6) "Planning Start Date" is the date the State agency began planning the project, services, procurement, lease or licensing arrangement covered by this Contract, as indicated by the awarding State agency below; and
- 7) "Principals or Key Personnel" means and refers to those principals and key personnel of the Contractor, and its or their agents, as described in C.G.S. §§ 4-250(5) and 4-252(c)(1)(B) and (C).

I, the undersigned, am the official authorized to execute the Contract on behalf of the Contractor. I hereby certify that, between the Planning Start Date and Execution Date, neither the Contractor nor any Principals or Key Personnel has made, will make (or has promised, or offered, to, or otherwise indicated that he, she or it will, make) any **Gifts** to any Applicable Public Official or State Employee.

I further certify that no Principals or Key Personnel know of any action by the Contractor to circumvent (or which would result in the circumvention of) the above certification regarding **Gifts** by providing for any other principals, key personnel, officials, or employees of the Contractor, or its or their agents, to make a **Gift** to any Applicable Public Official or State Employee. I further certify that the Contractor made the bid or proposal for the Contract without fraud or collusion with any person.

CAMPAIGN CONTRIBUTION CERTIFICATION:

I further certify that, on or after December 31, 2006, neither the Contractor nor any of its principals, as defined in C.G.S. § 9-612(g)(1), has made any **campaign contributions** to, or solicited any contributions on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support, any candidate for statewide public office, in violation of C.G.S. § 9-612(g)(2)(A). I further certify that **all lawful campaign contributions** that have been made on or after December 31, 2006 by the Contractor or any of its principals, as defined in C.G.S. § 9-612(g)(1), to, or solicited on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support any candidates for statewide public office or the General Assembly, are listed below:



STATE OF CONNECTICUT
GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION

Lawful Campaign Contributions to Candidates for Statewide Public Office:

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

Lawful Campaign Contributions to Candidates for the General Assembly:

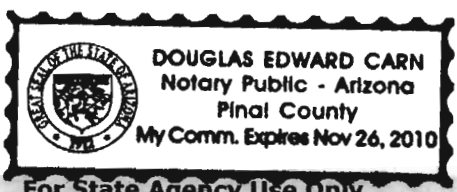
<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

Sworn as true to the best of my knowledge and belief subject to the penalties of false statement.

Mania C. Dominiale, Mercer Health Mania C. Dominiale
 Printed Contractor Name Signature of Authorized Official

Subscribed and acknowledged before me this 24 day of DECEMBER, 2007.

Douglas Edward Carn
 Commissioner of the Superior Court (or Notary Public)



For State Agency Use Only

Awarding State Agency Planning Start Date

Contract Number or Description



STATE OF CONNECTICUT CONSULTING AGREEMENT AFFIDAVIT

Affidavit to accompany a State contract for the purchase of goods and services with a value of \$50,000 or more in a calendar or fiscal year, pursuant to Connecticut General Statutes §§ 4a-81(a) and 4a-81(b)

INSTRUCTIONS:

If the bidder or vendor has entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1): Complete all sections of the form. If the bidder or vendor has entered into more than one such consulting agreement, use a separate form for each agreement. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public. **If the bidder or vendor has not entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1):** Complete only the shaded section of the form. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public.

Submit completed form to the awarding State agency with bid or proposal. For a sole source award, submit completed form to the awarding State agency at the time of contract execution.

This affidavit must be amended if the contractor enters into any new consulting agreement(s) during the term of the State contract.

AFFIDAVIT: [Number of Affidavits Sworn and Subscribed On This Day: _____]

I, the undersigned, hereby swear that I am the chief official of the bidder or vendor awarded a contract, as described in Connecticut General Statutes § 4a-81(a), or that I am the individual awarded such a contract who is authorized to execute such contract. I further swear that I have not entered into any consulting agreement in connection with such contract, **except for the agreement listed below:**

_____ Consultant's Name and Title		_____ Name of Firm (if applicable)
_____ Start Date	_____ End Date	_____ Cost
Description of Services Provided: _____		

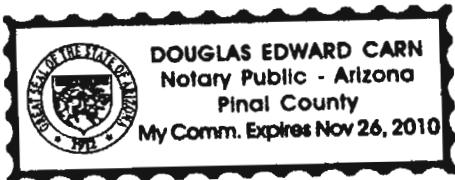
Is the consultant a former State employee or former public official? YES NO

If YES: _____
Name of Former State Agency Termination Date of Employment

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

<u>Mercer Health + Benefits</u> Printed Name of Bidder or Vendor	<u>Maria C Dominak</u> Signature of Chief Official or Individual	<u>12/24/07</u> Date
_____	<u>Maria C Dominak</u> Printed Name (of above)	_____ Awarding State Agency

Sworn and subscribed before me on this 24 day of DECEMBER, 2007.



Douglas Edward Carn
Commissioner of the Superior Court
or Notary Public

Amendment PSA

Name: 2008_2965
Status: Pending OPM Review
Title: KB_97DSS1202CK_A13 -MERCER
Agency: Department of Social Services
Disposition Date: 1/1/1900
Disposition Reason:

Contact: Mark Schaefer
 424-5067

Requester: Kathleen M. Brennan
 Director, Contract Procurement
 kathleen.brennan@ct.gov

Is this PSA with an individual?	NO
Was the cost of the original PSA more than \$50,000?	YES
Is the cost of this amendment 100% or more of the cost of the original PSA?	YES
Does this amendment increase the cost of the original PSA to more than \$50,000?	NO
Does this amendment extend the terms of the original PSA beyond a one-year period?	YES
Is this the second or subsequent amendment to the original PSA?	YES

Original PSA

Cost 955,596.00

Prior Amendments 12
PO Reference: 32358
Core-CT Contract Id: 97DSS1202CK
Start Date: 04/01/97
End Date: 03/31/99

Contractor: Mercer Health & Benefits

Outline of Work:

Rate Setting and actuarial services for a variety of DSS Medical programs including HUSKY, SAGA, NEMT, Pharmacy and Behavioral Health

Prior Amendment

Cost \$19,810,328.00

Start Date: 04/01/99

End Date: 12/31/07

Current Amendment:

Estimated Cost: \$2,199,318.00

Start Date: 01/01/08

End Date: 06/30/08

Account Codes: FUND 11000
SID 10020
AMOUNT \$2,199,318

Amended Outline of Work:

Continuation of services as the Department transitions from a managed care to an ASO arrangement and as the Department proceeds with the development of the Charter Oak Program and rejuvenates the HUSKY A and B programs.

Need for Amendment:

See Above

Explain the reason for not issuing a new Request for Proposal:

The institutional history that Mercer has regarding the HUSKY programs can not be matched. That knowledge is needed as we transition into a new service delivery system for the short term and begin the Charter Oak and revised HUSKY programs. Once the transition occurs and the new service delivery system is in place we will pursue a competitive procurement for these services.

Invoice Tracking by Supporting Projects 7/1/07 through 6/30/08

Project	Supporting Projects	Project #	Jun-07 Actual	Jul-07 Actual	Aug-07 Actual	Sep-07 Actual	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	YTD SFY08 by Supporting Project	YTD SFY08 by Project	
Project Support	General	000	\$ -	\$ 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21	\$ 107,433
HUSKY A Rates	Project Management	001	\$ 7,433	\$ 7,243	\$ 10,089	\$ 7,194	\$ 8,484	\$ 8,484	\$ 8,484	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 107,412	\$ 813,910
	Actual	011	\$ 5,243	\$ 7,441	\$ 35,511	\$ 32,621	\$ 66,000	\$ 60,000	\$ 60,000	\$ 80,000	\$ 100,000	\$ 110,000	\$ 40,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 636,816	\$ 813,910
	Data - Informatics	012	\$ 1,446	\$ 2,642	\$ 1,062	\$ 9,764	\$ 5,000	\$ 10,000	\$ 30,000	\$ 30,000	\$ 20,000	\$ 10,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 125,913	
	Financial Analyses	013	\$ -	\$ -	\$ -	\$ 1,181	\$ -	\$ -	\$ -	\$ 10,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,181	
	Ad Hoc	014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
BH Carve-Out	Actual	018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Ad Hoc	028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Denial Carve-Out	Actual	019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Ad Hoc	029	\$ 9,125	\$ 17,850	\$ 4,775	\$ 12,144	\$ -	\$ 8,053	\$ 8,053	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ 60,000
Risk Adjusted Rates/ Data Quality		021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 30,000	\$ 30,000	\$ 5,000	\$ 5,000	\$ 2,764	\$ 150,000	\$ 150,000	
HUSKY A Waiver Renewal		070	\$ 2,236	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000
Financial Monitoring		090	\$ -	\$ -	\$ -	\$ 826	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 826	\$ 25,000
Health Plan Reviews	Initial Preparation	091	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ 1,544	\$ 1,500	\$ 1,500	\$ 500	\$ -	\$ -	\$ 500	\$ 6,044	\$ 6,044	
	CHN Financials	092	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ 1,544	\$ 1,500	\$ 1,500	\$ 500	\$ -	\$ -	\$ 500	\$ 6,044	\$ 6,044	
	Health Net Financials	093	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ 1,544	\$ 1,500	\$ 1,500	\$ 500	\$ -	\$ -	\$ 500	\$ 6,044	\$ 6,044	
	Anthem Financials	097	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ 1,544	\$ 1,500	\$ 1,500	\$ 500	\$ -	\$ -	\$ 500	\$ 6,044	\$ 6,044	
	WellCare Financials	100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333	\$ 500,000	\$ 500,000	
As Needed Consulting		015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SAGA	Readiness Reviews	101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Behavioral Health - ASO		103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ASO Pharmacy		104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HUSKY Reinsurance		105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Encounter Data Management	Ad Hoc Requests	105	\$ 1,979	\$ -	\$ 4,150	\$ 5,418	\$ 1,250	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 36,797	\$ 36,797	
National Provider ID	Development	120	\$ 251	\$ 7,758	\$ 4,072	\$ 3,988	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 61,068	\$ 772,000	
FQHC Reimbursement	Routine Processing	122	\$ 34,753	\$ 36,704	\$ 41,361	\$ 51,789	\$ 51,000	\$ 51,000	\$ 51,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 617,605	\$ 200,000
Family Planning Waiver	Routine Reporting	123	\$ 3,753	\$ 15,073	\$ 7,520	\$ 1,571	\$ 8,000	\$ 15,000	\$ 3,000	\$ 15,000	\$ 5,000	\$ -	\$ 15,000	\$ 5,000	\$ 5,000	\$ -	\$ 93,917	\$ 70,000
Procurements	Eligibility Work	124	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,587
On-site Staffing	Encounter Pricing	125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HUSKY A Strategy		110	\$ 18,550	\$ 17,237	\$ 31,219	\$ 18,350	\$ 9,000	\$ 22,822	\$ 22,822	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 200,000	\$ 200,000
		130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		315	\$ -	\$ 6,650	\$ 23,464	\$ 4,188	\$ 14,000	\$ 5,849	\$ 5,849	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ 70,000
		320	\$ -	\$ -	\$ 3,014	\$ 16,973	\$ 3,600	\$ -	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,587	\$ 103,587
		600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total			\$ 84,767	\$ 118,618	\$ 166,238	\$ 165,006	\$ 171,334	\$ 201,208	\$ 238,382	\$ 425,667	\$ 345,667	\$ 331,667	\$ 221,667	\$ 191,667	\$ 186,431	\$ 2,849,318	\$ 2,849,318	

PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT

CO-802A REV. 3/98 (Stock No. 6938-170-01)

Print or Type

OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION

CORE CT # 97DSS1202CK

1 THE STATE AGENCY AND THE CONTRACTOR, AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO

THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE C.G.S., AS APPLICABLE.

		(1) ORIGINAL <input type="checkbox"/> AMENDMENT <input checked="" type="checkbox"/> 12		(2) IDENTIFICATION NO. PS 7846100	
CONTRACTOR	(3) CONTRACTOR NAME MERCER HEALTH & BENEFITS			(4) ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	
	3131 East Camelback Road, Suite 300, Phoenix, AZ 85016			CONTRACTOR FEIN/SSN 34-2015463	
STATE AGENCY	(5) AGENCY NAME AND ADDRESS Department of Social Services, 25 Sigourney Street, Hartford, CT 06106				(8) AGENCY NO DSS6000
CONTRACT PERIOD	(7) DATE (FROM)	THROUGH ((8) INDICATE		
	04/01/1997	12/31/2007	MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO NEITHER <input checked="" type="checkbox"/>		
CANCELLATION CLAUSE	(10) CONTRACTOR AGREES TO (Include special provisions - Attach additional blank sheets if necessary.)				(9) REQUIRED NO. OF DAYS WRITTEN NOTICE
	THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).				15 Days

COMPLETE DESCRIPTION OF SERVICE

FURTHER AMEND CONTRACT NUMBER 7846100 (CORE CT # 97DSS1202CK) AS AMENDED BY AMENDMENTS 1,2,3,4,5,6, 7, 8, 9, 10 & 11 TO EXTEND THE TERM OF THE CONTRACT FOR A PERIOD OF SIX(6) MONTHS FROM 06/30/07 TO 12/31/07. THE CONTRACTOR SHALL CONTINUE TO PROVIDE RATE SETTING AND ACTUARIAL CONSULTING SERVICES AS DIRECTED BY THE DEPARTMENT. THE DEPARTMENT AND THE CONTRACTOR SHALL IDENTIFY THE SPECIFIC RATE SETTING AND ACTUARIAL CONSULTING SERVICES TO BE PERFORMED DURING THE PERIOD 7/1/07 THROUGH 12/31/07. SPECIFIC TASKS SHALL BE BASED ON THE TASKS SET FORTH IN AMENDMENT SEVEN TO THIS CONTRACT. IN ADDITION, THE MANDATORY TERMS AND CONDITIONS SET FORTH ON PAGES 2 THROUGH 20 OF AMENDMENT 11 ARE AMENDED AS SET FORTH ON PAGES 2 THROUGH 3 OF THIS AMENDMENT. ALL OTHER TERMS AND CONDITIONS NOT SPECIFICALLY AMENDED HEREIN SHALL REMAIN IN FULL FORCE AND EFFECT.

COST AND SCHEDULE OF PAYMENT

(11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.
THE MAXIMUM VALUE OF THIS CONTRACT SHALL BE INCREASED BY \$650,000.00 FROM \$20,115,924.00 to \$20,765,924.00. FOLLOWING THE EXECUTION OF THIS AMENDMENT AND THE IDENTIFICATION OF THE SPECIFIC TASKS, THE DEPARTMENT AND THE CONTRACTOR SHALL ALLOCATE THE \$650,000.00 ADDED TO THIS CONTRACT THROUGH THIS AMENDMENT TO THE SPECIFIC TASKS TO BE PERFORMED BY THE CONTRACTOR. THE DEPARTMENT AND THE CONTRACTOR SHALL IDENTIFY SPECIFIC DELIVERABLES THAT ARE TO BE PRODUCED BY THE CONTRACTOR AND RECEIVED AND ACCEPTED BY THE DEPARTMENT IN ORDER TO RECEIVE PAYMENT.

(12) ACT CD	(13) DOC TYP	(14) COM TY P	(15) LSE TYP	(16) ORIG. AGCY	(17) DOCUMENT NO.	(18) COMMIT AGCY	(19) COMMIT NO.	(20) VENDOR FEIN/SSN - SUFFIX		
	PS					DSS6000		132-83-4414		
(21) COMMITTED AMOUNT				(22) OBLIGATED AMOUNT		(23) CONTRACT PERIOD (FROM/TO)				
				\$20,765,924.00		04/01/97 - 12/31/07				
(24) Line No.	(25) Project Reference	(26) Fund	(27) Department	(28) Program	(29) SID	(30) Account	(31) Project/Grant	(32) Chart 1	(33) Chart 2	Amount
	2008	11000	DSS60521	14000	10020	51131	DSS_NONPROJECT	168012	DSS00231	

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS		STATUTORY AUTHORITY §§ 4- 8, 17b-3	
(35) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE)	TITLE	DATE	
<i>Nancy C. Donnell</i>	Principal	6/28/07	
(36) AGENCY (AUTHORIZED OFFICIAL)	TITLE	DATE	
<i>Michael P. Starkowski</i>	Michael P. Starkowski, Deputy Commissioner	6/29/07	
(37) OFFICE OF POLICY & MGMT/DEPT. OF ADMIN. SERV.	TITLE	DATE	
(38) ATTORNEY GENERAL (APPROVED AS TO FORM)	TITLE	DATE	
<i>John B. A...</i>	ASSOC. ATTY. GEN.	1/10/08	

DISTRIBUTION: PART 1 - CONTRACTOR PART 2 - COMPTROLLER PART 6 - OP/MDAS PART 4 - ATTORNEY GENERAL - PART 5 - AGENCY

1. The Contractor's contact for receipt of notices set forth in section B 1 a. is changed to:
 - a. In case of notice(s) to the Contractor:

Maria Dominiak
Mercer Health and Benefits
3131 East Camelback Road, Suite 300
Phoenix, Arizona 85016
phone: 602 522 6517
fax: 602 957 9573
e-mail: maria.dominiak@mercer.com

2. Executive Order 7B as set forth in Section D 4d on page 9 of Amendment 11 is deleted in its entirety and replaced with the following:

d. Executive Order No. 7C: State Contracting Standards Board

This contract is also subject to provisions of Executive Order No. Seven C of Governor M. Jodi Rell promulgated July 13, 2006 and, as such, this contract may be canceled terminated or suspended by the contracting agency for violation of or noncompliance with said Executive Order No.7C. The parties to this contract, as part of the consideration hereof, agree that:

- i. The State Contracting Standards Board ("the Board") may review this contract and recommend to the state contracting agency termination of the contract for cause. The state contracting agency shall consider the recommendations and act as required or permitted in accordance with the contract and applicable law. The Board shall provide the results of its review, together with its recommendations, to the state contracting agency and any other affected party in accordance with the notice provisions in the contract no later than fifteen (15) days after the Board finalizes its recommendation. For the purposes of this Section, "for cause" means:
 1. a violation of the State Ethics Code (Conn. Gen. Stat. Chapter 10) or §4a-100 of the Conn. Gen. Stat.; or
 2. wanton or reckless disregard of any state contracting and procurement process by any person substantially involved in such contract or state contracting agency.
- ii. For the purposes of this section, "contract" shall not include real property transactions involving less than a fee simple interest or financial assistance comprised of state or federal funds, the form of which may include but is not limited to grants, loans, loan guarantees, and participation interests in loans, equity investments and tax credit programs.
- iii. Notwithstanding the foregoing, the Board shall not have any authority to recommend the termination of a contract for the sale or purchase of a fee simple interest in real property following transfer of title; and
- iv. Notwithstanding the contract value listed in §§ 4-250 and 4-252 of the Conn. Gen. Stat. and section 8 of Executive Order No. One, all State Contracts between state agencies and private entities with a value of \$50,000 or more in a calendar or fiscal year shall comply with the gift and campaign contribution certification requirements of §4-252 of the Conn. Gen. Stat. and section 8 of Executive Order No. One.
- v. For purposes of this section, the term "certification" shall include the campaign contribution and annual gift affidavits required by section 8 of Executive Order No. One.

3. A new section Section D 11 is added as follows:

11. Campaign Contribution Restrictions.

Pursuant to Public Act 07-1, An Act Concerning the State Contractor Contribution Ban and Gifts to State and Quasi-Public Agencies state contractors, prospective contractors, and their principals are prohibited from soliciting or making contributions to state political campaigns. For all State contracts as defined in P.A. 07-1 having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the Department certifies that they have provided and the Contractor's authorized signatory to this Agreement expressly acknowledges receipt of the State Elections Enforcement Commission's notice (SEEC Form 11) advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice.

4. A new section Section D 12 is added as follows:

WHISTLEBLOWING.

This Agreement is subject to the provisions of § 4-61dd of the Connecticut General Statutes. In accordance with this statute, if an officer, employee or appointing authority of the Contractor takes or threatens to take any personnel action against any employee of the Contractor in retaliation for such employee's disclosure of information to any employee of the Contracting state or quasi-public agency or the Auditors of Public Accounts or the Attorney General under the provisions of subsection (a) of such statute, the Contractor shall be liable for a civil penalty of not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of this Agreement.

Each violation shall be a separate and distinct offense and in the case of a continuing violation, each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The State may request that the Attorney General bring a civil action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. In accordance with subsection (f) of such statute, each large state Contractor, as defined in the statute, shall post a notice of the provisions of the statute relating to large state Contractors in a conspicuous place which is readily available for viewing by the employees of the Contractor.

JF 12/27/07 MCD 12/20/07

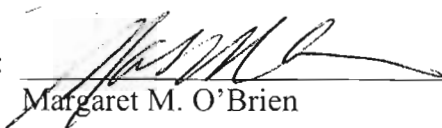
CERTIFICATION

(By corporate or other business entity regarding support of nondiscrimination against persons on account of their race, color, religious creed, age, marital or civil union status, national origin, ancestry, sex, mental retardation, physical disability or sexual orientation.)

I Margaret M. O'Brien, Assistant Secretary of Mercer Health & Benefits LLC an entity lawfully organized and existing under the laws of the State of Delaware (the "LLC"), do hereby certify that the following is a true and correct copy of a resolution adopted on the 19th day of September, 2007 by the governing body of Mercer Health & Benefits LLC in accordance with all of its documents of governance and management and the laws of the State of Delaware, and further certify that such resolution has not been modified, rescinded or revoked, and is, at present, in full force and effect.

RESOLVED: That the LLC hereby adopts as its policy to support the nondiscrimination agreements and warranties required under Connecticut General Statutes § 4a-60(a)(1) and § 4a-60a(a)(1), as amended in State of Connecticut Public Act 07-245 and sections 9(a)(1) and 10(a)(1) of Public Act 07-142.

IN WITNESS WHEREOF, the undersigned has executed this certificate this 8th day of November, 2007

By : 
Margaret M. O'Brien

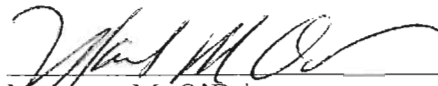
Title: Assistant Secretary

Effective June 25, 2007

CERTIFICATE
OF
THE ASSISTANT SECRETARY
OF
MERCER HEALTH & BENEFITS LLC

I, Margaret M. O'Brien, Assistant Secretary of Mercer Health & Benefits LLC, a Delaware Limited Liability Company, (the "LLC"), do hereby certify that at a duly authorized meeting of the Board of Directors of the LLC, dated July 1, 2006, the Board adopted procedures authorizing any duly elected Worldwide Partner or Principal of the LLC, including **Maria C. Dominiak**, to execute, approve and deliver on behalf of this LLC, contracts and other instruments in the name and behalf of the LLC.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the LLC this 3rd day of July, 2007.



Margaret M. O'Brien
Assistant Secretary

State of New York)

County of Queens)

On this 3rd day of July 2007, before me personally came Margaret M. O'Brien to me known, who acknowledged to me that she executed the foregoing instrument.



Notary Public

SANDRA DAVENPORT
Notary Public, State of New York
No. 01DA6139698
Qualified in Queens County
Commission Expires January 17, 2010

STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT
Policies and Guidelines

Gift Certification

Gift certification to accompany State Contracts with a value of \$50,000 or more in a calendar or fiscal year, pursuant Conn. Gen. Stat. §§ 4-250 and 4-252, and Governor M. Jodi Rell's Executive Order No. 7C, para. 10.

I, Maria Dominiak, Principal, Mercer Health & Benefits, LLC, am authorized to execute the attached contract on behalf of the Mercer Health & Benefits, LLC (the "Contractor"). I hereby certify that between 03/01/07 (planning date) and 06/28/07 (date of the execution of the attached contract) that neither myself, the Contractor, nor any of its principals or key personnel who participated directly, extensively and substantially in the preparation of the bid or proposal (if applicable) or in the negotiation of this contract, nor any agent of the above, gave a gift, as defined in Conn. Gen. Stat. § 1-79(e), including a life event gift as defined in Conn. Gen. Stat. § 1-79(e)(12), to (1) any public official or state employee of the contracting state agency or quasi-public agency who participated directly, extensively, and substantially in the preparation of the bid solicitation or request for proposals for the contract (if applicable) or in the negotiation or award of this contract; or (2) any public official or state employee of any other state agency who has supervisory or appointing authority over the state agency or quasi-public agency executing this contract, except the gifts listed below:

Name of Benefactor Name of recipient Gift Description Value Date of Gift

List information here

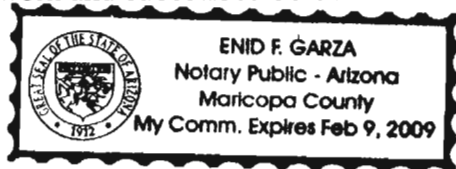
Further, neither I nor any principals or key personnel of the Contractor, nor any agent of the above, knows of any action by Contractor to circumvent such prohibition on gifts by providing for any other principals, key personnel, officials, employees of Contractor, nor any agent of the above, to provide a gift to any such public official or state employee.

Further, the Contractor made its bid or proposal without fraud or collusion with any person.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Maria C Dominiak Signature Date 6/28/07

Sworn and subscribed before me on this 28th day of June 2007



Enid F Garza Commissioner of the Superior Court Notary Public

STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT
Policies and Guidelines

Campaign Contribution Affidavit
(Bid or Proposal)

Campaign contribution affidavit to accompany bids or proposals for Large State Contracts (having a total cost to the State of more than \$500,000), pursuant to Governor M. Jodi Rell's Executive Order No. 1, para 8. and Conn. Gen. Stat. § 4-250

I, Maria Dominiak, Principal, Mercer Health & Benefits, LLC, hereby swear that during the two-year period preceding the submission of this bid or proposal, neither I nor any principals or key personnel of the submitting firm or corporation who participated directly, extensively and substantially in the preparation of this bid or proposal nor any agent of the above gave a contribution to a candidate for statewide public office or the General Assembly, as defined in Conn. Gen. Stat. §9-333b, except as listed below:

<u>Contributor</u>	<u>Recipient</u>	<u>Amount/Value</u>	<u>Date of Contribution</u>	<u>Contribution Description</u>
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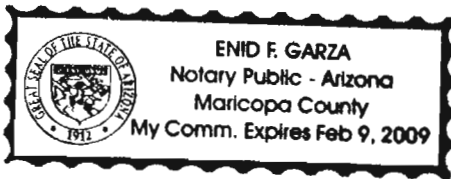
List information here

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Maria C Dominiak
Signature

6/28/07
Date

Sworn and subscribed before me on this 28th day of June, 2007



[Signature]
Commissioner of the Superior Court
Notary Public

STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT
Policies and Guidelines

Consulting Agreement Affidavit

Consulting agreement affidavit to accompany state contracts for the purchase of goods and services with a value of \$50,000 or more in a calendar or fiscal year, pursuant to Section 51 of Public Act 05-287.

This affidavit is required if a bidder or vendor has entered into any consulting agreements whereby the duties of the consultant include communications concerning business of such state agency, whether or not direct contact with a state agency, state or public official or state employee was expected or made. Pursuant to Section 51 of P.A. 05-287, "consulting agreement" means any written or oral agreement to retain the services, for a fee, of a consultant for the purposes of (A) providing counsel to a contractor, vendor, consultant or other entity seeking to conduct, or conducting, business with the State, (B) contacting, whether in writing or orally, any executive, judicial, or administrative office of the State, including any department, institution, bureau, board, commission, authority, official or employee for the purpose of solicitation, dispute resolution, introduction, requests for information or (C) any other similar activity related to such contract. Consulting agreement does not include any agreements entered into with a consultant who is registered under the provisions of chapter 10 of the general statutes as of the date such affidavit is submitted in accordance with the provisions of this section.

I, Maria Dominiak, Principal, Mercer Health & Benefits, LLC, hereby swear that I am the chief official of the bidder or vendor of the Contract or authorized to execute such Contract. I further swear that I have not entered into any consulting agreement in connection with such contract, except the agreements listed below:

Contractor's Name, Title and Firm or Corporation:

Terms of Consulting Agreement (Date of Execution, Amount, Expiration Date):

Brief Description of Services Provided (Purpose, Scope, Activities, Outcomes):

Yes No Is the Consultant a former state employee or public official?

If yes, provide the following information about the former state employee or public official:

- Former Agency:
- Date Such Employment Terminated:

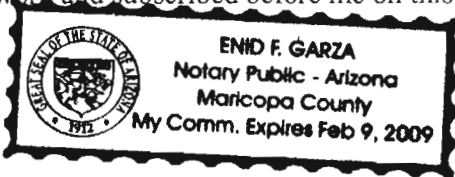
Attach additional sheets if necessary. This affidavit must be amended if Contractor enters into any new consulting agreements during the term of this Contract

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Maria Dominiak
Signature

6/28/07
Date

Sworn and subscribed before me on this 28th day of June, 2007



[Signature]
Commissioner of the Superior Court
Notary Public



MICHAEL P. STARKOWSKI
Commissioner

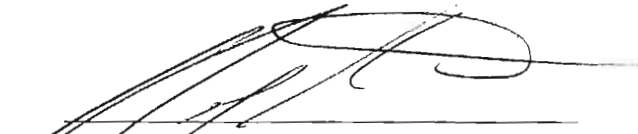
STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES
OFFICE OF THE COMMISSIONER

TELEPHONE:
(860) 424-5053
TDD/TTY:
1-800-842-4524
FAX:
(860) 424-5057
EMAIL:
commis.dss@ct.gov

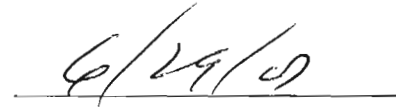
**Certification By Agency Official or Employee
Authorized to Execute Contracts**

I, Michael P. Starkowski, Commissioner, am authorized to execute the attached contract on behalf of the State of Connecticut, Department of Social Services. I hereby certify that the selection of MERCER HEALTH & BENEFITS was not the result of collusion, the giving of a gift or the promise of a gift, compensation, fraud or inappropriate influence from any person.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

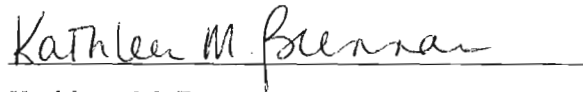


Signature



Date

Sworn and subscribed before me on this 29th day of June, 2007.



Kathleen M. Brennan
Commissioner of the Superior Court
Juris No. 307252

Contractor: MERCER HEALTH & BENEFITS
Contract Number: PS 7846100 A12
Contract Term: 04/01/97 - 12/31/07
Contract Total: \$20,765,924.00

STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT
Policies and Guidelines

Gift Certification

Gift certification to accompany State Contracts with a value of \$50,000 or more in a calendar or fiscal year, pursuant Conn. Gen. Stat. §§ 4-250 and 4-252, and Governor M. Jodi Rell's Executive Order No. 7C, para. 10.

I, Maria Dominiak, Principal, Mercer Health & Benefits, LLC, am authorized to execute the attached contract on behalf of the Mercer Health & Benefits, LLC (the "Contractor"). I hereby certify that between 03/01/07 (planning date) and 06/28/07 (date of the execution of the attached contract) that neither myself, the Contractor, nor any of its principals or key personnel who participated directly, extensively and substantially in the preparation of the bid or proposal (if applicable) or in the negotiation of this contract, nor any agent of the above, gave a gift, as defined in Conn. Gen. Stat. § 1-79(e), including a life event gift as defined in Conn. Gen. Stat. § 1-79(e)(12), to (1) any public official or state employee of the contracting state agency or quasi-public agency who participated directly, extensively, and substantially in the preparation of the bid solicitation or request for proposals for the contract (if applicable) or in the negotiation or award of this contract; or (2) any public official or state employee of any other state agency who has supervisory or appointing authority over the state agency or quasi-public agency executing this contract, except the gifts listed below:

Name of Benefactor Name of recipient Gift Description Value Date of Gift

List information here

Further, neither I nor any principals or key personnel of the Contractor, nor any agent of the above, knows of any action by Contractor to circumvent such prohibition on gifts by providing for any other principals, key personnel, officials, employees of Contractor, nor any agent of the above, to provide a gift to any such public official or state employee.

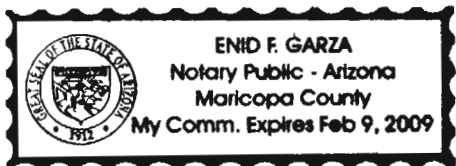
Further, the Contractor made its bid or proposal without fraud or collusion with any person.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Maria Dominiak
Signature

6/28/07
Date

Sworn and subscribed before me on this 28th day of June, 2007



Enid F. Garza
Commissioner of the Superior Court
Notary Public

STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT
Policies and Guidelines

Campaign Contribution Affidavit
(Bid or Proposal)

Campaign contribution affidavit to accompany bids or proposals for Large State Contracts (having a total cost to the State of more than \$500,000), pursuant to Governor M. Jodi Rell's Executive Order No. 1, para 8. and Conn. Gen. Stat. § 4-250

I, Maria Dominiak, Principal, Mercer Health & Benefits, LLC, hereby swear that during the two-year period preceding the submission of this bid or proposal, neither I nor any principals or key personnel of the submitting firm or corporation who participated directly, extensively and substantially in the preparation of this bid or proposal nor any agent of the above gave a contribution to a candidate for statewide public office or the General Assembly, as defined in Conn. Gen. Stat. §9-333b, except as listed below:

<u>Contributor</u>	<u>Recipient</u>	<u>Amount/Value</u>	<u>Date of Contribution</u>	<u>Contribution Description</u>
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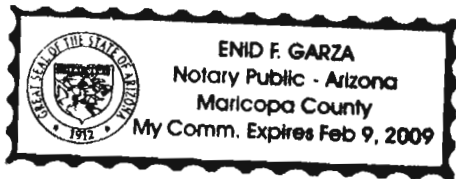
List information here

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Maria C Dominiak
Signature

6/28/07
Date

Sworn and subscribed before me on this 28th day of June, 2007



[Signature]
Commissioner of the Superior Court
Notary Public

STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT
Policies and Guidelines

Consulting Agreement Affidavit

Consulting agreement affidavit to accompany state contracts for the purchase of goods and services with a value of \$50,000 or more in a calendar or fiscal year, pursuant to Section 51 of Public Act 05-287.

This affidavit is required if a bidder or vendor has entered into any consulting agreements whereby the duties of the consultant include communications concerning business of such state agency, whether or not direct contact with a state agency, state or public official or state employee was expected or made. Pursuant to Section 51 of P.A. 05-287, "consulting agreement" means any written or oral agreement to retain the services, for a fee, of a consultant for the purposes of (A) providing counsel to a contractor, vendor, consultant or other entity seeking to conduct, or conducting, business with the State, (B) contacting, whether in writing or orally, any executive, judicial, or administrative office of the State, including any department, institution, bureau, board, commission, authority, official or employee for the purpose of solicitation, dispute resolution, introduction, requests for information or (C) any other similar activity related to such contract. Consulting agreement does not include any agreements entered into with a consultant who is registered under the provisions of chapter 10 of the general statutes as of the date such affidavit is submitted in accordance with the provisions of this section.

I, Maria Dominiak, Principal, Mercer Health & Benefits, LLC, hereby swear that I am the chief official of the bidder or vendor of the Contract or authorized to execute such Contract. I further swear that I have not entered into any consulting agreement in connection with such contract, except the agreements listed below:

Contractor's Name, Title and Firm or Corporation:

Terms of Consulting Agreement (Date of Execution, Amount, Expiration Date):

Brief Description of Services Provided (Purpose, Scope, Activities, Outcomes):

Yes No Is the Consultant a former state employee or public official?

If yes, provide the following information about the former state employee or public official:

- Former Agency:
Date Such Employment Terminated:

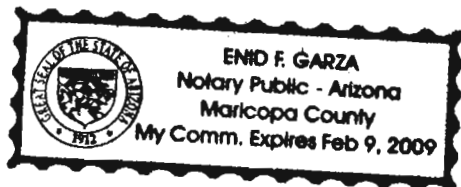
Attach additional sheets if necessary. This affidavit must be amended if Contractor enters into any new consulting agreements during the term of this Contract

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Maria C. Dominiak
Signature

6/28/07
Date

Sworn and subscribed before me on this 25th day of June, 2007



Enid F. Garza
Commissioner of the Superior Court
Notary Public

Brennan, Kathleen M.

From: Smith, Philip
Sent: Saturday, July 28, 2007 9:52 AM
To: Brennan, Kathleen M.
Cc: Smith, Philip
Subject: Final Disposition for Amendment PSA 2007_1515

The Office of Policy and Management has Approved the following Amendment PSA

97DSS1202CK A12 (2007_1515)

Contractor: Mercer Health & Benefits
Effective Date: 07/01/07 - 06/30/08
Estimated Cost: \$1,303,021.00
Comments/Conditions: No Comments

Philip L. Smith
Undersecretary

**PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT**

CO-802A REV. 3/98 (Stock No. 6938-170-01)

Print or Type

**OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION**

CORE CT # 97DSS1202CK

1 THE STATE AGENCY AND THE CONTRACTOR, AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE C.G.S. AS APPLICABLE.

(1) ORIGINAL <input type="checkbox"/> AMENDMENT <input checked="" type="checkbox"/> 11	(2) IDENTIFICATION NO. PS 7846100
--	--------------------------------------

CONTRACTOR	(3) CONTRACTOR NAME MERCER HEALTH & BENEFITS	(4) ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
	3131 East Camelback Road, Suite 300, Phoenix, AZ 85016	CONTRACTOR FEIN/SSN 34-2015463

STATE AGENCY	(5) AGENCY NAME AND ADDRESS Department of Social Services, 25 Sigourney Street, Hartford, CT 06106	(6) AGENCY NO. DSS6000
---------------------	---	---------------------------

CONTRACT PERIOD	(7) DATE (FROM) 04/01/1997	THROUGH () 06/30/2007	(8) INDICATE MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO <input type="checkbox"/> NEITHER X <input checked="" type="checkbox"/>
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CANCELLATION CLAUSE	THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).	(9) REQUIRED NO. OF DAYS WRITTEN NOTICE 15 Days
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COMPLETE DESCRIPTION OF SERVICE	(10) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.)	
	<p>FURTHER AMEND CONTRACT NUMBER 7846100 (CORE CT # 97DSS1202CK) AS AMENDED BY AMENDMENTS 1,2,3,4,5,6, 7, 8, 9 & 10 TO REFLECT THE CHANGE OF THE CONTRACTOR'S NAME TO MERCER HEALTH AND BENEFITS; TO REFLECT THE CAHNE IN THE CONTRACTOR'S FEIN NUMBER AND TO EXTEND THE TERM OF THE CONTRACT FOR A PERIOD OF TWELVE (12) MONTHS FROM 06/30/06 TO 06/30/07. THE CONTRACTOR SHALL CONTINUE TO PROVIDE RATE SETTING AND ACTUARIAL CONSULTING SERVICES AS DIRECTED BY THE DEPARTMENT AND DESCRIBED IN THE SCOPE OF WORK SET FORTH IN AMENDMENTS 2 AND 3 OF THIS CONTRACT. THE HIPAA PROVISIONS AND REVISED MANDATORY TERMS AND CONDITIONS SET FORTH IN PARTS IV AND V ON PAGES 11 THROUGH 32 OF AMENDMENT 7 ARE DELETED IN THEIR ENTIRETY AND REPLACED WITH THE MANDATORY TERMS AND CONDITIONS SET FORTH ON PAGES 2 THROUGH 20 OF THIS AMENDMENT. ALL OTHER TERMS AND CONDITIONS NOT SPECIFICALLY AMENDED HEREIN SHALL REMAIN IN FULL FORCE AND EFFECT.</p>	

COST AND SCHEDULE OF PAYMENT	(11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.	
	THE MAXIMUM VALUE OF THIS CONTRACT SHALL BE INCREASED BY \$4,100,000.00 FROM \$16,015,924.00 TO \$20,115,924.00.	

(12) ACT CD	(13) DOC TYP PS	(14) COM TY P	(15) LSE TYP	(16) ORIG. AGCY	(17) DOCUMENT NO.	(18) COMMIT AGCY DSS6000	(19) COMMIT. NO.	(20) VENDOR FEIN/SSN - SUFFIX 132-83-4414
-------------	--------------------	---------------	--------------	-----------------	-------------------	-----------------------------	------------------	--

(21) COMMITTED AMOUNT	(22) OBLIGATED AMOUNT \$20,115,924.00	(23) CONTRACT PERIOD (FROM/TO) 04/01/97 - 06/30/07
-----------------------	--	---

(24) Line No.	(25) Report Reference	(26) Fund	(27) Department	(28)		(29) Account	(30) Project/Grant	(31) Chart 1	(32) Chart 2	(33) Amount
				Program	SID					
	2006	11000	DSS60517	14000	10020	51180	DSS_NONPROJECT	168012	NO_CODE	

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS

STATUTORY AUTHORITY §§ 4-8, 17b-3

(35) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) 	TITLE Steven P. Schramm, Principal	DATE 28 June 2006
(36) AGENCY (AUTHORIZED OFFICIAL) 	TITLE Michael P. Starkowski, Deputy Commissioner	DATE 4/27/06
(37) OFFICE OF POLICY & MGMT. DEPT. OF ADMIN. SERV. 	TITLE	DATE

(38) ATTORNEY GENERAL (APPROVED AS TO FORM) 	TITLE	DATE 7/17/06
---	-------	-----------------

3300 ATT. GENERAL

MANDATORY TERMS AND CONDITIONS. The terms and conditions contained in this section constitute a basis for this Contract. These terms and conditions, as well as others so labeled elsewhere in this document, are mandatory for this Contract. The Department is solely responsible for rendering decisions in matters of interpretation on all terms and conditions. The Contractor agrees to comply with the following mandatory terms and conditions:

A. **Liaison:** Both parties agree to have specifically named liaisons at all times. These representatives of the parties will be the first contacts regarding any questions and problems that arise during implementation and operation of this contract.

B. **Notices**

1. Wherever under this contract one party is required to give notice to the other, such notice shall be deemed given upon delivery, if delivered by hand (in which case assigned receipt will be obtained), or 3 days after posting if sent by registered or certified mail, return receipt requested. Notices shall be addressed as follows:

a. In case of notice(s) to the Contractor:
Steven P. Schramm, Principal
MERCER
3131 East Camelback Road, Suite 300
Phoenix, AZ 85016-4536
602-522-6561
steve.schramm@mercer.com

with a copy to:

Marsh & McLennan Companies, Inc.
1166 Avenue of the Americas
New York, NY 10036
Attention: Legal Department
212-345-5627 Fax

b. In case of notice(s) to the Department regarding this contract:
Kathleen M. Brennan
Contract Administration Unit
Department of Social Services
25 Sigourney Street
Hartford, CT 06106
860-424-5693
860-424-4953 FAX
kathleen.brennan@po.state.ct.us

2. Said notices shall become effective on the date of receipt as specified above or the date specified in the notice, whichever comes later. Either party may change its address for notification purposes by mailing a notice stating the change and setting forth the new address, which shall be effective on the tenth day following receipt.

C. **Contractor Obligations**

1. **Credits and Rights in Data:**

a. "Data" shall mean all results, technical information and materials developed and/or obtained in the performance of the services hereunder, including but not limited to all reports,

surveys, plans, charts, recordings (video and/or sound), pictures, curricula, public awareness or prevention campaign materials, drawings, analyses, graphic representations, computer programs and printouts, notes and memoranda and documents, whether finished or unfinished, which result from or are prepared in connection with the services performed hereunder.

- b. All materials developed specifically and exclusively for the Department during the term of this contract are considered proprietary to the Department and shall remain confidential. Throughout the term of this contract, the Contractor must secure the Department's written approval prior to the release of any confidential information whatsoever that pertains to the work or activities provided under this contract.
- c. Unless expressly waived in writing by the Department, all documents, reports and other publications for public distribution during or resulting from the performances of this contract shall include a statement acknowledging the financial support of the state and the Department and, where applicable, the federal government. All such publications shall be released in conformance with applicable federal and state law and all regulations regarding confidentiality.
- d. Any liability arising from such a release by the Contractor shall be the sole responsibility of the Contractor and the Contractor shall indemnify the Department, unless the Department or its agents co-authored said publication and said release is done with the prior written approval of the commissioner of the Department.
- e. Any publication shall contain the following statement: "This publication does not express the views of the Department or the State of Connecticut. The views and opinions expressed are those of the authors."
- f. The Contractor or any of its agents shall not copyright data and information obtained under the terms and conditions of this contract, unless expressly authorized in writing by the Department.
- g. Notwithstanding anything to the contrary contained in this Contract but subject to the Department's obligation to comply with requests for information made through the Freedom of Information Act (FOIA) the Department, and/or the State of Connecticut will not disclose any confidential and/or proprietary information of the Contractor supplied to the Department under this Contract, which Contractor has clearly marked as confidential or proprietary, to any third party without Contractor's consent. The Department and/or the State of Connecticut, shall be responsible for, and Contractor shall have no liability with respect to the use of such material or work product in a manner not mutually contemplated by the parties when Contractor first was retained to provide such material or work product. The Department and/or the State of Connecticut will reimburse the Contractor as a result of the Department's and/or the State of Connecticut's breach of this obligation. The Department and/or the State of Connecticut agree not to refer to Contractor or attribute any information to informing or influencing any other party, including the investment community, without Contractor's prior written consent. The forgoing shall not restrict the Department or the State of Connecticut from disclosing any advice given to it or other material or work product supplied by Contractor under this Contract if required under FOIA or other laws.

2. Ownership:

- a. All products and materials developed specifically and exclusively for the Department as a result of this contract by the Contractor, or any of its subcontractors hired for the purposes of this contract, shall remain the property of the Department. Products and materials are defined as, but are not limited to, copyrighted materials, camera ready copy, mechanical,

videos, brochures, posters and stock thereof; designs, data and all other matter and information that is collected or developed specifically and exclusively for the Department for the purpose of this contract. Disposition of all such products and materials shall remain at the discretion of the Department during the effective period of this contract and thereafter.

- b. Notwithstanding anything to the contrary contained in this contract, it is understood and agreed that the Contractor shall retain all of its rights in its proprietary information including, without limitation, its methods of analysis, ideas, concepts, expressions, know how, techniques, skills, knowledge and experience possessed by the Contractor prior to, or acquired by the Contractor during, the performance of this contract and the Contractor shall not be restricted in any way with respect thereto.
3. **Inspection of Work Performed:** The Department or its authorized representative shall at all reasonable times upon reasonable advance notice have the right to enter into the Contractor's premises, or such other places where duties under this contract are being performed to inspect, monitor or otherwise evaluate such work being performed. The Contractor and all subcontractors must provide all reasonable facilities and assistance for Department representatives to facilitate such inspections. All inspections and evaluations shall be performed in such a manner as will not unduly delay work.
4. **Prohibited Interest:** The Contractor warrants that no state appropriated funds have been paid or will be paid by or on behalf of the Contractor to contract with or retain any company or person, other than bona fide employees working solely for the Contractor, to influence or attempt to influence an officer or employee of any state agency in connection with the awarding, extension, continuation, renewal, amendment, or modification of this agreement, or to pay or agree to pay any company or person, other than bona fide employees working solely for the Contractor, any fee, commission, percentage, brokerage fee, gift or any other consideration contingent upon or resulting from the award or making of this Agreement.
5. **Offer of Gratuities:** By its agreement to the terms of this contract, the Contractor certifies that no elected or appointed official or employee of the State of Connecticut has or will benefit financially or materially from this contract. The Department may terminate this contract if it is determined that gratuities of any kind were either offered or received by any of the aforementioned officials or employees from the Contractor or its agents or employees.
6. **Related Party Transactions:** The Contractor shall report all related party transactions, as defined in this Section, to the Department on an annual basis in the appropriate fiscal report as specified in Part II of this contract. "Related party" means a person or organization related through marriage, ability to control, ownership, family or business association. Past exercise of influence or control need not be shown, only the potential or ability to exercise influence or control, directly or indirectly. "Related party transactions" between a Contractor, its employees, Board members or members of the Contractor's governing body and a related party include, but are not limited to, (a) real estate sales or leases; (b) leases for equipment, vehicles or household furnishings; (c) mortgages, loans and working capital loans and (d) contracts for management, consultant and professional services as well as for materials, supplies and other services purchased by the Contractor.
7. **Insurance:** The Contractor will carry insurance, (liability, fidelity bonding or surety bonding and/or other), as specified in this agreement, during the term of this contract according to the nature of the work to be performed to "save harmless" the State of Connecticut from any claims, suits or demands that may be asserted against it by reason of any act or omission of the Contractor, subcontractor or employees in providing services hereunder, including but not limited to any claims or demands for malpractice. Certificates of such insurance shall be filed with the Department before the performance of services.

8. **Record Keeping and Access:** The Contractor shall maintain books, records, documents, program and individual service records and other evidence of its accounting and billing procedures and practices which sufficiently and properly reflect all costs of any nature incurred in the performance of this contract. Upon reasonable prior notice, no less than three (3) business days, these records shall be subject at all reasonable times to monitoring, inspection, review or audit by authorized employees or agents of the state or, where applicable, federal agencies. The Contractor shall retain all such records concerning this contract for a period of 3 years after the completion and submission to the state of the Contractor's annual financial audit.
9. **Confidentiality**
- a. All material and information provided to the Contractor by the State or acquired by the Contractor in performance of the contract whether verbal, written, recorded magnetic media, cards or otherwise shall be regarded as confidential information and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with Federal and State statutes and regulations. The Contractor agrees that it is prohibited from releasing any and all information provided by the Department or providers or any information generated by the Contractor without the prior express written consent of the Contract Administrator.
 - b. The confidentiality obligations set forth above shall not apply to data, information or material which (i) at the time disclosed to, or obtained by the Contractor, is in the public domain; (ii) becomes part of the public domain through no fault of the Contractor; (iii) is communicated to the Contractor by a third party who is not, to the Contractor's knowledge, subject to any confidentiality obligations with respect thereto; (iv) is independently developed by the Contractor; or (v) is required to be disclosed by the Contractor pursuant to any statute, regulation, order, subpoena, document discovery request or other legal process.
10. **Force Majeure:** Neither party shall incur liability for any failure to perform its obligations under this contract due to causes beyond its reasonable control including, but not limited to, fire-storm-flood-earthquake-accident-acts of war-acts of God-acts of Federal, State, or local government or any agency thereof and judicial action-acts of third parties and computer or equipment failures other than those caused by the sole negligence of either party.
11. **Hold Harmless**
- a. The Contractor agrees to indemnify, defend and hold harmless the State of Connecticut; as well as all Departments, officers, agents and employees of the State from and against any and all claims, losses or suits according or resulting to any Contractors, subcontractors, laborers and any person, firm or corporation who may be injured or damaged by the negligence or willful misconduct of the Contractor in the performance of this contract.
 - b. The Department may request, in writing, evidence of the Contractor's workers compensation insurance policy. If such a request is made, the Contractor must file such evidence of its workers compensation insurance policy with the Department's Contract Administrator, no later than 15 business days following receipt of the request.
 - c. The Contractor, at his own expense, must defend any and all claims or suits which may be brought against the Department or the State for the infringement of any patents, copyrights, proprietary rights or right of privacy arising from the Contractor's or State's use of any equipment, materials or information prepared or developed by the Contractor in conjunction with the performance of this contract. The Contractor shall not be liable hereunder to the extent such suit is attributable to the acts or omissions of the State or the Department. The

Contractor shall, in any such suit, satisfy any and all damages assessed against the State or its Departments, be it resolved by settlement, final judgment, consent or any other manner.

12. Settlement of Disputes and Claims Commission:

- a. Any dispute concerning the interpretation or application of this contract the commissioner of the Department or his/her designee whose decision shall be final subject to any rights the Contractor may have pursuant to state law. In appealing a dispute to the commissioner pursuant to this provision, the Contractor shall be afforded an opportunity to be heard and offer evidence in support of its appeal. Pending final resolution of a dispute, the Contractor and the Department shall proceed diligently with the performance of the contract.
- b. Claims Commission. The Contractor agrees that the sole and exclusive means for the presentation of any claim against the State arising from this contract shall be in accordance with Chapter 53 of the Connecticut General Statutes (Claims Against the State) and the Contractor further agrees not to initiate legal proceedings except as authorized by that Chapter in any State or Federal Court in addition to or in lieu of said Chapter 53 proceedings.

13. Litigation:

- a. The Contractor shall provide written notice to the Department of any litigation that relates to the services financed under this contract or that has the potential to impair the ability of the Contractor to fulfill the terms and conditions of this contract, including but not limited to financial, legal or any other situation which may prevent the Contractor from meeting its obligations under the contract.
- b. The Contractor shall provide written notice to the Department of any final decision by any tribunal or state or federal agency or court which is adverse to the Contractor or which results in a settlement, compromise or claim or agreement of any kind for any action or proceeding brought against the Contractor or its employee or agent under the Americans with Disabilities Act of 1990, executive orders Nos. 3 & 17 of Governor Thomas J. Meskill and any other provisions of federal or state law concerning equal employment opportunities or nondiscriminatory practices.

- 14. Lobbying:** The Contractor agrees to abide by State and Federal lobbying laws and further specifically agrees not to include in any claim for reimbursement any expenditures associated with activities to influence, directly or indirectly, legislation pending before Congress, or the Connecticut General Assembly or any administrative or regulatory body unless otherwise required by this contract.

D. STATUTORY AND REGULATORY COMPLIANCE

1. **Compliance with Law and Policy:** Contractor shall comply with all pertinent provisions of local, state and federal laws and regulations as well as Departmental policies and procedures applicable to Contractor's programs as specified in this contract. The Department shall notify the Contractor of any applicable new or revised laws, regulations, policies or procedures that the Department has responsibility to promulgate or enforce.

2. Suspension or Debarment:

- a. Signature on contract certifies the Contractor or any person (including subcontractors) involved in the administration of Federal or State funds:

- i. is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any governmental Department or agency (Federal, State or local);
 - ii. within a three year period preceding this Contract, has not been convicted or had a civil judgment rendered against him/her for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;
 - iii. is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the above offenses; and
 - iv. has not within a three year period preceding this agreement had one or more public transactions terminated for cause or fault.
 - b. Any change in the above status shall be reported to the Department immediately.
3. **Non-discrimination Regarding Sexual Orientation:** Unless otherwise provided by Conn. Gen. Stat. §46a-81p, the Contractor agrees to the following provisions required pursuant to §4a-60a of the Conn. Gen. Stat.:
- a. The Contractor agrees:
 - i. and warrants that in the performance of the contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the State of Connecticut and that employees are treated when employed without regard to their sexual orientation;
 - ii. to provide each labor union or representatives of workers with which such Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding a notice to be provided by the commission on human rights and opportunities advising the labor union or workers' representative of the Contractor's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment;
 - iii. to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to §46a-56 of the Conn. Gen. Stat.
 - iv. to provide the commission on human rights and opportunities with such information requested by the commission and permit access to pertinent books, records and accounts concerning the employment practices and procedures of the Contractor which relate to provisions of this section and §46a-56 of the Conn. Gen. Stat.
 - b. The Contractor shall include the provisions of Subsection a of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the

commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with §46a-56 of the Conn. Gen. Stat. provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

4. **Executive Orders Nos. 3, 16, 17, and 7B,:**

- a. **Executive Order No. 3: Nondiscrimination:** This contract is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971 and, as such, this contract may be canceled, terminated or suspended by the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Three, or any state or federal law concerning nondiscrimination, notwithstanding that the Labor Commissioner is not a party to this contract. The parties to this contract, as part of the consideration hereof, agree that said Executive Order No. Three, is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to contract performance in regard to nondiscrimination, until the contract is completed or terminated before completion. The Contractor agrees, as part consideration hereof, that this contract is subject to the Guidelines and Rules issued by the State Labor Commissioner to implement Executive Order No. Three and that the Contractor will not discriminate in employment practices or policies, will file all reports as required and will fully cooperate with the State of Connecticut and the State Labor Commissioner.
- b. **Executive Order No. 16: Violence in the Workplace Prevention Policy:** This contract is also subject to provisions of Executive Order No. Sixteen of Governor John G. Rowland promulgated August 4, 1999 and, as such, this contract may be cancelled, terminated or suspended by the contracting agency or the State for violation of or noncompliance with said Executive Order No. Sixteen. The parties to this contract, as part of the consideration hereof, agree that:
 - i. Contractor shall prohibit employees from bringing into the state work site, except as may be required as a condition of employment, any weapon/dangerous instrument defined in Subsection (ii) to follow.
 - ii. Weapon means any firearm, including a BB gun, whether loaded or unloaded, any knife (excluding a small pen or pocket knife), including a switchblade or other knife having an automatic spring release device, a stiletto, any police baton or nightstick or any martial arts weapon or electronic defense weapon. Dangerous instrument means any instrument, article or substance that, under the circumstances, is capable of causing death or serious physical injury.
 - iii. Contractor shall prohibit employees from attempting to use, or threaten to use, any such weapon or dangerous instrument in the state work site and employees shall be prohibited from causing, or threatening to cause, physical injury or death to any individual in the state work site.
 - iv. Contractor shall adopt the above prohibitions as work rules, violation of which shall subject the employee to disciplinary action up to and including discharge. The Contractor shall require that all employees are aware of such work rules.

- v. Contractor agrees that any subcontract it enters into in the furtherance of the work to be performed hereunder shall contain the provisions (i) through (iv), above.
- c. **Executive Order No. 17: Connecticut State Employment Service Listings:** This contract is also subject to provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973 and, as such, this contract may be canceled, terminated or suspended by the contracting agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order Number Seventeen, notwithstanding that the Labor Commissioner may not be a party to this contract. The parties to this contract, as part of the consideration hereof, agree that Executive Order No. Seventeen, is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction in respect to contract performance in regard to listing all employment openings with the Connecticut State Employment Service.
- d. This Agreement is subject to **Executive Order No. 7B of Governor Jodi M. Rell, promulgated on November 16, 2005.** The Parties to this Agreement, as part of the consideration hereof, agree that:
 - i. The State Contracting Standards Board (“the Board”) may review this contract and recommend to the state contracting agency termination of the contract for cause. The State contracting agency shall consider the recommendations and act as required or permitted in accordance with the contract and applicable law. The Board shall provide the results of its review, together with its recommendations, to the state contracting agency and any other affected party in accordance with the notice provisions in the contract no later than 15 days after the Board finalizes its recommendation. For the purposes of this Section, “for cause” means:
 - (1) a violation of the State Ethics Code (Conn. Gen. Stat. Chapter 10) or Section 4A-100 of the Conn. Gen. Statutes or
 - (2) wanton or reckless disregard of any state contracting and procurement process by any person substantially involved in such contract or state contracting agency.
 - ii. For the purposes of this Section, “contract” shall not include real property transactions involving less than a fee simple interest or financial assistance comprised of state or federal funds, the form of which may include but is not limited to grants, loans, loan guarantees, and participation interests in loans, equity investments and tax credit programs. Notwithstanding the foregoing, the Board shall not have any authority to recommend the termination of a contract for the sale or purchase of a fee simple interest in real property following transfer of title.
 - iii. Effective January 1, 2006, notwithstanding the contract value listed in Conn. Gen. Stat. §§ 4-250 and 4-251, all procurements between State agencies and private entities with a value of \$50,000 or more in a calendar or fiscal year shall comply with the gift affidavit requirements of said Sections. Certification by agency officials or employees required by Conn. Gen. Stat. § 4-252 shall not be affected by this Section.
- 5. **Nondiscrimination and Affirmative Action Provisions in Contracts of the State and Political Subdivisions Other Than Municipalities:** The Contractor agrees to comply with provisions of § 4a-60 of the Connecticut General Statutes

- a. Every contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions:
 - i. The Contractor agrees and warrants that in the performance of the contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut. The Contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved;
 - ii. the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the commission;
 - iii. the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the commission advising the labor union or workers' representative of the Contractor's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment;
 - iv. the Contractor agrees to comply with each provision of this section and Conn. Gen. Stat. §§ 46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to Conn. Gen. Stat. §§ 46a-56, 46a-68e and 46a-68f;
 - v. the Contractor agrees to provide the commission of human rights and opportunities with such information requested by the commission and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this section and Conn. Gen. Stat. § 46a-56. If the contract is a public works contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project.
- b. For the purposes of this section, "minority business enterprise" means any small Contractor or supplier of materials 51% or more of capital stock, if any, or assets of which is owned by a person or persons:
 - i. who are active in the daily affairs of the enterprise,
 - ii. who have the power to direct the management and policies of the enterprise and
 - iii. who are members of a minority, as such term is defined in Subsection (a) of Conn. Gen. Stat. § 32-9n;
- c. "Good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory

requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.

- d. Determinations of the Contractor's good faith efforts shall include but shall not be limited to the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative action advertising; recruitment and training; technical assistance activities and such other reasonable activities or efforts as the commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.
 - c. The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the commission, of its good faith efforts.
 - f. Contractor shall include the provisions of Subsection a of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provision shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. § 46a-56; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the Contractor may request the state of Connecticut to enter into such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.
6. **Americans with Disabilities Act of 1990:** This clause applies to those Contractors which are or will come to be responsible for compliance with the terms of the Americans with Disabilities Act of 1990 (42 USCS §§12101-12189 and §§12201-12213) (Supp. 1993); 47 USCS §§225, 611 (Supp. 1993). During the term of the contract, the Contractor represents that it is familiar with the terms of this Act and that it is in compliance with the law. The Contractor warrants that it will hold the state harmless from any liability which may be imposed upon the state as a result of any failure of the Contractor to be in compliance with this Act. As applicable, the Contractor agrees to abide by provisions of Sec. 504 of the federal Rehabilitation Act of 1973, as amended, 29 U.S.C. §794 (Supp. 1993), regarding access to programs and facilities by people with disabilities.
 7. **Utilization of Minority Business Enterprises:** It is the policy of the state that minority business enterprises should have the maximum opportunity to participate in the performance of government contracts. The Contractor agrees to use commercially best efforts consistent with 45 C.F.R. 74.160 et seq. (1992) and paragraph 9 of Appendix G thereto for the administration of programs or activities using HHS funds; and §§13a-95a, 4a-60, to 4a-62, 4b-95(b) and 32-9c of the Conn. Gen. Stat. to carry out this policy in the award of any subcontracts
 8. **Non-Smoking:** If the Contractor is an employer subject to the provisions of Section 31-40q of the Connecticut General Statutes, the Contractor agrees to provide the Department with a copy or its written rules concerning smoking. The rules or a statement that the Contractor is not subject to the provisions of Section 31-40q of the Connecticut General Statutes must be received by the Department prior to this contract's approval.
 9. **Government Function & Freedom of Information:** If the amount of this contract exceeds \$2,500,000.00 and the contract is for the performance of a governmental function, as that term is defined in Conn. Gen. Stat. Sec. 1-200(11), as amended by Pubic Act 01-169, the Department is entitled to receive a copy of the records and files related to the Contractor's performance of the governmental function and may be disclosed by the Department pursuant to the Freedom of Information Act.
 10. **HIPAA Requirements:**

NOTE: Numbering in this Section may not be consistent with the remainder of this contract as much of it is presented verbatim from the federal source.

- a. If the Contactor is a Business Associate under HIPAA, the Contractor must comply with all terms and conditions of this Section of the Contract. If the Contractor is not a Business Associate under HIPAA, this Section of the Contract does not apply to the Contractor for this Contract.
- b. The Contractor is required to safeguard the use, publication and disclosure of information on all applicants for and all clients who receive, services under the contract in accordance “with all applicable federal and state law regarding confidentiality, which includes but is not limited to the requirements of the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C and F; *and*
- c. The State of Connecticut Department named on page 1 of this Contract (hereinafter “Department”) is a “covered entity” as that term is defined in 45 C.F.R. §160.103; *and*
- d. The Contractor, on behalf of the Department, performs functions that involve the use or disclosure of “individually identifiable health information,” as that term is defined in 45 C.F.R. §160.103 ; *and*
- e. The Contractor is a “business associate” of the Department, as that term is defined in 45 C.F.R. §160.103; *and*
- f. The Contractor and the Department agree to the following in order to secure compliance with the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C and E:

I. Definitions

- A. Business Associate. “Business Associate” shall mean the Contractor.
- B. Covered Entity. “Covered Entity” shall mean the Department of the State of Connecticut named on page 1 of this Contract.
- B1 Designated Record Set. “Designated Record Set” shall have the same meaning as the term “designated record set” in 45 C.F.R. §164.501.
- C. Individual. “Individual” shall have the same meaning as the term “individual” in 45 C.F.R. §160.103 and shall include a person who qualifies as a personal representative as defined in 45 C.F.R. §164.502(g).
- D. Privacy Rule. “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and parts 164, subparts A and E.
- E. Protected Health Information. “Protected Health Information” or “PHI” shall have the same meaning as the term “protected health information” in 45 C.F.R. §160.103, limited to information created or received by the Business Associate from or on behalf of the Covered Entity.

- F. Required by Law. "Required by Law" shall have the same meaning as the term "required by law" in 45 C.F.R. §164.103.
- G. Secretary. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.
- H. More Stringent. "More stringent" shall have the same meaning as the term "more stringent" in 45 C.F.R. §160.202.
- I. Section of Contract. "(T)his Section of the Contract" refers to the HIPAA Provisions stated herein, in their entirety.
- J. Security Incident. "Security Incident" shall have the same meaning as the term "security incident" in 45 C.F.R. §164.304.
- K. Security Rule. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 160 and Parts 164, subpart A and C.

II. Obligations and Activities of Business Associates

- A. Business Associate agrees not to use or disclose PHI other than as permitted or required by this Section of the Contract or as Required by Law
- B. Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for in this Section of the Contract.
- B1. Business Associate agrees to use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of electronic protected health information that it creates, receives, maintains or transmits on behalf of the Covered Entity.
- C. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of a use or disclosure of PHI by Business Associate in violation of this Section of the Contract.
- D. Business Associate agrees to report to Covered Entity any use or disclosure of PHI not provided for by this Section of the Contract or any security incident of which it becomes aware.
- E. Business Associate agrees to insure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate, on behalf of the Covered Entity, agrees to the same restrictions and conditions that apply through this Section of the Contract to Business Associate with respect to such information.
- F. Business Associate agrees to provide access, at the request of the Covered Entity and in the time and manner agreed to by the parties, to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 C.F.R. §164.524.
- G. Business Associate agrees to make any amendments to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R.

§164.526 at the request of the Covered Entity and in the time and manner agreed to by the parties.

- H. Business Associate agrees to make internal practices, books and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by, Business Associate on behalf of Covered Entity, available to Covered Entity or to the Secretary in a time and manner agreed to by the parties or designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
- I. Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. §164.528.
- J. Business Associate agrees to provide to Covered Entity, in a time and manner agreed to by the parties, information collected in accordance with paragraph I of this Section of the Contract, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. §164.528.
- K. Business Associate agrees to comply with any state law that is more stringent than the Privacy Rule.

III. Permitted Uses and Disclosure by Business Associate

- A. General Use and Disclosure Provisions: Except as otherwise limited in this Section of the Contract, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in this Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.
- B. Specific Use and Disclosure Provisions:
 - 1. Except as otherwise limited in this Section of the Contract, Business Associate may use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.
 - 2. Except as otherwise limited in this Section of the Contract, Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
 - 3. Except as otherwise limited in this Section of the Contract, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. §164.504(e)(2)(i)(B).

IV. Obligations of Covered Entity

- A. Covered Entity shall notify Business Associate of any limitations in its notice of privacy practices of Covered Entity, in accordance with 45 C.F.R. 164.520, or to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
- B. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.
- C. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. §164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

V. Permissible Requests by Covered Entity

Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by the Covered Entity, except that Business Associate may use and disclose PHI for data aggregation and management and administrative activities of Business Associate, as permitted under this Section of the Contract.

VI. Term and Termination

- A. Term. The Term of this Section of the Contract shall be effective as of the date the Contract is effective and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.
- B. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
 - 1. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate the Contract if Business Associate does not cure the breach or end the violation within the time specified by the Covered Entity; or
 - 2. Immediately terminate the Contract if Business Associate has breached a material term of this Section of the Contract and cure is not possible; or
 - 3. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.
- C. Effect of Termination.
 - 1. Except as provided in paragraph (ii) of this Subsection c, upon termination of this Contract, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This

provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

2. In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon documentation by Business Associate that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Section of the Contract to such PHI and limit further uses and disclosures of PHI to those purposes that make return or destruction infeasible, for as long as Business Associate maintains such PHI. Infeasibility of the return or destruction of PHI includes, but is not limited to, requirements under state or federal law that the Business Associate maintains or preserves the PHI or copies thereof.

VII. Miscellaneous HIPAA Provisions

- A. Regulatory References. A reference in this Section of the Contract to a section in the Privacy Rule means the section as in effect or as amended.
- B. Amendment. The Parties agree to take such action as is necessary to amend this Section of the Contract from time to time as is necessary for Covered Entity to comply with requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.
- C. Survival. The respective rights and obligations of Business Associate under Section 6, Subsection c of this Section of the Contract shall survive the termination of this Contract.
- D. Effect on Contract. Except as specifically required to implement the purposes of this Section of the Contract, all other terms of the contract shall remain in force and effect.
- E. Construction. This Section of the Contract shall be construed as broadly as necessary to implement and comply with the Privacy Standard. Any ambiguity in this Section of the Contract shall be resolved in favor of a meaning that complies and is consistent with, the Privacy Standard.
- F. Disclaimer. Covered Entity makes no warranty or representation that compliance with this Section of the Contract will be adequate or satisfactory for Business Associate's own purposes. Covered Entity shall not be liable to Business Associate for any claim, loss or damage related to or arising from the unauthorized use or disclosure of PHI by Business Associate or any of its officers, directors, employees, Contractors or agents, or any third party to whom Business Associate has disclosed PHI pursuant to paragraph II D of this Section of the Contract. Business Associate is solely responsible for all decisions made and actions taken, by Business Associate regarding the safeguarding, use and disclosure of PHI within its possession, custody or control.
- G. Indemnification. The Business Associate shall indemnify and hold the Covered Entity harmless from and against all claims, liabilities, judgments,

finances, assessments, penalties, awards, or other expenses, of any kind or nature whatsoever, including, without limitation, attorney's fees, expert witness fees and costs of investigation, litigation or dispute resolution, relating to or arising out of any violation by the Business Associate and its agents, including subcontractors, of any obligation of Business Associate and its agents, including subcontractors, under this Section of the Contract.

E. MISCELLANEOUS PROVISIONS

1. **Assignment:** The Contractor shall not assign or transfer any interest in this Contract without the prior written approval of the Contract Administrator, which consent shall not be unreasonably withheld or delayed. This shall not be construed as limiting the Contractor's rights to subcontract some of the services to be performed hereunder as provided in this Contract.
2. **Subcontracting:** None of the services to be provided by the Contractor shall be subcontracted or delegated to any other organization, association, individual, corporation, partnership or group of individuals or other such entity without the prior written consent of the Department. Any subcontract to which the State has consented in writing shall be in writing attached to the contract and made a part thereof and shall in no way alter the contract terms and conditions. Said subcontract shall contain the access to the books, document and records, provided for in paragraph 18 infra. No subcontract or delegation shall relieve or discharge the Contractor from any obligation, provision or liability thereunder. The Contractor agrees to make a good faith effort to award a reasonable proportion of subcontracts to small and minority businesses in accordance with CGS Section 4a-60g.
3. **Choice of Law and Forum:** The Contractor agrees to be bound by the law of the State of Connecticut and the federal government where applicable and agrees that this contract shall be construed and interpreted in accordance with Connecticut law and federal law where applicable.
4. **Mergers and Acquisitions:**
 - a. Contracts in whole or in part are not transferable or assignable without the prior written agreement of the Department, which consent shall not be unreasonably withheld or delayed.
 - b. If not contractually or legally restricted, at least 45 days before the effective date of any fundamental changes in corporate status, including merger, acquisition, transfer of assets and any change in fiduciary responsibility, involving an unrelated third party, the Contractor shall provide the Department with written notice of such changes.
 - c. The Contractor shall comply with reasonable requests for documentation deemed necessary by the Department to determine whether the Department will provide prior written agreement as required by Section II.E.4 above. The Department shall notify the Contractor of such determination not later than 15 business days from the date the Department receives such requested documentation.
5. **Equipment:** In the event this contract is terminated or not renewed, the Department reserves the right to recoup any equipment, deposits or down payments made or purchased with start-up funds or other funds specifically designated for such purpose under this contract. For purposes of this provision, equipment means tangible personal property with a normal useful life of at least one year and a value of at least \$2,500. Equipment shall be considered purchased from Contractor funds and not from Department funds if the equipment is purchased for a program that has other sources of income equal to or greater than the equipment purchase price.

6. **Independent Capacity of Contractor:** The Contractor, its officers, employees, subcontractors, or any other agent of the Contractor in the performance of this contract will act in an independent capacity and not as officers or employees of the state of Connecticut or of the Department.
7. **Severability:** If any provision of this contract is declared or found to be illegal, unenforceable, or void, then both parties shall be relieved of all obligations under that provision. The remainder of this contract shall be enforced to the fullest extent permitted by law.
8. **Non-enforcement not to constitute waiver:** The failure of either party to insist upon strict performance of any terms or conditions of this agreement shall not be deemed a waiver of the term or condition or any remedy that each party has with respect to that term or condition nor shall it preclude a subsequent default by reason of the failure to perform.

F. **Revisions, Reductions, Default, and Cancellation**

1. **Contract Revisions and Amendments:**

- a. A formal contract amendment, in writing, shall not be effective until executed by both parties to the contract and, where applicable, the Attorney General. Such amendments shall be required for extensions to the final date of the contract period and to terms and conditions specifically stated in the scope of work, including but not limited to revisions to the maximum contract payment, to the unit cost of service, to the contract's objectives, services, or plan, to due dates for reports, to completion of objectives or services and to any other contract revisions determined material by the Department.
- b. The Contractor shall submit to the Department in writing any proposed revision to the contract and the Department shall notify the Contractor of receipt of the proposed revision. Any proposal deemed material shall be executed pursuant to (a) of this section. The Department may accept any proposal as a technical amendment and notify the Contractor in writing of the same. A technical amendment shall be effective on the date approved by the Department, unless expressly stated otherwise.
- c. No amendments may be made to a lapsed contract.

2. **Contract Reduction:**

- a. The Department reserves the right to reduce the contracted amount of compensation at any time in the event that:
 - i. the Governor or the Connecticut General Assembly rescinds, reallocates, or in any way reduces the total amount budgeted for the operation of the Department during the fiscal year for which such funds are withheld; or
 - ii. Federal funding reductions result in reallocation of funds within the Department.
- b. The Contractor and the Department agree to negotiate on the implementation of the reduction within 30 days of receipt of formal notification of intent to reduce the contracted amount of compensation from the Department. If agreement on the implementation of the reduction is not reached within 30 calendar days of such formal notification and a contract amendment has not been executed, the Department may terminate the contract 60 days from receipt of such formal notification. The Department will formally notify the Contractor of the termination date.

3. **Default by the Contractor:**

- a. If the Contractor defaults as to, or otherwise fails to comply with, any of the conditions of this contract the Department may, subject to subsection 3.c. below:
 - i. withhold payments until the default is resolved to the reasonable satisfaction of the Department;
 - ii. temporarily or permanently discontinue services under the contract;
 - iii. require that unexpended funds be returned to the Department;
 - iv. terminate this contract;
 - v. take such other actions of any nature whatsoever as may be deemed appropriate for the best interests of the state or the program(s) provided under this contract or both;
 - vi. any combination of the above actions.
- b. In addition to the rights and remedies granted to the Department by this contract, the Department shall have all other rights and remedies granted to it by law in the event of breach of or default by the Contractor under the terms of this contract.
- c. Prior to invoking any of the remedies for default specified in this paragraph the Department shall notify the Contractor in writing of the specific facts and circumstances constituting default or failure to comply with the conditions of this contract and proposed remedies. Within 10 business days of receipt of this notice, the Contractor shall correct any contractual defaults specified in the notice and submit written documentation of correction to the reasonable satisfaction of the Department or request in writing a meeting with the commissioner of the Department or his/her designee. Any such meeting shall be held within 5 business days of the written request. At the meeting, the Contractor shall be given an opportunity to respond to the Department's notice of default and to present a plan of correction with applicable time frames. Within 5 business days of such meeting, the commissioner of the Department shall notify the Contractor in writing of his/her response to the information provided including acceptance of the plan of correction and, if the commissioner finds continued contractual default for which a satisfactory plan of corrective action has not been presented, the specific remedy for default the Department intends to invoke. This action of the commissioner shall be considered final.
- d. If at any step in this process the Contractor fails to comply with the procedure and, as applicable, the agreed upon plan of correction, the Department may proceed with default remedies.

4. **Cancellation and Recoupment:**

- a. This agreement shall remain in full force and effect for the entire term of the contract period, unless either party provides written notice 90 days or more from the date of termination, except that no cancellation by the Contractor may be effective for failure to provide services for the agreed price or rate and cancellation by the Department shall not be effective against services already rendered, so long as the services were rendered in compliance with the contract during the term of the contract.

- b. In the event the health or welfare of the service recipients is endangered, the Department may cancel the contract and take any immediate action without notice it deems appropriate to protect the health and welfare of service recipients. The Department shall notify the Contractor of the specific reasons for taking such action in writing within 5 business days of cancellation. Within 5 business days of receipt of this notice, the Contractor may request in writing a meeting with the commissioner of the Department or his/her designee. Any such meeting shall be held within 5 business days of the written request. At the meeting, the Contractor shall be given an opportunity to present information on why the Department's actions should be reversed or modified. Within 5 business days of such meeting, the commissioner of the Department shall notify the Contractor in writing of his/her decision upholding, reversing or modifying the action of the Department. This action of the commissioner shall be considered final.
- c. The Department reserves the right to cancel the contract with prior notice when the funding for the contract is no longer available.

4

STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT
Policies and Guidelines

Gift Affidavit
(Contract - No Previous Bid or Proposal)

Gift affidavit to accompany state procurements with a value of \$50,000 or more in a calendar or fiscal year and licensing arrangements with a cost to the State greater than \$500,000 in a calendar or fiscal year, pursuant Conn. Gen. Stat. §§ 4-250 and 251, and Governor M. Jodi Rell's Executive Order No. 7B, para. 10.

I, Steven P. Schramm, Worldwide Partner, Mercer Health & Benefits, hereby swear that during the two-year period preceding the date this contract was executed that neither myself nor any principals or key personnel of the contracting firm or corporation who participated directly, extensively and substantially in the negotiation or award of this contract, nor any agent of the above, gave a gift, as defined in Conn. Gen. Stat. § 1-79(e), including a life event gift as defined in Conn. Gen. Stat. § 1-79(e)(12), to (1) any public official or state employee of the state agency or quasi-public agency who executed or participated directly, extensively, and substantially in the negotiation or award of this contract or (2) to any public official or state employee who has supervisory or appointing authority over the state agency or quasi-public agency executing this contract, except the gifts listed below:

Name of Benefactor Name of recipient Gift Description Value Date of Gift

List information here

Further, neither I nor any principals or key personnel of the contracting firm or corporation who participated directly, extensively and substantially in the negotiation or award of this contract know of any action to circumvent this gift affidavit.

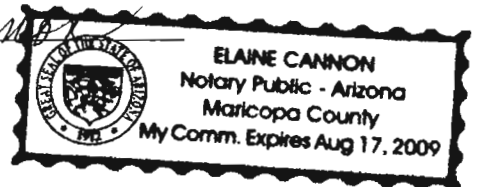
Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Signature of Steven P. Schramm

28 June 2006
Date

Sworn and subscribed before me on this 28 day of June, 2006

Elaine Cannon
Commissioner of the Superior Court
Notary Public



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT
Policies and Guidelines

Consulting Agreement Affidavit

Consulting agreement affidavit to accompany state contracts for the purchase of goods and services with a value of \$50,000 or more in a calendar or fiscal year, pursuant to Section 51 of Public Act 05-287.

This affidavit is required if a bidder or vendor has entered into any consulting agreements whereby the duties of the consultant include communications concerning business of such state agency, whether or not direct contact with a state agency, state or public official or state employee was expected or made. Pursuant to Section 51 of P.A. 05-287, "consulting agreement" means any written or oral agreement to retain the services, for a fee, of a consultant for the purposes of (A) providing counsel to a contractor, vendor, consultant or other entity seeking to conduct, or conducting, business with the State, (B) contacting, whether in writing or orally, any executive, judicial, or administrative office of the State, including any department, institution, bureau, board, commission, authority, official or employee for the purpose of solicitation, dispute resolution, introduction, requests for information or (C) any other similar activity related to such contract.

I, Steven P. Schramm, Worldwide Partner, Mercer Health & Benefits, hereby swear that I am the chief official of the bidder or vendor of the Contract or authorized to execute such Contract. I further swear that I have not entered into any consulting agreement in connection with such contract, except the agreements listed below:

Contractor's Name, Title and Firm or Corporation:

Terms of Consulting Agreement (Date of Execution, Amount, Expiration Date):

Brief Description of Services Provided (Purpose, Scope, Activities, Outcomes):

Yes No Is the Consultant a former state employee or public official?

If yes, provide the following information about the former state employee or public official:

- Former Agency:
Date Such Employment Terminated:

Attach additional sheets if necessary. This affidavit must be amended if Contractor enters into any new consulting agreements during the term of this Contract

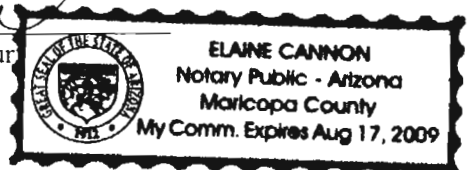
Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Signature of Steven P. Schramm

Date: 28 JUNE 2006

Sworn and subscribed before me on this 28 day of June 2006

Notary Public: Elaine Cannon, Commissioner of the Superior Court



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT
Policies and Guidelines

Consulting Agreement Affidavit

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I, Steven P. Schramm, Worldwide Partner, Mercer Health & Benefits, hereby swear that I am the chief official of the bidder or vendor of the Contract or authorized to execute such Contract. I further swear that I have not entered into any consulting agreement in connection with such contract, except the agreements listed below:

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If yes, provide the following information about the former state employee or public official:

- Former Agency:
Date Such Employment Terminated:

Attach additional sheets if necessary. This affidavit must be amended if Contractor enters into any new consulting agreements during the term of this Contract

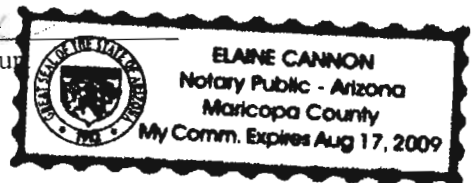
Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Signature of Steven P. Schramm

Date: 28 June 2006

Sworn and subscribed before me on this 27 day of June, 2006

Signature of Elaine Cannon
Commissioner of the Superior Court
Notary Public



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT
Policies and Guidelines

Gift Affidavit
(Contract – No Previous Bid or Proposal)

Gift affidavit to accompany state procurements with a value of \$50,000 or more in a calendar or fiscal year and licensing arrangements with a cost to the State greater than \$500,000 in a calendar or fiscal year, pursuant Conn. Gen. Stat. §§ 4-250 and 251, and Governor M. Jodi Rell's Executive Order No. 7B, para. 10.

I, Steven P. Schramm, Worldwide Partner, Mercer Health & Benefits, hereby swear that during the two-year period preceding the date this contract was executed that neither myself nor any principals or key personnel of the contracting firm or corporation who participated directly, extensively and substantially in the negotiation or award of this contract, nor any agent of the above, gave a gift, as defined in Conn. Gen. Stat. § 1-79(e), including a life event gift as defined in Conn. Gen. Stat. § 1-79(e)(12), to (1) any public official or state employee of the state agency or quasi-public agency who executed or participated directly, extensively, and substantially in the negotiation or award of this contract or (2) to any public official or state employee who has supervisory or appointing authority over the state agency or quasi-public agency executing this contract, except the gifts listed below:

<u>Name of Benefactor</u>	<u>Name of recipient</u>	<u>Gift Description</u>	<u>Value</u>	<u>Date of Gift</u>
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List information here

Further, neither I nor any principals or key personnel of the contracting firm or corporation who participated directly, extensively and substantially in the negotiation or award of this contract know of any action to circumvent this gift affidavit.

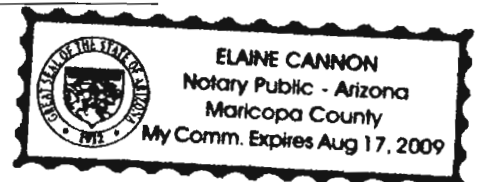
Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Steven P. Schramm
Signature

28 June 2006
Date

Sworn and subscribed before me on this 28 day of June, 2006

Elaine Cannon
Commissioner of the Superior Court
Notary Public



CERTIFICATE OF THE SECRETARY

OF

MERCER HEALTH & BENEFITS LLC

I, William C. Fagan, Secretary of Mercer Health & Benefits LLC, a Delaware limited liability company (the "LLC"), hereby certify as follows:

1. That the following is a full, true and complete copy of a resolution adopted by the Board of Directors of this Corporation on the 11th day of July, 2006:

"RESOLVED that a duly elected Worldwide Partner or Principal of the LLC is authorized and empowered to execute, approve and deliver on behalf of this LLC the LLC's contracts or agreements with the LLC's clients that govern the LLC's provision of services to such clients."

2. That Steven Schramm is a duly elected Principal of the corporation.

3. The aforesaid resolution was duly adopted in accordance with the applicable provisions of the Delaware Limited Liability Company Act for the State of Delaware.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Corporation to be affixed hereto this 12th day of July, 2006.





STATE OF CONNECTICUT

DEPARTMENT OF SOCIAL SERVICES

25 SIGOURNEY STREET • HARTFORD, CONNECTICUT 06106-5033

Certification By Agency Official or Employee Authorized to Execute Contracts

I, **Michael P. Starkowski, Deputy Commissioner of Administration**, am authorized to execute the attached contract on behalf of the **State of Connecticut, Department of Social Services**. I hereby certify that the selection of the person, firm or corporation for the attached large state contract, was not the result of collusion, the giving of a gift or the promise of a gift, compensation, fraud or inappropriate influence from any person.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Signature

6/29/06

Date

Sworn and subscribed before me on this 29 day of June, 2006.

Kathleen M. Brennan

Kathleen M. Brennan
Commissioner of the Superior Court
Juris No. 307252

Contractor: Mercer Health & Benefits
Contract Number: 97DSS1202CKA11
Contract Term: 04/01/97 - 06/30/07
Contract Total: \$20,115,924.00

Brennan, Kathleen M.

From: philip.smith@po.state.ct.us
Sent: Wednesday, June 21, 2006 1:51 PM
To: Brennan, Kathleen M.
Subject: Final Disposition for Amendment 2006_241

The Office of Policy and Management has Approved the following Amendment

97DSS1202CKA11(REVISED) (2006_241)

Contractor: Mercer Health & Benefits, LLC
Effective Date: 06/13/06 - 06/30/07
Estimated Cost: \$4,100,000.00
Comments/Conditions: No extensions without competitive procurement

Philip L. Smith
Undersecretary

**PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT**

CO-802A REV. 3/98 (Stock No. 6938-170-01)

Print or Type

**OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION**

CORE CT # 97DSS1202CK

THE STATE AGENCY AND THE CONTRACTOR, AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO

THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO SUBJECT TO THE PROVISIONS OF SECTION 4-96 OF THE C.G.S., AS APPLICABLE

(1) ORIGINAL AMENDMENT 10 (2) IDENTIFICATION NO. PS 7846100

(3) CONTRACTOR NAME: **MERCER HEALTH & BENEFITS, LLC**
 3131 East Camelback Road, Suite 300, Phoenix, AZ 85016
 (4) ARE YOU PRESENTLY A STATE EMPLOYEE? YES NO
 (6) AGENCY NO. DSS6000

(5) AGENCY NAME AND ADDRESS: **Department of Social Services, 25 Sigourney Street, Hartford, CT 06106**

(7) DATE (FROM) 04/01/1997 THROUGH (8) THROUGH 06/30/2006 (8) INDICATE MASTER AGREEMENT CONTRACT AWARD NO NEITHER X

(9) REQUIRED NO. OF DAYS WRITTEN NOTICE: **15 Days**

(10) CONTRACTOR AGREES TO (Include special provisions - Attach additional blank sheets if necessary.)

COMPLETE DESCRIPTION OF SERVICE

FURTHER AMEND CONTRACT NUMBER 7846100 (CORE CT # 97DSS1202CK) AS AMENDED BY AMENDMENTS 1,2,3,4,5,6, 7, 8 & 9 TO EXTEND THE TERM OF THE CONTRACT FOR A PERIOD OF THREE (3) MONTHS FROM 03/31/06 TO 06/30/06. THE CONTRACTOR SHALL CONTINUE TO PROVIDE RATE SETTING AND ACTUARIAL CONSULTING SERVICES AS DIRECTED BY THE DEPARTMENT AND DESCRIBED IN THE SCOPE OF WORK SET FORTH IN AMENDMENTS 2 AND 3 OF THIS CONTRACT.

ALL OTHER TERMS AND CONDITIONS NOT SPECIFICALLY AMENDED HEREIN SHALL REMAIN IN FULL FORCE AND EFFECT.

(11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES

COST AND SCHEDULE OF PAYMENT

THE MAXIMUM VALUE OF THIS CONTRACT SHALL BE INCREASED BY \$570,000.00 FROM \$15,445,924.00 TO \$16,015,924.00. DURING THE PERIOD MARCH 1, 2006 THROUGH JUNE 30, 2006 EXPENDITURES SHALL NOT EXCEED \$570,000.00. DURING THE TERM OF THIS AMENDMENT THE DEPARTMENT SHALL CONDUCT A RECONCILIATION OF THE MAXIMUM CONTRACT VALUE AND THE ACTUAL PAYMENTS MADE TO THE CONTRACT. FOLLOWING THE RECONCILIATION THE DEPARTMENT AND THE CONTRACTOR SHALL NEGOTIATE AND EXECUTE A SUBSEQUENT AMENDMENT TO ADDRESS THE CONTINUATION OF TASKS AND PAYMENT FOR COMPLETION OF THE SAME.

(12) ACT CD (13) DOC TYP PS (14) COM TY P (15) LSE TYP (16) ORIG AGCY (17) DOCUMENT NO (18) COMMIT AGCY DSS6000 (19) COMMIT NO (20) VENDOR FEIN/SSN - SUFFIX 34-2015463

(21) COMMITTED AMOUNT \$16,015,924.00 (23) CONTRACT PERIOD (FROM/TO) 04/01/97 - 06/30/06

(24) Line No.	(25) Fund Reference	(26) Fund	(27) Department	(28) Program	(29) SID	(30) Account	(31) Project/Grant	(32) Chart 1	(32) Chart 2	(33) Amount
	2006	11000	DSS60517	14000	10020	51180	DSS_NONPROJECT	168012	NO_CODE	

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS

(35) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE): *Steven P. Schramm*

(36) AGENCY (AUTHORIZED OFFICIAL): *Michael P. Starkowski*

(37) OFFICE OF POLICY & MGMT. CHIEF OF ADMIN. SERV.

(38) ATTORNEY GENERAL (APPROVED AS TO FORM): *Michael B. All*

STATUTORY AUTHORITY §§ 4-8, 17b-3

TITLE: Steven P. Schramm, Principal DATE: 29 March 06

TITLE: Michael P. Starkowski, Deputy Commissioner DATE: 3/31/06

TITLE: ASSOC. ATTY. DATE: 5/2/06

**Certification By Agency Official or Employee
Authorized to Execute Contracts**

I, Michael P. Starkowski, Deputy Commissioner of Administration, am authorized to execute the attached contract on behalf of the State of Connecticut, Department of Social Services. I hereby certify that the selection of the person, firm or corporation for the attached large state contract, was not the result of collusion, the giving of a gift or the promise of a gift, compensation, fraud or inappropriate influence from any person.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

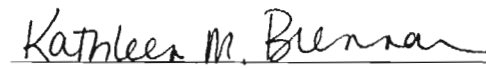


Signature

4/18/06

Date

Sworn and subscribed before me on this 18 day of April, 2006.



Kathleen M. Brennan
Commissioner of the Superior Court
Juris No. 307252

Contractor:	Mercer Human Resource Consulting, Inc.
Contract Number:	97DSS1202CK/7846100
Contract Term:	04/01/97 - 06/30/06
Contract Total:	16,015,924.00



CONTRACT AFFIDAVIT

Single-Year

Gift/Campaign Contribution Affidavit to Accompany Large State Contracts, Pursuant to Section 2, 3 and 4 of Public Act 04-245 and Governor M. Jodi Rell's Executive Order No. 1, ¶ 8. (No Previous Bid or Proposal)

Contractor: William M. Mercer, Inc./Mercer Human Resource Consulting, Inc./Mercer Health & Benefits, LLC

Contract #: 97DSS1202CK/7846100; **Amendment:** 10; **Period:** 04/01/06 – 06/30/06

I, Steven P. Schramm of William M. Mercer, Inc/ Mercer Human Resource Consulting, Inc./Mercer Health & Benefits, LLC, hereby swear that during the two-year period preceding the date this contract amendment was executed that neither myself nor any principals or key personnel of the contracting firm or corporation who participated directly, extensively and substantially in the negotiation or award of this contract amendment, nor any agent of the above, gave a gift, as defined in Conn. Gen. Stat. § 1-79(e), including a life event gift as defined in Conn. Gen. Stat. § 1-79(e)(12), to (1) any public official or state employee of the state agency or quasi-public agency who executed or participated directly, extensively, and substantially in the negotiation or award of this contract amendment or (2) to any public official or state employee who has supervisory or appointing authority over the state agency or quasi-public agency executing this contract amendment, except the gifts listed below:

Benefactor	Recipient	Description of Gift	Value	Date

Further, neither I nor any principals or key personnel of the contracting firm or corporation who participated directly, extensively and substantially in the negotiation or award of this contract amendment know of any action to circumvent this gift/campaign contribution affidavit.

Further, during the two-year period preceding the execution of this contract amendment, neither I nor any principals or key personnel of the contracting firm or corporation who participated directly, extensively and substantially in the negotiation or award of this contract amendment, nor any agent of the above, gave a contribution to candidate for statewide public office or the General Assembly, as defined in Conn. Gen. Stat. § 9-333b, except the contributions list below:

Contributor	Recipient	Description of Contribution	Value	Date

Sworn as true to the best of my knowledge and belief subject to the penalties of false statement.

Steven P. Schramm
Signature

29 March 2006
Date

Sworn and subscribed before me on this 29 day of March, 2006.

Kathleen M. Brennan
Commissioner of the Superior Court
Notary Public



CONTRACT AFFIDAVIT

Single-Year

Gift/Campaign Contribution Affidavit to Accompany Large State Contracts, Pursuant to Section 2, 3 and 4 of Public Act 04-245 and Governor M. Jodi Rell's Executive Order No. 1, ¶ 8. (No Previous Bid or Proposal)

Contractor: William M. Mercer, Inc./Mercer Human Resource Consulting, Inc./Mercer Health & Benefits, LLC

Contract #: 97DSS1202CK/7846100; **Amendment:** 10; **Period:** 04/01/06 – 06/30/06

I, Steven P. Schramm of William M. Mercer, Inc/ Mercer Human Resource Consulting, Inc./Mercer Health & Benefits, LLC, hereby swear that during the two-year period preceding the date this contract amendment was executed that neither myself nor any principals or key personnel of the contracting firm or corporation who participated directly, extensively and substantially in the negotiation or award of this contract amendment, nor any agent of the above, gave a gift, as defined in Conn. Gen. Stat. § 1-79(e), including a life event gift as defined in Conn. Gen. Stat. § 1-79(e)(12), to (1) any public official or state employee of the state agency or quasi-public agency who executed or participated directly, extensively, and substantially in the negotiation or award of this contract amendment or (2) to any public official or state employee who has supervisory or appointing authority over the state agency or quasi-public agency executing this contract amendment, except the gifts listed below:

Benefactor	Recipient	Description of Gift	Value	Date

Further, neither I nor any principals or key personnel of the contracting firm or corporation who participated directly, extensively and substantially in the negotiation or award of this contract amendment know of any action to circumvent this gift/campaign contribution affidavit.

Further, during the two-year period preceding the execution of this contract amendment, neither I nor any principals or key personnel of the contracting firm or corporation who participated directly, extensively and substantially in the negotiation or award of this contract amendment, nor any agent of the above, gave a contribution to candidate for statewide public office or the General Assembly, as defined in Conn. Gen. Stat. § 9-333b, except the contributions list below:

Contributor	Recipient	Description of Contribution	Value	Date

Sworn as true to the best of my knowledge and belief subject to the penalties of false statement.

Steven P. Schramm
Signature

29 March 2006
Date

Sworn and subscribed before me on this

29th day of March

, 2006.

Kathleen M. Blennan
Commissioner of the Superior Court
Notary Public

MERCER

DEPT. OF SOCIAL SERVICES
CONTRACTS/PURCHASING

06 APR -3 AM 11:22

Mercer Health & Benefits LLC
1166 Avenue of the Americas
New York, NY 10036-2708
212 345 3114 Fax 212 345 5999
william.fagan@mercer.com
www.mercer.com


Certificate of the Secretary

of

Mercer Health & Benefits LLC

I, William C. Fagan, do hereby certify that Steven P. Schramm is a duly elected Principal of the company and in such capacity is authorized to execute contracts, agreements, applications and other documents on behalf of the company.

IN WITNESS WHEREOF, I have hereunder set my hand and the seal of the Corporation this 31st day of March, 2006.



William C. Fagan

REQUEST FOR AMENDMENT

OPM Form/Rev. 03-15-06

DEPT. OF SOCIAL SERVICES
CONTRACTS/PURCHASING

RESERVED FOR OPM USE

Date Rec'd 3/24/06
Log # 2006-443
C/O Date 4/7/06
Shirley Eccleston

Submit this form when requesting an amendment to an existing personal service agreement.

06 APR 17 PM 12:17

Return completed form to:

Office of Policy and Management, Office of Finance – MS# 55FIN,
450 Capitol Avenue, Hartford, CT 06106

Attach additional sheets if necessary.

Requester must be a chief program officer, chief fiscal officer, or above.

Agency Name & Address: Department of Social Services, 25 Sigourney Street		Date: 03/21/2006
Requester's Name & Title: Kathleen M. Brennan, Director, Contract Procurement		*Requester's Signature: <i>Kathleen M. Brennan</i>
Agency Contact & Phone No.: Kathleen M. Brennan, 424-5693		OPM Budget's Signature: <i>Shirley Eccleston</i>
<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Disapproved <i>As Noted</i>	OPM Secretary's Signature: <i>[Signature]</i>	Date: <u>4/7/06</u>

- Yes No Is this PSA with an individual? *If yes, see Personal Service Agreements: Standards and Procedures (page 18). A PSA must not be used by any agency to contract with a current or retired State employee.*
- Yes No Was the cost of the original PSA more than \$50,000?
- Yes No Is the cost of this amendment 100% or more of the cost of the original PSA?
- Yes No Does this amendment increase the cost of the original PSA to more than \$50,000?
- Yes No Does this amendment extend the terms of the original PSA beyond a one-year period?
- Yes No Is this the second or subsequent amendment to the original PSA?

Original Proposal: Competitive Non-Competitive Number of Prior Amendments: 9

Core-CT Contract ID: 97DSS1202CK PO Reference: 0000022431

Contractor Name & Address: William M. Mercer, 3131 East Camelback Road., Suite 300, Phoenix, AZ 85016

Original Outline of Work (Purpose, Scope, Activities, Outcomes): The Contractor provides the Department with a variety of rate setting and actuarial consulting services for Health Care Financing programs and issues including but not limited to the HUSKY Program (A&B); Pharmacy, SAGA, Dental, Behavioral Health and Non-Emergency Medical Transportation services. The Contractor also provides actuarial and consulting services on an as-needed basis and as requested by the Deputy Commissioner of Administration, the Director of Health Care Financing Division and the Director of the Division of Fiscal Analysis.

Amended Outline of Work (Purpose, Scope, Activities, Outcomes): A continuation of the actuarial and consulting services including assistance in the preparation and development of a procurement for participating HUSKY plans, continuation of the readiness review process for the Department's behavioral health administrative services Contractor, assistance with the development and implementation with an in-house actuarial unit and the transition of issues from the Contractor to the established actuarial unit. The development of this unit is fully supported by the Office of Policy and Management.

Need for Amendment: The continuation of this contract will allow for the continued support of the HUSKY program, behavioral health services and other current or to be established services that originate from the Medical Care Administration. Further, it will allow the Department the time to develop and implement an in-house actuarial/consultant contract that, once established will allow the Department to transition the majority of the tasks from this Contractor to the in-house unit.

Original Contract Term (Start | End Dates): 04/01/97 – 03/31/99
 Prior Amendment(s) Term(s) (Start | End Date(s)): 04/01/99 – 03/31/06
 Term of This Amendment (Start | End Date(s)): 04/01/06 – 06/30/06

Original Contract Cost:	\$955,596.00	Account Information (Agency Fund SID):
DSS/11000/10020		
Cost of Prior Amendment(s):	\$14,450,328.00	
Cost of This Amendment:	\$570,000.00	Account Information (Agency Fund SID):
DSS/11000/10020		
Total Contract Cost:	\$15,975,924.00	

No extension.

**PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT**

CO-802A REV. 3/98 (Stock No. 6938-170-01)

Print or Type

**OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION**

1. THE STATE AGENCY AND THE CONTRACTOR, AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE C.G.S. AS APPLICABLE

CORE CT # 97DSS1202CK

DEC 29 2005
RECEIVED

(1) ORIGINAL <input type="checkbox"/> AMENDMENT <input checked="" type="checkbox"/> 9		(2) IDENTIFICATION NO. PS 7846100
(3) CONTRACTOR NAME WILLIAM M. MERCER, INC./MERCER HUMAN RESOURCE CONSULTING, INC.	(4) ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	
3131 EAST CAMELBACK ROAD, SUITE 300, PHOENIX, AZ 85016		(6) CONTRACTOR FEIN/SSN 132834414
(5) AGENCY NAME AND ADDRESS DEPARTMENT OF SOCIAL SERVICES, 25 SIGOURNEY STREET, HARTFORD, CT 06106	(6) AGENCY NO. DSS6000	
(7) DATE (FROM) 04/01/1997	(8) THROUGH 03/31/2006	(8) INDICATE MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO NEITHER <input checked="" type="checkbox"/>
(9) CANCELLATION CLAUSE THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT)	(9) REQUIRED NO. OF DAYS WRITTEN NOTICE 15 Days	

(10) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.)

COMPLETE DESCRIPTION OF SERVICE

FURTHER AMEND CONTRACT NUMBER 7846100 (CORE CT # 97DSS1202CK) AS AMENDED BY AMENDMENTS 1,2,3,4,5,6, 7 & 8 TO EXTEND THE TERM OF THE CONTRACT FOR A PERIOD OF THREE (3) MONTHS FROM 12/31/05 TO 3/31/06. THE CONTRACTOR SHALL CONTINUE TO PROVIDE RATE SETTING AND ACTUARIAL CONSULTING SERVICES AS DIRECTED BY THE DEPARTMENT AND DESCRIBED IN THE SCOPE OF WORK SET FORTH IN AMENDMENTS 2 AND 3 OF THIS CONTRACT.

ALL OTHER TERMS AND CONDITIONS NOT SPECIFICALLY AMENDED HEREIN SHALL REMAIN IN FULL FORCE AND EFFECT. THIS AMENDMENT 9 MAY BE EXECUTED IN COUNTERPARTS. THE EFFECTIVE DATE SHALL BE THE LAST DATE BY WHICH BOTH PARTIES HAVE SIGNED.

(11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

COST AND SCHEDULE OF PAYMENT

THE MAXIMUM VALUE OF THIS CONTRACT SHALL BE INCREASED BY \$500,000.00 FROM ~~14,945,924~~ TO ~~15,445,924~~. DURING THIS THREE-MONTH PERIOD THE DEPARTMENT SHALL CONDUCT A RECONCILIATION OF THE MAXIMUM CONTRACT VALUE AND THE ACTUAL PAYMENTS MADE TO THE CONTRACT. FOLLOWING THE RECONCILIATION THE DEPARTMENT AND THE CONTRACTOR SHALL NEGOTIATE AND EXECUTE A SUBSEQUENT AMENDMENT TO ADDRESS THE CONTINUATION OF TASKS AND PAYMENT FOR COMPLETION OF THE SAME.

(12) ACT CD PS	(13) DOC TYP	(14) COM TY P	(15) LSE TYP	(16) ORIG. AGCY	(17) DOCUMENT NO.	(18) COMMIT AGCY DSS6000	(19) COMMIT. NO.	(20) VENDOR FEIN/SSN - SUFFIX 132-83-4414		
(21) COMMITTED AMOUNT			(22) OBLIGATED AMOUNT \$15,445,924.00			(23) CONTRACT PERIOD (FROM/TO) 04/01/97 - 03/31/06				
(24) Line No.	(25) Budget Reference	(26) Fund	(27) Department	(28) Program	(29) SID	(30) Account	(31) Project/Grant	(32) Chart 1	(32) Chart 2	(33) Amount
	2006	11000	DSS60517	14000	10020	51180	DSS_NONPROJECT	168012	NO_CODE	

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS		STATUTORY AUTHORITY §§ 4-8, 17b-3	
(35) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) 	TITLE Steven P. Schramm, Principal	DATE 12/27/05	
(36) AGENCY (AUTHORIZED OFFICIAL) 	TITLE Michael P. Starkowski, Deputy Commissioner	DATE 12/27/05	
(37) OFFICE OF POLICY & MGMT./DEPT. OF ADMIN. SERV. 	TITLE	DATE	
(38) ATTORNEY GENERAL (APPROVED AS TO FORM) 	ASSOC. ATTY. GEN. 5/2/06	DATE 5/2/06	

MARLER

REQUEST FOR AMENDMENT

OPM Form/Rev. 06-02-05

RESERVED FOR OPM USE

Date Rec'd 12/20/05
Log # 2006-302
C/O Date 12/29/05
Sue Eccleston

Submit this form when requesting an amendment to an existing personal service agreement.

Return completed form to:
Office of Policy and Management, Office of Finance – MS# 55FIN,
450 Capitol Avenue, Hartford, CT 06106

Attach additional sheets if necessary.

Agency Name & Address: State of Connecticut, Department of Social Services		Date: 12/16/05
Requester's Name & Title: Kathleen M. Brennan, Director, Contract Procurement		Requester's Signature: <u>Kathleen M. Brennan</u>
Agency Contact & Phone No.: Kathleen M. Brennan, Director, Contract Procurement		OPM Budget's Signature: <u>Sue Eccleston</u>
<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Disapproved	OPM Secretary's Signature: <u>[Signature]</u>	Date: <u>12/29/05</u>

- Yes No Is this PSA with an individual? *If yes, see Personal Service Agreements: Standards and Procedures (page 18). A PSA must not be used by any agency to contract with a current or retired State employee.*
- Yes No Was the cost of the original PSA more than \$50,000?
- Yes No Is the cost of this amendment 100% or more of the cost of the original PSA?
- Yes No Does this amendment increase the cost of the original PSA to more than \$50,000?
- Yes No Does this amendment extend the terms of the original PSA beyond a one-year period?
- Yes No Is this the second or subsequent amendment to the original PSA?

Original Proposal: Competitive Non-Competitive Number of Prior Amendments: 8

CORE-CT Contract ID: 97DSS1202CK PO Reference:

Contractor Name & Address: William M. Mercer, 3131 East Camelback Rd., Suite 300, Phoenix, AZ 85016

Original Outline of Work (Purpose, Scope, Activities, Outcomes):

The Contractor provides the Department with a variety of rate setting and actuarial consulting services for Health Care Financing programs and issues including but not limited to the HUSKY Program (A&B); Pharmacy, SAGA, Dental, Behavioral Health and Non-Emergency Medical Transportation services. The Contractor also provides actuarial and consulting services on an as-needed basis and as requested by the Deputy Commissioner of Administration, the Director of Health Care Financing Division and the Director of the Division of Fiscal Analysis.

Amended Outline of Work (Purpose, Scope, Activities, Outcomes):

A continuation of the actuarial and consulting services including assistance in the preparation and development of a procurement for participating HUSKY plans, continuation of the readiness review process for the Department's behavioral health administrative services Contractor, assistance with the development and implementation with an in-house actuarial unit and the transition of issues from the Contractor to the established actuarial unit. The development of this unit is fully supported by the Office of Policy and Management.

Need for Amendment::

The continuation of this contract will allow for the continued support of the HUSKY program, behavioral health services and other current or to be established services that originate from the Medical Care Administration. Further, it will allow the Department the time to develop and implement an in-house actuarial/consultant contract that, once established will allow the Department to transition the majority of the tasks from this Contractor to the in-house unit.

Original Contract Term (Start End Dates):	04/01/97 – 13/31/99
Prior Amendment(s) Term(s) (Start End Date(s)):	04/01/99 – 12/31/05
Term of This Amendment (Start End Date(s)):	01/01/06 – 09/30/07 <u>3/31/06</u>

Original Contract Cost: \$955,596.00	Account Information (Agency Fund SID): DSS/11000/10020
Cost of Prior Amendment(s): \$13,990,328.00	
Cost of This Amendment: \$3,700,000.00	Account Information (Agency Fund SID): DSS/11000/10020
Total Contract Cost: \$17,690,328.00 <u>\$500,000</u> <u>\$15,445,924</u>	

Note: Total Contract Cost = Original Contract Cost + Cost of Prior Amendment(s) + Estimated Cost of This Amendment

IMPORTANT: Attach a separate sheet explaining the reasons for not issuing a new Request For Proposal.



CONTRACT AFFIDAVIT

Single-Year

Gift/Campaign Contribution Affidavit to Accompany Large State Contracts, Pursuant to Section 2, 3 and 4 of Public Act 04-245 and Governor M. Jodi Rell's Executive Order No. 1, ¶ 8. (No Previous Bid or Proposal)

OFFICE OF SOCIAL SERVICES
CONTRACT ADMINISTRATION
DEC 29 2005
RECEIVED

Contractor: William M. Mercer, Inc./ Mercer Human Resource Consulting, Inc.
Contract #: 97DSS1202CK/7846100; **Amendment:** 9; **Period:** 01/01/06 – 03/31/06

I, STEVEN S. STRAM of William M. Mercer, Inc/ Mercer Human Resource Consulting, Inc., hereby swear that during the two-year period preceding the date this contract amendment was executed that neither myself nor any principals or key personnel of the contracting firm or corporation who participated directly, extensively and substantially in the negotiation or award of this contract amendment, nor any agent of the above, gave a gift, as defined in Conn. Gen. Stat. § 1-79(e), including a life event gift as defined in Conn. Gen. Stat. § 1-79(e)(12), to (1) any public official or state employee of the state agency or quasi-public agency who executed or participated directly, extensively, and substantially in the negotiation or award of this contract amendment or (2) to any public official or state employee who has supervisory or appointing authority over the state agency or quasi-public agency executing this contract amendment, except the gifts listed below:

Benefactor	Recipient	Description of Gift	Value	Date

Further, neither I nor any principals or key personnel of the contracting firm or corporation who participated directly, extensively and substantially in the negotiation or award of this contract amendment know of any action to circumvent this gift/campaign contribution affidavit.

Further, during the two-year period preceding the execution of this contract amendment, neither I nor any principals or key personnel of the contracting firm or corporation who participated directly, extensively and substantially in the negotiation or award of this contract amendment, nor any agent of the above, gave a contribution to candidate for statewide public office or the General Assembly, as defined in Conn. Gen. Stat. § 9-333b, except the contributions list below:

Contributor	Recipient	Description of Contribution	Value	Date

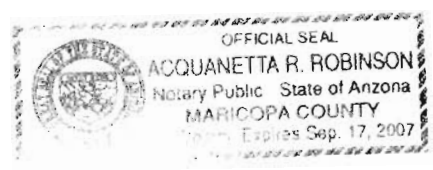
Sworn as true to the best of my knowledge and belief subject to the penalties of false statement.

Steven S. Stram
Signature

12/27/05
Date

Sworn and subscribed before me on this 27th day of December, 2004.

Acquanetta R. Robinson
Commissioner of the Superior Court
Notary Public





CONTRACT AFFIDAVIT

Single-Year

Gift/Campaign Contribution Affidavit to Accompany Large State Contracts, Pursuant to Section 2, 3 and 4 of Public Act 04-245 and Governor M. Jodi Rell's Executive Order No. 1, ¶ 8. (No Previous Bid or Proposal)

RECEIVED
DEC 29 2005
OFFICIAL SERVICES
FACT ADMINISTRATION

Contractor: William M. Mercer, Inc./ Mercer Human Resource Consulting, Inc.
Contract #: 97DSS1202CK/7846100; **Amendment:** 9; **Period:** 01/01/06 – 03/31/06

I, STEVEN SUTRAMM of William M. Mercer, Inc/ Mercer Human Resource Consulting, Inc., hereby swear that during the two-year period preceding the date this contract amendment was executed that neither myself nor any principals or key personnel of the contracting firm or corporation who participated directly, extensively and substantially in the negotiation or award of this contract amendment, nor any agent of the above, gave a gift, as defined in Conn. Gen. Stat. § 1-79(e), including a life event gift as defined in Conn. Gen. Stat. § 1-79(e)(12), to (1) any public official or state employee of the state agency or quasi-public agency who executed or participated directly, extensively, and substantially in the negotiation or award of this contract amendment or (2) to any public official or state employee who has supervisory or appointing authority over the state agency or quasi-public agency executing this contract amendment, except the gifts listed below:

Benefactor	Recipient	Description of Gift	Value	Date

Further, neither I nor any principals or key personnel of the contracting firm or corporation who participated directly, extensively and substantially in the negotiation or award of this contract amendment know of any action to circumvent this gift/campaign contribution affidavit.

Further, during the two-year period preceding the execution of this contract amendment, neither I nor any principals or key personnel of the contracting firm or corporation who participated directly, extensively and substantially in the negotiation or award of this contract amendment, nor any agent of the above, gave a contribution to candidate for statewide public office or the General Assembly, as defined in Conn. Gen. Stat. § 9-333b, except the contributions list below:

Contributor	Recipient	Description of Contribution	Value	Date

Sworn as true to the best of my knowledge and belief subject to the penalties of false statement.

Steven F. Sutramm
Signature

12/27/05
Date

Sworn and subscribed before me on this 27th day of December, 2004.

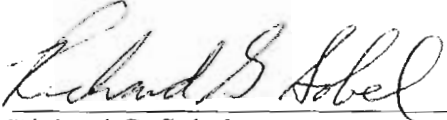
Acquanetta R. Robinson
Commissioner of the Superior Court
Notary Public



Certificate of the Assistant Secretary
of
Mercer Human Resource Consulting, Inc.

I, Richard G. Sobel, do hereby certify that Steven Schramm is a duly elected Principal of the company and in such capacity is authorized to execute contracts, agreements, applications and other documents on behalf of the company.

IN WITNESS WHEREOF, I have hereunder set my hand and the seal of the Corporation this 2nd day of January, 2006.


Richard G. Sobel



RITA SUTULA
Notary Public, State of New York
No. 31-01SU4865379
Qualified in New York County
Certificate Filed in New York County
Commission Expires November 18, 2008

MERCER

Human Resource Consulting

William C. Fagan
Secretary

Mercer Human Resource Consulting, Inc.
1166 Avenue of the Americas
New York, NY 10036-2708
212 345 3114 Fax 212 345 5999
www.mercerHR.com

Certificate of the Secretary

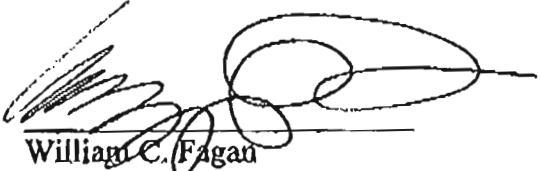
of

Mercer Human Resource Consulting, Inc.

I, William C. Fagan, do hereby certify that Steven P. Schramm is a duly elected Principal of the company and in such capacity is authorized to execute contracts, agreements, applications and other documents on behalf of the company, as of December 27, 2005.

IN WITNESS WHEREOF, I have hereunder set my hand and the seal of the Corporation this 24th day of March, 2006.




William C. Fagan



STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES

MICHAEL P. STARKOWSKI
DEPUTY COMMISSIONER

TELEPHONE
(860) 424-5053
TDD/TTY
1-800-842-4524
FAX
(860) 424-5057

**Certification By Agency Official or Employee
Authorized to Execute Contracts**

I, Michael P. Starkowski, Deputy Commissioner of Administration, am authorized to execute the attached contract on behalf of the State of Connecticut, Department of Social Services. I hereby certify that the selection of the person, firm or corporation for the attached large state contract, was not the result of collusion, the giving of a gift or the promise of a gift, compensation, fraud or inappropriate influence from any person.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Signature

Date

Sworn and subscribed before me on this 27th day of December, 2005.

Kathleen M. Brennan
Commissioner of the Superior Court
Juris No. 307252

Contractor: Mercer Human Resource Consulting, Inc.
Contract Number: 97DSS1202CK/7846100
Contract Term: 04/01/97 - 03/31/06
Contract Total: 13,745,924.00



STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES

MICHAEL P. STARKOWSKI
DEPUTY COMMISSIONER

TELEPHONE
(860) 424-5053

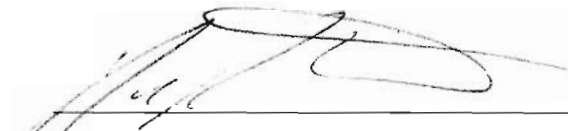
TDD/TTY
1-800-842-4524

FAX
(860) 424-5057

**Certification By Agency Official or Employee
Authorized to Execute Contracts**

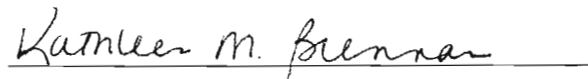
I, Michael P. Starkowski, Deputy Commissioner of Administration, am authorized to execute the attached contract on behalf of the State of Connecticut, Department of Social Services. I hereby certify that the selection of the person, firm or corporation for the attached large state contract, was not the result of collusion, the giving of a gift or the promise of a gift, compensation, fraud or inappropriate influence from any person.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.


Signature

2/16/06
Date

Sworn and subscribed before me on this 16 day of February, 2006.


Kathleen M. Brennan
Commissioner of the Superior Court
Juris No. 307252

Contractor: Mercer Human Resource Consulting, Inc.
Contract Number: 97DSS1202CK/7846100
Contract Term: 04/01/97 - 03/31/06
Contract Total: 13,745,924.00

**PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT**

CO-802A REV. 3/98 (Stock No. 6938-170-01)

Print or Type

**OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION**

CORE CT # 03DSS1212CK

I, THE STATE AGENCY AND THE CONTRACTOR, AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO

THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE C.G.S. AS APPLICABLE.

(1) ORIGINAL <input type="checkbox"/> AMENDMENT <input checked="" type="checkbox"/> 8	(2) IDENTIFICATION NO. PS 7846100
---	--------------------------------------

CONTRACTOR	(3) CONTRACTOR NAME WILLIAM M. MERCER, INC.		(4) ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	
	3131 East Camelback Road, Suite 300, Phoenix, AZ 85016			CONTRACTOR FEIN/SSN 132834414
STATE AGENCY	(5) AGENCY NAME AND ADDRESS Department of Social Services, 25 Sigourney Street, Hartford, CT 06106			(6) AGENCY NO. DSS6000

CONTRACT PERIOD	(7) DATE (FROM) 04/01/1997	THROUGH (8) INDICATE 12/31/2005	MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO <input type="checkbox"/> NEITHER X <input type="checkbox"/>	
------------------------	-------------------------------	------------------------------------	--	--

CANCELLATION CLAUSE	THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT)	(9) REQUIRED NO. OF DAYS WRITTEN NOTICE 15 Days
----------------------------	--	--

COMPLETE DESCRIPTION OF SERVICE

(10) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary)

FURTHER AMEND CONTRACT NUMBER 7846100 (CORE CT # 03DSS1212CK) AS AMENDED BY AMENDMENTS 1,2,3,4,5,6 & 7 TO EXTEND THE TERM OF THE CONTRACT FOR A PERIOD OF THREE (3) MONTHS FROM 9/30/05 TO 12/31/05.

ALL OTHER TERMS AND CONDITIONS NOT SPECIFICALLY AMENDED HEREIN SHALL REMAIN IN FULL FORCE AND EFFECT.

DEPT. OF SOCIAL SERVICES
CONTRACT ADMINISTRATION

SEP 30 2005

COST AND SCHEDULE OF PAYMENT

(11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

RECEIVED

THIS IS A TIME-ONLY EXTENSION. THE MAXIMUM VALUE OF THE CONTRACT SHALL REMAIN UNCHANGED.

(12) ACT CD PS	(13) DOC TYP	(14) COM TY P	(15) LSE TYP	(16) ORIG. AGCY	(17) DOCUMENT NO	(18) COMMIT AGCY DSS6000	(19) COMMIT. NO	(20) VENDOR FEIN/SSN - SUFFIX 132-83-4414
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(21) COMMITTED AMOUNT	(22) OBLIGATED AMOUNT	(23) CONTRACT PERIOD (FROM/TO) 04/01/97 - 12/31/05
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(24) Line No.	(25) Budget Reference	(26) Fund	(27) Department	(28) Program	(29) SID	(29) Account	(30) Project/Grant	(31) Chart 1	(32) Chart 2	(33) Amount
2006	11000	DSS60517	14000	10020	51180	DSS_NONPROJECT	168012	NO_CODE		

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS		STATUTORY AUTHORITY §§ 4-8, 17b-3	
(35) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) <i>Anna C. Dominiak</i>	TITLE	(34) TITLE	DATE 9/29/05
(36) AGENCY AUTHORIZED OFFICIAL <i>[Signature]</i>	TITLE	Michael P. Starkowski, Deputy Commissioner	DATE 9/30/05
(37) OFFICE OF POLICY & MGMT / DEPT. OF ADMIN. SERV.	TITLE		DATE
(38) ATTORNEY GENERAL (APPROVED AS TO FORM) <i>[Signature]</i>	TITLE	ASSOC. ATTY. GENERAL	DATE 3/8/06

REQUEST FOR AMENDMENT
OPM Form/Rev. 06-02-05

RESERVED FOR OPM USE	
Date Rec'd	9/23/05
Log #	2006-151
C/O Date	10/6/05
<i>[Signature]</i>	

Submit this form when requesting an amendment to an existing personal service agreement.

Return completed form to:
Office of Policy and Management, Office of Finance – MS# 55FIN,
450 Capitol Avenue, Hartford, CT 06106

Attach additional sheets if necessary.

Agency Name & Address: Department of Social Services, 25 Sigourney Street, Hartford, CT 06106		Date: 09/21/05
Requester's Name & Title: Kathleen M. Brennan, Director, Contract Procurement		Requester's Signature: <i>Kathleen M. Brennan</i>
Agency Contact & Phone No.: Kathleen M. Brennan 424-5693		OPM Budget's Signature: _____
<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Disapproved	OPM Secretary's Signature: <i>[Signature]</i>	Date: 10/6/05

- Yes No Is this PSA with an individual? *If yes, see Personal Service Agreements: Standards and Procedures (page 18). A PSA must not be used by any agency to contract with a current or retired State employee.*
- Yes No Was the cost of the original PSA more than \$50,000?
- Yes No Is the cost of this amendment 100% or more of the cost of the original PSA?
- Yes No Does this amendment increase the cost of the original PSA to more than \$50,000?
- Yes No Does this amendment extend the terms of the original PSA beyond a one-year period?
- Yes No Is this the second or subsequent amendment to the original PSA?

Original Proposal: Competitive Non-Competitive Number of Prior Amendments: 7

CORE-CT Contract ID: 97DSS1202CK PO Reference:

Contractor Name & Address: William M. Mercer, Inc., 3131 East Camelback Road, Suite 300, Phoenix, AZ 85016

Original Outline of Work (Purpose, Scope, Activities, Outcomes): The Contractor provides the Department with a variety of rate setting, actuarial and consulting services for Health Care Financing Programs and issues including but not limited to the HUSKY Program (A & B); Pharmacy; SAGA, Dental, Behavioral health and non-emergency medical transportation services. The Contractor also provides actuarial and consulting services on an as-needed basis and as requested by the Deputy Commissioner of Administration, the Director of Health Care Financing Division and the Director of the Division of Fiscal Analysis.

Amended Outline of Work (Purpose, Scope, Activities, Outcomes): This amendment will allow for a continuation of services through December 31, 2005. During this three month period the Department, the Contractor and the Office of Policy and Management will be finalizing negotiations on a revised scope of work with tasks that are similar to or extensions of services that the Contractor has provided since April, 1997. The Office of Policy and Management is fully supportive of the continuation of this contract and the Department's relationship with this Contractor.

Need for Amendment: The continuation of this contract will allow the Department, Contractor and OPM the time to complete negotiations on a revised scope of work that will address the continued provision of technical assistance to the Department and the Office of Policy and Management in order to increase revenues, control costs and improve operations.

Original Contract Term (Start | End Dates): 04/01/1997 - 03/31/99
 Prior Amendment(s) Term(s) (Start | End Date(s)): 04/01/99 - 09/30/05
 Term of This Amendment (Start | End Date(s)): 10/01/05 - 12/31/05

Original Contract Cost: \$955,596
 Account Information (Agency | Fund | SID): DSS6000/11000/10020
 Cost of Prior Amendment(s): 13,990,328.00
 Cost of This Amendment: 0
 Account Information (Agency | Fund | SID): DSS6000/11000/10020
 Total Contract Cost: \$14,945,928.00

Contract Affidavit – No Previous Bid or Proposal

Gift/Campaign Contribution Affidavit to Accompany Large State Contracts, Pursuant to Section 2, 3 and 4 of Public Act 04-245 and Governor M. Jodi Rell's Executive Order No. 1, para 8. (No Previous Bid or Proposal)

I, Maria C. Dominiak, hereby swear that during the two-year period preceding the date this contract was executed that neither myself nor any principals or key personnel of the contracting firm or corporation who participated directly, extensively and substantially in the negotiation or award of this contract, nor any agent of the above, gave a gift, as defined in Conn. Gen. Stat. § 1-79(e), including a life event gift as defined in Conn. Gen. Stat. § 1-79(e)(12), to (1) any public official or state employee of the state agency or quasi-public agency who executed or participated directly, extensively, and substantially in the negotiation or award of this contract or (2) to any public official or state employee who has supervisory or appointing authority over the state agency or quasi-public agency executing this contract, except the gifts listed below:

<u>Name of Benefactor</u>	<u>Name of recipient</u>	<u>Gift Description</u>	<u>Value</u>	<u>Date of Gift</u>
N/A				

Further, neither I nor any principals or key personnel of the contracting firm or corporation who participated directly, extensively and substantially in the negotiation or award of this contract know of any action to circumvent this gift/campaign contribution affidavit.

Further, during the two-year period preceding the execution of this contract, neither I nor any principals or key personnel of the contracting firm or corporation who participated directly, extensively and substantially in the negotiation or award of this contract, nor any agent of the above, gave a contribution to candidate for statewide public office or the General Assembly, as defined in Conn. Gen. Stat. § 9-333b, except the contributions list below:

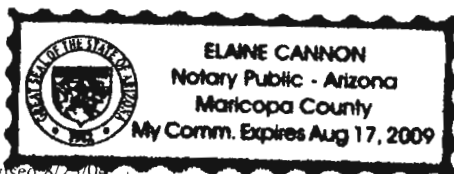
<u>Contributor</u>	<u>Recipient</u>	<u>Amount/Value</u>	<u>Date of Contribution</u>	<u>Contribution Description</u>
N/A				

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Maria C. Dominiak
Signature

October 10, 2005
Date

Sworn and subscribed before me on this 10th day of Oct, 2005



Elaine Cannon
Commissioner of the Superior Court
Notary Public

Contract Affidavit – No Previous Bid or Proposal

Gift/Campaign Contribution Affidavit to Accompany Large State Contracts, Pursuant to Section 2, 3 and 4 of Public Act 04-245 and Governor M. Jodi Rell's Executive Order No. 1, para 8. (No Previous Bid or Proposal)

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<u>Name of Benefactor</u>	<u>Name of recipient</u>	<u>Gift Description</u>	<u>Value</u>	<u>Date of Gift</u>
---------------------------	--------------------------	-------------------------	--------------	---------------------

N/A

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<u>Contributor</u>	<u>Recipient</u>	<u>Amount/Value</u>	<u>Date of Contribution</u>	<u>Contribution Description</u>
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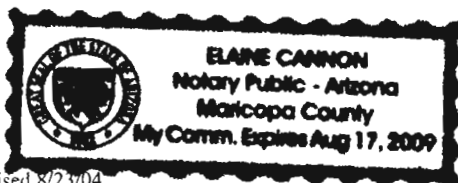
N/A

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Maria C. Dominiak
Signature

October 10, 2005
Date

Sworn and subscribed before me on this 10th day of Oct, 2005



Elaine Cannon
Commissioner of the Superior Court
Notary Public

MERCER

Human Resource Consulting

William C. Fagan
Secretary

Mercer Human Resource Consulting, Inc.
1166 Avenue of the Americas
New York, NY 10036-2708
212 345 3114 Fax 212 345 5999
www.mercerHR.com

CERTIFICATE OF THE SECRETARY

OF

MERCER HUMAN RESOURCE CONSULTING, INC.

I, William C. Fagan, Secretary of Mercer Human Resource Consulting, Inc., a Delaware corporation (the "Corporation"), hereby certify as follows:

1. That the following is a full, true and complete copy of a resolution adopted by the Board of Directors of this Corporation on the 25th day of May, 1999:

"RESOLVED that a duly elected Principal of the Corporation is authorized and empowered pursuant to the Corporation's by-laws and operating procedures to execute, approve and deliver on behalf of this corporation the Corporation's contracts or agreements with the Corporation's clients that govern the Corporation's provision of services to such clients."

2. That Maria Dominiak is a duly elected Principal of the corporation.

3. The aforesaid resolution was duly adopted in accordance with the applicable provisions of the General Corporation Law for the State of Delaware.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Corporation to be affixed hereto this 28th day of September, 2005.



PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT

CO-802A REV. 3/98 (Stock No. 6935-170-01)

Print or Type

S1212CK

OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION

I, THE STATE AGENCY AND THE CONTRACTOR, AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO SUBJECT TO THE PROVISIONS OF SECTION 4-99 OF THE C.G.S., AS APPLICABLE.

		11) AMENDMENT 7		12) IDENTIFICATION NO. PS 7846100	
CONTRACTOR	13) CONTRACTOR NAME WILLIAM M. MERCER, INC.			14) ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	
	15) CONTRACTOR ADDRESS 3131 East Camelback Road, Suite 300, Phoenix, AZ 85016			16) CONTRACTOR FEIN/SSN 132-83-4414	
STATE AGENCY	17) AGENCY NAME AND ADDRESS Department of Social Services, 25 Sigourney Street, Hartford, CT 06106				18) AGENCY NO. DSS6000
CONTRACT PERIOD	19) DATE (FROM) 04/01/97	20) THROUGH (TO) 09/30/05	21) INDICATE MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO <input type="checkbox"/> NEITHER X <input checked="" type="checkbox"/>		
	22) CANCELLATION CLAUSE THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT):				23) REQUIRED NO. OF DAYS WRITTEN NOTICE 15 Days

11) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.)

COMPLETE DESCRIPTION OF SERVICE

Further amend contract number 7846100 as previously amended by amendments 1, 2, 3, 4, 5 and 6 to extend the contract end date through September 30, 2005.

Pages 2 through 33 of this amendment shall, effective October 1, 2003, replace all the terms and conditions of the original contract as previously amended and shall remain in full force and effect until September 30, 2005 unless otherwise amended.

COST AND SCHEDULE OF PAYMENT

11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXTENDED AND APPROVED INVOICES:

For the services to be provided as set forth herein the sum of \$1,700,000.00 is being added to this contract for a maximum contract value of \$14,945,924.00. Specific budget and payment terms are set forth in Part III Revised Budget and Payment Terms as set forth on page 9 of this amendment. The parties agree that they may enter into subsequent amendment to add funds for the projects set forth herein.

124) ACT CD	125) DOC. TYP	126) COM. TYP	127) LSE. TYP	128) ORIG. AGENCY	129) DOCUMENT NO.	130) COMMIT AGENCY	131) COMMIT NO.	132) VENDOR FEIN/SSN - SUFFIX		
	PS					DSS6000		132834414		
133) COMMITTED AMOUNT			134) OBLIGATED AMOUNT			135) CONTRACT PERIOD (FROM/TO)				
			\$1,700,000.00			04/01/97 - 09/30/05				
136) Line No.	137) Budget Reference	138) Fund	139) Department	140) Program	141) SID	142) Account	143) Project/Grant	144) Chart 1	145) Chart 2	146) Amount
	2004	11000	DSS60517	14000	10020	51180	DSS_NONPROJECT	168012	DSS00231	\$1,038,907.00
	2004	11000	DSS60517	14000	10020	71000	DSS_NONPROJECT	168012	DSS00231	\$661,093.00

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS		STATUTORY AUTHORITY §§ 4-8, 17b-3	
147) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE): 	TITLE PRINCIPAL	148) AGENCY (AUTHORIZED OFFICIAL): 	DATE 11/26/03
149) OFFICE OF POLICY & MGMT./DEPT. OF ADMIN. SERV. 	TITLE Michael P. Starkowski, Deputy Commissioner	150) ATTORNEY GENERAL APPROVED AS TO FORM: 	DATE 11/20/03
		Assoc. Attorney General	DATE 12/16/03

Part I. ACTUARIAL RATE SETTING SERVICES

- A. The Contractor, throughout the term of this contract or as otherwise stated herein, shall be available to provide actuarial rate setting services to the Department for the projects set forth below. When directed by the Department to begin a specific task the Contractor shall submit to the Department a Project Workplan that identifies:
1. the steps to be taken to complete the task;
 2. a corresponding timeline and set of deliverables;
 3. the personnel assigned to the task; and
 4. an estimate of the number of hours to complete the task.
- B. The Project Workplan shall also identify to the Department what the Contractor will need from the Department to complete the task and any issues that may delay or prevent the Contractor from completing the task.
- C. The Department shall review the Project Workplan from the Contractor and provide comments and/or changes within fifteen (15) days of receipt. Once approved by the Department the Contractor shall provide the services in accordance with and as agreed to in the Project Workplan.
- D. The Department and the Contractor shall have the ability to suggest changes to the Project Workplan as the project is on-going. Changes should be submitted to the other party and shall be agreed to and incorporated into a revised Project Workplan.

I-A. PROGRAM: HUSKY A ACTUARIAL RATE SETTING SERVICES

1. TASK: HUSKY A Rates
2. DESCRIPTION:
The Centers for Medicare and Medicaid Services (CMS) managed care regulations require that an actuary certify to the actuarial soundness of capitation payment rates to managed care organizations (“MCOs”). Mercer will project the risk for the HUSKY A Medicaid program for State fiscal years (SFY) 05 and 06 and determine capitation rate ranges in accordance with these regulations. This will include analyses of MCO’s encounter data and financial data, development of trend, assessment of programmatic changes, additional analyses to improve the accuracy of the capitation rates, development of rate certification letters on behalf of the State to submit to CMS, and responses to CMS and health plans regarding the development of the capitation rate ranges. Compliance with CMS regulations is needed for the State to secure Federal match funding.

I-B. PROGRAM: HUSKY A

1. TASKS: HUSKY Reinsurance

2. **DESCRIPTION:** In order to ensure payment accuracy and timely reimbursement for reinsurance claims, the Contractor shall provide the Department with analytical and system support for the Department’s web-based Reinsurance Claim System. This will include but may not be limited to the development of quarterly reports on State Only Foster Children, as well as ad hoc financial and utilization reports to support the payment of eligible reinsurance claims. The Contractor shall also assist in resolving claim issues with health plans and their vendors through additional programming and analyses.

I-C. PROGRAM: HUSKY A

1. **TASK:** Financial Monitoring
2. **DESCRIPTION:** In support of the HUSKY A rate setting and ongoing fiscal monitoring of health plan performance, the Contractor will review and revise the HUSKY A health plan reporting requirements to provide up-to-date baseline documentation of data received from health plans for purposes of providing data as specified in the health plans’ contracts and providing reports as requested from the Department for external stakeholders.

I-D. PROGRAM: HUSKY A

1. **TASK:** Encounter Data Management
2. **DESCRIPTION:** Per the CMS managed care regulations, encounter data is required to be the main source for developing actuarially sound capitation rates. The Contractor shall collect eligibility data from the Department and encounter data from the MCOs. On a regular basis, the Contractor shall produce encounter processing and utilization reports for the Department and will produce data extracts for the Department’s vendor Health Management Systems (HMS). The Contractor will receive and validate encounter data and develop a summary report for each of the four MCOs and will load eligibility and provider data into our data system. The Contractor will monitor encounter processing results and will assist each health plan with process improvements through monthly teleconferences. On-site meetings will be conducted quarterly with health plans. The following reports will be provided in accordance with the schedule below.

Report	Frequency	Recipient(s)
Encounter Data Summary	Monthly	Health Plans
Processing Log	Monthly	DSS
Sanction/Aging Lag	Monthly	DSS, MCOs
Statement of Medical Assistance	Weekly	DSS
Third Party Liability	Monthly	HMS
Encounter Data Reporting Package	Quarterly	DSS
Error Summary	Monthly	MCOs

Continued development of encounter data management efficiencies over past years has positioned the Department to comply with these latest CMS regulations and will continue to keep the Department in sync with future regulations.

I-E. PROGRAM: HUSKY A

1. **TASK:** Behavioral Health Targeted Case Management
2. **DESCRIPTION:** The Contractor shall develop appropriate case management rates for current contracts and will create an actuarially sound methodology that can be easily maintained to develop future rate reviews. Current rates have been in effect for several years and require an update. In updating current rates, Mercer will include the design and administration of a Moment Time Study (MTS) of case management services. The MTS data will be used for the development of appropriate case management rates. The pricing methodology will include benchmarking direct care staff compensation and benefits for fair and equitable rate comparison. As a final step, Mercer will analyze a sample of providers' financials to validate the MTS results. Baseline rates for case management services, a key component of an efficiently run program, should be reviewed regularly.

Part II. ACTUARIAL CONSULTING ASSISTANCE

- A. The Contractor, throughout the term of this contract or as otherwise stated herein, shall be available to provide actuarial consulting services to the Department for the projects set forth below. When directed by the Department to begin a specific task the Contractor shall submit to the Department a Project Workplan that identifies:
 1. the steps to be taken to complete the task;
 2. a corresponding timeline and set of deliverables;
 3. the personnel assigned to the task; and
 4. an estimate of the number of hours to complete the task.
- B. The Project Workplan shall also identify to the Department what the Contractor will need from the Department to complete the task and any issues that may delay or prevent the Contractor from completing the task.
- C. The Department shall review the Project Workplan from the Contractor and provide comments and/or changes within fifteen (15) days of receipt. Once approved by the Department the Contractor shall provide the services in accordance with and as agreed to in the Project Workplan.
- D. The Department and the Contractor shall have the ability to suggest changes to the Project Workplan as the project is on-going. Changes should be submitted to the other party and shall be agreed to and incorporated into a revised Project Workplan.

II-A. PROGRAM: HUSKY A HEALTH PLANS

1. **TASK:** Health Plan Reviews. Health plan financial data is an important data source used to supplement the encounter data in the calculation of actuarially sound rates.
2. **DESCRIPTION:** The Contractor shall perform desk reviews of MCOs to provide a financial assessment of health plans in the development of HUSKY A capitation rates and to support financial reporting to the Department. Timely monitoring of MCO's financials ensures appropriate profit margins for contractors that have partnered with the State to provide medical services under the HUSKY A program. CMS also requires quarterly monitoring of the financial statements. Mercer will review the quarterly submissions as part of the ongoing monitoring process.

II-B. PROGRAM: HUSKY A, HUSKY B, CONNPACE

1. **TASK:** ASO Pharmacy (Pharmacy Strategy)
2. **DESCRIPTION:** As a result of several mandates passed by the legislature, the Contractor shall work with the Department to develop a pharmacy strategy and implement pharmacy management initiatives that will assist the State in the reduction of pharmaceutical expenditures and/or improve the quality of care. Studies, such as a review of pharmacy carve-outs, health plans' formulary reviews, assessments of Preferred Drug Lists, review of mail order options, and development of pricing strategies (i.e., 340b pricing), will be included under ASO pharmacy strategy projects.

II-C. PROGRAM: HUSKY A AND HUSKY B

1. **TASK:** Federally Qualified Health Center (FQHC) Reimbursement Services
2. **DESCRIPTION:**
 - a. The Contractor developed a payment verification system for the Department in 2002 that allows for the verification and validation of FQHC wrap-around payment information. The Payment Verification and Reconciliation System (PVRS) streamlines and provides greater accuracy in the processing currently performed manually by the Division of Fiscal Analysis (DFA). The new electronic process will allow for the collection of more detailed claims information from the FQHCs, and will electronically validate certain fields provided by the FQHCs, while reconciling the prior month's payments through an offset mechanism. This approach will allow for proprietary, as well as ANSI 837, formats to be utilized for payment data transmission from FQHCs, particularly once the process is transferred to the DFA, while maintaining HIPAA compliance.

- b. The Contractor will resume the steps to make the system completely operational; this includes completing the testing of the system's programming and analysis of the results using FQHC-submitted test data.
- c. To ensure full FQHC compliance with the system, the Contractor will work onsite with FQHCs to provide guidance as they adapt to the format that the system requires. Upon full compliance of all FQHCs with the system, the Contractor shall work with the DFA to transition the maintenance and processing to DSS staff. Successful operation of the PVRS could save the State from 25 percent to 40 percent in wrap-around payments being made to FQHCs, with savings estimates of \$2.5 million to \$4.0 million in FF04.

II-D. PROGRAM: BEHAVIORAL HEALTH ADMINISTRATIVE SERVICES ORGANIZATION (ASO)

1. **TASK:** The Contractor shall provide the Department with assistance in the implementation of the Behavioral Health Partnership.
2. **DESCRIPTION:** The Contractor shall provide assistance to the Department in the implementation of the Behavioral Health Partnership. Specific projects will support the Department with the technical assistance and monitoring that is required to ensure that the implementation of the Behavioral Health Partnership proceeds smoothly and remains within agreed upon financial parameters. The Contractor's assistance may include but not be limited to the following:
 - a. development of a detailed plan to guide the implementation of the rehabilitation option;
 - b. development of the required Medicaid State plan amendment;
 - c. development of provider certification standards;
 - d. development of provider rates;
 - e. development of provider agreements;
 - f. development of a provider manual;
 - g. development and provision of provider training;
 - h. provision of technical assistance to providers;
 - i. Partnership agency infrastructure development; and
 - j. bid evaluation.

II-E. PROGRAM: HUSKY A

1. **TASK:** Encounter Data Management - Ad HOC Requests

2. **DESCRIPTION:** As requested by the Department the Contractor shall conduct special projects using the encounter database. Requests to review encounter data at levels of detail other than those provided for during regular data processing may be considered an ad hoc request, as mutually agreed upon. The types of ad hoc requests may include but not be limited to:
 - a. Reporting on EPSDT services;
 - b. Provider ID analyses;
 - c. Pharmacy claims research;
 - d. Reporting on hearing aid utilization;
 - e. Dental reports; and
 - f. Behavioral Health (BH) quarterly data extractions.

II-F. PROGRAM: HUSKY A

1. **TASK:** HUSKY A Strategy
2. **DESCRIPTION:** The Contractor will participate in strategy sessions with the Department on an as needed basis via teleconference and onsite on a quarterly basis to identify opportunities for efficiencies and improvements. The Contractor shall work with the Department to identify initiatives that support general program goals.

II-G. PROGRAM: HUSKY A

1. **TASK:** HUSKY A Waiver Renewal
2. **DESCRIPTION:** CMS regulations recently modified the requirements for waiver submissions and cost effectiveness, making states more accountable for ensuring cost effectiveness under their 1915(b) waivers. Cost effectiveness calculations must be performed every two years to be in compliance with the CMS regulations. The Contractor shall prepare documentation as required by CMS to receive matching federal funds on Connecticut's Medicaid program payments. Documentation to validate the cost effectiveness of the program will be provided in detailed exhibits for 1915(b) waivers in the new formats prescribed by CMS. The State's 1915(b) waiver renewal is due in 2004 to maintain compliance with CMS regulations.

II-H. PROGRAM: HUSKY A

1. **TASK:** Legislative Pharmacy Reports
2. **DESCRIPTION:** As part of the Department's ongoing monitoring activities with the MCOs to improve efficiencies, the Contractor shall review monthly encounter data at the pharmacy detail level and will produce a template that

tracks drivers of pharmacy costs by month for a twelve-month period. Trends in member months, members served, claims paid, claims expenditures, and utilization rates can be easily reviewed by the Department on a monthly basis. The Contractor's staff pharmacists will monitor our pharmacy reporting and will provide "Pharmacy Insights" as part of our pharmacy reporting to the Department.

II-I. PROGRAM: HUSKY A

1. TASK: Procurements
2. DESCRIPTION: The Contractor shall provide The Department with assistance during procurements for the HUSKY A program. To the extent requested by the Department the Contractor shall provide technical and general management peer review of the HUSKY draft RFP, develop evaluation methodologies for proposals, create evaluation templates to streamline proposal assessments, develop a HUSKY program databook for prospective health plans, provide on-site support to DSS during contracting, and will be available to answer questions regarding financial and actuarial components of procurements.

II-J. PROGRAM: HUSKY A

1. TASK: Dental Carve-out
2. DESCRIPTION: To the extent requested by the Department, the Contractor shall support the Department during negotiations with prospective vendors and the existing health plans as the Department moves dental services out of their managed care contracting arrangements.

II-K. PROGRAM: HUSKY A

1. TASK: HIFA Waiver
2. DESCRIPTION: In response to a legislative requirement, the Contractor shall assist the Department with their development of a Health Insurance Flexibility and Accountability (HIFA) waiver. The Contractor will work with the Department to develop an innovative approach to effectively use Medicaid and SCHIP funds to increase health insurance coverage for low-income individuals. The Department will monitor the guidelines established for HIFA demonstration projects and will ensure that the Department follows the parameters needed to obtain a priority review while allowing a flexible approach at the State level.

II-L. PROGRAM: HUSKY A

1. TASK: Project Support

2. DESCRIPTION: The Contractor shall provide integrated project management to ensure that all Connecticut projects are delivered according to contract specifications. The Contractor's project support team coordinates various projects' staff resources and tools to provide efficiencies and open communication among project teams. Specific tasks of the project support team include:
 - a. internal project leader meetings;
 - b. contract management;
 - c. consulting peer review of key deliverables;
 - d. contract budget monitoring; and
 - e. preparation for strategy meetings with DSS.

II-M. PROGRAM: ALL

1. TASK: As Needed Projects
2. DESCRIPTION: The Contractor shall be available to work on initiatives identified by the Department to support program strategies and to consult on special needs projects as required. Projects, such as review of dental claims and encounters, and review of behavioral health claims, are recent examples of ad hoc projects.

II-N. PROGRAM: ALL

1. TASK: On-Site Staffing
2. DESCRIPTION: In an ongoing effort to develop and train Department actuarial staff to support an in-house actuarial unit, the Contractor shall continue to encourage the Department to develop staff internally to perform technical and policy research projects. The Contractor shall be available to provide one-on-one training to Department staff; will be able to identify, recruit, and train interns to work onsite with Department staff; and will work with the Department and temporary employment agencies to employ professionals with the Department on an as needed basis.

Part III. Revised Budget and Payment Provisions

1. Attachment H "Revised Budget" as amended by the Second Amendment is deleted in its entirety and replaced with the following effective 10/01/03:
 - A) Contractor shall submit to the Department, on a monthly basis, an invoice delineating the specific project, activities performed, actual hours worked and the category of personnel who performed the tasks. Contractor shall be paid for the actual hours worked at the following all-inclusive rates per specified personnel category:

Senior Principal - \$390.00/hr

Principal - \$275.00/hr

Associate - \$240.00/hr

Consultant - \$175.00/hr

Analyst - \$150.00/hr

- B) Contractor shall be reimbursed for their actual costs for expenses including overnight mail, copying charges and computer costs (Administrative Expenses). Expenses must be clearly identified on each invoice and shall be allocated among each of the program tasks invoiced for that month. Expenses are included in the calculation for the maximum project budget.
- C) Contractor shall be reimbursed for expenses related to travel at a all-inclusive per trip rate of \$1,470.00. Travel must be clearly identified on each invoice and are included in the calculation for the maximum project budget.
- D) In order to properly administer the Department's budget during this contract term, the Department has developed a maximum budget for each of the projects that the Contractor may be required to complete. When developing the Project Workplan for a specific project the Contractor shall not exceed the Maximum Budget set forth below.
- E) The Department and the Contractor may propose revisions to the Maximum Budgets as tasks are removed and or modified from the Project Workplan. Revisions must be agreed to by both parties and may be submitted by letter rather than a formal amendment.

I. ACTUARIAL RATE SETTING ASSISTANCE

Reference	Task	Max Budget 10/1/03 – 9/30/04	Max Budget 10/1/04 – 9/30/05
I – A – 1	HUSKY A Rates	\$450,000	\$450,000
I – B – 1	HUSKY Reinsurance	\$20,000	\$20,000
I – C – 1	Financial Monitoring	\$10,000	\$20,000
I – D – 1	Encounter Data Management	\$520,000	\$450,000
I – E – 1	BH Targeted Case Management	\$80,000	\$0
Sub-Total		\$1,080,000	\$940,000

II. ACTUARIAL CONSULTING ASSISTANCE

Reference	Task	Max Budget 10/1/03 – 9/30/04	Max Budget 10/1/04 – 9/30/05
II – A – 1	Health Plan Reviews	\$85,000	\$80,000
II – B – 1	ASO Pharmacy	\$200,000	\$150,000
II – C – 1	FQHC Reimbursement	\$350,000	\$50,000
II – D – 1	Behavioral Health ASO	\$120,000	\$100,000
II – E – 1	Encounter Data	\$100,000	\$50,000

	Management – Ad Hoc Requests		
II – F - 1	HUSKY A Strategy	\$80,000	\$80,000
II – G - 1	HUSKY A Waiver Renewal	\$130,000	\$0
II – H - 1	Legislative Pharmacy Reports	\$60,000	\$60,000
II- I -1	Procurements	\$130,000	\$0
II-J-1	Dental Carve Out	\$20,000	\$0
II-K-1	HIFA Waiver	\$300,000	\$100,000
II-L-1	Project Support	\$174,500	\$113,000
II-M-1	As-Needed	\$250,000	\$250,000
II -N-1	On-Site Staffing	\$65,000	\$65,000
	<i>Sub-Total</i>	<i>\$2,064,500</i>	<i>\$1,098,000</i>
	<i>Total</i>	<i>\$3,144,500</i>	<i>\$2,038,000</i>

F) Should the Department and/or Contractor request a change to the Project Workplan, the Department and Contractor shall proceed in accordance with the Change Order Process outlined in Section V subsection 7 of this amendment.

Part IV. HIPAA Provisions

A. The Contractor herein is a Business Associate under HIPAA:



 Authorized signatory for the contractor
 abbreviation)



 Authorized signatory for (agency

Steven P. Schramm, Principal

 (Typed name and title)

Michael P. Starkowski, Deputy Commissioner

 (Typed name and title)

November 26, 2003

 Date

November 28, 2003

 Date

The Contactor, as a Business Associate under HIPAA, must comply with all terms and conditions of this Section of the Contract.

B. The Contractor is required to safeguard the use, publication and disclosure of information on all applicants for, and all clients who receive, services under the contract in accordance “with all applicable federal and state law regarding confidentiality, which includes but is not limited to the requirements of the Health Insurance Portability and Privacy Act of 1996 (“HIPAA”), more specifically with the Privacy Rule at 45 C.F.R. Part 160 and Part 164, subparts A and E; and

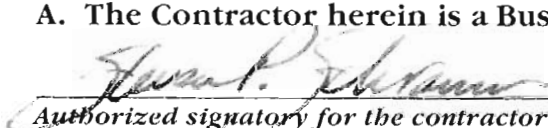
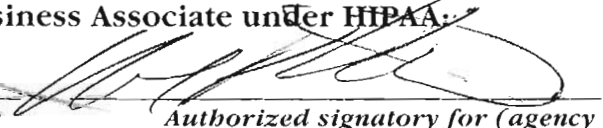
C. The Connecticut Department of Social Services (hereinafter “DSS”) is a “covered entity” as that term is defined in 45 C.F.R. § 160.103; and

	Management – Ad Hoc Requests		
II – F - 1	HUSKY A Strategy	\$80,000	\$80,000
II – G - 1	HUSKY A Waiver Renewal	\$130,000	\$0
II – H – 1	Legislative Pharmacy Reports	\$60,000	\$60,000
II- I –1	Procurements	\$130,000	\$0
II-J-1	Dental Carve Out	\$20,000	\$0
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II-M-1	As-Needed	\$250,000	\$250,000
II –N-1	On-Site Staffing	\$65,000	\$65,000
	Sub-Total	\$2,064,500	\$1,098,000
	Total	\$3,144,500	\$2,038,000

F) Should the Department and/or Contractor request a change to the Project Workplan, the Department and Contractor shall proceed in accordance with the Change Order Process outlined in Section V subsection 7 of this amendment.

Part IV. HIPAA Provisions

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 Authorized signatory for the contractor abbreviation)	 Authorized signatory for (agency
Steven P. Schramm, Principal (Typed name and title)	Michael P. Starkowski Deputy Commissioner (Typed name and title)
November 26, 2003 Date	November 28, 2003 Date

The Contactor, as a Business Associate under HIPAA, must comply with all terms and conditions of this Section of the Contract.

B. The Contractor is required to safeguard the use, publication and disclosure of information on all applicants for, and all clients who receive, services under the contract in accordance “with all applicable federal and state law regarding confidentiality, which includes but is not limited to the requirements of the Health Insurance Portability and Privacy Act of 1996 (“HIPAA”), more specifically with the Privacy Rule at 45 C.F.R. Part 160 and Part 164, subparts A and E; and

C. The Connecticut Department of Social Services (hereinafter “DSS”) is a “covered entity” as that term is defined in 45 C.F.R. § 160.103; and

- D. The Contractor, on behalf of **DSS**, performs functions that involve the use or disclosure of “individually identifiable health information,” as that term is defined in 45 C.F.R. § 160.103 ; *and*
- E. The Contractor is a “business associate” of **DSS**, as that term is defined in 45 C.F.R. § 160.103; *and*
- F. The Contractor and **DSS** agree to the following in order to secure compliance with the Health Insurance Portability and Privacy Act of 1996 (“HIPAA”), more specifically with the Privacy Rule at 45 C.F.R. Part 160 and Part 164, subparts A and E:

I. Definitions

- A. Business Associate.** “Business Associate” shall mean the Contractor.
- B. Covered Entity.** “Covered Entity” shall mean **DSS**.
- C. Designated Record Set.** “Designated Record Set” shall have the same meaning as the term “designated record set” in 45 C.F.R. § 164.501.
- D. Individual.** “Individual” shall have the same meaning as the term “individual” in 45 C.F.R. 164.501 and shall include a person who qualifies as a personal representative as defined in 45 C.F.R. § 164.502(g).
- E. Privacy Rule.** “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and parts 164, subparts A and E.
- F. Protected Health Information.** “Protected Health Information” or “PHI” shall have the same meaning as the term “protected health information” in 45 C.F.R. § 164.501, limited to information created or received by the Business Associate from or on behalf of the Covered Entity.
- G. Required by Law.** “Required by Law” shall have the same meaning as the term “required by law” in 45 C.F.R. § 164.501.
- H. Secretary.** “Secretary” shall mean the Secretary of the Department of Health and Human Services or his designee.
- I. More Stringent.** “More stringent” shall have the same meaning as the term “more stringent” in 45 C.F.R. § 160.103.
- J. Section of Contract.** “(T)his Section of the Contract” refers to the HIPAA Provisions stated herein, in their entirety.

II. Obligations and Activities of Business Associate

- A.** Business Associate agrees not to use or disclose PHI other than as permitted or required by this Section of the Contract or as Required by Law
- B.** Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for in this Section of the Contract.
- C.** Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of a use or disclosure of PHI by Business Associate in violation of this Section of the Contract.
- D.** Business Associate agrees to report to Covered Entity any use or disclosure of PHI not provided for by this Section of the Contract of which it becomes aware.
- E.** Business Associate agrees to insure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate, on behalf of the Covered Entity, agrees to the same restrictions and conditions that apply through this Section of the Contract to Business Associate with respect to such information.
- F.** Business Associate agrees to provide access, at the request of the Covered Entity, and in the time and manner agreed to by the parties, to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 C.F.R. § 164.524.
- G.** Business Associate agrees to make any amendments to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526 at the request of the Covered Entity, and in the time and manner agreed to by the parties.
- H.** Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by, Business Associate on behalf of Covered Entity, available to Covered Entity or to the Secretary in a time and manner agreed to by the parties or designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
- I.** Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.
- J.** Business Associate agrees to provide to Covered Entity, in a time and manner agreed to by the parties, information collected in accordance with paragraph I of this Section of the Contract, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.

K. Business Associate agrees to comply with any state law that is more stringent than the Privacy Rule.

III. Permitted Uses and Disclosures by Business Associate

A. General Use and Disclosure Provisions: Except as otherwise limited in this Addendum, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in this Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.

B. Specific Use and Disclosure Provisions:

1. Except as otherwise limited in this Section of the Contract, Business Associate may use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.

2. Except as otherwise limited in this Section of the Contract, Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

3. Except as otherwise limited in this Section of the Contract, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. § 154.514(e)(2)(i)(B).

IV. Obligations of Covered Entity

A. Covered Entity shall notify Business Associate of any limitations in its notice of privacy practices of Covered Entity, in accordance with 45 C.F.R. 164.520, or to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

B. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

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

V. Permissible Requests by Covered Entity

Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by the Covered Entity, except that Business Associate may use and disclose PHI for data aggregation, and management and administrative activities of Business Associate, as permitted under this Addendum.

VI. Term and Termination

A. Term. The Term of this Section of the Contract shall be effective as of the date the Contract is effective and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.

B. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

1. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate the Contract if Business Associate does not cure the breach or end the violation within the time specified by the Covered Entity; or
2. Immediately terminate the Contract if Business Associate has breached a material term of this Section of the Contract and cure is not possible; or
3. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

C. Effect of Termination.

1. Except as provided in paragraph (2) of this subsection C, upon termination of this Contract, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

2. In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon documentation by Business Associate that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Section of the Contract to such PHI and limit further uses and disclosures of PHI to those purposes that make return or destruction infeasible, for as long as Business Associate maintains such PHI. Infeasibility of the return or

destruction of PHI includes, but is not limited to, requirements under state or federal law that the Business Associate maintains or preserves the PHI or copies thereof.

VII. Miscellaneous Provisions

A. Regulatory References. A reference in this Section of the Contract to a section in the Privacy Rule means the section as in effect or as amended.

B. Amendment. The Parties agree to take such action as is necessary to amend this Section of the Contract from time to time as is necessary for Covered Entity to comply with requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

C. Survival. The respective rights and obligations of Business Associate under Section VI, Subsection C of this Section of the Contract shall survive the termination of this Contract.

D. Effect on Contract Except as specifically required to implement the purposes of this Section of the Contract, all other terms of the contract shall remain in force and effect.

E. Construction. This Section of the Contract shall be construed as broadly as necessary to implement and comply with the Privacy Standard. Any ambiguity in this Section of the Contract shall be resolved in favor of a meaning that complies, and is consistent with, the Privacy Standard.

F. Disclaimer. Covered Entity makes no warranty or representation that compliance with this Section of the Contract will be adequate or satisfactory for Business Associate's own purposes. Covered Entity shall not be liable to Business Associate for any claim, loss or damage related to or arising from the unauthorized use or disclosure of PHI by Business Associate or any of its officers, directors, employees, contractors or agents, or any third party to whom Business Associate has disclosed PHI pursuant to paragraph II D of this Addendum. Business Associate is solely responsible for all decisions made, and actions taken, by Business Associate regarding the safeguarding, use and disclosure of PHI within its possession, custody or control.

G. Indemnification. The Business Associate shall indemnify and hold the Covered Entity harmless from and against all claims, liabilities, judgments, fines, assessments, penalties, awards, or other expenses, of any kind or nature whatsoever, including, without limitation, attorney's fees, expert witness fees, and costs of investigation, litigation or dispute resolution, relating to or arising out of any violation by the Business Associate and its agents, including subcontractors, of any obligation of

Business Associate and its agents, including subcontractors, under this Section of the Contract.

Part V. Revised Mandatory Terms and Conditions

Effective 10/01/03 Attachment G Mandatory Terms and Conditions as previously amended is deleted in its entirety and replaced with the following:

1. EXECUTIVE ORDERS NUMBERS 3, 16, AND 17

- A) This contract is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971, and, as such, this contract may be canceled, terminated or suspended by the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Three, or any State or Federal law concerning nondiscrimination, notwithstanding that the Labor Commissioner is not a party to this contract. The parties to this contract, as part of the consideration hereof, agree that said Executive Order No. Three is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to contract performance in regard to nondiscrimination until the contract is completed or terminated prior to completion.
- B) The Contractor agrees, as part consideration hereof, that this contract is subject to the Guidelines and Rules issued by the State Labor Commissioner to implement Executive Order No. Three, and that the Contractor will not discriminate in employment practices or policies, will file all reports as required, and will fully cooperate with the State of Connecticut and the State Labor Commissioner.
- C) This contract is subject to Executive Order No. 16 of Governor John G. Rowland promulgated August 4, 1999 and, as such, this contract may be canceled, terminated or suspended by the State for violation of or noncompliance with said Executive Order No. 16. The parties to this contract, as part of the consideration hereof, agree that:
 - i. The Contractor shall prohibit its employees from bringing into the State work site, excepts as may be required as a condition of employment, any “weapon” or “dangerous instrument”.
 - a. “Weapon” means any firearm, including BB gun, whether loaded or unloaded, any knife (excluding small pen knife or pocket knife), including a switchblade or other knife having an automatic spring release device, stiletto, any police baton or nightstick or any martial arts weapon or electronic weapon.
 - b. “Dangerous instrument” means any instrument, article, or substance that, under the circumstances, is capable of causing death or serious physical injury.

- ii. The Contractor shall prohibit employees from attempting to use, or threaten to use, any such weapon or dangerous instrument in the state work site and employees shall be prohibited from causing, or threaten to cause, physical injury or death to any individual in the state work site.
 - iii. The Contractor shall adopt the above prohibitions as work rules, violations of which shall subject the employee to disciplinary action up to and including discharge. The Contractor shall insure that all employees are aware of such work rules.
 - iv. The Contractor agrees that any subcontract it enters into in furtherance of the work to be performed hereunder shall contain the provisions as described herein.
- D) This contract is also subject to provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973, and, as such, this contract may be canceled, terminated or suspended by the Contracting Agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Seventeen, notwithstanding that the Labor Commissioner may not be a party to this contract. The parties to this contract, as part of the consideration hereof, agree that Executive Order No. Seventeen is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the Contracting Agency and the State Labor Commissioner shall have joint and several continuing jurisdiction in respect to contract performance in regard to listing all employment openings with the Connecticut State Employment Service.

2. NON-DISCRIMINATION

- A) For the purposes of this Section “minority business enterprise” means any small contractor or supplier of materials fifty-one percent (51%) or more of the capital stock, if any, or assets of which is owned by a person or persons: (i) who are active in the daily affairs of the enterprise; (ii) who have the power to direct the management and policies of the enterprise and; (iii) who are members of a minority, as such term is defined in subsection (a) of CGS § 32-9n; and “good faith” means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations.
- B) “Good faith efforts” shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.
- C) For the purposes of this Section, “Commission” means the Commission on Human Rights and Opportunities.
- D) For the purposes of this Section, “Public Works Contract” means any agreement between any individual, firm or corporation and the State or any political subdivision of the State other than a municipality or construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the State, including but not limited to, matching expenditures, grants, loans, insurance or guarantees.

- E) The Contractor agrees and warrants that in the performance of this contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability. A physical disability may include but not be limited to blindness, unless the Contractor shows that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States of America or of the State of Connecticut.
- F) The Contractor further agrees to take affirmative action to insure that applicants with job related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to blindness, unless the Contractor shows that such disability prevents performance of the work involved.
- G) The Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to the State that it is an “affirmative action – equal opportunity employer” in accordance with regulations adopted by the Commission.
- H) The Contractor agrees to provide each labor union or representative of workers with which the Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which the Contractor has a contract or understanding, a notice to be provided by the Commission, advising the labor union or worker’s representative of the Contractor’s commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment.
- I) The Contractor agrees to comply with each provision of this Section and CGS § 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to CGS § 46a-56, 46a-68e and 46a-68f.
- J) The Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this Section and Section 46a-56 of the CGS.
- K) If this contract is a ‘public works’ contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works projects.
- L) Determination of the Contractor’s good faith efforts may include but are not limited to the following factors: the Contractor’s employment and subcontracting policies, patterns and practices; affirmative advertising,

recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

- M) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.
- N) The Contractor shall include all of the provisions described in Section 7 of this contract in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission.
- O) The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with CGS § 46a-56. If such Contractor becomes involved or threatened into litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request and the State may so enter into such litigation or negotiation prior thereto to protect the interests of the State.
- P) The Contractor agrees to comply with the regulations referred to in Section 7 of this contract as they exist on the date of this contract and as they may be adopted or amended from time to time during the term of this contract and any amendments thereto.
- Q) The Contractor agrees to the following provisions in the performance of this contract: (i) the Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by any State and Federal laws, and that employees are treated without regard to their sexual orientation. (ii) The Contractor will provide each labor union or workers' representative of the Contractor's commitments under this Section, and will post copies of such notice in conspicuous places accessible to employees and applicants for employment. (iii) The Contractor agrees to comply with each provision of this Section and with each regulation or relevant order issued by said Commission pursuant to CGS § 46a-56. (iv) The Contractor agrees to provide the Commission on Human Rights and Opportunities with any information requested by the Commission, and permit access to pertinent books, records and accounts concerning the employment practices and procedures of the Contractor in relation to the provisions of this Section and CGS § 46a-56.
- R) The Contractor shall include the provisions of the foregoing paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with

respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with CGS § 46a-56. If such Contractor becomes involved or threatened into litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut and the State may so enter into any such litigation or negotiation prior thereto to protect the interests of the State.

3. INSURANCE

The Contractor agrees that while performing services specified in this agreement that he shall carry sufficient insurance (liability and/or other) as applicable according to the nature of the service to be performed so as to “save harmless” the State of Connecticut from any insurable cause whatsoever. If requested, certificates of such insurance shall be filed with the Contracting State Agency prior to the performance of services.

4. STATE LIABILITY

The State of Connecticut shall assume no liability of payment for services under the terms of this agreement until the Contractor is notified that this agreement has been accepted by the Contracting Agency and, if applicable, approved by the Office of Policy and Management (OPM) or the Department of Administrative Services (DAS) and by the State’s Office of the Attorney General.

5. PROCUREMENT AND CONTRACTUAL AGREEMENTS

The terms and conditions contained in this section constitute a basis for this contract. These terms and conditions, as well as others so labeled elsewhere in this document are mandatory for this contract. The Department is solely responsible for rendering decisions in matters of interpretation on all terms and conditions.

6. CONTRACT TERM

This contract amendment shall be in effect from 10/01/03 – 9/30/05.

7. CONTRACT REVISIONS/AMENDMENTS

A) Revisions to Project Workplans including revisions to due dates for reports and completion of objectives or services, and line item only changes, must be approved in writing by the Department. A formal contract amendment shall be required for extensions to the final date of the contract period, revisions to the maximum contract payment, and any other contract revisions determined material by the Department. The Department reserves the right to renegotiate the Contractor’s scope of work and budget at anytime during the term of this contract, based on the Contractor’s performance and actual expenses to date.

- B) The Department may throughout the term of this contract request additions to the projects outlined in this contract. Such changes may include short term research projects or other activities required by new or amended Federal or State laws or regulations. In response to a request for changes the Contractor shall complete and submit to the Department a “DSS Consulting Project Request Form”(CPR).
- C) The CPR shall identify the total cost by the number of staff hours times the hourly rates set forth in the Part III - Revised Budget and Payment Provisions of this amendment.
- D) The Department shall consider the cost impact of the requested change and signify its approval and direction to the Contractor to begin the task by securing the approval of the DSS Deputy Commissioner of Administration, as evidenced by a signature on the CPR. No changes in the scope shall be conducted unless and until the Contractor receives a completed CPR signed by the Department's Deputy Commissioner of Administration.
- E) Significant Change Order work may require authorization from the State of Connecticut Office of Policy and Management in order to amend the Contract to allocate additional funds to this project.

8. ASSIGNMENT

The Contractor shall not assign or transfer any interest in this contract without the prior written approval of the Contract Administrator. This shall not be construed as limiting the Contractor's rights to subcontract some of the services to be performed hereunder as provided in this contract.

9. SUBCONTRACTING

None of the services to be provided by the Contractor shall be subcontracted or delegated to any other organization, subdivision, association, individual, corporation, partnership or group of individuals or other such entity without the prior written consent of the Department. Any subcontract to which the State has consented in writing shall be in writing attached to the contract and made a part thereof and shall in no way alter the contract terms and conditions. Said subcontract shall contain the access to the books, document and records, provided for in paragraph 18 infra. No subcontract or delegation shall relieve or discharge the Contractor from any obligation, provision or liability thereunder. The Contractor agrees to make a good faith effort to award a reasonable proportion of subcontracts to small and minority businesses in accordance with CGS Section 4a-60.

10. LIAISON

Both parties agree to have specifically named liaisons at all times. These representatives of the parties will be the first contacts regarding any questions and problems that arise during implementation and operation of this contract.

11. NOTICES

A) Wherever under this contract one party is required to give notice to the other, such notice shall be deemed given upon delivery, if delivered by hand (in which case assigned receipt will be obtained), or three (3) days after posting if sent by registered or certified mail, return receipt requested. Notices shall be addressed as follows:

- i. In case of notice(s) to the Contractor:
Steven P. Schramm
Principal
William M. Mercer, Inc.
3131 East Camelback Road, Suite 300
Phoenix, AZ 85016
(602) 522-6561
- ii. In case of notice(s) to the Department regarding this contract:
Kathleen M. Brennan
Director
Contract Administration
Department of Social Services
25 Sigourney Street
Hartford, CT 06106
(860) 424-5693
- iii. In case of notice(s) to the Department regarding the scope of services:
David Parrella
Director
Medical Care Administration
Department of Social Services
25 Sigourney Street
Hartford, CT 06106
(860) 424-5116

and

Lee Voghel
Director
Division of Fiscal Analysis
Department of Social Services
25 Sigourney Street
Hartford, CT 06106
(860) 424-5842

B) Said notices shall become effective on the date of receipt as specified above or the date specified in the notice, whichever comes later. Either party may change its address for notification purposes by mailing a notice stating the

change and setting forth the new address, which shall be effective on the tenth (10th) day following receipt.

12. EXAMINATION OF RECORDS

- A) The Department and its duly authorized representatives, the Auditors of Public Accounts and/or the U.S. Department of Health and Human Services and their duly authorized representatives, during the term of this contract and for a period of three (3) years after final payment for the services performed under this contract or any extension and all pending matters are closed shall have access to and the right to examine any of its books, records, including but not limited to financial records, documents and papers pertinent to this solicitation and this contract for the purpose of making audit, examination, excerpts and transcriptions.
- B) Any such audit shall be performed during ordinary business hours and upon reasonable advance notice. This provision also applies to the relevant books, records, including but not limited to financial records, documents and papers of any parent, affiliated or subsidiary organization of Contractor or any subcontractor approved by the Department pursuant this contract performing under formal or informal arrangement any service or furnishing any supplies or equipment to the contract involving transactions related to this contract. Any contract with an approved subcontract must contain a provision specifically authorizing access in accordance with the terms set forth in this paragraph.
- C) If an audit, litigation, or other action involving the records is started before the end of the three year period, the records must be retained until all issues arising out of the action are resolved or until the end of the three year period, whichever is later. The Contractor further agrees that this provision shall be inserted in each subcontract.

13. OWNERSHIP

- A) All products and materials developed specifically and exclusively for the Department as a result of this contract by the Contractor, or any of its subcontractors hired for the purposes of this contract shall remain the property of the Department. Products and materials are defined as, but are not limited to, copyrighted materials, camera ready copy, mechanical, videos, brochures, posters and stock thereof; designs, data and all other matter and information that is collected or developed specifically and exclusively for the Department for the purpose of this contract. Disposition of all such products and materials shall remain at the discretion of the Department during the effective period of this contract and thereafter.
- B) Notwithstanding anything to the contrary contained in this contract, it is understood and agreed that the Contractor shall retain all of its rights in its proprietary information including, without limitation, its methods of analysis, ideas, concepts, expressions, know how, techniques, skills, knowledge and experience possessed by the Contractor prior to, or

acquired by the Contractor during, the performance of this contract and the Contractor shall not be restricted in any way with respect thereto.

14. CREDIT AND RIGHTS IN DATA

- A) All documents, reports and other data prepared specifically and exclusively for the Department during and/or resulting from the performance of services under this contract shall include the following statement: “The preparation of this [report or document, etc] was financed under an agreement with the Connecticut Department of Social Services.”
- B) The Contractor may not publish or copyright any such data without prior approval, unless otherwise stated herein. The Department and the Federal government shall have the right to publish, duplicate, use and disclose all such data in any manner, and for any purpose whatsoever, and may authorize others to do so.
- C) “Data” shall mean all results, technical information and materials developed and/or obtained specifically and exclusively for the Department in the performance of the services hereunder, including but not limited to, all reports, surveys, plans, charts, recordings (video and/or sound), pictures, drawings, analyses, graphic representations, computer programs and printouts, notes and memoranda, and documents whether finished or unfinished, which result from or are prepared in connection with the services performed hereunder.

15. INSPECTION OF WORK PERFORMED

The Department or its authorized representative shall at all reasonable times upon reasonable advance notice have the right to enter into the Contractor’s premises, or such other places where duties under this contract are being performed to inspect, monitor or otherwise evaluate such work being performed. The Contractor and all subcontractors must provide all reasonable facilities and assistance for Department representatives to facilitate such inspections. All inspections and evaluations shall be performed in such a manner as will not unduly delay work.

16. CONFIDENTIALITY

- A) All material and information provided to the Contractor by the State or acquired by the Contractor in performance of the contract whether verbal, written, recorded magnetic media, cards or otherwise shall be regarded as confidential information and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with Federal and State statutes and regulations. The Contractor agrees that it is prohibited from releasing any and all information provided by the Department or providers or any information generated by the Contractor without the prior express written consent of the Contract Administrator.

- B) The confidentiality obligations set forth above shall not apply to data, information or material which (i) at the time disclosed to, or obtained by the Contractor, is in the public domain; (ii) becomes part of the public domain through no fault of the Contractor; (iii) is communicated to the Contractor by a third party who is not, to the Contractor's knowledge, subject to any confidentiality obligations with respect thereto; (iv) is independently developed by the Contractor; or (v) is required to be disclosed by the Contractor pursuant to any statute, regulation, order, subpoena, document discovery request or other legal process.

17. RIGHT TO PUBLISH

- A) All materials developed specifically and exclusively for the Department during the term of this contract are considered proprietary to the Department and shall remain confidential.
- B) Throughout the term of this contract, the Contractor must secure the Department's written approval prior to the release of any confidential information whatsoever that pertains to the work or activities provided under this contract.

18. HOLD HARMLESS

- A) The Contractor agrees to indemnify, defend and hold harmless the State of Connecticut; as well as all Departments, officers, agents and employees of the State from and against any and all claims, losses or suits according or resulting to any Contractors, subcontractors, laborers and any person, firm or corporation who may be directly or indirectly injured or damaged by the negligence or willful misconduct of the Contractor in the performance of this contract.
- B) The Department may request, in writing, evidence of the Contractor's workers compensation insurance policy. If such a request is made, the Contractor must file such evidence of its workers compensation insurance policy with the Department's Contract Administrator, no later than fifteen (15) business days following receipt of the request. Should the Contractor fail to comply with the request in a timely manner, the Department may, at its option and discretion, invoke the provisions under Section(s) 6.3 and/or 7.2 infra.
- C) The Contractor, at his own expense, must defend any and all claims or suits which may be brought against the Department or the State for the infringement of any patents, copyrights, proprietary rights or right of privacy arising from the Contractor's or State's use of any equipment, materials or information prepared or developed by the Contractor in conjunction with the performance of this contract. The Contractor shall not be liable hereunder to the extent such suit is attributable to the acts or omissions of the State or the Department. The Contractor shall, in any such

suit, satisfy any and all damages directly or indirectly assessed against the State or its Departments, be it resolved by settlement, final judgment, consent or any other manner.

19. AUDIT LIABILITIES

In addition to and not in any way in limitation of the obligation of this contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any State or Federal audit exceptions and shall return to the Department all payments made under this contract to which exception has been taken or which have been disallowed because of such an exception in accordance with Connecticut General Statutes 7-396a.

20. SETTLEMENT OF DISPUTES

Any dispute concerning a question of fact arising under this contract which is not disposed of by agreement after good faith negotiation shall be decided by the Contract Administrator whose decision shall be final and conclusive subject only to whatever rights, if any, the Contractor may have in a court of law. In connection with any appeal to the Contract Administrator under this paragraph, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute, the Contractor shall, to the extent commercially practicable, proceed diligently with the performance of this contract in accordance with the Contract Administrator's decision.

21. CHOICE OF LAW AND CHOICE OF FORUM

The Contractor agrees to be bound by the laws of the State of Connecticut and that this contract shall be constructed and interpreted in accordance with Connecticut State law in the event a choice of law situation arises.

22. SEVERABILITY

If any provision of this contract is declared or found to be illegal, unenforceable, or void, then both parties shall be relieved of all obligations under that provision. The remainder of this contract shall be enforced to the fullest extent permitted by law.

23. WAIVERS

No covenant, condition, duty, obligation or undertaking contained in or made a part of this contract shall be waived, except as specifically provided in any section of this contract, or by the written agreement of the parties. Forbearance or indulgence in any form or manner by either party in any regard whatsoever shall not constitute a waiver of the covenant, condition, duty, obligation or undertaking to be kept, performed, or discharged by the Contractor. Notwithstanding any such forbearance or indulgence, until complete performance or satisfaction of all such covenant, conditions, duties,

obligations, and undertakings, each party shall have the right to invoke any remedy available under this contract, or under law or equity.

24. INDEPENDENT CAPACITY OF CONTRACTOR

The Contractor, its officers, employees, subcontractors, or any other agent of the Contractor providing services hereunder is acting as an independent Contractor in performance of this contract. The Contractor does not have, nor shall hold themselves out as having any right, power or authority to create any contract or obligation either expressed or implied, on behalf, in the name of, or binding upon the State of Connecticut or of the Department. The Contractor shall be solely responsible and liable for their own employees and their acts, subject to the other terms and conditions of this contract.

25. UTILIZATION OF HANDICAPPED WORKERS

- A) The Contractor certifies that it will not discriminate against any employee or applicant for employment because of a physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. The Contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship.
- B) The Contractor agrees to comply with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to Section 504 of the Federal Rehabilitation Act of 1973, regarding access to program and facilities by handicapped individuals.

26. NONSEGREGATED FACILITIES

The Contractor certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments; and that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. As Contractor, the organization agrees that a breach of this certification is a violation of Equal Opportunity in Federal Employment. In addition, the Contractor must comply with the Federal Executive Order 11246 entitled "Equal Employment Opportunity" as amended by Executive Order 11375 and as supplemented in the United States Department of Labor Regulations (41 CFR Part 30). As used in this certification, the term "segregated facilities" includes any waiting rooms, restaurants and other eating areas, parking lots, drinking fountain, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated on the basis of race, color, religion, or national origin, because of habit, local custom, national origin or otherwise. The Contractor further agrees, (except where he has obtained identical certifications from proposed subcontractors for specific time periods) that it will

obtain identical certifications from proposed subcontractors which are not exempt from the provisions for Equal Employment Opportunity; that it will retain such certifications in its files; and that it will forward a copy of this clause to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods).

27.EMPLOYMENT/AFFIRMATIVE ACTION CLAUSE

The Contractor agrees to supply employment/affirmative action information as required for agency compliance with Titles VI and VII of the Civil Rights Acts of 1964 and Connecticut General Statutes, Section 46a-68 and Section 46a-71.

28.SMOKING POLICY

If the Contractor is an employer subject to the provisions of Section 31-40q of the Connecticut General Statutes, the Contractor agrees to provide the Department with a copy of its written rules concerning smoking. The rules or a statement that the Contractor is not subject to the provisions of Section 31-40q of the Connecticut General Statutes must be received by the Department prior to this contract's approval.

29.SUSPENSION AND DEBARMENT

- A) Signature on this contract certifies the Contractor or any person (including subcontractors) involved in the administration of Federal or State funds:
- i. Within a three (3) year period preceding this agreement, has not been convicted or had a civil judgment rendered against him/her for commission of fraud or a criminal offense in performing a public transaction or contract (local, State or Federal) or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statement or receiving stolen property;
 - ii. Is not presently indicted for or otherwise criminally or civilly charged by a government entity with commission of any of the above offenses; and
 - iii. Within a three (3) year period preceding this agreement, has not had one or more public transactions terminated for cause or fault.
- B) Any change in the above status shall be immediately reported to the Department.

30.APPROVAL

The Department and the State assume no liability for payment under the terms of any agreement or contract until the Contractor is notified, in writing, that the Office of Policy and Management has approved the contract, and/or by the Attorney General of the State as appropriate.

31. FEDERAL OR STATE FUNDS AVAILABILITY

The Department assumes no liability for payment, and the Contractor shall not be required to provide services, under the terms of this contract until and unless the Federal or State funds for this contract are authorized and made available.

32. OFFER OF GRATUITIES

The Contractor certifies that, to its knowledge, no elected or appointed official or employee of the State of Connecticut has or will benefit financially or materially from the award of this contract. The Department may terminate this contract if it is determined that gratuities of any kind were either offered to or received by any of the aforementioned officials or employees from the Contractor, its agent or employee.

33. TERMINATION

- A) This contract may be terminated by the Department upon thirty (30) days advance written notice delivered to the Contractor specifying a date of termination.
- B) This contract may be subject to the following termination provisions. This contract may be terminated by the State for (i) default; (ii) convenience; (iii) unavailability of funds; (iv) financial instability. The Contract Administrator as defined in the subsections below shall sign all notices of termination.
- C) **Termination for Default:** The State may terminate this contract in whole, or in part, whenever the Department determines that the Contractor or any subcontractor has failed to satisfactorily perform and shall establish a reasonable time period, not to exceed thirty (30) days, in which to cure such failure. If the Contractor is unable to cure the failure within the specified time period, the Contract Administrator will notify the Contractor this contract has been terminated for default, in whole or in part. Such notices shall be in writing and delivered to the Contractor by certified mail, and return receipt shall be requested.
- D) If, after this termination notice is issued, it is determined by the Department or a court that the Contractor was not in default or that the Contractor's failure to perform or make progress in performance was due to causes beyond the reasonable control and without error or negligence of the Contractor or any of its subcontractors, the notice of termination shall be deemed to have been issued as a termination for the convenience of the Department, and the rights and obligations of the parties shall be governed accordingly.
- E) In the event of a termination for default, the Contractor shall be paid for those services that the Contractor has provided to the Department pursuant to this contract through the effective date of termination. The rights and remedies of the Department provided in this clause shall not be exclusive

and are in addition to any other rights and remedies provided by law under the contract.

- F) **Termination for Convenience:** The Department may terminate performance of work under this contract in whole or in part whenever for any reason the Department shall determine that such termination is in the best interest of the Department and/or the State.
- i. In the event that the Department elects to terminate this contract pursuant to this provision, the Contract Administrator shall notify the Contractor by certified mail, and return receipt shall be requested. Termination shall be effective as of the close of business on the date specified in the notice.
- G) **Termination for Unavailability of Funds:** It is understood and agreed by the parties hereto that all obligations of the Department, including the continuance of payments hereunder, are contingent upon the availability and continued appropriation of State and Federal funds, and in no event shall the Department be liable for any payments hereunder in excess of such available appropriated funds. In the event that the amount of any available or appropriated funds provided by the State or Federal sources for the purchase of the specified services to be purchased hereunder for any reason whatsoever, the Contract Administrator shall notify the Contractor of such reduction of funds available and the Department shall be entitled to reduce the Department's commitment hereunder or to terminate this contract as it deems necessary.
- H) **Termination for Financial Instability:** In the event that the Contractor becomes financially unstable to the point of threatening the ability of the Department to obtain the services provided for under this contract, ceases to conduct business in the normal course, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or its assets, the Department may, at its option, immediately terminate this contract.

In the event that the Department elects to terminate this contract under this provision, it shall do so by the Contract Administrator sending notice of termination to the Contractor by certified mail, and return receipt requested, specifying the date of termination. In the event of the filing of a petition in bankruptcy by or against a principal subcontractor, the Contractor shall immediately so advise the Department. The Contractor shall ensure that all tasks related to the subcontract are performed in accordance with the terms of the contract and agrees that the filing of a petition in bankruptcy by or against a subcontractor shall, in no way, relieve the Contractor of its duties under this contract.

34. PROCEDURE ON TERMINATION

- A) Upon delivery by certified mail to the Contractor of a Notice of Termination specifying the nature of the termination and the date upon which such action becomes effective, the Contractor shall:
- i. Stop work under this contract on the specified date and to the extent specified in the Notice.
 - ii. Terminate all subcontracts to the extent that they relate to the performance of work terminated by the Notice.
 - iii. Assign to the Department in the manner and to the extent directed by the Contract Administrator all of the right, title, and interest of the Contractor under the subcontracts so terminated. In which case, the Department shall have the right, in its discretion, to settle or pay any and all claims arising out of the termination of such subcontracts.
 - iv. Complete the performance of such part of the work as shall not have been terminated by the Notice.
 - v. Be entitled to payment for services rendered through the effective date of termination.

35. ANTI-LOBBYING CLAUSE

- A) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor or its subcontractors, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- B) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Contractor or its subcontractors shall complete and submit a Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

36. FORCE MAJEURE

Neither party shall incur liability for any failure to perform its obligations under this contract due to causes beyond its reasonable control including, but not limited to, fire-storm-flood-earthquake-accident-acts of war-acts of God-acts of Federal, State, or local government or any agency thereof and judicial action-acts of third parties and computer or equipment failures other than those caused by the sole negligence of either party.

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INTENTIONALLY LEFT BLANK.***

MERCER

Human Resource Consulting

William C. Fagan
Secretary

Mercer Human Resource Consulting LLC
1166 Avenue of the Americas
New York, NY 10036-2708
212 345 3114 Fax 212 345 5999
www.mercerHR.com


Mercer Human Resource Consulting, Inc.

Certificate of Secretary

I, William C. Fagan, do hereby certify that I am the duly elected Secretary of Mercer Human Resource Consulting, Inc., a corporation organized under the laws of the State of Delaware (the "Corporation") and that Steve Schramm was duly elected by the Board of Directors of this Corporation and qualified to serve in the office of Principal being authorized and empowered pursuant to the Corporation's by-laws and operating procedures to execute, approve and deliver contracts or agreements on behalf of this Corporation.

I hereby certify that as of the date hereof, Steve Schramm continues to serve in the office of Principal of this Corporation, with such office continuing to have such powers as indicated above and that such election and authorization has not been in any way altered, amended or repealed, and is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of this Corporation this 26th day of November, 2003.


Secretary

**PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT**

CO-802A REV. 3/98 (Stock No. 6938-170-01)

Print or Type

**OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION**

1 THE STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.

		(1) ORIGINAL <input type="checkbox"/> AMENDMENT <input checked="" type="checkbox"/> 6		(2) IDENTIFICATION NO. PS 7846100	
CONTRACTOR	(3) CONTRACTOR NAME William M. Mercer, Inc.			(4) ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	
	CONTRACTOR ADDRESS 3131 East Camelback Road, Suite 300, Phoenix, AZ 85016			CONTRACTOR FEIN/SSN 132-83-4414	
STATE AGENCY	(5) AGENCY NAME AND ADDRESS Dept. of Social Services, 25 Sigourney Street, Hartford, CT 06106				(6) AGENCY NO. 6100
CONTRACT PERIOD	(7) DATE (FROM) 04/01/97	(8) THROUGH (TO) 11/30/03	(9) INDICATE MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO <input type="checkbox"/> NEITHER <input checked="" type="checkbox"/>		
	(10) CANCELLATION CLAUSE THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).				(11) REQUIRED NO. OF DAYS WRITTEN NOTICE. 15

COMPLETE DESCRIPTION OF SERVICE	(10) CONTRACTOR AGREES TO. (include special provisions - Attach additional blank sheets if necessary.) Further amend contract number 7846100 as previously amended by amendments 1, 2, 3, 4 and 5 to extend the contract end date for a period of one (1) month from October 31, 2003 to November 30, 2003. All other terms and conditions of the original contract as previously amended that have not been amended herein, shall remain in full force and effect. .				
	(11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES. There are no additional funds added to this contract amendment. The total cost of this contract shall remain at \$13,245,924.00.				

COST AND SCHEDULE OF PAYMENT	(11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES. There are no additional funds added to this contract amendment. The total cost of this contract shall remain at \$13,245,924.00.				
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(12) ACT CD A	(13) DOC TYP PS	(14) COM TY P	(15) LSE TYP	(16) ORIG. AGCY 6100	(17) DOCUMENT NO. 037846100	(18) COMMIT AGCY 6100	(19) COMMIT. NO.	(20) VENDOR FEIN/SSN - SUFFIX 132-83-4414		
(21) COMMITTED AMOUNT \$0		(22) OBLIGATED AMOUNT \$0		(23) CONTRACT PERIOD (FROM/TO) 4/01/97 - 11/30/03						
(24) ACT CD	(25) COMM. LINE NO.	(26) COMMITTED AMOUNT	(27) COMM. AGCY	(28) COST CENTER FUND SID		(29) OBJECTIVE	(30) FUNCTION	(31) ACTIVITY	(32) EXTENSION	(33) FY
		6100	6100							
		6100	6100							
		6100	6100							
		6100	6100							

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS		STATUTORY AUTHORITY §§ 4-8, 17b-3	
(35) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) 		TITLE Principal	DATE 10/29/03
(36) AGENCY (AUTHORIZED OFFICIAL) 		TITLE Michael P. Starkowski, Deputy Commissioner	DATE 10/31/03
(37) OFFICE OF POLICY & MGMT./DEPT. OF ADMIN. SERV.		TITLE	DATE
(38) ATTORNEY GENERAL (APPROVED AS TO FORM) 		Assoc. Atty. General	DATE 11/21/03

MERCER

Human Resource Consulting

William C. Fagan
Secretary

Mercer Human Resource Consulting, Inc.
1166 Avenue of the Americas
New York, NY 10036-2708
212 345 3114 Fax 212 345 5999
www.mercerHR.com

Mercer Human Resource Consulting, Inc.

Certificate of Secretary

I, William C. Fagan, do hereby certify that I am the duly elected Secretary of Mercer Human Resource Consulting, Inc., a corporation organized under the laws of the State of Delaware (the "Corporation") and that Steven Schramm was duly elected by the Board of Directors of this Corporation and qualified to serve in the office of Principal being authorized and empowered pursuant to the Corporation's by-laws and operating procedures to execute, approve and deliver contracts or agreements on behalf of this Corporation.

I hereby certify that as of the date hereof, Steven Schramm continues to serve in the office of Principal of this Corporation, with such office continuing to have such powers as indicated above and that such election and authorization has not been in any way altered, amended or repealed, and is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of this Corporation this 31st day of October, 2003.


Secretary

REQUEST FOR AMENDMENT
OPM Form/Rev. 06-02-05

RESERVED FOR OPM USE	
Date Rec'd	9/23/05
Log #	2006-151
C/O Date	10/6/05
<i>Approved for</i>	

Submit this form when requesting an amendment to an existing personal service agreement.

Return completed form to:
Office of Policy and Management, Office of Finance – MS# 55FIN,
450 Capitol Avenue, Hartford, CT 06106

Attach additional sheets if necessary.

Agency Name & Address: Department of Social Services, 25 Sigourney Street, Hartford, CT 06106		Date: 09/21/05
Requester's Name & Title: Kathleen M. Brennan, Director, Contract Procurement		Requester's Signature: <i>Kathleen M Brennan</i>
Agency Contact & Phone No.: Kathleen M. Brennan 424-5693		OPM Budget's Signature: []
<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Disapproved	OPM Secretary's Signature: <i>[Signature]</i>	Date: 10/6/05

- Yes No Is this PSA with an individual? If yes, see *Personal Service Agreements: Standards and Procedures (page 18)*. A PSA must not be used by any agency to contract with a current or retired State employee.
- Yes No Was the cost of the original PSA more than \$50,000?
- Yes No Is the cost of this amendment 100% or more of the cost of the original PSA?
- Yes No Does this amendment increase the cost of the original PSA to more than \$50,000?
- Yes No Does this amendment extend the terms of the original PSA beyond a one-year period?
- Yes No Is this the second or subsequent amendment to the original PSA?

Original Proposal: Competitive Non-Competitive Number of Prior Amendments: 7

CORE-CT Contract ID: 97DSS1202CK PO Reference:

Contractor Name & Address: William M. Mercer, Inc., 3131 East Camelback Road, Suite 300, Phoenix, AZ 85016

Original Outline of Work (Purpose, Scope, Activities, Outcomes): The Contractor provides the Department with a variety of rate setting, actuarial and consulting services for Health Care Financing Programs and Issues including but not limited to the HUSKY Program (A & B); Pharmacy; SAGA, Dental, Behavioral health and non-emergency medical transportation services. The Contractor also provides actuarial and consulting services on an as-needed basis and as requested by the Deputy Commissioner of Administration, the Director of Health Care Financing Division and the Director of the Division of Fiscal Analysis.

Amended Outline of Work (Purpose, Scope, Activities, Outcomes): This amendment will allow for a continuation of services through December 31, 2005. During this three month period the Department, the Contractor and the Office of Policy and Management will be finalizing negotiations on a revised scope of work with tasks that are similar to or extensions of services that the Contractor has provided since April, 1997. The Office of Policy and Management is fully supportive of the continuation of this contract and the Department's relationship with this Contractor.

Need for Amendment: The continuation of this contract will allow the Department, Contractor and OPM the time to complete negotiations on a revised scope of work that will address the continued provision of technical assistance to the Department and the Office of Policy and Management in order to increase revenues, control costs and improve operations.

Original Contract Term (Start | End Dates): 04/01/1997 - 03/31/99
 Prior Amendment(s) Term(s) (Start | End Date(s)): 04/01/99 - 09/30/05
 Term of This Amendment (Start | End Date(s)): 10/01/05 - 12/31/05

Original Contract Cost: \$955,596
 Account Information (Agency | Fund | SID): DSS6000/11000/10020
 Cost of Prior Amendment(s): 13,990,328.00
 Cost of This Amendment: 0
 Account Information (Agency | Fund | SID): DSS6000/11000/10020
 Total Contract Cost: \$14,945,928.00

**PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT**

CO-002A REV. 3/98 (Stock No. 6938-170-01)

Print or Type

**OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION**

1. THE STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.

		(1) ORIGINAL <input type="checkbox"/> AMENDMENT <input checked="" type="checkbox"/> 5		(2) IDENTIFICATION NO. PS 7846100	
CONTRACTOR	(3) CONTRACTOR NAME William M. Mercer, Inc.			(4) ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	
	CONTRACTOR ADDRESS 3131 East Camelback Road, Suite 300, Phoenix, AZ 85016			CONTRACTOR FEIN/SSN 132-83-4414	
STATE AGENCY	(5) AGENCY NAME AND ADDRESS Dept. of Social Services, 25 Sigourney Street, Hartford, CT 06106				(6) AGENCY NO. 6100
CONTRACT PERIOD	(7) DATE (FROM)	(8) THROUGH (TO)	(8) INDICATE		
	04/01/97	10/31/03	MASTER AGREEMENT <input type="checkbox"/>	CONTRACT AWARD <input type="checkbox"/>	NO <input type="checkbox"/> NEITHER <input checked="" type="checkbox"/>
CANCELLATION CLAUSE	(9) THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).				(8) REQUIRED NO. OF DAYS WRITTEN NOTICE
					15

(10) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.)

Further amend contract number 7846100 as previously amended by amendments 1, 2, 3 and 4 to extend the contract end date for a period of one (1) month from September 30, 2003 to October 31, 2003.

All other terms and conditions of the original contract as previously amended that have not been amended herein, shall remain in full force and effect. .

(11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

There are no additional funds added to this contract amendment. The total cost of this contract shall remain at \$13,245,924.00.

(12) ACT CD A	(13) DOC TYP PS	(14) COM TY P	(15) LSE, TYP.	(16) ORIG. AGCY 6100	(17) DOCUMENT NO. 037846100	(18) COMMIT AGCY 6100	(19) COMMIT. NO.	(20) VENDOR FEIN/SSN - SUFFIX 132-83-4414
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(21) COMMITTED AMOUNT \$0	(22) OBLIGATED AMOUNT \$ 0	(23) CONTRACT PERIOD (FROM/TO) 4/01/97 - 10/31/03
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(24) ACT CD	(25) COMM. LINE NO.	(26) COMMITTED AMOUNT	(27) COMM AGCY	(28) COST CENTER		(29) OBJECTIVE	(30) AGENCY TAIL			(33) FY
				FUND	SID		FUNCTION	(31) ACTIVITY	(32) EXTENSION	
			6100							
			6100							
			6100							
			6100							
			6100							

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS		(34) STATUTORY AUTHORITY §§ 4- 8, 17b-3	
(35) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) <i>Steven P. Selvarum</i>	TITLE PRINCIPAL	DATE 9/24/03	
(36) AGENCY (AUTHORIZED OFFICIAL) <i>Michael P. Starkowski</i>	TITLE Michael P. Starkowski, Deputy Commissioner	DATE 9/30/03	
(37) OFFICE OF POLICY & MGMT /DEPT. OF ADMIN. SERV.	TITLE	DATE	
(38) ATTORNEY GENERAL (APPROVED AS TO FORM) <i>Assoc Atty Genera</i>	TITLE Assoc Atty Genera	DATE 11/4/03	

REQUEST FOR AMENDMENT

OPM Form/Rev. 01-15-03

RESERVED FOR OPM USE	
Date Rec'd	12/01/03
Log #	2004-300
C/O Date	12/22/03

Steve Nettin

Submit this form when requesting an amendment to an existing personal service agreement.

Return completed form to:

Office of Policy and Management, Strategic Management Division – MS# 54MGT,
450 Capitol Avenue, Hartford, CT 06106

IMPORTANT NOTE: A State Ethics Commission policy has been established to allow former state employees or "retirees" to enter into consulting and other employment contracts with their former agencies within the one-year period. Specifically, such conduct is permitted, as long as the re-employment is at no greater pay level than the individual was receiving at the time of separation from state service plus fringe benefits and necessary expenses. Agencies are advised to directly consult with the Comptroller's Office for their current calculation of the value of full-time state employee's fringe benefits in percentage terms. Agencies should also be mindful that 120 day workers are considered state employees for purposes of the Code of Ethics and therefore subject to a one year restriction for a year after completing their 120 day service. See State Ethics Commission Advisory Opinions 89-25 (Amended) and 98-21.

Yes No N/A This contract is in full compliance with the State Ethics Commission policy regarding re-employment.

Agency Name & Address: Department of Social Services		Date: 11/24/03
Requester's Name & Title: Kathleen M. Brennan, Director, Contract Procurement		Requester's Signature: <i>Kathleen M. Brennan</i>
Agency Contact & Phone No.: Kathleen M. Brennan 424.5693		OPM Budget's Signature: <i>Steve Eccles</i> 30FL03
<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Disapproved <i>See Below</i>	OPM Secretary's Signature: <i>Patricia C. Smith</i>	Date: 12/22/03

- Yes No Is this PSA with an individual? If yes, see Personal Service Agreement Guidelines (page 2).
- Yes No Was the cost of the original PSA more than \$50,000?
- Yes No Is the cost of this amendment 100% or more of the cost of the original PSA?
- Yes No Does this amendment increase the cost of the original PSA to more than \$50,000?
- Yes No Does this amendment extend the terms of the original PSA beyond a one-year period?
- Yes No Is this the second or subsequent amendment to the original PSA?

Original Proposal: Competitive Non-Competitive Number of Prior Amendments: 6

Name and Address of Contractor: William M. Mercer, Inc. 3131 East Camelback Road, Suite 300, Phoenix, AZ 85016

Description of Original Services (Purpose, Scope, Activities, Outcomes): The Contractor provides the Department with a variety of rate setting, actuarial and consulting services for Health Care Financing Programs and Issues including but not limited to the HUSKY Program (A & B); Pharmacy; SAGA, Dental, Behavioral Health and non-emergency medical transportation services. The Contractor also provides actuarial and consulting services on an as-needed basis and as requested by the Deputy Commissioner of Administration, the Director of Health Care Financing Division and the Director of the Division of Fiscal Analysis.

Description of Services of this Amendment (Purpose, Scope, Activities, Outcomes): The Contractor shall continue to provide consulting, rate setting and actuarial services for Health Care programs and services administered by the Department. While the contract will have specific tasks related to federal program requirements the Contractor will also assist the Department with tasks and information requested by the Legislature and the Office of Policy and Management.

Need for the Services of this Amendment: Issues relating to Health Care financing continue to emerge. The need for continued actuarial, rate setting and consultation services is directly tied to the Department's ability to comply with federal reporting requires; the Department's ability to revise programs in response to a shrinking budget, the Department's ability to revise programs in order to maximize efficiencies and the ability to respond to actions by the Legislature.

Term of Original Contract (start/end dates): 4/1/97 - 3/31/99 *9/30/2004*
Proposed Term of this Amendment (start/end dates): 12/01/03 - ~~03/31/05~~

*Term limited as noted.
P/S 12/22/03*

Cost of Original Services: \$955,596.00

Account (agency/fund/SID):

Cost of Services of Prior Amendment(s): A1 extended term to 6/30/01 and added \$2,775,000; A2 extended term to 6/30/03 and added \$9,515,328; A3 revised the scope but time and dollars remained the same; A4 extended the term to 9/30/03 with no additional funds; A5 extended the term to 10/30/03 with no additional funds; A6 extended the term to 11/30/03 with no additional funds

Estimated Cost of Services of this Amendment: \$1,700,000.00

Account (agency/fund/SID): Budget Reference: 2004;

Fund 11000; Department: DSS60517; Program 14000; SID: 10020; Account: 51180; Project: DSS_NONPROJECT; Chartfield 1: 168012; Chartfield 2: DSS00231

Total Cost of Services: \$14,945,924.00

Note: Total Cost of Services = Cost of Original Services + Cost of All Amendments.

Attach a separate sheet explaining the reasons for not issuing a new Request For Proposal.

**PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT**

CO-902A REV. 3/98 (Stock No. 6958-170-01)

Print or Type

**OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION**

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		(1) ORIGINAL <input type="checkbox"/> AMENDMENT <input checked="" type="checkbox"/> 4		(2) IDENTIFICATION NO PS 7846100	
CONTRACTOR	(3) CONTRACTOR NAME William M. Mercer, Inc.			(4) ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	
	CONTRACTOR ADDRESS 3131 East Camelback Road, Suite 300, Phoenix, AZ 85016			CONTRACTOR FEIN/SSN 132-83-4414	
STATE AGENCY	(5) AGENCY NAME AND ADDRESS Dept. of Social Services, 25 Sigourney Street, Hartford, CT 06106				(6) AGENCY NO. 6100
CONTRACT PERIOD	(7) DATE (FROM) 04/01/97	(8) THROUGH (TO) 9/30/03	(9) INDICATE MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO <input type="checkbox"/> NEITHER <input checked="" type="checkbox"/>		
	CANCELLATION CLAUSE THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).				(10) REQUIRED NO. OF DAYS WRITTEN NOTICE. 15

(10) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.)

Further amend contract number 7846100 as previously amended by amendments 1, 2 and 3 to extend the contract end date for a period of three (3) months from June 30, 2003 to September 30, 2003; amend subsection 20 of section II-E on pages 17 and 18 of amendment 3 as set forth on page 2 of this fourth amendment; and amend Attachment G "Revised Mandatory Terms and Conditions" as set forth on pages 2 through 8 of this amendment. All other terms and conditions of the original contract as previously amended that have not been amended herein, shall remain in full force and effect. .

(11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

There are no additional funds added to this contract amendment. The total cost of this contract shall remain at \$13,245,924.00.

(12) ACT CD A	(13) DOC TYP PS	(14) COM TY P	(15) LSE TYP	(16) ORIG AGCY 6100	(17) DOCUMENT NO 037846100	(18) COMMIT AGCY 6100	(19) COMMIT. NO.	(20) VENDOR FEIN/SSN - SUFFIX 132-83-4414		
(21) COMMITTED AMOUNT \$0		(22) OBLIGATED AMOUNT \$ 0		(23) CONTRACT PERIOD (FROM/TO) 4/01/97 - 9/30/03						
(24) ACT CD	(25) COMM. LINE NO.	(26) COMMITTED AMOUNT	(27) COMM AGCY	(28) COST CENTER FUND SID		(29) OBJECTIVE	(30) AGENCY TAIL FUNCTION ACTIVITY EXTENSION			(33) FY
			6100							
			6100							
			6100							
			6100							
			6100							

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS		STATUTORY AUTHORITY §§ 4- 8, 17b-3	
(35) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) 	TITLE PRINCIPAL	DATE 6/25/03	
(36) AGENCY (AUTHORIZED OFFICIAL) 	TITLE Michael P. Starkowski, Deputy Commissioner	DATE 6/27/03	
(37) OFFICE OF POLICY & MGMT./DEPT. OF ADMIN. SERV. 	TITLE	DATE	
(38) ATTORNEY GENERAL (APPROVED AS TO FORM) 	Assoc. Atty. General	DATE 7/18/03	

1. Subsection 20 of section II-E on pages 17 and 18 of amendment 3 “Payment Terms” is amended as follows:

- a. Delete the line for Deliverable 12 and replace with the following:

Deliverable	Total Deliverable Price for Partner Agencies	DSS Share	DCF Share
12	\$32,828.00	\$16,414.00	\$16,414.00

And

- b. Add the following: The Partner Agencies agree to reimburse the Contractor for travel expenses incurred during Contractor’s performance of the tasks herein, up to the maximum stated below. Travel expenses shall be itemized on invoices submitted by the Contractor and may include travel, lodging and meals.

Maximum Travel Expenses	DSS Share	DCF Share
\$24,600.00	\$12,300.00	\$12,300.00

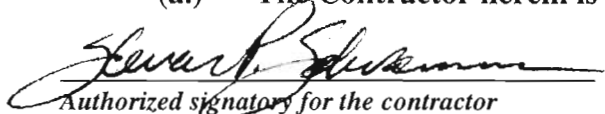
2. Section 1.2 of Attachment G “Revised Mandatory Terms and Conditions” to the first amendment of the contract, as amended by section III-1 on page 18 of amendment 2 is deleted in its entirety and replaced with the following:

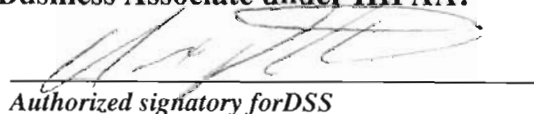
“The Contract as amended shall be in effect from April 1, 1997 through September 30, 2003.”

3. Attachment G “Revised Mandatory Terms and Conditions” to the first amendment of the contract, as amended by section III on pages 18 through 21 of amendment 2 is hereby further amended by the addition of a new section 10 – HIPAA provisions as set forth on pages 3 through 8 of this amendment.

Section 10: HIPAA Provisions

(a.) **The Contractor herein is a Business Associate under HIPAA:**


Authorized signatory for the contractor


Authorized signatory for DSS

Steven P. Schramm, Principal
(Typed name and title)

Michael P. Starkowski, Deputy Commissioner

June 25, 2003
Date

6/27/03
Date

The Contactor, as a Business Associate under HIPAA, must comply with all terms and conditions of this Section of the Contract.

(b.) The Contractor is required to safeguard the use, publication and disclosure of information on all applicants for, and all clients who receive, services under the contract in accordance “with all applicable federal and state law regarding confidentiality, which includes but is not limited to the requirements of the Health Insurance Portability and Privacy Act of 1996 (“HIPAA”), more specifically with the Privacy Rule at 45 C.F.R. Part 160 and Part 164, subparts A and E; and

(c.) The Connecticut Department of Social Services (hereinafter “DSS”) is a “covered entity” as that term is defined in 45 C.F.R. § 160.103; and

(d.) The Contractor, on behalf of DSS, performs functions that involve the use or disclosure of “individually identifiable health information,” as that term is defined in 45 C.F.R. § 160.103 ; and

(e.) The Contractor is a “business associate” of DSS, as that term is defined in 45 C.F.R. § 160.103; and

(f.) The Contractor and DSS agree to the following in order to secure compliance with the Health Insurance Portability and Privacy Act of 1996 (“HIPAA”), more specifically with the Privacy Rule at 45 C.F.R. Part 160 and Part 164, subparts A and E:

I. Definitions

A. **Business Associate.** “Business Associate” shall mean the Contractor.

B. **Covered Entity.** “Covered Entity” shall mean DSS.

- C. Designated Record Set.** “Designated Record Set” shall have the same meaning as the term “designated record set” in 45 C.F.R. § 164.501.
- D. Individual.** “Individual” shall have the same meaning as the term “individual” in 45 C.F.R. 164.501 and shall include a person who qualifies as a personal representative as defined in 45 C.F.R. § 164.502(g).
- E. Privacy Rule.** “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and parts 164, subparts A and E.
- F. Protected Health Information.** “Protected Health Information” or “PHI” shall have the same meaning as the term “protected health information” in 45 C.F.R. § 164.501, limited to information created or received by the Business Associate from or on behalf of the Covered Entity.
- G. Required by Law.** “Required by Law” shall have the same meaning as the term “required by law” in 45 C.F.R. § 164.501.
- H. Secretary.** “Secretary” shall mean the Secretary of the Department of Health and Human Services or his designee.
- I. More Stringent.** “More stringent” shall have the same meaning as the term “more stringent” in 45 C.F.R. § 160.103.
- J. Section of Contract.** “(T)his Section of the Contract” refers to the HIPAA Provisions stated herein, in their entirety.

II. Obligations and Activities of Business Associate

- A.** Business Associate agrees not to use or disclose PHI other than as permitted or required by this Section of the Contract or as Required by Law
- B.** Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for in this Section of the Contract.
- C.** Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of a use or disclosure of PHI by Business Associate in violation of this Section of the Contract.
- D.** Business Associate agrees to report to Covered Entity any use or disclosure of PHI not provided for by this Section of the Contract of which it becomes aware.
- E.** Business Associate agrees to insure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by

Business Associate, on behalf of the Covered Entity, agrees to the same restrictions and conditions that apply through this Section of the Contract to Business Associate with respect to such information.

F. Business Associate agrees to provide access, at the request of the Covered Entity, and in the time and manner agreed to by the parties, to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 C.F.R. § 164.524.

G. Business Associate agrees to make any amendments to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526 at the request of the Covered Entity, and in the time and manner agreed to by the parties.

H. Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by, Business Associate on behalf of Covered Entity, available to Covered Entity or to the Secretary in a time and manner agreed to by the parties or designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.

I. Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.

J. Business Associate agrees to provide to Covered Entity, in a time and manner agreed to by the parties, information collected in accordance with paragraph I of this Section of the Contract, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.

K. Business Associate agrees to comply with any state law that is more stringent than the Privacy Rule.

III. Permitted Uses and Disclosures by Business Associate

A. General Use and Disclosure Provisions: Except as otherwise limited in this Addendum, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in this Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.

B. Specific Use and Disclosure Provisions:

1. Except as otherwise limited in this Section of the Contract, Business Associate may use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.

2. Except as otherwise limited in this Section of the Contract, Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

3. Except as otherwise limited in this Section of the Contract, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. § 154.514(e)(2)(i)(B).

IV. Obligations of Covered Entity

A. Covered Entity shall notify Business Associate of any limitations in its notice of privacy practices of Covered Entity, in accordance with 45 C.F.R. 164.520, or to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

B. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

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

V. Permissible Requests by Covered Entity

Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by the Covered Entity, except that Business Associate may use and disclose PHI for data aggregation, and management and administrative activities of Business Associate, as permitted under this Addendum.

VI. Term and Termination

A. Term. The Term of this Section of the Contract shall be effective as of the date the Contract is effective and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.

B. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

1. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate the Contract if Business Associate does not cure the breach or end the violation within the time specified by the Covered Entity; or
2. Immediately terminate the Contract if Business Associate has breached a material term of this Section of the Contract and cure is not possible; or
3. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

C. Effect of Termination.

1. Except as provided in paragraph (2) of this subsection C, upon termination of this Contract, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.
2. In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon documentation by Business Associate that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Section of the Contract to such PHI and limit further uses and disclosures of PHI to those purposes that make return or destruction infeasible, for as long as Business Associate maintains such PHI. Infeasibility of the return or destruction of PHI includes, but is not limited to, requirements under state or federal law that the Business Associate maintains or preserves the PHI or copies thereof.

VII. Miscellaneous Provisions

- A. Regulatory References.** A reference in this Section of the Contract to a section in the Privacy Rule means the section as in effect or as amended.
- B. Amendment.** The Parties agree to take such action as is necessary to amend this Section of the Contract from time to time as is necessary for Covered Entity to comply with requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.
- C. Survival.** The respective rights and obligations of Business Associate under Section VI, Subsection C of this Section of the Contract shall survive the termination of this Contract.
- D. Effect on Contract.** Except as specifically required to implement the purposes of this Section of the Contract, all other terms of the contract shall remain in force and effect.
- E. Construction.** This Section of the Contract shall be construed as broadly as necessary to implement and comply with the Privacy Standard. Any ambiguity in this Section of the Contract shall be resolved in favor of a meaning that complies, and is consistent with, the Privacy Standard.
- F. Disclaimer.** Covered Entity makes no warranty or representation that compliance with this Section of the Contract will be adequate or satisfactory for Business Associate's own purposes. Covered Entity shall not be liable to Business Associate for any claim, loss or damage related to or arising from the unauthorized use or disclosure of PHI by Business Associate or any of its officers, directors, employees, contractors or agents, or any third party to whom Business Associate has disclosed PHI pursuant to paragraph II D of this Addendum. Business Associate is solely responsible for all decisions made, and actions taken, by Business Associate regarding the safeguarding, use and disclosure of PHI within its possession, custody or control.
- G. Indemnification.** The Business Associate shall indemnify and hold the Covered Entity harmless from and against all claims, liabilities, judgments, fines, assessments, penalties, awards, or other expenses, of any kind or nature whatsoever, including, without limitation, attorney's fees, expert witness fees, and costs of investigation, litigation or dispute resolution, relating to or arising out of any violation by the Business Associate and its agents, including subcontractors, of any obligation of Business Associate and its agents, including subcontractors, under this Section of the Contract.

MERCER

Human Resource Consulting

William C. Fagan
Secretary

Mercer Human Resource Consulting, Inc.
1166 Avenue of the Americas
New York, NY 10036-2708
212 345 3114 Fax 212 345 5999
www.mercerHR.com

Mercer Human Resource Consulting, Inc.

Certificate of Secretary

I, William C. Fagan, do hereby certify that I am the duly elected Secretary of Mercer Human Resource Consulting, Inc., a corporation organized under the laws of the State of Delaware (the "Corporation") and that Steven Schramm was duly elected by the Board of Directors of this Corporation and qualified to serve in the office of Principal being authorized and empowered pursuant to the Corporation's by-laws and operating procedures to execute, approve and deliver contracts or agreements on behalf of this Corporation.

I hereby certify that as of the date hereof, Steven Schramm continues to serve in the office of Principal of this Corporation, with such office continuing to have such powers as indicated above and that such election and authorization has not been in any way altered, amended or repealed, and is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of this Corporation this 24th day of September, 2003.


Secretary

MERCER

Human Resource Consulting

William C. Fagan
Secretary

Mercer Human Resource Consulting, Inc.
1166 Avenue of the Americas
New York, NY 10036-2708
212 345 3114 Fax 212 345 5999
www.mercerHR.com

Mercer Human Resource Consulting, Inc.

Certificate of Secretary

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Certificate of the Secretary

of

Mercer Human Resource Consulting, Inc.

I, William C. Fagan, do hereby certify that Steven Schramm is a duly elected Principal of the company and in such capacity is authorized to execute contracts, agreements, applications and other documents on behalf of the company.

IN WITNESS WHEREOF, I have hereunder set my hand and the seal of the Corporation this 25th day of June, 2003.



REQUEST FOR AMENDMENT

OPM Form/Rev. 01-15-03

RESERVED FOR OPM USE	
Date Rec'd	6/18/03
Log #	2003-802
C/O Date	8.5.03

Submit this form when requesting an amendment to an existing personal service agreement.

Return completed form to:
Office of Policy and Management, Strategic Management Division – MS# 54MG7,
450 Capitol Avenue, Hartford, CT 06106

Sue Eccleston

IMPORTANT NOTE: A State Ethics Commission policy has been established to allow former state employees or "retirees" to enter into consulting and other employment contracts with their former agencies within the one-year period. Specifically, such conduct is permitted, as long as the re-employment is at no greater pay level than the individual was receiving at the time of separation from state service plus fringe benefits and necessary expenses. Agencies are advised to directly consult with the Comptroller's Office for their current calculation of the value of full-time state employee's fringe benefits in percentage terms. Agencies should also be mindful that 120 day workers are considered state employees for purposes of the Code of Ethics and therefore subject to a one year restriction for a year after completing their 120 day service. See State Ethics Commission Advisory Opinions 89-25 (Amended) and 98-21.

Yes No N/A This contract is in full compliance with the State Ethics Commission policy regarding re-employment.

Agency Name & Address: Department of Social Services, 25 Sigourney Street, Hartford, CT 06106		Date: June 13, 2003
Requester's Name & Title: Kathleen M. Brennan, Director, Contract Administration 424.5693		Requester's Signature: Kathleen M. Brennan
Agency Contact & Phone No.: Kathleen M. Brennan or Michael P. Starkowski - 424-5053		OPM Budget's Signature:
<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Disapproved	OPM Secretary's Signature: <i>[Signature]</i>	Date: 8/5/03

- Yes No Is this PSA with an individual? If yes, see *Personal Service Agreement Guidelines* (page 2).
- Yes No Was the cost of the original PSA more than \$50,000?
- Yes No Is the cost of this amendment 100% or more of the cost of the original PSA?
- Yes No Does this amendment increase the cost of the original PSA to more than \$50,000?
- Yes No Does this amendment extend the terms of the original PSA beyond a one-year period?
- Yes No Is this the second or subsequent amendment to the original PSA?

Original Proposal: Competitive Non-Competitive Number of Prior Amendments: 3

Name and Address of Contractor: William M. Mercer, Inc., 3131 East Camelback Road, Suite 300, Phoenix, AZ 85016

Description of Original Services (Purpose, Scope, Activities, Outcomes): The Contractor provides the Department with a variety of rate setting, actuarial and consulting services for Health Care Financing Programs and Issues including, but not limited to Medicaid Managed Care, HUSKY B, dually eligible medicare/medicaid population and behavioral health services. The Contractor also provides actuarial and consulting services to the Department in connection with the non-emergency medical transportation services, pharmacy initiatives, waiver applications and the Children's behavioral health and dental carveouts. The Contractor also provides actuarial and consulting services on an as-needed basis and as requested by Deputy Commissioner of Administration, the Director of Health Care Financing Division and the Director of the Division of Fiscal Analysis.

Description of Services of this Amendment (Purpose, Scope, Activities, Outcomes): The Contractor shall continue to provide the original services as requested by the Department. The Department anticipates that during the term of this amendment a budget will be passed that will impact the services that Mercer provides to the Department. The Department further anticipates that once a budget has been passed and the Department determines its priorities in response to the acts of the Legislature, that a fifth amendment will be negotiated and executed that will specifically address additional tasks for the Contractor to complete.

Need for the Services of this Amendment: Issues relating to Health Care Financing continue to grow. The need for continued actuarial, rate setting and consultation services is directly tied to the Department's ability to respond to actions by Legislature and the State's desire to maximize efficiencies in these areas.

Term of Original Contract (start/end dates): 4/1/97 - 3/31/99
Proposed Term of this Amendment (start/end dates): 7/1/03 - 9/30/03

Cost of Original Services: \$955,596.00
Cost of Services of Prior Amendment(s): \$12,290,328.00
Estimated Cost of Services of this Amendment: \$0.00
Total Cost of Services: \$13,245,924.00

Account (agency/fund/SID): 6100/0/002;040;878;669

Account (agency/fund/SID):

Note: Total Cost of Services = Cost of Original Services + Cost of All Amendments.

Attach a separate sheet explaining the reasons for not issuing a new Request For Proposal.

PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT

CO-802A REV. 3/98 (Stock No. 6938-170-01)

Print or Type

OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION

1. THE STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.

		(1) ORIGINAL <input type="checkbox"/> AMENDMENT <input checked="" type="checkbox"/> 3		(2) IDENTIFICATION NO. PS 7846100	
(3) CONTRACTOR NAME William M. Mercer, Inc.		(4) ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>			
(3) CONTRACTOR ADDRESS 3131 East Camelback Road, Suite 300, Phoenix, AZ 85016		(6) AGENCY NO. 6100			
(5) AGENCY NAME AND ADDRESS Dept. of Social Services, 25 Sigourney Street, Hartford, CT 06106		(6) AGENCY NO. 6100			
(7) DATE (FROM) 04/01/97		(7) THROUGH (TO) 6/30/03		(8) INDICATE MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO <input type="checkbox"/> NEITHER <input checked="" type="checkbox"/>	
(9) CANCELLATION CLAUSE THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).		(9) REQUIRED NO. OF DAYS WRITTEN NOTICE. 15			

(10) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.)

Pursuant to section II-E of the second amendment to contract number 7846100, the Contractor is required to provide the Department with a financial analysis and consultation regarding behavioral health services. Pages 2 through 18 of this amendment set forth the specific tasks for the requisite analysis and consultation. Therefore, the Contractor and the Department agree to delete section II-E on pages 13 and 14 of the second amendment in its entirety and replace section II-E with pages 2 through 18 of this amendment. All other terms and conditions from the original contract as previously amended that have not been amended herein, shall remain in full force and effect.


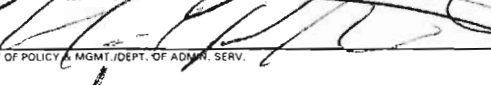
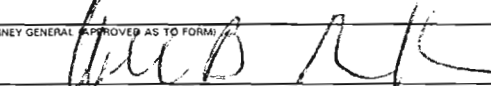
(11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

There are no additional funds added to this contract as the costs associated with the tasks under this amendment were added to the contract maximum through Amendment 2. The payment terms for the tasks associated with this amendment are set forth in section 20 on pages 17 and 18 of this amendment.

(12) ACT CD C	(13) DOC TYP AA	(14) COM TY P PS	(15) LSE. TYP.	(16) ORIG. AGCY 6100	(17) DOCUMENT NO. 037846100	(18) COMMIT AGCY 6100	(19) COMMIT. NO. 7846100	(20) VENDOR FEIN/SEN - SUFFIX 132-83-4414 -01
(21) COMMITTED AMOUNT \$0.00		(22) OBLIGATED AMOUNT \$ 0.00			(23) CONTRACT PERIOD (FROM/TO) 4/01/97 - 6/30/03			

(24) ACT CD	(25) COMM. LINE NO.	(26) COMMITTED AMOUNT	(27) COMM. AGCY.	(28) COST CENTER		(29) OBJECTIVE	(30) AGENCY TAIL			(33) FY
				FUND	SID		(30) FUNCTION	(31) ACTIVITY	(32) EXTENSION	
C	1	\$ 0.00	6100	0	002	02230	4410	0	0	02
C	4	\$ 0.00	6100	0	002	02230	3350	0	0	02
C	5	\$ 0.00	6100	0	002	02230	3300	0	0	02
C	6	\$ 0.00	6100	0	002	02230	3240	0	0	02

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS		(34) STATUTORY AUTHORITY §§ 4-8, 17b-3	
(35) CONTRACTOR OWNER OR AUTHORIZED SIGNATURE 		TITLE PRINCIPAL	
(36) AGENCY AUTHORIZED OFFICIAL 		TITLE Michael P. Starkowski, Deputy Commissioner	
(37) OFFICE OF POLICY & MGMT./DEPT. OF ADMIN. SERV.		TITLE DATE	
(38) ATTORNEY GENERAL APPROVED AS TO FORM 		TITLE Assoc. Atty. General	
		DATE 3/21/02	

- 1) **OVERVIEW:** The Department of Children and Families (DCF), The Department of Mental Health and Addiction Services (DMHAS) and the Department of Social Services (DSS), have joined together to develop an integrated behavioral health partnership for children and adults who need behavioral health services. William M. Mercer, Incorporated, hereinafter referred to as the “Contractor” shall, as set forth by the terms of this amendment, conduct a financial analysis to determine the impact of the implementation of the integrated behavioral health partnership.
- 2) The obligations of the Contractor, DCF and DSS shall be set forth in this amendment. DMHAS shall enter into a separate agreement with the Contractor to set forth the obligations of the Contractor and DMHAS. Throughout this amendment DCF and DSS shall hereinafter be collectively referred to as “partner agencies”.
- 3) Contractor shall conduct the financial analysis by completing the tasks set forth in the phases below. Each task shall have a specified time frame for completion of the accompanying deliverable. Payment to the Contractor shall be contingent upon the review and acceptance of the deliverable by each of the partner agencies, which acceptance shall not be unreasonably withheld or delayed. If the deliverable due date set forth herein falls on a weekend or State of Connecticut holiday, the deliverable due date shall be the next business day.
- 4) Phase 1 – Preparation for the Analysis
 - a. **Task 1** – Information/Data Request to Support the Analysis. The Contractor shall identify the information and data required from each of the partner agencies to conduct the financial analysis.
 - b. **Deliverable 1** – The Contractor shall provide each of the individual partner agencies with a written request for data and information required by Contractor. The data request may include but not be limited to information pertaining to the partner agency in the following areas:
 1. State plan,
 2. Population information,
 3. Service information,
 4. Provider information,
 5. Administrative information, and
 6. Financial information.
 - c. The written request shall identify the topic area for the information/data requested, specific items/data to be provided, the person responsible for providing the specified item/data and the due date for the submission of the item/data.
- 5) Phase 1 – Preparation for the Analysis
 - a. **Task 2** – Review of Information/Data Request to Support the Analysis. The Contractor shall review the information and data received from each of the partner

agencies pursuant to Task 1 and identify any additional items/data required to prepare for the implementation of the analysis.

- b. To perform Task 2 the Contractor shall hold weekly meetings with the individual partner agencies to review the items received from the information/data request in Task 1 and to identify any additional items/data.
- c. To perform Task 2 the Contractor shall conduct a site visit to each of the partner agencies to develop a clear understanding of the goals of the behavioral health partnership and the capacity of the partner agencies to provide the required data.
- d. **Deliverable 2** – The Contractor shall produce and deliver to each partner agency a written report of the data and information requested from each partner agency and received by Contractor. The report shall also identify any outstanding data requests and the effect that the failure to comply with the data requests will have on the implementation of the financial analysis.

6) Phase 1 – Preparation for the Analysis

- a. **Task 3** – Preparation of Scope of Work and Budget. The Contractor shall produce a scope of work and accompanying budget for the Behavioral Health Financial Analysis. The Scope of work shall include a high level understanding of the project and a methodology for the development and implementation of the financial analysis.
- b. In the development of the scope of work and budget pursuant to Task 3 the Contractor shall associate the tasks and costs of the analysis related to children’s programmatic changes to DCF and the tasks and costs associated with the administrative infrastructure to DSS.
- c. In the development of the scope of work and budget pursuant to Task 3 the Contractor shall allocate the tasks and costs associated with the preparation for the analysis and baseline calculations across all of the partner agencies.
- d. **Deliverable 3** – The Contractor shall produce and deliver to each partner agency a draft scope of work. The scope of work shall include, but may not be limited to the identification of major tasks, proposed methodologies, deliverables, due dates, budgets and responsibilities of the partner agencies. The partner agencies shall, within five (5) business days of the receipt of the draft scope of work, provide the Contractor with written comments. The Contractor shall discuss the comments with the partner agencies and to the extent the parties have agreed shall incorporate such comments into the draft. The Contractor shall produce and deliver to the partner agencies, within five (5) business days of the receipt of the comments, a final scope of work.

7) Phase 1 – Preparation for the Analysis

- a. **Task 4** – Detailed Work Plan and Master Data Tables. The Contractor shall, using the final scope of work approved in Task 3 above, produce a detailed work plan that identifies the steps that will be taken to conduct and manage the financial analysis. The Contractor shall also produce a set of master data tables needed to perform each of the tasks set forth in the scope of work and accompanying work plan.
- b. **Deliverable 4** – The Contractor shall produce and deliver to each partner agency a detailed work plan and master data tables. The partner agencies shall, within five (5) business days of the receipt of the detailed work plan and master data tables, provide the Contractor with written comments. The Contractor shall discuss the comments with the partner agencies and to the extent the parties have agreed shall incorporate such comments into the draft. The Contractor shall produce and deliver to the partner agencies, within five (5) business days of the receipt of the comments, but in any event no later than February 8, 2002, a final detailed work plan and master data tables.
- c. As the Contractor proceeds with the financial analysis, additional tasks and data requirements may be identified as necessary in order to complete the tasks. The Contractor shall, upon the development of additional work plan tasks and the identification of additional data requirements, provide the partner agencies with revisions to the detailed work plan and master data tables. The revisions shall specify requirements of the partner agencies, if any, and shall state the due date for the submission of such requirements.

8) Phase 2 – Determination of the Baseline for the Analysis

- a. **Task 5** – Projection of Future Costs for Medicaid and State funded behavioral health services in the absence of the behavioral health partnership. Through this task the Contractor shall establish a baseline for cost comparisons.
- b. To the extent that data are readily available or provided by DCF and DSS, the Contractor shall develop a baseline cost for the future cost of Medicaid and state funded behavioral health services using validated experience data from the following sources:
 1. For adults and children in the Medicaid fee-for-service (“FFS”) program the Contractor shall analyze:
 - a. Medicaid FFS (non-pharmacy) paid claims data for behavioral health services with dates of service from 7/98 through 6/00 and payments through 1/01.
 - b. Medicaid FFS eligibility files from 1/98 through 12/00.

- c. “eCura” and Behavioral Health Information System (“BHIS”) data with dates of service 7/00 through 6/01 for the adult Medicaid FFS population.
 - d. Chart Review data.
 2. For adults and children enrolled in HUSKY Health Management Organizations (“HMOs”), including HUSKY B, the Contractor shall analyze:
 - a. HMO encounter data with dates of service from 7/00 through 6/01 and payments through 9/01.
 - b. HMO enrollment/ eligibility files from 7/97 through 8/01.
 - c. HMO financial reports for the calendar year, 2000 and six-month period 1/01 through 6/01.
 - d. HMO reinsurance claims files for children with dates of service from 7/00 through 6/01.
 - e. “eCura” and BHIS data with dates of service 7/00 through 6/01 for the adult HUSKY HMO population.
 - f. Chart Review data.
 3. For the State Administered General Assistance (“SAGA”) population the Contractor shall analyze:
 - a. Encounter data with dates of service from 7/00 through 6/01 and payments through 9/01.
 - b. Enrollment/ eligibility files from 7/97 through 8/01.
 - c. “eCura” and BHIS data for SAGA population.
 - d. Chart Review data.
 4. For children enrolled in DCF grant or FFS programs the Contractor shall analyze:
 - a. DCF “LINK” FFS payment system.
 - b. DCF grant aggregate service.
 - c. Financial reports.
 - d. Chart Review data.
- c. **Deliverable 5**– The Contractor shall, following the analysis of the information set forth in section b 1 through b 5 above, provide each of the partner agencies with a written report identifying the following:
 1. The baseline and projected costs of the Medicaid and state funded behavioral health services by age group (children); provider type; diagnostic category, service type and funding source.
 2. The utilization and unit cost trend rates for behavioral health services for the covered populations.

3. For adults, the identification of areas of high utilization and/or extensive costs.
 4. For adults, the identification of additional services, if any, to respond to areas of high utilization and/or extensive costs.
 5. The impact of programmatic changes on cost.
- d. The Contractor shall deliver a draft of the Fiscal Year 2001 untrended baseline for children to the partner agencies on or before March 31, 2002. The partner agencies shall, within five (5) business days of the receipt of the draft provide the Contractor with written comments. The Contractor shall discuss the comments with the partner agencies and to the extent the parties have agreed shall incorporate such comments into the draft. The Contractor shall produce and deliver to the partner agencies, within five (5) business days of the receipt of the comments, but in any event no later than April 15, 2002 a final report.
- e. The Contractor shall deliver a draft of the Fiscal Year 2001 untrended baseline for children and adults to the partner agencies on or before June 15, 2002. The partner agencies shall, within five (5) business days of the receipt of the draft provide the Contractor with written comments. The Contractor shall discuss the comments with the partner agencies and to the extent the parties have agreed shall incorporate such comments into the draft. The Contractor shall produce and deliver to the partner agencies, within five (5) business days of the receipt of the comments, but in any event no later than June 30, 2002 a final report.
- f. The partner agencies and the Contractor understand that the Contractor's ability to meet the contractually mandated due dates for deliverables may be affected by the participation of each or all of the partner agencies. The Contractor agrees to inform DSS if issues arise that may, in the Contractor's reasonable judgment, prevent the Contractor from providing the deliverables in accordance with the due dates set forth herein or in accordance with the defined scope of services. DSS, and if needed, the other partner agencies shall address such issues with the Contractor and negotiate in good faith a revision of the due date and or scope of services. If, however, the Contractor fails to meet a contractually mandated deliverable due date and the partner agencies have not agreed to a revision to the deliverable due date, which agreement shall not be unreasonably withheld or delayed, the partner agencies may agree to assess a performance penalty against the price of the deliverable.
- 9) Phase 3 – Determination of the Impact of the Conversion Grant Funded Services to FFS Under the Medicaid Rehabilitative Option
- a. **Task 6** – Complete details of the initiative related to the coverage of rehabilitative services under Medicaid FFS that are required to begin the financial analysis. The purpose of this task is to ensure that key details of the integrated behavioral health partnership related to the introduction of the rehabilitative option that are required to begin the financial analysis and conduct the chart review have been finalized.

- b. To complete this task the partner agencies shall provide the Contractor with the rehabilitative services to be included in the behavioral health partnership, their definitions, provider qualifications, staff qualifications, the billable units and caps. The Contractor shall assist the partner agencies in the determination of billable units for child and adult rehabilitative services and in the development of a methodology for the estimation of unit costs for each rehabilitative service.
- c. **Deliverable 6**– The Contractor shall provide the partner agencies with a draft written report including billable unit descriptions for the rehabilitative services that will be included in the financial analysis and recommendations for the estimation of rates, including comparison rates for similar services in other states, on or before February 28, 2002. The partner agencies shall, within five (5) business days of the receipt of the draft provide the Contractor with written comments. The Contractor shall discuss the comments with the partner agencies and, to the extent the parties have agreed, shall incorporate such comments into the draft. The Contractor shall produce and deliver to the partner agencies, within five (5) business days of the receipt of the comments, but in any event no later than March 15, 2002 a final report.
- d. The partner agencies and the Contractor understand that the Contractor’s ability to meet the contractually mandated due dates for deliverables may be affected by the participation of each or all of the partner agencies. The Contractor agrees to inform DSS if issues arise that may, in the Contractor’s reasonable judgment, prevent the Contractor from providing the deliverables in accordance with the due dates set forth herein or in accordance with the defined scope of services. DSS, and if needed, the other partner agencies shall address such issues with the Contractor and negotiate in good faith a revision of the due date and or scope of services. If, however, the Contractor fails to meet a contractually mandated deliverable due date and the partner agencies have not agreed to a revision to the deliverable due date, which agreement shall not be unreasonably withheld or delayed, the partner agencies may agree to assess a performance penalty against the price of the deliverable.

10) Phase 3 – Determination of the Impact of the Conversion Grant Funded Services to FFS Under the Medicaid Rehabilitative Option

- a. **Task 7** – Conduct Eligibility Match. The purpose of this task is to link the Medicaid eligibility files with baseline utilization files for all populations in the partnership to determine the extent of the overlap.
- b. To complete this task the partner agencies shall provide the Contractor with service utilization files for all of the populations that will be included in the analysis. The Contractor shall link the service utilization files with Medicaid eligibility files, matching the same individuals in different files to determine the

extent of overlap. The Contractor shall profile cost and service utilization patterns with breakdowns by eligibility status.

- c. **Deliverable 7**– On or before March 31, 2002 the Contractor shall provide the partner agencies with a draft of a written report containing the number of matching individuals and profiles of their cost and service utilization patterns. The partner agencies shall, within five (5) business days of the receipt of the draft provide the Contractor with written comments. The Contractor shall discuss the comments with the partner agencies and to the extent the parties have agreed shall incorporate such comments into the draft. The Contractor shall produce and deliver to the partner agencies, within five (5) business days of the receipt of the comments, but in any event no later than April 15, 2002 a final report.
- d. The partner agencies and the Contractor understand that the Contractor’s ability to meet the contractually mandated due dates for deliverables may be affected by the participation of each or all of the partner agencies. The Contractor agrees to inform DSS if issues arise that may, in the Contractor’s reasonable judgment, prevent the Contractor from providing the deliverables in accordance with the due dates set forth herein or in accordance with the defined scope of services. DSS, and if needed, the other partner agencies shall address such issues with the Contractor and negotiate in good faith a revision of the due date and or scope of services. If, however, the Contractor fails to meet a contractually mandated deliverable due date and the partner agencies have not agreed to a revision to the deliverable due date, which agreement shall not be unreasonably withheld or delayed, the partner agencies may agree to assess a performance penalty against the price of the deliverable.

11) Phase 3 – Determination of the Impact of the Conversion Grant Funded Services to FFS Under the Medicaid Rehabilitative Option

- a. **Task 8** – Prepare Progress Report to provide Information for the DMHAS report to the Legislature. DMHAS, in consultation with DSS, is required to present to the Legislature a progress report on the analysis of the coverage of adult rehabilitative services under Medicaid FFS.
- b. **Deliverable 8**– On or before January 15, 2002 the Contractor shall provide DSS with a draft of a report that discusses the reasonableness of Connecticut’s approach to the behavioral health partnership and presents an estimate of administrative costs and state infrastructure requirements. The report shall also include a profile of untrended historic utilization by the adult Medicaid population and information on eligibility matches. DSS shall, within five (5) business days of the receipt of the draft report, provide the Contractor with written comments. The Contractor shall discuss the comments with DSS and to the extent the parties have agreed shall incorporate such comments into the draft. The Contractor shall produce and deliver to DSS, within five (5) business days of the receipt of the comments, a final report for presentation to the Legislature.

- c. DSS and the Contractor understand that the Contractor's ability to meet the contractually mandated due dates for deliverables may be affected by the participation of each or all of the partner agencies. The Contractor agrees to inform DSS if issues arise that may, in the Contractor's reasonable judgment, prevent the Contractor from providing the deliverables in accordance with the due dates set forth herein or in accordance with the defined scope of services. DSS, and if needed, the other partner agencies shall address such issues with the Contractor and negotiate in good faith a revision of the due date and or scope of services. If, however, the Contractor fails to meet a contractually mandated deliverable due date and the partner agencies have not agreed to a revision to the deliverable due date, the partner agencies may agree to assess a performance penalty against the price of the deliverable.

12) Phase 3 – Determination of the Impact of the Conversion Grant Funded Services to FFS Under the Medicaid Rehabilitative Option

- a. **Task 9 – Conduct Chart Review.** The purpose of the chart review is to augment service event/encounter level data in the baseline analysis to address issues concerning the completeness and validity of “eCura” and LINK data; to provide data on the expected utilization of rehabilitative services under the Medicaid rehabilitative option as well as selected state-funded services and to provide data to estimate the effect of the introduction of the clinical management system on service utilization.
- b. To complete this task the Contractor shall determine the sample size required for the chart review ensuring that samples will be drawn from each population that will be included in the behavioral health partnership; determine the qualifications of the chart reviewers; design the chart review instrument and review protocol; train the chart reviewers selected by the partner agencies and analyze the data from the chart reviews and incorporate it into modeling cost and utilization patterns that the partner agencies expect to occur under the behavioral health partnership. To assist in the completion of this task the partner agencies shall be required to select the individuals to perform the chart reviews.
- c. **Deliverable 9–** On or before April 30, 2002 the Contractor shall provide the partner agencies with a draft report summarizing the methodology and results for the chart review conducted for children. The partner agencies shall, within five (5) business days of the receipt of the draft provide the Contractor with written comments. The Contractor shall discuss the comments with the partner agencies and to the extent the parties have agreed shall incorporate such comments into the draft. The Contractor shall produce and deliver to the partner agencies, within five (5) business days of the receipt of the comments, but in any event no later than May 15, 2002 a final report.

- d. On or before April 30, 2002 the Contractor shall provide the partner agencies with a draft of the report summarizing the methodology and results for the chart review conducted for adults. The partner agencies shall, within five (5) business days of the receipt of the draft provide the Contractor with written comments. The Contractor shall discuss the comments with the partner agencies and to the extent the parties have agreed shall incorporate such comments into the draft. The Contractor shall produce and deliver to the partner agencies, within five (5) business days of the receipt of the comments, but in any event no later than May 15, 2002 a final report.
- e. The partner agencies and the Contractor understand that the Contractor's ability to meet the contractually mandated due dates for deliverables may be affected by the participation of each or all of the partner agencies. The Contractor agrees to inform DSS if issues arise that may, in the Contractor's reasonable judgment, prevent the Contractor from providing the deliverables in accordance with the due dates set forth herein or in accordance with the defined scope of services. DSS, and if needed, the other partner agencies shall address such issues with the Contractor and negotiate in good faith a revision of the due date and or scope of services. If, however, the Contractor fails to meet a contractually mandated deliverable due date and the partner agencies have not agreed to a revision to the deliverable due date, which agreement shall not be unreasonably withheld or delayed, the partner agencies may agree to assess a performance penalty against the price of the deliverable.

13) Phase 3 – Determination of the Impact of the Conversion Grant Funded Services to FFS Under the Medicaid Rehabilitative Option

- a. **Task 10** – Develop Projection of Medicaid Costs for Rehabilitative Services if Covered Under the Medicaid FFS Program. The purpose of this task is to determine the cost if just rehabilitative services were added for adults and if rehabilitative and selected state-funded services were added for children.
- b. To complete this task the partner agencies will have determined the level of rehabilitative services as well as selected state-funded services that would be expected to be utilized by the sample for children determined by the chart review. The Contractor will extrapolate the results to the population and estimate the expected cost.
- c. To complete this task as it applies to adults, the Contractor, as part of the chart review, will have determined the number of individuals who are presently receiving rehabilitative services through state funding and the type and amount of service being utilized. The partner agencies will provide to the Contractor the estimated cost per unit to be paid for rehabilitative services that are proposed to be covered under Medicaid FFS.

- d. **Deliverable 10** – On or before June 30, 2002 the Contractor shall provide the partner agencies with a draft of a report estimating the cost per unit of service and cost per user per month for each type or level of rehabilitative services that will be covered; projections of the number of future users of rehabilitative services; total cost estimates and a comparison of costs and users to other states. The partner agencies shall, within five (5) business days of the receipt of the draft provide the Contractor with written comments. The Contractor shall discuss the comments with the partner agencies and to the extent the parties have agreed shall incorporate such comments into the draft. The Contractor shall produce and deliver to the partner agencies, within five (5) business days of the receipt of the comments, but in any event no later than July 15, 2002 a final report.
- e. The partner agencies and the Contractor understand that the Contractor's ability to meet the contractually mandated due dates for deliverables may be affected by the participation of each or all of the partner agencies. The Contractor agrees to inform DSS if issues arise that may, in the Contractor's reasonable judgment, prevent the Contractor from providing the deliverables in accordance with the due dates set forth herein or in accordance with the defined scope of services. DSS, and if needed, the other partner agencies shall address such issues with the Contractor and negotiate in good faith a revision of the due date and or scope of services. If, however, the Contractor fails to meet a contractually mandated deliverable due date and the partner agencies have not agreed to a revision to the deliverable due date, which agreement shall not be unreasonably withheld or delayed, the partner agencies may agree to assess a performance penalty against the price of the deliverable.

14) Phase 3 – Determination of the Impact of the Conversion Grant Funded Services to FFS Under the Medicaid Rehabilitative Option

- a. **Task 11** – Estimate Future Cost Offsets to the Medicaid program and non-Medicaid behavioral health services that can be reasonably expected if rehabilitative services are covered under the Medicaid FFS program. The purpose of this task is to determine the cost offsets that might be expected to occur with the addition of rehabilitative services for adults and rehabilitative and selected state-funded services for children.
- b. To complete this task the partner agencies will have determined the level of rehabilitative services as well as selected state-funded services that would be expected to be utilized by the sample for children determined by the chart review. In Task 10 the Contractor will have extrapolated the results to the population and estimate the expected cost. In this task the Contractor shall utilize the results from Task 10 to model expected cost offsets from the use of rehabilitative services and selected state-funded services for children.
- c. To complete this task as it applies to adults, the Contractor, as part of Task 10, will have determined the number of individuals who are presently receiving

rehabilitative services through state funding and the type and amount of service being utilized. The partner agencies, as part of Task 10, will have provided to the Contractor the estimated cost per unit to be paid for rehabilitative services that are proposed to be covered under Medicaid FFS. The Contractor, in this Task 11, will use the data sources to model expected cost offsets for the rehabilitative services that are proposed to be covered under the Medicaid FFS.

- d. **Deliverable 11** – On or before June 30, 2002 the Contractor shall provide the partner agencies with a draft of a report containing the cost offset estimates for Medicaid behavioral health services and cost estimates for the non-Medicaid behavioral health services. The partner agencies shall, within five (5) business days of the receipt of the draft provide the Contractor with written comments. The Contractor shall discuss the comments with the partner agencies and to the extent the parties have agreed shall incorporate such comments into the draft. The Contractor shall produce and deliver to the partner agencies, within five (5) business days of the receipt of the comments, but in any event no later than July 15, 2002 a final report.
- e. The partner agencies and the Contractor understand that the Contractor's ability to meet the contractually mandated due dates for deliverables may be affected by the participation of each or all of the partner agencies. The Contractor agrees to inform DSS if issues arise that may, in the Contractor's reasonable judgment, prevent the Contractor from providing the deliverables in accordance with the due dates set forth herein or in accordance with the defined scope of services. DSS, and if needed, the other partner agencies shall address such issues with the Contractor and negotiate in good faith a revision of the due date and or scope of services. If, however, the Contractor fails to meet a contractually mandated deliverable due date and the partner agencies have not agreed to a revision to the deliverable due date, which agreement shall not be unreasonably withheld or delayed, the partner agencies may agree to assess a performance penalty against the price of the deliverable.

15) Phase 4 – Determination of the Impact of the Introduction of a Clinical Management System

- a. **Task 12** – Develop Clinical Management Administrative Cost Estimate and Projection of State Administrative Infrastructure Needs for Behavioral Health Partnership. The purpose of this task is to determine the cost of the clinical management and claims processing systems and the functions and estimated capacity required by the partner agencies to administer the behavioral health partnership.
- b. To complete this task the Contractor will estimate the cost of the clinical management vendor by a vendor survey validated by cost estimates based on the requirements of the behavioral health partnerships and the experience of other states; estimate the claims volume by population to assist the partner agencies in

determining the cost of claims administration and describe the functions required in the partner agencies to administer the behavioral health partnership and estimate the staff capacity required to perform these functions.

- c. **Deliverable 12** – On or before April 30, 2002 the Contractor shall provide the partner agencies with a draft report containing an estimate of the clinical management vendor administrative cost, an estimate of the volume of claims by population and a description of the functions and the capacity required for the partner agencies to administer the behavioral health partnership. The partner agencies shall, within five (5) business days of the receipt of the draft provide the Contractor with written comments. The Contractor shall discuss the comments with the partner agencies and to the extent the parties have agreed shall incorporate such comments into the draft. The Contractor shall produce and deliver to the partner agencies, within five (5) business days of the receipt of the comments, but in any event no later than May 15, 2002 a final report.
- d. The partner agencies and the Contractor understand that the Contractor’s ability to meet the contractually mandated due dates for deliverables may be affected by the participation of each or all of the partner agencies. The Contractor agrees to inform DSS if issues arise that may, in the Contractor’s reasonable judgment, prevent the Contractor from providing the deliverables in accordance with the due dates set forth herein or in accordance with the defined scope of services. DSS, and if needed, the other partner agencies shall address such issues with the Contractor and negotiate in good faith a revision of the due date and or scope of services. If, however, the Contractor fails to meet a contractually mandated deliverable due date and the partner agencies have not agreed to a revision to the deliverable due date, which agreement shall not be unreasonably withheld or delayed, the partner agencies may agree to assess a performance penalty against the price of the deliverable.

16) Phase 4 – Determination of the Impact of the Introduction of a Clinical Management System

- a. **Task 13** – Estimate Future Cost Offsets and Potential Cost Increases to the Medicaid Program and Non-Medicaid Behavioral Health Services Than Can Reasonably Be Expected Due to the Proposed Clinical Management Program. This task involves the addition of clinical management services to services provided under the rehabilitative option to determine the cost and offsets of the combination of all services that are part of the behavioral health partnership.
- b. In earlier tasks the Contractor will have determined the “clinical appropriateness” of services presently being provided through the partner agencies’ multiple funding streams and the type and amount of service be utilized. In addition, with the completion of earlier tasks the Contractor will have applied the partner agencies’ medical necessity criteria to those services during the chart review, determined the results and matched eligibility files. The partner agencies will

have estimated the cost per unit to be paid for rehabilitative services. To complete this Task 12, the Contractor shall utilize the data sources identified in this subsection b to determine the impact of the clinical management program on the utilization and cost of all services covered by the partnership. The Contractor shall also analyze administrative offsets that might result from efficiencies such as a reduction in the number of clinical management vendors.

- c. **Deliverable 13** – On or before June 30, 2002 the Contractor shall provide the partner agencies with a draft report containing projections of the number of future users of case management services by level of service; estimates of cost offsets and/or increases for Medicaid behavioral health services; estimates of cost offset and/or increases for non-Medicaid behavioral health services and estimates of cost offsets and/or increases for administration. The partner agencies shall, within five (5) business days of the receipt of the draft provide the Contractor with written comments. The Contractor shall discuss the comments with the partner agencies and to the extent the parties have agreed shall incorporate such comments into the draft. The Contractor shall produce and deliver to the partner agencies, within five (5) business days of the receipt of the comments, but in any event no later than July 15, 2002 a final report.
- d. The partner agencies and the Contractor understand that the Contractor's ability to meet the contractually mandated due dates for deliverables may be affected by the participation of each or all of the partner agencies. The Contractor agrees to inform DSS if issues arise that may, in the Contractor's reasonable judgment, prevent the Contractor from providing the deliverables in accordance with the due dates set forth herein or in accordance with the defined scope of services. DSS, and if needed, the other partner agencies shall address such issues with the Contractor and negotiate in good faith a revision of the due date and or scope of services. If, however, the Contractor fails to meet a contractually mandated deliverable due date and the partner agencies have not agreed to a revision to the deliverable due date, which agreement shall not be unreasonably withheld or delayed, the partner agencies may agree to assess a performance penalty against the price of the deliverable.

17) Phase 5 – Integration of the Analyses

- a. **Task 14** – Develop Projection of Net State and Federal Costs That Can Reasonably Be Expected From the Behavioral Health Partnership. This task integrates the results of the earlier tasks to produce a total budgetary impact statement of several different options of interest to the partner agencies.
- b. To complete this Task 14, the Contractor shall combine all previous financial analyses to determine the overall budgetary impact of the behavioral health partnership; the total costs of the child and adult components will be determined separately; the cost of introducing only clinical management will be shown and

recommendations will be made regarding options to pursue and major implementation issues will be discussed.

- c. **Deliverable 14** – On or before June 30, 2002 the Contractor shall provide the partner agencies with a draft report containing a summary of all financial analyses and the overall budgetary impact of the behavioral health partnership. The partner agencies shall, within five (5) business days of the receipt of the draft provide the Contractor with written comments. The Contractor shall discuss the comments with the partner agencies and to the extent the parties have agreed shall incorporate such comments into the draft. The Contractor shall produce and deliver to the partner agencies, within five (5) business days of the receipt of the comments, but in any event no later than July 15, 2002 a final report.
- d. The partner agencies and the Contractor understand that the Contractor's ability to meet the contractually mandated due dates for deliverables may be affected by the participation of each or all of the partner agencies. The Contractor agrees to inform DSS if issues arise that may, in the Contractor's reasonable judgment, prevent the Contractor from providing the deliverables in accordance with the due dates set forth herein or in accordance with the defined scope of services. DSS, and if needed, the other partner agencies shall address such issues with the Contractor and negotiate in good faith a revision of the due date and or scope of services. If, however, the Contractor fails to meet a contractually mandated deliverable due date and the partner agencies have not agreed to a revision to the deliverable due date, which agreement shall not be unreasonably withheld or delayed, the partner agencies may agree to assess a performance penalty against the price of the deliverable.

18) Confidentiality

- a. All Data provided to the Contractor by any or all of the partner agencies or acquired by Contractor in performance of the Contract whether verbal, written, recorded magnetic media, cards or otherwise shall be regarded as confidential information and all reasonably necessary steps shall be taken by the Contractor to safeguard the confidentiality of such Data in conformance with federal and state statutes and regulations. The Contractor agrees not to release any Data provided by any or all of the partner agencies or acquired by Contractor in performance of the Contract or any Data generated by the Contractor without the advance express consent of each of the partner agencies in conformance with Federal and state statutes and regulations, including but not limited to the Health Insurance Portability and Accountability Act. The foregoing confidentiality obligation shall not apply to any material, data or information which (i) at the time disclosed to, or obtained by, the Contractor is in the public domain; (ii) becomes part of the public domain through no fault of the Contractor; (iii) was communicated to the Contractor by a third party who is not, to the Contractor's knowledge, subject to any confidentiality obligations with respect thereto; (iv) is independently developed by the Contractor; or (v) is required to be disclosed by the Contractor

pursuant to any statute, regulation, order, subpoena or document discovery request.

- b. The Contractor shall immediately notify the partner agencies, both orally and in writing, if any material and information in the Contractor's possession is subpoenaed, improperly used, copied or removed by anyone except an authorized representative of the Department. In addition, the Contractor shall immediately notify the partner agencies of any Freedom of Information requests pursuant to Section 1-210 of the Connecticut General Statutes, relating to material and information under this contract amendment and shall consult with the partner agencies regarding a response.
 - c. All Data that is published for distribution outside of any or all of the partner agencies or Contractor's organizations, including but not limited to documents, reports prepared during and/or resulting from the performance of services under this Contract shall include the following statement: "The preparation of this (report or document, etc.) was financed under an agreement with the Connecticut Department of Social Services and Department of Children and Families."
 - d. Except as set forth in this section the Contractor may not publish or seek registration of a copyright in any Data received and/or developed during the term of this Contract without the prior written approval of each of the partner agencies. Each of the partner agencies and the Federal Government shall have the right to publish, duplicate, use and disclose all such Data received and/or developed during the term of this Contract in any manner, and for any purpose whatsoever, and may authorize others to do so.
 - e. The Contractor shall at all times obtain the prior written approval from each of the partner agencies before it, any of its officers, agents, employees or subcontractors issues a press release or makes any comment or other statement to any print, television or electronic media concerning this Contract or the Behavioral Health Partnership.
 - f. If the Contractor or any of its subcontractors publishes a work intended and suitable (as determined by Contractor) for distribution outside of Contractor's or its subcontractor's organizations dealing with any aspect of performance under this Contract, or of the results and accomplishments attained in such performance, each partner agency shall have a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use the publication for internal partner agency purposes.
 - g. It is expressly understood and agreed that the obligations of this Section 17 shall survive the termination of the contract.
- 19) Ownership of Data and Software: All data acquired by the Contractor and databases developed by the Contractor with data acquired by the Contractor from any or all of

the partner agencies at the expense of any or all of the partner agencies in the performance of this contract shall be and remain the property of the partner agency that supplied the data to the Contractor. Each of the partner agencies shall have unrestricted ownership rights to the data that they supplied to the Contractor, and any databases and related materials prepared, acquired, designed, developed or improved by the Contractor for the partner agencies for delivery to any or all of the partner agencies under this contract. Unrestricted ownership rights under this contract includes the right to use, disclose or duplicate all such databases and related materials in whole or in part in any manner and for any purpose without compensation to or approval by the Contractor. The Contractor shall, throughout the term of this contract maintain any and all data and databases acquired or developed by the Contractor specifically and exclusively for the partner agencies under the terms of this contract. Upon the termination of this contract, or earlier if directed by the partner agencies, the Contractor agrees to transition the maintenance of such data and databases to the partner agencies or to a third-party designated by the partner agencies. The terms of the transition shall be set forth in a contract amendment.

20) Payment Terms – Payment to the Contractor is contingent upon the delivery of a stated deliverable to the partner agencies and the partner agencies review and acceptance of the deliverable, which acceptance shall not be unreasonably withheld or delayed. The list of deliverables and payment amount allocated among the partner agencies is set forth below. It is acknowledged and agreed by the parties that the Contractor has, or shall, enter into a separate contract with DMHAS for the development of an integrated behavioral health partnership for children and adults who need behavioral health services. Although DSS, DCF and DMHAS have joined together for this initiative, it is understood and agreed that the Contractor is not required to obtain the approval of DMHAS for the deliverables set forth in this contract amendment. Furthermore, the Contractor is not required to obtain the approval of DCF and DSS for the deliverables set forth in their contract with DMHAS. For the deliverables set forth herein, the Contractor shall not be compensated for the deliverable unless and until the deliverable has been accepted by the partner agencies (defined throughout this agreement as DCF and DSS). The Contractor shall submit a single invoice for the Total Deliverable Price for Partner Agencies to the Department of Social Services. The Department of Social Services and the Department of Children and Families shall make arrangements for the transfer of funds from DCF to DSS for DCF’s share of the deliverables received and accepted by the partner agencies. The Contractor’s failure to submit or receive approval of a deliverable by the contractually mandated deliverable due date may subject the Contractor to the imposition of a performance penalty unless such failure is attributable to the acts or omissions of either of the partner agencies or other causes beyond the reasonable control of the Contractor.

Deliverable	Total Deliverable Price for Partner Agencies	DSS Share	DCF Share
1	\$6,650.00	\$3,325.00	\$3,325.00

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FINAL 2-19-02

2	\$14,152.00	\$7,076.00	\$7,076.00
3	\$6,504.00	\$3,252.00	\$3,252.00
4	\$13,658.00	\$6,829.00	\$6,829.00
5	\$174,410.00	\$87,205.00	\$87,205.00
6	\$8,633.00	\$0.00	\$8,633.00
7	\$16,791.00	\$0.00	\$16,791.00
8	\$0.00	\$0.00	\$0.00
9	\$101,906.00	\$20,000.00	\$91,906.00
10	\$78,327.00	\$0.00	\$78,327.00
11	\$66,352.00	\$0.00	\$66,352.00
12	\$5,000.00	\$2,500.00	\$2,500.00
13	\$93,226.00	\$46,613.00	\$46,613.00
14	\$29,154.00	\$14,577.00	\$14,577.00

21) Liquidated Damages – The purpose of liquidated damages is to ensure adherence to the deliverable schedule set forth in this contract. No punitive intention is inherent. It is agreed by the Contractor and the partner agencies that in the event of a failure to meet the stated deliverable due date that damage may be sustained by the partner agencies and that it may be impractical and extremely difficult to ascertain and determine the actual damages which the partner agencies will sustain in the event of and by reason of such failure. It is therefore agreed that the Contractor will reduce the total price of the specific deliverable that the Contractor has failed to deliver in accordance with the terms of this contract, and such failure is solely attributable to the acts or omissions of the Contractor, by the amounts set forth below. The partner agencies will determine their share of the deliverable cost as reduced.

- a) Up to five hundred dollars (\$500.00) damages per work day, or any part thereof, may be assessed for each of the first ten (10) calendar days of delay of the deliverable;
- b) Up to one thousand dollars (\$1,000) damages per work day, or any part thereof, may be assessed for each of the next thirty (30) calendar days of delay; and
- c) The partner agencies may assess damages for delays exceeding forty (40) calendar days up to the total price of the deliverable.
- d) The total damages assessed shall not exceed the total price of the deliverable.
- e) The Contractor shall remain obligated to the performance of the contract terms but may appeal the imposition of damages to the Commissioners of the partner agencies. The decision of the Commissioners shall be final.

22) Notices – Notices and deliverables pertaining to the scope of work covered by this amendment shall be directed by the Contractor to:

- a) The Department of Social Services
25 Sigourney Street
Hartford, CT 06106
Attention: Mark Schaefer, PhD
Manager of Behavioral Health

Mercer Amendment # 2 - Behavioral Health
FINAL 2-19-02

Phone: (860) 424-5067
E-mail: mark.schaefer@po.state.ct.us

b) With a copy to:

The Department of Social Services
25 Sigourney Street
Hartford, CT 06106
Attention: Kathleen M. Brennan
Contract Administration
Phone: (860) 424-5963
E-mail: kathleen.brennan@po.state.ct.us

c) And copies to:

The Department of Children and Families
505 Hudson Street
Hartford, CT 06106
Attention: Lou Ando
Phone (860) 550-6550
E-mail: lou.ando@po.state.ct.us

and

Barry Sullivan
Phone (860) 550-6617
E-mail: barry.sullivan@po.state.ct.us

Certificate of the Secretary

of

William M. Mercer, Incorporated

I, William C. Fagan, do hereby certify that I am the duly elected Secretary of William M. Mercer, Incorporated, and further that Steven P. Schramm is a duly elected Principal of William M. Mercer, Incorporated as of the date hereof and in such capacity is authorized to execute contracts, agreements, applications and other documents on behalf of the company.

IN WITNESS WHEREOF, I have hereunder set my hand and the seal of the Corporation this 25th day of February, 2002.



William C. Fagan

**PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT**

CO-802A REV. 3/98 (Stock No. 6938-170-01)

Print or Type

**OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION**

1. THE STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-8 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.

		(1) ORIGINAL <input type="checkbox"/> AMENDMENT <input checked="" type="checkbox"/> 2		(2) IDENTIFICATION NO. PS 7846100	
(3) CONTRACTOR NAME William M. Mercer, Inc.		(4) ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>			
(3) CONTRACTOR ADDRESS 3131 East Camelback Road, Suite 300, Phoenix, AZ 85016		(5) CONTRACTOR FEIN/SSN 132-83-4414			
(5) AGENCY NAME AND ADDRESS Dept. of Social Services, 25 Sigourney Street, Hartford, CT 06106		(6) AGENCY NO 6100			
(7) DATE (FROM) 04/01/97		THROUGH (TO) 6/30/03		(8) INDICATE MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO <input type="checkbox"/> NEITHER <input checked="" type="checkbox"/>	
CANCELLATION CLAUSE		THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).			(9) REQUIRED NO. OF DAYS WRITTEN NOTICE 15

COMPLETE DESCRIPTION OF SERVICE

(10) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.)
 Extend the term of the original contract as amended for an additional term of two (2) years through June 30, 2003. Throughout the term of this contract, as amended, the Contractor shall provide rate setting and actuarial services for the Department as described in the tasks set forth on pages two (2) through eighteen (18) of this amendment. All other terms and conditions from the original contract as previously amended that have not been amended herein, shall remain in full force and effect.

COST AND SCHEDULE OF PAYMENT

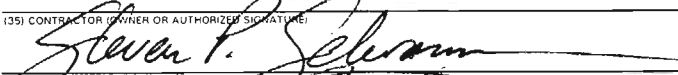
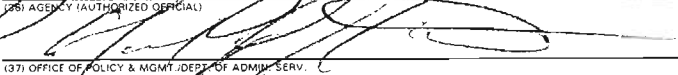
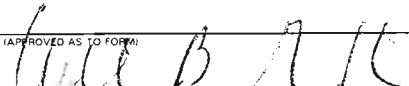
(11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.
 The contract maximum shall be increased by \$9,515,328 for a new contract maximum of \$13,245,924.00. Payments to the Contractor shall be based on the actual number of hours worked at the all-inclusive rates set forth in Section III (page 18) of this amendment. Payments shall be made in accordance with Section III - 3 "Revised Budget and Payment Provisions" on pages nineteen (19) through twenty-one (21) of this amendment.

(12) ACT CD C	(13) DOC TYP AA	(14) COM TY P PS	(15) LSE. TYP.	(16) ORIG AGCY 6100	(17) DOCUMENT NO. 027846100	(18) COMMIT AGCY 6100	(19) COMMIT NO. 7846100	(20) VENDOR FEIN/SSN - SUFFIX 132-83-4414-01
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(21) COMMITTED AMOUNT \$2,000,000	(22) OBLIGATED AMOUNT \$ 9,515,328	(23) CONTRACT PERIOD (FROM/TO) 4/01/97 - 6/30/03
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(24) ACT CD	(25) COMM. LINE NO	(26) COMMITTED AMOUNT	(27) COMM AGCY.	(28) COST CENTER		(29) OBJECTIVE	(30) AGENCY TAIL			(33) FY
				FUND	SID		(30) FUNCTION	(31) ACTIVITY	(32) EXTENSION	
C	1	\$ 187,656.00	6100	0	002	02230	4410	0	0	01
C	4	\$1,424,441.00	6100	0	002	02230	3350	0	0	01
C	5	\$ 341,955.00	6100	0	002	02230	3300	0	0	01
C	6	\$ 45,948.00	6100	0	002	02230	3240	0	0	01
			6100							

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS		(34) STATUTORY AUTHORITY §§ 4-8, 17b-3	
(35) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) 		TITLE PRINCIPAL	DATE 5/18/01
(36) AGENCY (AUTHORIZED OFFICIAL) 		TITLE Michael P. Starkowski, Deputy Commissioner	DATE 5/23/01
(37) OFFICE OF POLICY & MGMT. (DEPT. OF ADMIN. SERV.)		TITLE	DATE
(38) ATTORNEY GENERAL (APPROVED AS TO FORM) 		TITLE Assoc. Atty. General	DATE 6/1/01

1. THE STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-8B OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.

		11 ORIGINAL <input type="checkbox"/> AMENDMENT <input checked="" type="checkbox"/> 2		12 IDENTIFICATION NO. PS 7846100	
CONTRACTOR		13 CONTRACTOR NAME William M. Mercer, Inc.		14 ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	
		CONTRACTOR ADDRESS 3131 East Camelback Road, Suite 300, Phoenix, AZ 85016		CONTRACTOR PHONE 132-83-4414	
STATE AGENCY		15 AGENCY NAME AND ADDRESS Dept. of Social Services, 25 Sigourney Street, Hartford, CT 06106		16 AGENCY NO. 6100	
CONTRACT PERIOD		17 DATE FROM 04/01/97	18 THROUGH (TO) 6/30/03	19 INDICATE MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO <input type="checkbox"/> NEITHER <input checked="" type="checkbox"/>	
CANCELLATION CLAUSE		THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).			20 REQUIRED NO. OF DAYS WRITTEN NOTICE. 15

21 CONTRACTOR AGREES TO: *(Exclude special provisions - Attach additional Mark sheets if necessary.)*
Extend the term of the original contract as amended for an additional term of two (2) years through June 30, 2003. Throughout the term of this contract, as amended, the Contractor shall provide rate setting and actuarial services for the Department as described in the tasks set forth on pages two (2) through eighteen (18) of this amendment. All other terms and conditions from the original contract as previously amended that have not been amended herein, shall remain in full force and effect.

22 PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.
The contract maximum shall be increased by \$9,515,328 for a new contract maximum of \$13,245,924.00. Payments to the Contractor shall be based on the actual number of hours worked at the all-inclusive rates set forth in Section III (page 18) of this amendment. Payments shall be made in accordance with Section III - 3 "Revised Budget and Payment Provisions" on pages nineteen (19) through twenty-one (21) of this amendment.

23 ACT CD C	24 DOC TYP AA	25 COM TY P PS	26 ORG. AGCY 6100	27 DOCUMENT NO. 027846100	28 COMBAT AGCY 6100	29 COMBAT NO. 7846100	30 VENDOR PERMISH - SUFFIX 132-83-4414-01
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31 COMMITTED AMOUNT \$ 4.00	32 OBLIGATED AMOUNT \$ 9,515,328	33 CONTRACT PERIOD FROM/TO 4/01/97 - 6/30/03
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34 ACT CD	35 COMB. LINE NO.	36 COMMITTED AMOUNT	37 COMB. AGCY.	38 COST CENTER		39 OBJECTIVE	40 AGENCY TAG.			41 FY
				42 FUND	43 S/D		44 FUNCTION	45 ACTIVITY	46 EXTENSION	
C	1	\$ 1.00	6100	0	002	02230	4410	0	0	01
A	4	\$ 1.00	6100	0	002	02230	3350	0	0	01
A	5	\$ 1.00	6100	0	002	02230	3300	0	0	01
A	6	\$ 1.00	6100	0	002	02230	3240	0	0	01
			6100							

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS		341 STATUTORY AUTHORITY §§ 4-8, 17b-3	
35 CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) <i>Steven P. Schramm</i>		TITLE PRINCIPAL	DATE 5/18/2001
36 AGENCY (AUTHORIZED OFFICIAL) <i>Michael P. Starkowski</i>		TITLE Michael P. Starkowski, Deputy Commissioner	DATE 5/25/01
37 OFFICE OF POLICY & MGMT/DEPT. OF ADMIN. SERV.		TITLE	DATE
38 AGENCY GENERAL APPROVED AS TO FORM <i>Will B. ...</i>		Assoc Atty General	DATE 6/1/01

Part I. ACTUARIAL RATE SETTING SERVICES

The Contractor, throughout the term of this contract or as otherwise stated herein, shall provide actuarial rate setting services to the Department for the following projects in accordance with the tasks and deliverables set forth herein and/or as otherwise directed by the Department:

I-A. PROGRAM: HUSKY A SFY02 ACTUARIAL RATE SETTING SERVICES

1. **TASK: HUSKY A Rates**
2. **DESCRIPTION:**

The Contractor shall work in collaboration with the Department's to develop capitation rate ranges for the HUSKY A (Medicaid) program for State Fiscal Year (SFY) 02. The Contractor shall analyze each of the participating Medicaid Managed Care Plan's (hereinafter individually referred to as a "health plan" or collectively as the "health plans") encounter and financial data from the period July 1, 2000 through June 30, 2001 for purposes of developing new base capitation rates, developing trend factors, evaluating the appropriateness of the administrative cost component of the SFY 01 capitation rates, and any other analyses that, in the opinion of the Contractor, may improve the accuracy of the capitation rates as related to the risk of the HUSKY A population. The Contractor shall provide written recommendations to the Department regarding any changes to the capitation rate cell structure.
3. **DELIVERABLES: The Contractor shall provide the Department with the following deliverables:**
 - a. Encounter data summarization reports for each health plan by capitation rate cell;
 - b. Written recommendations regarding changes to the capitation rate cell structure;
 - c. Financial data summarization reports for each health plan;
 - d. Trend assumptions by capitation rate cells (included in capitation rate ranges exhibits);
 - e. Adjustments to capitation rates for programmatic changes (included in capitation rate ranges exhibits);
 - f. Capitation rate ranges exhibits for all capitation rate cells including amounts of any managed care savings and administrative load assumptions;
 - g. Capitation Rate certification letter; and
 - h. Responses to any questions from health plans regarding development of capitation rate ranges.

The Contractor and the Department agree that the due dates for each of the deliverables set forth herein shall be scheduled and agreed to by the parties following the Department's direction to the Contractor to begin this task.

4. ISSUES THAT MAY AFFECT THE CONTRACTOR'S ABILITY TO PRESENT THE DELIVERABLES SET FORTH IN PARAGRAPH 3 ABOVE:

- a. Health Plan encounter data needs to improve in order for the Contractor to use for the development of base capitation rates;
- b. Additional reporting by the health plans will be required in order for the Contractor to fully use financial data; and
- c. The Department must provide the Contractor with supporting documentation regarding any programmatic, enrollment or contracting changes to the HUSKY A program.

The Contractor shall inform the Department if issues, including but not limited to those listed in items 4a through 4c, arise that may, in the Contractor's reasonable judgment, prevent the Contractor from providing the deliverables to the Department in a timely manner. The Department agrees to address such issues with the Contractor and may agree to revise the deliverable due date.

I-B. PROGRAM: HUSKY A

1. TASKS: HUSKY Reinsurance

2. DESCRIPTION:

- a. The Contractor shall assist the Department in the design, development and implementation of automated tools for processing reinsurance claims under the Department's HUSKY A program.
- b. The Contractor shall utilize its web-based submissions tool to assist the Department with the further development of an automated reinsurance claims process that includes, but may not be limited to the following features:
 - i. Claims submissions and payment process;
 - ii. Recoupment process;
 - iii. Reporting features for reporting, management and payment; and
 - iv. Auditing and monitoring tools
- c. To ensure that claims submitted to the Department are eligible for reinsurance the Contractor, through the periodic HUSKY A eligibility and verification process, shall assist the Department with the validation of the claims.

3. DELIVERABLES: The Contractor shall provide the Department with the following deliverables:

- a. A draft report addressing operational issues for claim submission, payment and recoupment;
- b. A final report addressing operational issues for claim submission, payment and recoupment;
- c. Identification of reporting tools for claim submission, payment and recoupment, with supporting narrative;
- d. Scheduled reports to demonstrate that the submitted claims are eligible for reinsurance payments because the claimants were/are eligible for HUSKY; and
- e. The development of a process for reconciliation between submitted reinsurance claims and health plan encounter data submissions.

The Contractor and the Department agree that the due dates for each of the deliverables set forth herein shall be scheduled and agreed to by the parties following the Department's direction to the Contractor to begin this task.

4. ISSUES:

The Timing of deliverables and scope of services may be affected by:

- a. Ability of MCOs to adapt to changing reinsurance processes; and
- b. Changing priorities for reinsurance within the Department (e.g. the changing nature of the reinsurance program over time).

The Contractor shall inform the Department if issues, including but not limited to those listed in items 4a through 4b, arise that may, in the Contractor's reasonable judgment, prevent the Contractor from providing the deliverables to the Department in a timely manner or in accordance with the defined scope of services. The Department agrees to address such issues with the Contractor and may agree to revise the deliverable due date and/or scope of services accordingly.

I-C. PROGRAM: HUSKY A AND HUSKY B

1. TASK: Financial Monitoring SFY02 - Manual of Financial Monitoring Standards and Process (see related Task: MCO Reviews)

2. DESCRIPTION:

The Contractor shall assist the Department in the design, development, and implementation of a financial monitoring process to allow the Department to more effectively manage the HUSKY A and HUSKY B programs.

The financial monitoring process shall include, but may not be limited to a review of the HUSKY A and HUSKY B contracts between the health plans and the Department for:

- a. The Health Plans' reporting to the Department;
- b. The contractual Solvency Standards;
- c. Solvency Monitoring; and

- d. The Department's roles/responsibilities.

The health plans reporting to the Department will be coordinated with the Department's reporting to other entities (e.g., managed care council) and the health plan's reporting to other State agencies (e.g., Department of Insurance).

3. DELIVERABLES: The Contractor shall provide the Department with the following deliverables:
 - a. A written inventory of financial information/data provided to the health plans by the Department and from the health plans to the Department ;
 - b. A written assessment of the Department's use of the health plans' financial information/data;
 - c. An assessment of the health plans' use of financial information/data provided by the Department; and
 - d. A report on production, collection and use of financial information/data, including current status and future opportunities.

The Contractor and the Department agree that the due dates for each of the deliverables set forth herein shall be scheduled and agreed to by the parties following the Department's direction to the Contractor to begin this task.

4. ISSUES :

The Contractor agrees to inform the Department if issues arise that may, in the Contractor's reasonable judgment, prevent the Contractor from providing the deliverables to the Department in a timely manner or in accordance with the defined scope of services. The Department agrees to address such issues with the Contractor and may agree to revise the deliverable due date and/or scope of services accordingly.

I-D. PROGRAM: HUSKY A

1. TASK: Encounter Data Management – Contractor's completion of this task shall include a review of the following for each health plan:

- a. Encounter Processing;
- b. Eligibility Data Loading;
- c. Provider Data Loading;
- d. Reports to the Department ;
- e. Reports to Vendors identified by the Department including, but not necessarily limited to the Children's Health Council and Qualidigm; and

Any other reports produced by the health plan, identified by the Department or Contractor and agreed to by the Department.

2. DESCRIPTION:

- a. The Contractor shall receive from and validate each of the health plan's encounter data submitted by the health plan in accordance with the terms of the HUSKY A contract between the Department and the health plan. Encounters are records of health care services rendered to a Medicaid managed care member enrolled in a health plan ("records" and/or "encounter data"). Encounter data provides the Department with vital information for the management and monitoring of the HUSKY A program. The Contractor shall review:
 - i. Encounter processing - Health Plans are required, by the terms of the HUSKY A contract by and between the health plan and the Department, to submit encounter data on a monthly basis to the Contractor. The Contractor shall validate the encounter data and develop an encounter data summary report for each health plan. It is the understanding of the parties that the encounter data processing work completed on a monthly basis by Contractor results in the provision of 'clean' encounter data to the Department. The "clean" encounter data is utilized by the Department to:
 - a. Fulfill HCFA encounter data requirements;
 - b. Update and set capitation rates;
 - c. Evaluate program effectiveness;
 - d. Monitor quality of care by the health plans;
 - e. Monitor utilization levels and patterns by the health plans; and
 - f. Monitor access to care.
 - ii. Eligibility Data Loading - Medicaid eligibility files from the Department are loaded on to the Eligibility Data Warehouse on a weekly (adjustments) and monthly (base data) basis. The Medicaid eligibility file data is used to verify that the health care services provided, as recorded through the encounter data, were provided to eligible Medicaid managed care members enrolled in a participating health plan. The eligibility files are required in order to process the health plan encounter data.
 - iii. Provider Data Loading - Health plans are required to submit provider files to the Contractor on an as-needed basis. The provider file data is used to verify that the health care services provided, as recorded through the encounter data, were provided by an eligible Medicaid provider. The provider files are required in order to process the health plan encounter data.
3. DELIVERABLES: The Contractor shall provide the Department with the following deliverables:

- a. Monthly encounter data processing reports to the Department and the Department's vendors identified by the Department including but not necessarily limited to Qualidigm and the Children's Health Council. Those reports are:
 - i. The Encounter Data Processing Summary Report - the number of encounter data records submitted by each health plan and the number of records that were rejected due to failure to pass the critical edits built into encounter processing.
 - ii. Processing Log - the number of encounter data files submitted by each health plan and the date of submission. This report is utilized by the Department to track the timeliness of data submission by the health plan.
 - iii. Sanction/Aging Report - the number of rejected encounter data records corrected by the health plan within 30/60/90/120 days and the number of rejected records that remain outstanding.
- b. The Contractor shall, in accordance with the stated frequency, provide the Department, or its identified agent, with the following reports:
 - i. Monthly Lag Report: - the monthly lag report measures the time period from the end date of service to the health plans' date of recovery for claims. The lag report is utilized by the Department to determine how quickly providers are being paid.
 - ii. Weekly Statement of Medical Assistance Report (SOMA): the weekly SOMA report provides information that assists the Department in recovering accident insurance coverage dollars for medical claims.
 - iii. Monthly Third Part Liability Report (TPL): the monthly TPL report is an extract of encounter data sent to the Department's TPL recovery vendor.
 - iv. Quarterly Management (Decision Support) Encounter Data Reporting Package: –This reporting package is a summary of reports from encounter data focused on the health plan's management indicators, including, but not limited to utilization by category of health service, prevalence rates and trends. These reports are used by the Department to monitor and manage the health plan contracted services.
- c. The Contractor shall , in accordance with the stated frequency, provide each of the health plans with the following reports :
 - i. Monthly Error Summary Report: –this report provides individual health plan and health plan vendor results for each encounter record file submitted.

- ii. Monthly Sanction/Aging Report: –this report provides the number of rejected records corrected by the health plan within 30/60/90/120 days and the number of rejected records that remain outstanding.
 - d. The Contractor and the Department agree that the due dates for each of the deliverables set forth herein shall be scheduled and agreed to by the parties following the Department's direction to the Contractor to begin this task.
4. ISSUES:
The health plans' compliance with encounter submission and reporting requirements may affect timing of deliverables. The Contractor shall inform the Department if issues, including but not limited to the issue listed herein, arise that may, in the Contractor's reasonable judgment, prevent the Contractor from providing the deliverables to the Department in a timely manner or in accordance with the defined scope of services. The Department agrees to address such issues with the Contractor and may agree to revise the deliverable due date and/or scope of services accordingly.

I-E. PROGRAM: CONNECTICUT LIFELONG CARE (CTLIC)

- 1. TASK: Rate Setting
- 2. DESCRIPTION: The Contractor shall, in conjunction with the Department, design the CTLIC program to meet the Department's goals and the parameters established by HCFA. The program design shall include, but may not be limited to the development of capitation rate categories and corresponding capitation rates. The Contractor shall also provide technical assistance to the Department's CTLIC providers.
- 3. DELIVERABLES: The Contractor shall provide the Department with the following deliverables:
 - a. A written risk analysis of CTLIC;
 - b. Capitation rate categories;
 - c. Draft capitation rates; and
 - d. Final capitation rates.
 - e. The Contractor and the Department agree that the due dates for each of the deliverables set forth herein shall be scheduled and agreed to by the parties following the Department's direction to the Contractor to begin this task.
- 4. ISSUES:
Conflicting department priorities. The Contractor shall inform the Department if issues, including but not limited to the issue listed herein, arise that may, in the Contractor's reasonable judgment, prevent the Contractor from providing the deliverables to the Department in a timely manner or in accordance with the

defined scope of services. The Department agrees to address such issues with the Contractor and may agree to revise the deliverable due date and/or scope of services accordingly.

Part II. ACTUARIAL CONSULTING ASSISTANCE

The Contractor, throughout the term of this contract or as otherwise stated herein, shall provide actuarial consulting services to the Department for the following projects in accordance with the tasks and deliverables set forth herein and as otherwise directed by the Department:

II-A. PROGRAM: HUSKY A HEALTH PLANS

1. **TASK:** Health Plan Reviews (on-site). The Contractor shall:
 - a. Perform on-site reviews of each of the HUSKY A health plans; and
 - b. Incorporate findings from the on-site reviews in the HUSKY A capitation rate setting and contract negotiation processes.

2. **DESCRIPTION:**
 - a. The Contractor shall, in conjunction with Department staff, conduct on-site or desk operational and/or financial reviews of each of the HUSKY A health plans for selected areas of focus. As of the development of the scope of work the HUSKY A health plans are: FirstChoice, PHS Health Options, Blue Care Family Plan and Community Health Network ("CHN").

 - b. The on-site operational and financial review shall provide the Department with a baseline report on each of the health plan's capabilities/position in the following areas:
 - i. Organizational Structure;
 - ii. Oversight of Subcontracted Vendors;
 - iii. Medical Utilization Management (Outpatient, Inpatient, and UR data);
 - iv. Medical Case Management;
 - v. Health Education and Outreach;
 - vi. Pharmacy;
 - vii. Quality Management;
 - viii. Member Services;
 - ix. Provider Relations;
 - x. Management Information Services;
 - xi. Financial Management;
 - xii. Reporting Capabilities;
 - xiii. Encounter Capabilities; and
 - xiv. Fiscal Solvency.

- c. The Contractor shall, unless otherwise directed by the Department, collect and review off-site material, conduct a focused desk reviews or two-day on-site visit, draft a report, collect Department team input and finalize the report for each health plan.
 - d. The findings shall be used by the Contractor and the Department to:
 - i. Verify health plan status and if necessary re-forecast financial positions;
 - ii. Assist with rate setting data collection and validation; and
 - iii. Supplement data for contract negotiation and on-going management.
3. **DELIVERABLES:** The Contractor shall provide the Department with the following deliverables for each HUSKY A health plan under review:
- a. Health Plan Review Schedule;
 - b. Pre-site Information Request Document;
 - c. Draft Interview Guide;
 - d. Final Interview Guide;
 - e. Pre-site Document Findings;
 - f. On-site Review;
 - g. Draft Report and Debrief; and
 - h. Final Report addressing operational and financial capabilities by each Health Plan.

The Contractor and the Department agree that the due dates for each of the deliverables set forth herein shall be scheduled and agreed to by the parties following the Department's direction to the Contractor to begin this task.

4. **ISSUES:** The deliverables and timing may be affected by the Department's priorities, ability to define the Department's desired outcomes and link with the reviews required to be performed by Qualidigm, the Department's External Quality Review Organization (EQRO). The Contractor agrees to inform the Department if issues arise, including but not limited to the issue set forth herein, that may, in the Contractor's reasonable judgment, prevent the Contractor from providing the deliverables to the Department in a timely manner or in accordance with the defined scope of services. The Department agrees to address such issues with the Contractor and may agree to revise the deliverable due date and/or scope of services accordingly.

II-B. PROGRAM: HUSKY A HEALTH PLANS

1. **TASK:** HUSKY A Health Plan Reporting Review
2. **DESCRIPTION:**
 - a. The Contractor, in conjunction with Department staff, shall review and revise the Health Plans HUSKY A contract reporting requirements and document the Department reporting requirements to external stakeholders.

- b. The Contractor's review shall include, but may not be limited to:
 - i. The health plans' reporting requirements to the Department as set forth in the health plans' HUSKY A contract with the Department effective July 1, 2001;
 - ii. The process of the Department's review and use of collected health plan data;
 - iii. Identification of the Departments reporting needs for external stakeholders; and
 - iv. Documentation of the interrelation of the results from ii and iii.
 - c. The parties agree that the goals of this task are to provide:
 - i. SFY02 up-to-date baseline documentation of the data received from health plans , including but not necessarily limited to timing, purpose, responsible party, use, and feedback; and
 - ii. Baseline documentation of the reports/data requested from the Department by external stakeholders.
3. DELIVERABLES: The Contractor shall provide the Department with the following deliverables:
- a. An analysis of the current health plans' contractual reporting requirements; and
 - b. An analysis of the Department's current reporting requirements to external stakeholders.

The Contractor and the Department agree that the due dates for each of the deliverables set forth herein shall be scheduled and agreed to by the parties following the Department's direction to the Contractor to begin this task.

4. ISSUES: The Contractor requires access to reports produced by the health plans and the Department to complete the deliverables set forth herein. The Contractor agrees to inform the Department if issues arise, including but not limited to the issue set forth herein, that may, in the Contractor's reasonable judgment, prevent the Contractor from providing the deliverables to the Department in a timely manner or in accordance with the defined scope of services. The Department agrees to address such issues with the Contractor and may agree to revise the deliverable due date and/or scope of services accordingly.

II-C. PROGRAM: HUSKY A, HUSKY B, CONNPACE

1. TASK: ASO Pharmacy (Pharmacy Strategy): The Contractor shall:
- a. Develop a pharmacy strategy and implement pharmacy management initiatives, where available and as directed by the Department;
 - b. Prepare dispensing cost study for Connecticut pharmacies; and
 - c. Perform supportive analysis for legislative initiatives as directed by the Department.

2. DESCRIPTION: The Contractor shall work with the Department to develop and implement pharmacy management initiatives, including but not limited to the evaluation and potential implementation of a state MAC list, expanding the mandatory generic substitution program, and identifying other pharmacy management programs that will assist in the reduction of pharmaceutical expenditures, improve the quality of care, or both.
3. DELIVERABLES: The Contractor shall provide the Department with the following deliverables:
 - a. A report outlining pharmacy strategy initiatives;
 - b. a fiscal analysis and report for the state MAC program; and
 - c. a Dispensing cost study report that meets the requirements of HCFA.

The Contractor and the Department agree that the due dates for each of the deliverables set forth herein shall be scheduled and agreed to by the parties following the Department's direction to the Contractor to begin this task.

4. ISSUES: The timing of deliverables may be affected by Legislative initiatives directed at pharmacy management programs and stakeholder pushback. The Contractor agrees to inform the Department if issues arise, including but not limited to the issue set forth herein, that may, in the Contractor's reasonable judgment, prevent the Contractor from providing the deliverables to the Department in a timely manner or in accordance with the defined scope of services. The Department agrees to address such issues with the Contractor and may agree to revise the deliverable due date and/or scope of services accordingly.

II-D. PROGRAM: HUSKY A AND HUSKY B

1. TASK: Federally Qualified Health Center (FQHC) Reimbursement Services:
The Contractor shall:
 - a. Make recommendations to the Department to improve the current invoice and payment process and achieve compliance with the Medicare/Medicaid and SCHIP Benefits Improvement and Protection Act (BIPA) of 2000, and
 - b. Create a methodology and training approach for implementing the approved changes.
2. DESCRIPTION: The Contractor will work in collaboration with the Department to identify and improve current methods of payment to the FQHCs, redesign the current payment system and process to support the improvements and comply with BIPA and assist to train the Department staff identified by the Department and FQHCs in the recommended methods.
3. DELIVERABLES: The Contractor shall provide the Department with the following deliverables:

- a. Recommendations for FQHC Payment Process Improvement and BIPA compliance; and
- b. A Workplan, stakeholder plan, timeline and training information.

The Contractor and the Department agree that the due dates for each of the deliverables set forth herein shall be scheduled and agreed to by the parties following the Department's direction to the Contractor to begin this task.

4. ISSUES: Estimated payment analysis for the difference between the amount received from the health plans and the current prospective payment allotment required under BIPA depends on the available FQHC-identified data. Finalization of the deliverables will depend on the time necessary for approval by the department. The Contractor agrees to inform the Department if issues arise, including but not limited to the issue set forth herein, that may, in the Contractor's reasonable judgment, prevent the Contractor from providing the deliverables to the Department in a timely manner or in accordance with the defined scope of services. The Department agrees to address such issues with the Contractor and may agree to revise the deliverable due date and/or scope of services accordingly.

II-E. PROGRAM: BEHAVIORAL HEALTH CARVE-OUT

1. TASK: The Contractor shall provide the Department with a financial analysis and consultation regarding State Agency Oversight of the Children's Behavioral Health Initiative (CBHI).
2. DESCRIPTION:
The Contractor shall:
 - a. refine the utilization and cost analysis of health plans' encounters and "model" utilization and cost data from other state Medicaid programs as appropriate. The goal of the analysis is to provide the Department with an actuarially sound assessment of per member per month (pmpm) reductions in the health plans' capitation rates. The amount of the pmpm reductions would be transferred to the CBHI;
 - b. provide actuarial analysis to assist the Department in determining appropriate funding levels and financing mechanism for the CBHI; and
 - c. provide the Department with consultation regarding state agency administrative infrastructure and methods that will ensure effective monitoring and oversight of the CBHI.
3. DELIVERABLES: The Contractor shall provide the Department with the following deliverables:
 - a. An assessment of Funds to "Carve-Out" from health plans for the CBHI;
 - b. and assessment of Overall Funding and Financing Mechanisms for the CBHI; and
 - c. recommendations Regarding State Agency Monitoring for the CBHI.

The Contractor and the Department agree that the due dates for each of the deliverables set forth herein shall be scheduled and agreed to by the parties following the Department's direction to the Contractor to begin this task.

4. ISSUES: Issues that may affect the timing of deliverables include:
 - a. The state's budget cap will affect the level of funding available for the CBHI and the timing of when the CBHI will be implemented.
 - b. The second major issue involves potential "phase-in" scenarios for the CBHI. The Department has explored a variety of phase-in options. One option is to first move some or all of the Behavioral Health services for children out of the health plans and into fee-for-service before moving those services at a later time to a CBHI/ASO on a capitation basis. Another option is to first move kids in foster care (DO1s and DO2s) out of the health plans for Behavioral Health services and into fee-for-service, keep non-foster care kids in the health plans for Behavioral Health services, and eventually capitate the CBHI/ASO for foster care kids at a later date. Other options are under consideration.
 - c. The Contractor agrees to inform the Department if issues arise, including but not limited to the issue set forth herein, that may, in the Contractor's reasonable judgment, prevent the Contractor from providing the deliverables to the Department in a timely manner or in accordance with the defined scope of services. The Department agrees to address such issues with the Contractor and may agree to revise the deliverable due date and/or scope of services accordingly.

5. DEPARTMENT SUPPORT: The Contractor will require SFY 2000 health plan encounter data, current Medicaid fee schedules for behavioral health services and information regarding potential changes in Medicaid fee schedules through SFY 2003 to complete these tasks. The Contractor will require the information regarding "program changes" in children's Behavioral Health services that may affect costs and utilization through SFY 2003.

II-F. PROGRAM: CHILD CARE ASSISTANCE PROGRAM

1. TASK: The Contractor shall provide the Department with implementation Assistance for the Child Care Assistance Program (CCAP)

2. DESCRIPTION:
 - a. The Contractor shall work in collaboration with the Department's Child Care Team to implement the new Child Care Assistance Program (CCAP) system and program support. This support will include assistance to the Department in:
 - i. Generating CCAP program requirements (e.g., forms, notices, reports, procedures);
 - ii. Ensuring adequate project management support, internal communications, and documentation;

- iii. Advocating for the Department during meetings and negotiations with the CCAP system and program administrator. Meetings include but may not be limited to Joint Application Design sessions and Steering Committee meetings;
 - iv. Reviewing, revising, and finalizing CCAP system and program administrator plans and designs, including but not limited to, software designs, work plans, test plans, hiring and training plans, policies and procedures and disaster recovery plans.
- b. To perform the tasks herein the Contractor shall provide the Department with the following staff from July 1, 2001 through October 1, 2001 with:
 - i. An Associate on-site in the Department ten to twelve days per month on average; and
 - ii. A Senior Principal providing five days support per month, including 1-2 trips/month on-site in Hartford (total on-site of 1-3 days per month)
 - c. To perform the tasks herein the Contractor shall provide the Department with the following staff from October 1, 2001 through April 1, 2002 with:
 - i. An Associate on-site in the Department six to eight days per month on average; and
 - ii. A Senior Principal providing five days support per month, including 1-2 trips/month on-site in Hartford (total on-site of 1-3 days per month)
3. DELIVERABLES: The Contractor shall, as directed by the Department, provide the Department with a variety of review and recommendation reports regarding project requirements, plans and designs.
4. ISSUES: The selected CCAP system and program administration firm primarily drives the implementation work. While the Contractor will attempt to ensure project delays are detected and corrected early in the project, the allocation of resources and the speed of performing the implementation is fundamentally under the control of the CCAP system and program administrator. Therefore, if the selected CCAP system and program administrator's work is not timely, the Contractor may be unable to provide timely support to review and revise this work.

Also, the number of internal DSS staff available to work on this project will affect the mix of tasks performed by the Contractor's staff.

The Contractor agrees to advise the Department if issues, including but not limited to those identified herein, arise that may, in the Contractor's reasonable judgment, affect the successful implementation of the CCAP.

II-G. PROGRAM: FEE-FOR-SERVICE (FFS) AND/OR HUSKY A

1. TASK: Primary Care Case Management (PCCM) - The Contractor shall provide the Department with assistance in the design the PCCM pilot.
2. DESCRIPTION:
 - a. The Contractor shall assist the Department in the design and development of a pilot PCCM program as defined by stakeholders and the Department.
 - b. The Contractor shall assist the Department with the following tasks:
 - i. Program design;
 - ii. Data identification;
 - iii. PCCM reimbursement analysis; and
 - iv. Infrastructure design for reporting and management.
3. DELIVERABLES: The Contractor shall provide the Department with a report of proposed pilot options as determined by the meetings with the Department, key stakeholders, and operational assessment of how to implement and finance the pilot. The report shall be delivered to the Department in accordance with a schedule agreed to by the parties following the Department's direction to the Contractor to begin this task.
4. ISSUES: The Department shall review the deliverable in draft and final form as presented by the Contractor. The Contractor agrees to advise the Department if issues, including but not limited to those identified herein, arise that may, in the Contractor's reasonable judgment, affect the timely completion of the deliverables. The Department agrees to address such issues with the Contractor and may agree to revise the deliverable due date and/or scope of services accordingly.

II-H. PROGRAM: HUSKY A AND HUSKY B

1. TASK: HUSKY Procurement Strategy
2. DESCRIPTION:
 - a. The Contractor shall participate in strategy sessions with the Department on a quarterly basis to identify opportunities for procurement efficiencies and improvement.
 - b. The Contractor shall be available to work on Department identified initiatives, as needed, up to the budgeted amount.
3. DELIVERABLES: The schedule and content of deliverables shall be agreed upon by the parties following the Department's direction to the Contractor to begin a specific task related to the HUSKY Procurement Strategy.
4. ISSUES: Coordination between different State purchasing entities (e.g., DSS and State employees). The Contractor agrees to advise the Department if issues,

including but not limited to those identified herein, arise that may, in the Contractor's reasonable judgment, affect the timely completion of the deliverables. The Department agrees to address such issues with the Contractor and may agree to revise the deliverable due date and/or scope of services accordingly.

II-I. PROGRAM: LONG TERM CARE

1. TASK: Nursing Home Population Study
2. DESCRIPTION: The Contractor shall work with the Department to conduct a longitudinal analysis of emergency room and hospital admissions from nursing homes prior to and post the enactment of the Balanced Budget Act (BBA).
3. DELIVERABLES: The Contractor shall provide the Department with an analysis of nursing home, emergency room and hospital admissions analysis. The scope and schedule of deliverables shall be agreed upon by the parties following the Department's direction to the Contractor to begin this task.
4. ISSUES: Competing priorities within the Department. The Contractor agrees to advise the Department if issues, including but not limited to those identified herein, arise that may, in the Contractor's reasonable judgment, affect the timely completion of the deliverables. The Department agrees to address such issues with the Contractor and may agree to revise the deliverable due date and/or scope of services accordingly.

II-J. PROGRAM: HUSKY A

1. TASK: Information System Oversight – Benova (Passive Billing)
2. DESCRIPTION: The Contractor shall provide oversight of the implementation of the Benova HUSKY A Passive Billing project. Oversight activities shall include, but may not be limited to a review of functional specifications, attendance at implementation meetings, recommendations to improve the process and technical assistance as requested by the Department.
3. DELIVERABLES: The Contractor shall provide the Department with a functional specification review document and a process recommendation document. The scope and schedule of deliverables shall be agreed upon by the parties following the Department's direction to the Contractor to begin this task.
4. ISSUES: Competing priorities within the Department. The Contractor agrees to advise the Department if issues, including but not limited to those identified herein, arise that may, in the Contractor's reasonable judgment, affect the timely completion of the deliverables. The Department agrees to address such issues with

the Contractor and may agree to revise the deliverable due date and/or scope of services accordingly.

II-K. PROGRAM: HUSKY A AND HUSKY B

1. TASK: Evaluation of the Department’s Provider Tax Program
2. DESCRIPTION: The Contractor shall work with the Department to determine whether the Tax Program passes HCFA’s B1/B2 test for Federal matching funds.
3. DELIVERABLES: The schedule and content of deliverables shall be agreed upon by the parties following the Department's direction to the Contractor to begin a specific task.
4. ISSUES: Competing priorities within the Department. The Contractor agrees to advise the Department if issues, including but not limited to those identified herein, arise that may, in the Contractor's reasonable judgment, affect the timely completion of the deliverables. The Department agrees to address such issues with the Contractor and may agree to revise the deliverable due date and/or scope of services accordingly.

II-L. PROGRAM: HUSKY A, HUSKY B, AS NEEDED

1. TASK: Provide consulting to DSS on a variety of issues on an As Needed basis
2. DESCRIPTION: The Contractor shall be available to the Department to consult on issues stemming from the Department’s ongoing projects and program concerns, as needed, up to the budgeted amount.
3. DELIVERABLES: The schedule and content of deliverables shall be agreed upon by the parties following the Department's direction to the Contractor to begin a specific task.
4. ISSUES: Will be identified as “As Needed” contracts are defined and scope developed.

III. Other Amended Terms

1. Section 1.2 of Attachment G “Revised Mandatory Terms and Conditions” to the first amendment of the contract, is deleted in its entirety and replaced with the following:

“The Contract as amended shall be in effect from April 1, 1997 through June 30, 2003.”

2. Section 9.6 of Attachment G “Revised Mandatory Terms and Conditions” to the first amendment of the contract, is deleted in its entirety and replaced with the following:

9.6 Change Order Process

- A) The Department may throughout the term of this contract request changes to the general scope of the contract. Such changes may include short term research projects or other activities required by new or amended Federal or State laws or regulations. In response to a request for changes to the general scope of work the Contractor shall complete and submit to the Department a “DSS Consulting Project Request Form”(CPR) a sample of which is attached hereto as Schedule 1.
- B) The CPR shall identify the total cost by the number of staff hours times the hourly rates set forth in the Revised Budget and Payment Provisions in Section III - of this amendment.
- C) The Department shall consider the cost impact of the requested change and signify its approval and direction to the Contractor to begin the task by securing the approval of the DSS Deputy Commissioner of Administration, as evidenced by a signature on the CPR. No changes in the scope shall be conducted unless and until the Contractor receives a completed CPR signed by the Department’s Deputy Commissioner of Administration.
- D) Significant Change Order work may require authorization from the State of Connecticut Office of Policy and Management in order to amend the Contract to allocate additional funds to this project.

3. Attachment H “Revised Budget” is deleted in its entirety and replaced with the following:

Revised Budget and Payment Provisions

- A) Contractor shall submit to the Department, on a monthly basis, an invoice delineating the specific project, activities performed, actual hours worked and the category of personnel who performed the tasks. Contractor shall be paid for the actual hours worked at the following all-inclusive rates per specified personnel category:

Senior Principal - \$390.00/hr

Principal - \$275.00/hr

Associate - \$240.00/hr

Consultant - \$175.00/hr

Analyst - \$150.00/hr

B) For each task specified on pages 2 through 18 of this amendment, the Contractor shall provide the Department with a proposed work plan and estimated cost to complete said tasks by staffing category. The Department has approved a maximum project budget by fiscal year period, for each of the program tasks outlined in this amendment.

I. ACTUARIAL RATE SETTING ASSISTANCE

Reference	Task	Max Budget 7/1/00 – 6/30/01	Max Budget 7/1/01 – 6/30/02	Max Budget 7/1/02 – 6/30/03
I – A - 1	HUSKY A Rates	\$250,000	\$225,000	\$215,000
I – B - 1	HUSKY Reinsurance	\$250,000	\$135,000	\$21,518
I – C - 1	Financial Monitoring	\$105,000	\$94,500	\$21,518
I – D - 1	Encounter Data Management	\$1,020,000	\$630,000	\$516,434
I – E - 1	CTLC Rate Setting	\$47,166	\$0	\$0
<i>Sub-Total</i>		<i>\$1,672,166</i>	<i>\$1,084,500</i>	<i>\$774,470</i>

II. ACTUARIAL CONSULTING ASSISTANCE

Reference	Task	Max Budget 7/1/00 – 6/30/01	Max Budget 7/1/01 – 6/30/02	Max Budget 7/1/02 – 6/30/03
II – A - 1	Health Plan Reviews	\$300,000	\$337,500	\$107,590
II – B - 1	Health Plan Reporting Review	\$60,000	\$54,000	\$0
II – C - 1	ASO Pharmacy	\$230,000	\$207,000	\$129,108
II – D - 1	FQHC Reimbursement	\$250,000	\$135,000	\$43,036
II – E - 1	Behavioral Health Carve-Out	\$447,000	\$180,000	\$430,362
II – F - 1	CCAP	\$540,000	\$180,000	\$111,894
II – G - 1	PCCM	\$150,000	\$135,000	\$0
II – H - 1	HUSKY Procurement Strategy	\$50,000	\$45,000	\$43,036
II - I - 1	NH Pop Study	\$750	\$0	\$0
II - J - 1	IS Oversight	\$9,669	\$0	\$0
II - K - 1	Provider Tax Study	\$20,253	\$0	\$0
II - L - 1	As-Needed	\$285,490	\$442,764	\$516,434
	Administrative Exp	\$0	\$0	\$567,598
<i>Sub-Total</i>		<i>\$2,343,162</i>	<i>\$1,716,264</i>	<i>\$1,949,058</i>
<i>Total</i>		<i>\$4,015,328</i>	<i>\$2,800,764</i>	<i>\$2,723,528</i>

C. Contractor shall be reimbursed for their actual costs for expenses including overnight mail, copying charges and computer costs (Administrative Expenses). Expenses must be clearly identified on each invoice and shall be allocated among each of the program tasks invoiced for that month. With the exception of the period 7/1/02 through 6/30/03, expenses are included in the calculation for the maximum project budget.

D. Should the Department request changes to the scope of work, the Department and Contractor shall proceed in accordance with the Change Order Process outlined in Section III – 2 of this amendment.

E. With the prior approval of the Department the Contractor may shift funds between program tasks.

SCHEDULE 1

**Second Amendment to Contract Number 7846100 by and between the
Department of Social Services and William M. Mercer, Inc.**

DSS Consulting Project Request Form (CPR)

DSS Consulting Project Request (CPR) Form

Project Description:

Strategic Purpose:

DSS Sponsor:

Consultant Project Lead:

DSS Resources:

DSS Priority:

Benefits:

Timeline:

(Documentation Attached)

Deliverable(s):

SFY _____ Cost:

SFY _____ Cost:

(Documentation Attached)

DSS Signature Approvals

Sponsor: _____

Date

Deputy Commissioner: _____

Date

Strategic Review: _____

Date

Distribution

- Dep Comm's Office
- Contracts
- Fiscal Analysis
- Medical Administration

Certificate of the Secretary

of

William M. Mercer, Incorporated

I, William C. Fagan, do hereby certify that Steven P. Schramm is a duly elected Principal of William M. Mercer, Incorporated as of the date hereof and in such capacity are authorized to execute contracts, agreements, applications and other documents on behalf of the company.

IN WITNESS WHEREOF, I have hereunder set my hand and the seal of the Corporation this 1st day of October, 1998.



[Handwritten Signature]
William C. Fagan

I, *J. Brian Fernan* Principal in Charge of the Phoenix office of William M. Mercer, Incorporated attest that Steven P. Schramm remains a Principal and as such is authorized to execute contracts, agreements, applications, and other documents on behalf of the company as of *May 21, 2001*.

[Handwritten Signature]
Principal / Office Head

PERSONAL SERVICE AGREEMENT

CO-802A REV. 3/98 (Stock No. 170-01)

PRINT OR TYPE

STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER
ACCOUNTS PAYABLE DIVISION

1. PREPARE IN QUINTUPPLICATE.
2. THE STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.
3. ACCEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS STATED ON THE REVERSE SIDE OF PART 1.

		(1) <input type="checkbox"/> ORIGINAL <input type="checkbox"/> AMENDMENT		(2) IDENTIFICATION NO. P.S. 44100	
CONTRACTOR	(3) CONTRACTOR NAME William P. Starkowski, Inc.			(4) ARE YOU PRESENTLY A STATE EMPLOYEE? <input type="checkbox"/> YES <input type="checkbox"/> NO	
	CONTRACTOR ADDRESS 3121 East Camelback Road, Suite 300, Phoenix, AZ 85016			CONTRACTOR FEIN / SSN - SUFFIX 132 4414	
STATE AGENCY	(5) AGENCY NAME AND ADDRESS Department of Social Services, 25 Seymour Street, Hartford, CT 06106				(6) AGENCY NO.
CONTRACT PERIOD	(7) DATE (FROM)	THROUGH (TO)	(8) INDICATE		
	04/01/99	06/30/01	<input type="checkbox"/> MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD NO. <input type="checkbox"/> NEITHER		
CANCELLATION CLAUSE	THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).				(9) REQUIRED NO. OF DAYS WRITTEN NOTICE. 30

COMPLETE DESCRIPTION OF SERVICE

(10) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.)

extend the term of the contract for a period of 2 years and three months through June 30, 2001. Contractor shall continue to provide the Department with rate setting, actuarial and consulting services in accordance with the terms of the Revised Scope of Work (Attachment F) and Revised Mandatory Terms and Conditions (Attachment G). All other terms not changed herein shall remain in full force and effect.

COST AND SCHEDULE OF PAYMENTS

(11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

Contract maximum shall be increased by \$1,775,000 for a maximum contract amount as amended of \$3,730,590.00. Payments to the contractor shall be based on the number of hours worked at the all inclusive rates stated in the Revised Budget (Attachment H).

(12) ACT. CD.	(13) DOC. TYPE	(14) COMM. TYPE	(15) LSE. TYPE	(16) ORIG. AGCY.	(17) DOCUMENT NO.	(18) COMM. AGCY.	(19) COMM. NO.	(20) VENDOR FEIN / SSN - SUFFIX			
				100	017846100	6100		112	44	4414	
(21) COMMITTED AMOUNT \$ 500,000.00				(22) OBLIGATED AMOUNT \$ 2,775,000.00			(23) CONTRACT PERIOD (FROM/TO) 04/01/99 06/30/01				
(24) ACT. CD.	(25) COMM. LINE NO.	(26) COMMITTED AMOUNT	(27) COMM. AGENCY	(28) COST CENTER FUND SID		(29) OBJECT	AGENCY TAIL (30) FUNCTION (31) ACTIVITY (32) EXTENSION			(33) F.Y.	

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code Section 3121(d) (2). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCES AND APPROVALS		(34) STATUTORY AUTHORITY C.G.S. 4-2-17-20(a)
(35) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE)	TITLE Richard P. Starkowski	DATE 3/24/99
(36) AGENCY (AUTHORIZED OFFICIAL)	TITLE Michael P. Starkowski Deputy Commissioner	DATE 3/24/99
(37) OFFICE OF POLICY & MGMT /DEPT. OF ADMIN. SERV	TITLE	DATE
(38) ATTORNEY GENERAL (APPROVED AS TO FORM)	Deputy Atty General	DATE

PERSONAL SERVICE AGREEMENT

CO-802A REV. 3/98 (Stock No. 170-01)

PRINT OR TYPE

STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER
ACCOUNTS PAYABLE DIVISION

- PREPARE IN QUINTUPPLICATE
- THE STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.
- ACCEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS STATED ON THE REVERSE SIDE OF PART 1.

(1) ORIGINAL AMENDMENT (2) IDENTIFICATION NO. P.S. 7826100

CONTRACTOR (3) CONTRACTOR NAME: *Starkowski & Associates, Inc.*
 (4) ARE YOU PRESENTLY A STATE EMPLOYEE? YES NO
 CONTRACTOR ADDRESS: *111 East Camelback Road, Suite 300, Phoenix, AZ 85016*
 CONTRACTOR FEIN / SSN - SUFFIX: *132 83 141*

STATE AGENCY (5) AGENCY NAME AND ADDRESS: *Department of Social Services, 111 Seymour Street, Hartford, CT 06102*
 (6) AGENCY NO.

CONTRACT PERIOD (7) DATE (FROM) *04/01/99* THROUGH (TO) *06/30/01*
 (8) INDICATE MASTER AGREEMENT CONTRACT AWARD NO. NEITHER

CANCELLATION CLAUSE THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT) (9) REQUIRED NO. OF DAYS WRITTEN NOTICE: *30*

COMPLETE DESCRIPTION OF SERVICE (10) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.)
 Extend the term of the contract for a period of 2 years and three months through June 30, 2001. Contractor shall continue to provide the Department with rate setting, actuarial and consulting services in accordance with the terms of the Revised Scope of Work (Attachment F) and Revised Mandatory Terms and Conditions (Attachment G). All other terms not changed herein shall remain in full force and effect.

COST AND SCHEDULE OF PAYMENTS (11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.
 Contract maximum shall be increased by \$2,775,000 for a maximum contract amount as amended of \$3,730,596.00. Payments to the contractor shall be based on the number of hours worked at the all inclusive rates stated in the Revised Scope of Work (Attachment H).

(12) ACT. CD. (13) DOC. TYPE (14) COMM. TYPE (15) LSE. TYPE (16) ORIG. AGENCY: *100* (17) DOCUMENT NO.: *017846100* (18) COMM. AGENCY: *6100* (19) COMM. NO. (20) VENDOR FEIN / SSN - SUFFIX: *132 83 141*

(21) COMMITTED AMOUNT \$ *710,000.00* (22) OBLIGATED AMOUNT \$ *00.00* (23) CONTRACT PERIOD (FROM/TO) *04/01/99 06/30/01*

(24) ACT. CD	(25) COMM. LINE NO.	(26) COMMITTED AMOUNT	(27) COMM. AGENCY	(28) COST CENTER		(29) OBJECT	(30) AGENCY TAIL			(33) F.Y.
				FUND	SID		(30) FUNCTION	(31) ACTIVITY	(32) EXTENSION	

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code Section 3121(d) (2). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCES AND APPROVALS	(34) STATUTORY AUTHORITY
(35) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) <i>Starkowski & Associates, Inc.</i>	TITLE: <i>PRINCIPAL</i> DATE: <i>3-26-99</i>
(36) AGENCY (AUTHORIZED OFFICIAL) <i>Michael P. Starkowski</i>	TITLE: <i>Deputy Commissioner</i> DATE: <i>3/21/99</i>
(37) OFFICE OF POLICY & MGMT /DEPT. OF ADMIN. SERV	TITLE: DATE:
(38) ATTORNEY GENERAL (APPROVED AS TO FORM) <i>Assoc. Att. General</i>	TITLE: DATE:

PERSONAL SERVICE AGREEMENT

CO-802A REV. 3/98 (Stock No. 170-01)

PRINT OR TYPE

STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER
ACCOUNTS PAYABLE DIVISION

1. PREPARE IN QUINTUPLICATE.
2. THE STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.
3. ACCEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS STATED ON THE REVERSE SIDE OF PART 1.

(1) ORIGINAL AMENDMENT (2) IDENTIFICATION NO. P.S. 1846100

CONTRACTOR (3) CONTRACTOR NAME: William K. Mercer, Inc.
 CONTRACTOR ADDRESS: 5131 East Camelback Road, Suite 300, Phoenix, AZ 85016
 (4) ARE YOU PRESENTLY A STATE EMPLOYEE? YES NO
 CONTRACTOR FEIN / SSN - SUFFIX: 132 83 4414

STATE AGENCY (5) AGENCY NAME AND ADDRESS: Department of Social Services, 25 Sigourney Street, Hartford, CT 06106
 (6) AGENCY NO.: 6100

CONTRACT PERIOD (7) DATE (FROM) 04/01/99 THROUGH (TO) 06/30/01
 (8) INDICATE MASTER AGREEMENT CONTRACT AWARD NO. NEITHER

CANCELLATION CLAUSE THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT). (9) REQUIRED NO. OF DAYS WRITTEN NOTICE: 30

(10) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.)
 extend the term of the contract for a period of 2 years and three months through June 30, 2001. Contractor shall continue to provide the Department with rate setting, actuarial and consulting services in accordance with the terms of the Revised Scope of Work (Attachment F) and Revised Mandatory Terms and Conditions (Attachment G). All other terms not changed herein shall remain in full force and effect.

COST AND SCHEDULE OF PAYMENTS (11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.
 Contract maximum shall be increased by \$1,775,000 for a maximum contract amount as amended of \$3,730,596.00. Payments to the contractor shall be based on the total number of hours worked at the (1) inclusive rates stated in the Revised Budget (Attachment H).

(12) ACT. CD.	(13) DOC. TYPE	(14) COMM. TYPE	(15) LSE. TYPE	(16) ORIG. AGCY.	(17) DOCUMENT NO.	(18) COMM. AGCY.	(19) COMM. NO.	(20) VENDOR FEIN / SSN - SUFFIX
				6100	017846100	6100		132 83 4414

(21) COMMITTED AMOUNT	(22) OBLIGATED AMOUNT	(23) CONTRACT PERIOD (FROM/TO)
\$ 3,730,596.00	\$ 3,775,000.00	04/01/99 06/30/01

(24) ACT. CD.	(25) COMM. LINE NO.	(26) COMMITTED AMOUNT	(27) COMM. AGENCY	(28) COST CENTER		(29) OBJECT	AGENCY TAIL			(33) F.Y.
				FUND	SID		(30) FUNCTION	(31) ACTIVITY	(32) EXTENSION	

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code Section 3121(d) (2). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCES AND APPROVALS	(34) STATUTORY AUTHORITY C.G.S. 4-8, 175	
(35) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) <i>[Signature]</i>	TITLE PRINCIPAL	DATE 3-26-11
(36) AGENCY (AUTHORIZED OFFICIAL) <i>[Signature]</i>	TITLE Michael P. Sterkowski Deputy Comptroller	DATE 3/26/11
(37) OFFICE OF POLICY & MGMT /DEPT. OF ADMIN. SERV.	TITLE	DATE
(38) ATTORNEY GENERAL (APPROVED AS TO FORM) <i>[Signature]</i>	Assoc. Atty General	DATE

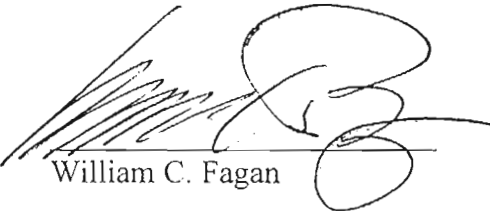
Certificate of the Secretary

of

William M. Mercer, Incorporated


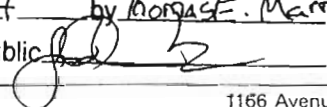
I, William C. Fagan, do hereby certify that Steven P. Schramm is a duly elected Principal of William M. Mercer, Incorporated as of the date hereof and in such capacity are authorized to execute contracts, agreements, applications and other documents on behalf of the company.

IN WITNESS WHEREOF, I have hereunder set my hand and the seal of the Corporation this 1st day of October, 1998.


William C. Fagan

I, Thomas E. Marreel Principal in Charge of the Phoenix office of William M. Mercer, Incorporated attest that Steven P. Schramm remains a Principal and as such is authorized to execute contracts, agreements, applications, and other documents on behalf of the company as of MARCH 26, 1999.




State of AZ., County of Maricopa
Signed before me on this 26th day
of MARCH by Thomas E. Marreel
Notary Public 

WORKFORCE ANALYSIS

Contractor Name: William M. Mercer Inc. Total number of CT employees: _____
 Address: 3131 E. Camelback #300 Full-time N/A Part-time N/A
PHOENIX AZ 85016

All work t/b completed in Phoenix Office

Complete the following Workforce Analysis for employees on Connecticut worksites who are: N/A

JOB CATEGORIES	OVERALL TOTALS (sum of all cols male & female)	WHITE (NOT OF HISPANIC ORIGIN)		BLACK (NOT OF HISPANIC ORIGIN)		HISPANIC		ASIAN OR PACIFIC ISLANDER		AMER. INDIAN OR ALASKAN NATIVE		PEOPLE WITH DISABILITIES	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Officials & Managers													
Professionals													
Technicians		<i>Please See Attached Affirmative Action Report Forms For Phoenix Office</i>											
Sales Workers													
Office & Clerical													
Craft Workers (Skilled)													
Operators (Semi Skilled)													
Laborers (Unskilled)													
Totals Above													
Totals One Year Ago													
Formal On-The-Job-Trainees (Enter figures for the same categories as shown above)													
Apprentices													
Trainees													
Employment Figures were obtained from: _____ Visual Check _____ Employment Records _____ Other: _____													

1. Have you successfully implemented an Affirmative Action Plan? Yes No _____
 Date of Implementation 7/31/98 If the answer is "No", explain.
MOST RECENT UPDATE

1.a. Do you promise to develop and implement a successful Affirmative Action Plan?
 Yes _____ No _____ Not Applicable Explanation: _____

2. Have you successfully developed an apprenticeship program complying with Sec. 46a-68-1 to 46a-68-17 of the Connecticut Department of Labor Regulations, inclusive: Yes _____ No _____ Not Applicable Explanation: _____

3. According to EEO-1 data, is the composition of your work force at or near parity when compared with the racial and sexual composition of the work force in the relevant labor market area? Yes No _____ Explanation: _____

4. If you plan to subcontract, will you set aside a portion of the contract for legitimate minority business enterprises? Yes _____ No Explanation: _____

Steven P. Johnson
 Contractor's Authorized Signature

3-26-99
 Date

Contractor shall provide actuarial rate setting services for the following projects in accordance with the tasks and deliverables set forth herein and as otherwise directed by the Department:

I. ACTUARIAL RATE SETTING SERVICES

A. PROGRAM: HUSKY A and HUSKY B

1. TASKS: SFY00 UPL Calculation
SFY01 UPL Calculation

2. DESCRIPTION:

Contractor will work in collaboration with the Department of Social Services' Health Care Financing Division to develop revised capitation rates for the HUSKY A (Medicaid) and HUSKY B programs for SFY 00 and SFY 01.

Contractor, in performance of this task shall incorporate preliminary risk adjustment techniques to more equitably match payment to risk for SFY 01.

3. DELIVERABLES: HUSKY A Rate Setting Letter
HUSKY B Rate Setting Letter

4. ISSUES that may affect timing of deliverables: SFY01 rates depend on data improvements from SFY00

5. DEPARTMENT SUPPORT: Contractor's Department contacts for this program are the Health Care Financing Division and the Division of Fiscal Analysis.

B. PROGRAM: HUSKY A

1. TASKS: 1915 Waiver Cost-Effectiveness Submissions

2. DESCRIPTION:

Contractor shall assist the Department with the preparation and submission of two versions of the Department's current 1915 waiver that authorizes the statewide HUSKY A managed care program;

a. Version 1: Prospective 1999-2001. For the prospective waiver, Contractor shall manipulate data provided by the Department and the Lewin Group to develop the cost and caseload estimates.

b. Version 2: Retrospective. 1996-1999. For the retrospective waiver, HCFA will allow the Department to amend its previous 1915 waiver to cover any extensions granted by HCFA since the original 1915 approval date.

3. DELIVERABLES:

1915(b) waiver with supporting spreadsheets and narrative – prospective and retrospective

The final draft of the prospective waiver has been submitted to the Department under the terms of the original contract. The extent of Contractor's involvement with the prospective waiver is dependent upon the extent of HCFA's review and has yet to be determined.

First draft of the retrospective review shall be submitted to the Department by May 15, 1999. The extent of Contractor's involvement with the retrospective review following the submission of the draft is dependent upon the extent of HCFA's review and has yet to be determined.

4. ISSUES that may affect the timing of deliverables and scope of work: the extent of HCFA's review and inquiry regarding the prospective and retrospective reviews.

5. DEPARTMENT SUPPORT: Contractor's Department contact for this program is the Health Care Financing Division.

C. Program: State Administered General Assistance

1. TASKS: Non-Emergency Medical Transportation Rate Setting

2. DESCRIPTION:

Using data provided by the Department, Contractor shall develop capitation rates for the SAGA population for non-emergency medical transportation (NEMT) as provided through the Department's managed transportation providers (TMO).

The following data from the Department shall be used by Contractor to set a rate for the period 12/1/98 through 7/1/98:

- SAGA data from April 97 through Aug 97
- SAGA data from April 97 through June 98
- TMO experience (FFS or MC)

3. DELIVERABLES:

Delivery of the Final Capitation Rates for the TMO program for SAGA enrollees shall be dependent upon the Department's review of the rates as presented by Contractor.

4. ISSUES that may affect the timing of deliverables and scope of work: The Department's Division of Fiscal Analysis will review the rates and supporting documentation submitted by Contractor and may request additional analysis.

5. DEPARTMENT SUPPORT: Contractor's Department contacts for this program are the Health Care Financing Division and the Division of Fiscal Analysis.

D. PROGRAM: NON-EMERGENCY MEDICAL TRANSPORTATION

1. TASKS: Rate Setting

2. DESCRIPTION: Under the terms of the original contract, Contractor calculated the original NEMT capitation rates in November of 1997 to be effective 2/1/98 through 2/1/00. The brokers under the Department's NEMT contracts have requested the Department to review the original rate setting assumptions to determine their appropriateness based on actual data submitted by the Department's NEMT contractors.

To ensure that the NEMT rates remain actuarially sound, Contractor will determine if there has been a material change in the risk assumed by the NEMT contractors. The review will cover:

- Trend
- Programmatic changes
- Enrollee demographics
- Provider financials

If Contractor determines it is warranted a percentage change to the capitation rates paid to the NEMT contractors will be recommended to the Department.

3. DELIVERABLES:

Review of existing NEMT rates and if appropriate a recommended change.

Draft reporting package to the Department – May 15, 1999

Final Reporting Package to the Department – June 1, 1999

Final Rates – To be determined following the Department's review.

4. ISSUES that may affect the timing of deliverables and extent of the scope of work:

Department's NEMT contractors have been asked to provide the Contractor with the appropriate data by April 1, 1999. A delay in their submission or poor quality of data may cause a delay in Contractor's deliverables.

5. DEPARTMENT SUPPORT: Contractor's Department contacts for this program are the Health Care Financing Division and the Division of Fiscal Analysis.

E. PROGRAM: CTLC

1. TASKS: Rate Setting
2. DESCRIPTION: Contractor shall assist the Department with the following:
 - a. Design of the Connecticut Lifelong Care (CTLC) program to meet the Department's goals and fit within HCFA allowable parameters.
 - b. Ensure the integrated data project will produce data needed for further analysis and rate setting.
 - c. Produce an initial model for cost/benefit analysis of the CTLC program

Following the completion of the integrated data project is complete; Contractor shall use the data provided by JEN to:

- d. Identify key functional indicators for patient health care risk through a regression analysis.
 - e. Set actuarially sound capitation rates based on grouped risk categories as identified by functional status and funding source.
 - f. Complete the cost/benefit analysis of the CTLC program
3. DELIVERABLES:
 - a. Contractor has presented the Department with a basic program design under the terms of the current contract.
 - b. The model for the initial cost/benefit analysis shall be presented to the Department on May 1, 1999.

- c. The following deliverables shall be scheduled for delivery as the Department provides Contractor with requisite information, review and feedback:
- i. Regression Analysis of assessment tools in predicting risk;
 - ii. Capitation Rates for the CTLC program by Functional Status and Funding Source;
 - iii. Draft capitation rates;
 - iv. Function/risk analysis draft;
 - v. Function/risk analysis complete;
 - vi. Capitation rate categories;
 - vii. Final capitation rates; and
 - viii. Final cost/benefit model

Contractor shall provide actuarial consulting services for the following projects in accordance with the tasks and deliverables set forth herein and as otherwise directed by the Department:

II. ACTUARIAL CONSULTING ASSISTANCE

A. PROGRAM: DMR PCCM Pilot Project

1. **TASKS:** Program design, rate structure and Department infrastructure design for management.

2. **DESCRIPTION:**

Contractor shall assist the Department in the design and development of a pilot Primary Case Care Management (PCCM) program for a DMR pilot population.

Contractor shall assist the Department with the following tasks:

- a) Program design
- b) Data identification
- c) PCCM rate setting
- d) Infrastructure design for reporting and management

3. **DELIVERABLES:**

Initial Data Review – completed by April 23, 1999

Program Design Options – completed by April 30, 1999

Other Deliverables as determined by the Department following review of scheduled deliverables shall be mutually agreed to by the parties.

4. **ISSUES** that may affect the timing of deliverables and extent of the scope of work: The Department shall review the deliverables and products as presented by the Contractor. Following such review the Department may request additional tasks. The parties shall mutually agree upon the timing of deliverables for such additional requests.

5. **DEPARTMENT SUPPORT:** Contractor's Department contact for this program is the Health Care Financing Division.

B. PROGRAM : HUSKY A Managed Care Plans

1. **TASKS:** MCO Reporting Review

2. DESCRIPTION: Contractor shall, in conjunction with Department staff, document the MCO reporting and Department reporting requirements. The review will cover;

- a) MCO reporting requirements
- b) DSS review and use of collected data
- c) DSS's reporting needs for external stakeholders
- d) Interrelation of all reports

Contractor's goal is to ensure that the Department has baseline documentation of the data received from MCOs, including timing, purpose, responsible party, use, and feedback. This will be useful in creating an integrated HMO monitoring plan that provides the Department with sufficient data to monitor its MCOs, report on the quality of care, and meet its short- and long-term purchasing initiatives.

3. DELIVERABLES:

- a) Current MCO reporting analysis
- b) Current DSS reporting analysis

The parties shall mutually agree the schedule for the receipt of the above stated deliverables to.

4. DEPARTMENT SUPPORT: Contractor's Department contact for this program is the Health Care Financing Division.

C. PROGRAM: FINANCIAL MONITORING

1. TASKS: Development of Financial Monitoring Standards and Process

2. DESCRIPTION:

Contractor shall assist the Department in the design, development, and implementation of a financial monitoring process to allow the Department to more effectively manage the HMO program.

The process should address;

- a) Plan reporting to the Department
- b) Solvency standards
- c) Solvency monitoring
- d) The Department's roles/responsibilities

The plan will be coordinated with;

- a) The Department's reporting to other entities (e.g., managed care council)
- b) Plan reporting to other State agencies (e.g., Department of Insurance)

3. DELIVERABLES

In performance of these tasks Contractor shall: Report Inventory, both input and output; assess the Department; assess the participating Plans; Review DSS/Other Users; Review other State input possibilities; Draft Plan; State Review and present a Final Plan

The scheduling of the receipt of the above stated deliverables shall be determined by parties.

4. DEPARTMENT SUPPORT: Contractor's Department contact for this program is the Health Care Financing Division.

D. PROGRAM: HUSKY A and HUSKY B

1. TASKS: Encounter Data Process Assessment and Diagnostic

2. DESCRIPTION:

Contractor shall assess the Department's current encounter data process and develop recommendations on process enhancements and/or redesign that will allow the Department to;

- a) Set managed care rates in future years
- b) Measure quality
- c) Answer stakeholders' questions
- d) More effectively manage their program

3. DELIVERABLES:

In performance of these tasks Contractor shall: Report Inventory, both input and output; assess the Department; assess the participating Plans; present an Issues Draft

The schedule for the deliverables is to be determined by the Department and Contractor.

4. ISSUES that may affect the timing of deliverables and extent of the scope of work: The Contractor's tasks hinge upon amount of change required and encounter data vendor's ability to adapt to new process

5. DEPARTMENT SUPPORT: Contractor's Department contacts for this program are the Health Care Financing Division and Division of Fiscal Analysis.

E. PROGRAM: HUSKY A

1. TASKS: MCO Plan Reviews

2. DESCRIPTION:

Contractor shall, in conjunction with Department staff, conduct on-site operational and financial reviews of each of the contracted health plans. As of the development of the scope of work those plans are: Blue Care Family Plan; Kaiser Permanente; PHS Healthy Options; Preferred One and CHN (clinical/ operational only, offsite financial only, as full financial completed early '99).

The review will provide the Department with a baseline report on the Health Plan's capabilities/position in the following areas;

- a) Organizational Structure
- b) Oversight of Subcontracted Vendors
- c) Medical Utilization Management (Outpatient, Inpatient, and UR data)
- d) Medical Case Management
- e) Health Education and Outreach
- f) Pharmacy
- g) Quality Management
- h) Member Services
- i) Provider Relations
- j) Management Information Services
- k) Financial Management
- l) Reporting Capabilities
- m) Encounter Capabilities
- n) Fiscal Solvency

The proposed structure is to collect and review off-site material, conduct a focused two-day on-site visit, draft a report, collect Department team input, and finalize the report.

3. DELIVERABLES:

A schedule for reviews; request document; Draft Interview Guide; Final Interview Guide; Pre-site Document Findings; On-Site; Draft Report and Debrief; Final Report addressing operational and financial capabilities by each Health Plan.

The schedule for such deliverables shall be arranged and agreed to by the parties.

4. ISSUES that may affect the timing of deliverables and the extent of the scope of services:

Department's priorities and ability to define desired DSS outcomes and link with EQRO reviews.

5. DEPARTMENT SUPPORT: Contractor's Department contact for this program is the Health Care Financing Division.

III. ADDITIONAL TASKS

A. PROGRAM: VARIOUS

1. TASKS: As Needed Consulting

2. DESCRIPTION:

Contractor shall be available to the Department to consult on issues stemming from the projects set forth in this revised scope of work, as needed, up to the budgeted amount.

3. DEPARTMENT SUPPORT:

Contractor shall be authorized to provide such “as-needed consulting” as directed by the Director of the Department’s Health Care Financing Division, the Director of the Division of Fiscal Analysis and the Deputy Commissioner of Administration for the Department.

B. PROGRAM: VARIOUS

1. TASKS: Actuarial rate setting and consulting services for future projects as directed by the Department.

2. DESCRIPTION:

Contractor shall be available to work on Department identified projects, as needed, up to the budgeted amount.

Examples of projected projects include, Pharmacy Expenditures/Program Project, Competitive Bidding Project, SAGA PCCM Project, and Joint Procurement/Purchasing Project.

3. DEPARTMENT SUPPORT:

Contractor shall be authorized to provide such “as-needed consulting” as directed by the Director of the Department’s Health Care Financing Division, the Director of the Division of Fiscal Analysis and the Deputy Commissioner of Administration for the Department.

MANDATORY TERMS AND CONDITIONS

Section 1: General Contract Provisions:

1.1. PROCUREMENT AND CONTRACTUAL AGREEMENTS

The terms and conditions contained in this section constitute a basis for this Contract. These terms and conditions, as well as others, so labeled elsewhere in this document, are mandatory for this Contract. The Department is solely responsible for rendering decisions in matters of interpretation on all terms and conditions.

1.2 CONTRACT TERM

The Contract as amended shall be in effect from April 1, 1997 through June 30, 2001.

1.3 CONTRACT REVISIONS/ AMENDMENTS

Revisions to the Contract's objectives, services or plan including revisions to due dates for reports and completion of objectives or services, and line item only changes, must be approved in writing by the Department. A formal Contract amendment shall be required for: extensions to the final date of the Contract period, revisions to the maximum Contract payment, and any other Contract revisions determined material by the Department.

The Department reserves the right to renegotiate the Contractor's scope of work and budget at anytime during the term of this Contract. based on the Contractor's performance and actual expenses to date.

1.4 ASSIGNMENT

The Contractor shall not assign or transfer any interest in this Contract without the prior written approval of the Contract Administrator. This shall not be construed as limiting the Contractor's rights to subcontract some of the services to be performed hereunder as provided in this Contract.

1.5 SUBCONTRACTING

None of the services to be provided by the Contractor shall be subcontracted or delegated to any other organization, subdivision, association, individual, corporation, partnership or group of individuals or other such entity without the prior written consent of the Department. Any subcontract to which the State has consented in writing shall be in writing attached to the Contract and made a part thereof and shall in no way alter the Contract terms and conditions. Said subcontract shall contain the access to the books, document and records, provided for in paragraph 1.11 infra. No subcontract or delegation shall relieve or discharge the Contractor from any obligation, provision or liability thereunder. The Contractor agrees to make a good faith effort to award a reasonable proportion of subcontracts to small and minority businesses in accordance with Conn. Gen. Stat. Section 4a-60.

1.6 LIAISON

Both parties agree to have specifically named liaisons at all times. These representatives of the parties will be the first contacts regarding any questions and problems which arise during implementation and operation of the Contract.

1.7 NOTICES

Wherever under this Contract one party is required to give notice to the other, such notice shall be deemed given upon delivery, if delivered by hand (in which case assigned receipt will be obtained), or three (3) days after posting if sent by registered or certified mail, return receipt requested. Notices shall be addressed as follows:

In case of notice to the Contractor:

William M. Mercer, Incorporated
3131 East Camelback Road, Suite 300
Phoenix, AZ 85016
Attention: Steven P. Schramm, Principal

In case of notice to the Department:

Kathleen M. Brennan
Contract Administrator
Department of Social Services
25 Sigourney Street
Hartford, CT 06106

Said notices shall become effective on the date of receipt as specified above or the date specified in the notice, whichever comes later. Either party may change its address for notification purposes by mailing a notice stating the change and setting forth the new address, which shall be effective on the tenth (10th) day following receipt.

1.8 REPORTING

Contractors may be required to file progress reports on a monthly basis in a form and manner to be reasonably determined by the Department. In addition, upon Contract completion or termination, Contractors may be asked to submit a final report that summarizes and evaluates the activities of the entire project to date.

1.9 EXAMINATION OF RECORDS

The Department and its duly authorized representatives, the Auditors of Public Accounts and/or the U.S. Department of Health and Human Services and their duly authorized representatives, during the term of this Contract and for a period of three (3) years after final payment for the services performed under this Contract or any extension and all pending matters are closed shall have access to and the right to examine any of its books, records, including but not limited to financial records, documents and papers pertinent to this solicitation and this Contract for the purpose of making audit, examination, excerpts

and transcriptions. Any such audit shall be performed during ordinary business hours and upon reasonable advance notice. This provision also applies to the relevant books, records, including but not limited to financial records, documents and papers of any parent, affiliated or subsidiary organization of Contractor or any subcontractor approved by the Department pursuant this Contract performing under formal or informal arrangement any service or furnishing any supplies or equipment to the Contract involving transactions related to this Contract. Any Contract with an approved subcontract must contain a provision specifically authorizing access in accordance with the terms set forth in this paragraph.

If an audit, litigation, or other action involving the records is started before the end of the three year period, the records must be retained until all issues arising out of the action are resolved or until the end of the three year period, whichever is later. The Contractor further agrees that this provision shall be inserted in each subcontract.

Section 2: Ownership

2.1 OWNERSHIP

All products and materials developed specifically and exclusively for the Department as a result of this Contract by the Contractor, or any of its subcontractors hired for the purposes of this Contract shall remain the property of the Department. Products and materials are defined as, but not limited to, copyrighted materials; camera ready copy; mechanicals; videos; brochures; posters and stock thereof; designs; data; and all other matter and information that is collected or developed specifically and exclusively for the Department for the purpose of this Contract. Disposition of all such products and materials shall remain at the discretion of the Department during the effective period of this Contract and thereafter. Notwithstanding anything to the contrary contained in this Contract, it is understood and agreed that the Contractor shall retain all of its rights in its proprietary information including, without limitation, its methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by the Contractor prior to, or acquired by the Contractor during, the performance of this Contract and the Contractor shall not be restricted in any way with respect thereto.

2.2 CREDIT AND RIGHTS IN DATA

A. All documents, reports and other data prepared specifically and exclusively for the Department during and/or resulting from the performance of services under this Contract shall include the following statement: “The preparation of this [report or document, etc.] was financed under an agreement with the Connecticut Department of Social Services.

B. The contractor may not publish or copyright any such data without prior approval, unless otherwise stated herein. The Department and the Federal Government shall have the right to publish, duplicate, use and disclose all such data in any manner, and for any purpose whatsoever, and may authorize others to do so.

C. “Data” shall mean all results, technical information and materials developed and/or obtained specifically and exclusively for the Department in the performance of the

services hereunder, including, but not limited to, all reports, surveys, plans, charts, recordings (video and/or sound), pictures, drawings, analyses, graphic representations, computer programs and printouts, notes and memoranda, and documents whether finished or unfinished, which result from or are prepared in connection with the services performed hereunder.

2.3 EQUIPMENT AND SUPPLIES

A. Equipment shall mean all tangible personal property such as tables, chairs, lamps, desks, copying machines, typewriters, computer equipment, etc., with a normal useful life of more than one year and an acquisition cost of more than \$1,000.

B. Supplies shall mean all tangible personal property other than equipment.

C. Purchase of equipment and supplies by the Contractor shall be limited to those items essential to carrying out the program/operations/services authorized by this Contract and approved by the Contract Administrator.

D. the Contractor shall maintain an inventory of all equipment and shall provide copies of the inventory to the Department upon acquisition of the equipment or as requested by the Agency Contract Administrator. The Department shall determine the inventory data requirements.

E. Any item of equipment purchased specifically for the Department under this Contract, may not be discarded, sold or removed from the inventory without the prior written approval of the Contract Administrator.

F. Prior to the expiration or termination of the Contract by either party, the Department will determine the manner of the disposition of all equipment and unused supplies purchased under this Contract.

G. Within 90 days of the termination of a Contract, the Contractor will be informed in writing by the Contract Administrator as to the disposition method of equipment and unused supplies.

2.4 INSPECTION OF WORK PERFORMED

The Department or its authorized representative shall at all reasonable times upon reasonable advance notice have the right to enter into Contractor's premises, or such other places where duties under the Contract are being performed, to inspect, monitor or otherwise evaluate the work being performed. The Contractor and all subcontractors must provide all reasonable facilities and assistance for Department representatives. All inspections and evaluations shall be performed in such a manner as will not unduly delay work.

2.5 CONFIDENTIALITY

All material and information provided to the Contractor by the State or acquired by the Contractor in performance of the Contract whether verbal, written, recorded magnetic media, cards or otherwise shall be regarded as confidential information and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with federal and state statutes and regulations. The Contractor agrees that it is prohibited from releasing any and all information provided by the Department or providers or any information generated by the Contractor without the

Attachment G

Revised Mandatory Terms and Conditions

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prior express written consent of the Contract Administrator. The confidentiality obligations set forth above shall not apply to data, information or material which (i) at the time disclosed to, or obtained by, the Contractor is in the public domain; (ii) becomes part of the public domain though no fault of the Contractor; (iii) is communicated to the Contractor by a third party who is not, to the Contractor's knowledge, subject to any confidentiality obligations with respect thereto; (iv) is independently developed by the Contractor; or (v) is required to be disclosed by the Contractor pursuant to any statute, regulation, order, subpoena, document discovery request or other legal process.

2.6 RIGHT TO PUBLISH

All materials developed specifically and exclusively for the Department during the term of this Contract are considered proprietary to the Department and shall remain confidential.

Throughout the term of the Contract, the Contractor must secure the Department's written approval prior to the release of any confidential information whatsoever which pertains to work or activities covered by the Contract.

2.7 FREEDOM OF INFORMATION

Due regard will be given for the protection of proprietary information contained in all proposals received; however bidders should be aware that all materials associated with the procurement are subject to the terms of the Freedom of Information Act, the Privacy Act and all rules, regulations and interpretations resulting therefrom. It will not be sufficient for Bidders to merely state generally that the proposal is proprietary in nature and not therefore subject to release to third parties. Those particular pages or sections which a Bidder believes to be proprietary must be specifically identified as such. Convincing explanation and rationale sufficient to justify each exemption from release consistent with section 1-19 of the Connecticut General Statutes must accompany the proposal. The rationale and explanation must be stated in terms of the prospective harm and the competitive position of the bidder that would result if the identified material were to be released and the reasons why the materials are legally exempted from release pursuant to the above cited statute. Between the Bidder and the Department, the final administrative authority to release or exempt any or all material so identified rests with the Department.

Section 3: Liabilities and Indemnification

3.1 HOLD HARMLESS

The Contractor agrees to indemnify, defend and hold harmless the State of Connecticut; as well as all Departments, officers, agents and employees of the State from and against any and all claims, losses or suits according or resulting to any Contractors, Subcontractors, laborers and any person, firm or corporation who may be directly or indirectly injured or damaged by the negligence or willful misconduct of the Contractor in the performance of the Contract.

The Department may request, in writing, evidence of the Contractor's workers compensation insurance policy. If such a request is made, Contractor must file such evidence of its workers compensation insurance policy with the Department's Contract Administrator, no later than fifteen (15) business days following receipt of the request. Should Contractor fail to comply with the request in a timely manner, the Department may, at its option and discretion, invoke the provisions under sections 6.3 and/or 7.2 infra.

The Contractor, at his own expense, must defend any and all claims or suits which may be brought against the Department or the State for the infringement of any patents, copyrights, proprietary rights or right of privacy arising from the Contractor's or State's use of any equipment, materials or information prepared or developed by the Contractor in conjunction with the performance of the Contract. The Contractor shall not be liable hereunder to the extent such suit is attributable to the acts or omissions of the State or the Department. The Contractor shall, in any such suit, satisfy any and all damages directly or indirectly assessed against the State or its departments, be it resolved by settlement, final judgment, consent decree or any other manner. The Department and the State must not settle any such suit without the prior written consent of the Contractor.

3.2 AUDIT LIABILITIES

In addition to and not in any way in limitation of the obligation of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any State or Federal audit exceptions and shall return to the Department all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception in accordance with Connecticut General Statutes 7-396a.

3.3 MOST FAVORED CUSTOMER

The Contractor agrees that if during the term hereof the Contractor shall enter into any Contract with any other governmental customer, or any non-affiliated commercial customer by which it agrees to provide identical equipment or services in identical circumstances at lower prices, the Contractor shall so notify the Department and the Contract shall, at the Department's option, be amended to accord equivalent advantage to the Department.

Section 4: Interpretations and Disputes

4.1 SETTLEMENT OF DISPUTES

Any dispute concerning a question of fact arising under the Contract which is not disposed of by agreement after good faith negotiation shall be decided by the Contract Administrator whose decision shall be final and conclusive subject only to whatever rights, if any, the Contractor may have in a court of law. In connection with any appeal to the Contract Administrator under this paragraph, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute, the Contractor shall, to the extent commercially practicable, proceed diligently with the performance of the Contract in accordance with the Contract Administrator's decision.

4.2 CHOICE OF LAW AND CHOICE OF FORUM

Contractor agrees to be bound by the laws of the State of Connecticut and that this Contract shall be constructed and interpreted in accordance with Connecticut law in the event a choice of law situation arises.

4.3 SEVERABILITY

If any provision of this Contract is declared or found to be illegal, unenforceable, or void, then both parties shall be relieved of all obligations under that provision. The remainder of this Contract shall be enforced to the fullest extent permitted by law.

4.4 WAIVERS

No covenant, condition, duty, obligation or undertaking contained in or made a part of this Contract shall be waived, except as specifically provided in any section of this Contract, or by the written agreement of the parties. Forbearance or indulgence in any form or manner by either party in any regard whatsoever shall not constitute a waiver of the covenant, condition, duty, obligation or undertaking to be kept, performed, or discharged by the Contractor. Notwithstanding any such forbearance or indulgence, until complete performance or satisfaction of all such covenant, conditions, duties, obligations and undertakings, each party shall have the right to invoke any remedy available under the Contract, or under law or equity.

Section 5: Personnel

5.1 INDEPENDENT CAPACITY OF CONTRACTOR

Contractor, its officers, employees, subcontractors, or any other agent of the Contractor providing services hereunder is acting as an independent contractor in performance of this Contract. Contractor does not have, nor shall Contractor hold themselves out as having, any right, power or authority to create any contract or obligation either express or implied, on behalf, in the name of, or binding upon the State of Connecticut or of the Department. Contractor shall be solely responsible and liable for Contractor's employees and their acts, subject to the other terms and conditions of this Contract.

5.2 KEY PERSONS

Contractor certifies that all personnel named in their scope of work shall actually work on the Contract in the manner described in their proposal. No changes, substitution, additions or deletions shall be made unless approved in advance by the Contract Administrator, which approval shall not be unreasonably withheld. Substitute personnel shall be subject to approval by the Contract Administrator. Substitutions shall be made promptly, but in any event within ten (10) days of the resignation, death or other termination of a key person.

During the course of the Contract, the Department reserves the right to approve or disapprove the Contractor's and any subcontractor's staff assigned to this Contract, to approve or disapprove any proposed changes in staff, or to require the removal or reassignment of any Contractor employee or subcontractor employee found unacceptable by the Department.

Any employee of the Contractor, who, in the opinion of the Department is uncooperative, inept, incompetent, or otherwise unacceptable, shall be removed from this Contract. In the event that an employee is removed pursuant to the Department's written request from the

Contract Administrator, the Contractor shall have thirty (30) days in which to fill the vacancy with an acceptable employee. Replacement of any personnel, including those who have terminated employment, shall be with personnel of equal ability and qualifications as approved by the Department. The Contractor shall, upon request, provide the Department with a resume for any member of its staff or of a subcontractor's staff assigned to or proposed to be assigned to any aspect of the performance of this Contract.

5.3 UTILIZATION OF MINORITY BUSINESS ENTERPRISES

The government of the State of Connecticut and the Department believe that minority business enterprises should have the maximum opportunity to participate in the performance of government contracts. The organization agrees to use its' best efforts consistent with Section 45 CFR 74.161 and paragraph 9 of Appendix G thereto as well as Connecticut Public Act 84-412, and section 4a-60 of the Connecticut General Statutes to carry out this policy in the award of any subcontracts which may be permitted pursuant to paragraph.

5.4 UTILIZATION OF HANDICAPPED WORKERS

Contractor certifies that it will not discriminate against any employee or applicant for employment because of a physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. Contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation and selection for training including apprenticeship.

Contractor agrees to comply with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to Section 504 of the Federal Rehabilitation Act of 1973, regarding access to program and facilities by handicapped individuals.

5.5 NONSEGREGATED FACILITIES

The Contractor certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments; and that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. As Contractor, the organization agrees that a breach of this certification is a violation of Equal Opportunity in Federal Employment. In addition, Contractor must comply with the Federal Executive Order 11246 entitled "Equal Employment Opportunity" as amended by Executive Order 11375 and as supplemented in the United States Department of Labor Regulations (41 CFR Part 30). As used in this certification, the term "segregated facilities" includes any waiting rooms, restaurants and other eating areas, parking lots, drinking fountain, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated on the basis of race, color, religion, or national origin, because of habit, local custom, national origin or otherwise. The organization further agrees, (except where he has obtained identical certifications from proposed subcontractors for specific time periods) that it will obtain identical certifications from proposed subcontractors which are not exempt from the provisions for Equal Employment Opportunity; that it will retain such certifications in its files; and that it will forward a copy of this clause to such proposed subcontractors

(except where the proposed subcontractors have submitted identical certifications for specific time periods).

5.6 PROVISIONS REQUIRED PURSUANT TO P.A. 91-58 SECTION 16(B) AND P.A. 91-407 SECTION 8

A. The Contractor agrees to the following provisions: (1) The Contractor agrees and warrants that in performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other Contract or understanding and each vendor with which such Contractor has a Contract or understanding, a notice to be provided by the commission on human rights and opportunities advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (3) the Contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to Section 46a-56 of the general statutes; (4) the Contractor agrees to provide the commission on human rights and opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor which relate to the provisions of this section and section 46a-56 of the general statutes.

B. The Contractor shall include the provisions of section (a) in every subcontract or purchase order entered into in order to fulfill any obligation of a Contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or order of the commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with section 46a-56 of the general statutes; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the Contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

5.7 EMPLOYMENT/ AFFIRMATIVE ACTION CLAUSE

Contractor agrees to supply employment/affirmative action information as required for agency compliance with Titles VI and VII of the Civil Rights Acts of 1964 and Connecticut General Statutes, Section 46a-68 and Section 46a-71.

5.8 SMOKING POLICY

If the Contractor is an employer subject to the provisions of Section 31-40q of the Connecticut General Statutes, the Contractor agrees to provide the Department with a copy or its written rules concerning smoking. The rules or a statement that the Contractor is not subject to the provisions of Section 31-40q of the Connecticut General Statutes must be received prior to Contract approval by the Department.

5.9 SUSPENSION AND DEBARMENT

Signature on contract certifies the contractor or any person (including subcontractors) involved in the administration of Federal or State funds:

- a) has not within a three year period preceding the agreement been convicted or had a civil judgment rendered against him/her for commission of fraud or a criminal offense in performing a public transaction or contract (local, state or federal) or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property; and
- b) is not presently indicted for or otherwise criminally or civil charged by a governmental entity with commission of any of the above offenses; and
- c) has not within a three year period preceding this agreement had one or more public transactions terminated for cause or fault.

Any change in the above status shall be immediately reported to the Department.

Section 6: Payments

6.1 APPROVAL

The Department and the State of Connecticut assume no liability for payment under the terms of any agreement or Contract until Contractor is notified, in writing, that the Contract has been approved by the Office of Policy and Management, and/or by the Attorney General of the State of Connecticut as appropriate.

6.2 PAYMENTS

Upon receipt, acceptance and approval of the Contractor's monthly invoice, the Department shall pay Contractor on a monthly basis in accordance with Attachment H – Revised Budget.

6.3 WITHHOLDING OF PAYMENT

The Department may withhold payment if the Contractor uses funds and/or personnel for purposes other than described in the program plan, or defaults in any of the provisions of the Contract.

6.4 FEDERAL OR STATE FUNDS AVAILABILITY

The Department assumes no liability for payment, and the Contractor shall not be required to provide services, under the terms of this Contract until and unless the Federal or State funds for this Contract are authorized and made available.

Section 7: Termination

7.1 OFFER OF GRATUITIES

The Contractor certifies that, to its knowledge, no elected or appointed official or employee of the State of Connecticut has or will benefit financially or materially from the award of this Contract. This Contract may be terminated by the Department if it is determined that gratuities of any kind were either offered to or received by any of the aforementioned officials or employees from the Contractor, its agent or employee.

7.2 TERMINATION

The Contract may be terminated by the Department upon thirty (30) days advance written notice delivered to the Contractor specifying a date of termination.

This Contract may be subject to the following termination provisions. The Contract may be terminated by the State:

- For Default
- For Convenience
- For Unavailability of Funds
- For Financial Instability

All notices of termination as defined in the subsections below shall be signed by the Contract Administrator.

A. Termination for Default: The State may terminate this Contract in whole, or in part, whenever the Department determines that the Contractor or any subcontract has failed to satisfactorily perform its contracted duties and responsibilities and is unable to cure such failure, within a reasonable period of time as specified in writing by the Contract Administrator, taking into consideration the gravity and nature of the default. Such determination shall be referred to herein as “Termination for Default”.

Upon determination by the Department that the Contractor has failed to satisfactorily perform its contracted duties and responsibilities, the Contract Administrator shall notify the Contractor of its failure to perform and shall establish a reasonable time period, not to exceed thirty (30) days, in which to cure such failure. If the Contractor is unable to cure the failure within the specified time period, the Contract Administrator will notify the Contractor that the Contract has been terminated for default, in whole or in part. Such notices shall be in writing and delivered to the Contractor by certified mail, return receipt requested.

If, after notice of termination for default, it is determined by the Department or a court that the Contractor was not in default or that the Contractor’s failure to perform or make progress in performance was due to causes beyond the reasonable control and without error or negligence of the Contractor or any of its subcontractors, the notice of termination shall be deemed to have been issued as a termination for the convenience of the Department, and the rights and obligations of the parties shall be governed accordingly.

In the event of a termination for default, the Contractor shall be paid for those services which the Contractor has provided to the Department pursuant to this Contract through the effective date of termination.

The rights and remedies of the Department provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law under the Contract.

B. TERMINATION FOR CONVENIENCE: The Department may terminate performance of work under the Contract in whole or in part whenever for any reason the Department shall determine that such termination is in the best interest of the Department and/or the State of Connecticut.

In the event that the Department elects to terminate the Contract pursuant to this provision, the Contract Administrator shall notify the Contractor by certified mail, return receipt requested. Termination shall be effective as of the close of business on the date specified in the notice.

C. TERMINATION FOR UNAVAILABILITY OF FUNDS: It is understood and agreed by the parties hereto that all obligations of the Department, including the continuance of payments hereunder, are contingent upon the availability and continued appropriation of State and Federal funds, and in no event shall the Department be liable for any payments hereunder in excess of such available appropriated funds. In the event that the amount of any available or appropriated funds provided by the State or Federal sources for the purchase of services hereunder shall be reduced, terminated, or shall not be continued at an aggregate level sufficient to allow for the purchase of the specified services to be purchased hereunder for any reason whatsoever, the Contract Administrator shall notify the Contractor of such reduction of funds available and the Department shall be entitled to reduce the Department's commitment hereunder or to terminate the Contract as it deems necessary.

D. TERMINATION FOR FINANCIAL INSTABILITY. In the event that the Contractor becomes financially unstable to the point of threatening the ability of the Department to obtain the services provided for under this Contract, ceases to conduct business in the normal course, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or its assets, the Department may, at its option, immediately terminate this Contract. In the event the Department elects to terminate this Contract under this provision, it shall do so by the Contract Administrator sending notice of termination to the Contractor by certified mail, return receipt requested, specifying the date of termination. In the event of the filing of a petition in bankruptcy by or against a principal subcontractor, the Contractor shall immediately so advise the Department. The Contractor shall ensure that all tasks related to the subcontract are performed in accordance with the terms of the Contract and agrees that the filing of a petition in bankruptcy by or against a subcontractor shall, in no way, relieve Contractor of its duties under this Contract.

7.3 PROCEDURE ON TERMINATION

Upon delivery by certified mail to the Contractor of a Notice of Termination specifying the nature of the termination and the date upon which such termination becomes effective, the Contractor shall:

- Stop work under the Contract on the date and to the extent specified in the Notice of Termination.
- Terminate all subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination.
- Assign to the Department in the manner and to the extent directed by the Contract Administrator all of the right, title, and interest of the Contractor under the subcontracts so terminated, in which case the Department shall have the right, in its discretion, to settle or pay any and all claims arising out of the termination of such subcontracts.
- Complete the performance of such part of the work as shall not have been terminated by the Notice of Termination.
- Be entitled to payment for services rendered through the effective date of termination.

Section 8: Damages

8.1 LIQUIDATED DAMAGES - FAILURE TO MEET DELIVERABLES

The purpose of the liquidated damages is to ensure adherence to the deliverable schedule in the Contract. No punitive intention is inherent. It is agreed by the Department and the Contractor that in the event of the failure of Contractor to meet the schedule of deliverables in the Contractor's scope of work, damage shall be sustained by the Department and that it is and will be impracticable and extremely difficult to ascertain and determine the actual damages which the Department will sustain in the event of and by reason of such failure; and it is therefore agreed that, at the sole discretion of the Department, the Contractor shall pay the Department for such failures, at the rate of one-hundred dollars (\$100.00) for each day or any part thereof from the date such deliverable was due until the date it is provided and found, by the Department, to be acceptable as to format and contents. In the event the Contractor's failure to meet the scheduled deliverables is directly or indirectly related to the Department's failure to provide data, material, information or guidance to the Contractor or other circumstances beyond the reasonable control of the Contractor, then the Department shall be precluded from the imposition of such damages.

Written notification of each failure to meet a deliverable will be given by the Contract Administrator to the Contractor. The Contractor shall have five (5) working days from the date of receipt of written notification of a failure to meet a scheduled deliverable to cure the failure or, if it is evident that the cure cannot be performed within the five (5) working days, the Contract Administrator can approve additional days as deemed necessary. If the failure is not resolved within this warning/cure time period, liquidated damages may be imposed retroactively to the date of failure to perform. If the failure is resolved within the warning/cure time period, no liquidated damages shall be imposed. The imposition of liquidated damages is not in lieu of any other remedy available to the Department.

8.2 DEDUCTION OF DAMAGES FROM PAYMENTS

Amounts due to the Department as liquidated damages may be deducted by the Department from any money payable to the Contractor pursuant to this Contract. The Contract Administrator shall notify the Contractor in writing of any claim for liquidated

damages pursuant to this provision at least thirty (30) days prior to the date the Department deducts such sums from the money payable to the Contractor.

Section 9: Miscellaneous

9.1 AWARD OF RELATED CONTRACTS

The Department may undertake or award supplemental contracts for work related to this Contract or any portion thereof. The Contractor shall be bound to reasonably cooperate with such other contractors and the Department in all such cases. All subcontractors will be required to abide by this provision as a condition of the Contract between the subcontractor and prime Contractor.

9.2 ANTI-LOBBYING CLAUSE

No Federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor or its subcontractors, to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract , grant, loan, or cooperative agreement .

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Contractor or its subcontractors shall complete and submit a Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

9.3 INDEPENDENT PRICE DETERMINATION

By entering into this Contract, the Contractor certifies, as to its own organization, and in connection with this Contract that the costs proposed have been arrived at independently, without consultation, communication or agreement, for the purpose of restricting competition, as to any matter relating to such process with any other organization or with any competitor.

9.4 PROPOSAL PREPARATION EXPENSE

The State of Connecticut assumes no liability for payment of expenses incurred by respondents in preparing and submitting proposals in response to this solicitation.

9.5 FORCE MAJEURE

Neither party shall incur liability for any failure to perform its obligations under this Contract due to causes beyond its reasonable control including, but not limited to, fire, storm, flood, earthquake, explosion, accident, acts of war, acts of God, acts of federal, state or local government or any agency thereof and judicial action, acts of third parties,

and computer or equipment failures other than those caused by the sole negligence of either party.

9.6 CHANGE ORDER PROCESS

A. The Department may, at any time, ~~with written notice to the Contractor,~~ make changes ^{or additions} within the general scope of the contract. Such changes may include short term research projects or other activities required by new or amended Federal or State laws or regulations. ~~The Department may reimburse the Contractor for any activities required by new or amended State or Federal laws or regulations not mentioned in the Scope of Work or for any other changes outside the Scope of Work defined in the Contract which the Department deems necessary.~~

B. The written Change Order issued by the Department shall specify whether the change is to be made on a certain date or placed into effect only after approval of the Contractor's price proposal as described in the following paragraph. No changes in scope are to be conducted except by the express written approval of the Department's Contract Administrator.

C. As soon as possible after receipt of a written Change Order request, but in no event more than five (5) business days thereafter, the Contractor shall provide the Department with a written statement that the change has no price impact on the Contractor, or that there is a price impact, in which case the statement shall include a description of the price increase or decrease involved in implementing the change. The cost or credit to the Department resulting in a change in the work shall specify the total cost by the number of staff hours times the hourly rates set forth in the Budget for Optional Tasks, Appendix C-2 to this contract.

D. If the parties are unable to reach an agreement, the Department shall make a determination of the revised price and the Contractor shall proceed with the work as thus changed, subject to the Contractor's right to appeal the Department's determination of price.

E. Significant Change Order work may require authorization from the State of Connecticut Office of Policy and Management in order to amend the Contract to allocate additional funds to this project.

9.7 CONFLICT OF INTEREST

Contractor must disclose any business dealings which it has with any Medicaid and/or Medicare Managed Care Organization. The Contractor agrees it is precluded from entering into or continuing any business dealings, during the term of the resultant contract, with any Medicaid and/or Medicare Managed Care Organization. The Contractor also agrees not to represent any Medicaid and/or Medicare Managed Care Organization or Integrated Service Network (ISN) for a period of one year after the termination of the resultant contract, concerning any capitation rates established during the period of the contract.

Revised Budget and Payment Provisions

A. Contractor shall submit to the Department, on a monthly basis, an invoice delineating the specific project, activities performed, actual hours worked and the category of personnel who performed the tasks. Contractor shall be paid for the actual hours worked at the following all-inclusive rates per specified personnel category:

- Principal - \$240.00/hr**
- Associate - \$200.00/hr**
- Consultant - \$150.00/hr**
- Analyst - \$125.00/hr**

B. For each task specified for each program outlined in Attachment F - Scope of Work, Contractor shall provide the Department with a proposed work plan and estimated cost to complete said tasks by staffing category. The Department has approved a maximum project budget for each of the program tasks outlined in the scope of work.

I. ACTUARIAL RATE SETTING ASSISTANCE

Scope of Work Reference	Program Tasks	Maximum Project Budget
I - A	SFY00 and SFY01 UPL Calculations	\$310,000
I - B	1915 Waiver Cost-Effectiveness Submissions	135,000
I - C	SAGA NEMT Rate Setting	45,000
I - D	TMO Rate Setting	180,000
I - E	CTLIC Rate Setting	330,000
	<i>Sub-Total</i>	<i>\$1,000,000</i>

II. ACTUARIAL CONSULTING ASSISTANCE

Scope of Work Reference	Program Tasks	Maximum Project Budget
II - A	DMR PCCM Pilot Project	\$370,000
II - B	MCO Reporting Review	50,000
II - C	Financial Monitoring	115,000
II - D	Encounter Data	340,000
II - E	MCO Reviews	500,000
III - B	As Needed Consulting	150,000
III - B	Future Projects	250,000
	<i>Sub-Total</i>	<i>\$1,775,000</i>

Total \$2,775,000

C. Contractor shall be reimbursed for their actual costs for expenses including overnight mail, copying charges and computer costs. Expenses must be clearly identified on each invoice and shall be allocated among each of the program tasks invoiced for that month. Expenses shall be included in the calculation for the maximum project budget.

D. Should the Department request changes to the scope of work, the Department and Contractor shall proceed in accordance with the Change Order Process outlined in Attachment G section 9.6.

E. With the approval of the Department Contractor may shift funds between program tasks.

PERSONAL SERVICE AGREEMENT

CO-802A REV. 12/96 (Stock No 6938-170-01)

PRINT OR TYPE

STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER
ACCOUNTS PAYABLE DIVISION

1. PREPARE IN QUINTUPPLICATE
2. THE STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND / OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE
3. ACCEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS STATED ON THE REVERSE SIDE OF PART 1

(1) <input type="checkbox"/> ORIGINAL <input type="checkbox"/> AMENDMENT	(2) IDENTIFICATION NO. P. 5
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CONTRACTOR	(3) CONTRACTOR NAME CONTRACTOR ADDRESS	(4) ARE YOU PRESENTLY A STATE EMPLOYEE? <input type="checkbox"/> YES <input type="checkbox"/> NO CONTRACTOR FEIN / SSN
-------------------	---	---

STATE AGENCY	(5) AGENCY NAME AND ADDRESS	(6) AGENCY NO.
---------------------	-----------------------------	----------------

CONTRACT PERIOD	(7) DATE (FROM) THROUGH (TO)	(8) INDICATE <input type="checkbox"/> MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD	NO _____ <input type="checkbox"/> NEITHER
------------------------	------------------------------	--	---

CANCELLATION CLAUSE	THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT)	(9) REQUIRED NO. OF DAYS WRITTEN NOTICE 30
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COMPLETE DESCRIPTION OF SERVICE	(10) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.) [Handwritten notes and signatures]
--	--

COST AND SCHEDULE OF PAYMENTS	(11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.
--------------------------------------	---

(12) ACT CD	(13) DOC TYP	(14) COM TYP	(15) LSE. TYP.	(16) ORIG. AGCY	(17) DOCUMENT NO.	(18) COMMIT. AGCY	(19) COMMIT. NO.	(20) VENDOR FEIN / SSN - SUFFIX
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(21) COMMITTED AMOUNT \$ 447,000	(22) OBLIGATED AMOUNT \$ 447,000	(23) CONTRACT PERIOD (FROM / TO) 05/01/12
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(24) ACT CD	(25) COMM LINE NO.	(26) COMMITTED AMOUNT	(27) COMM. AGCY.	(28) COST CENTER		(29) OBJECT	(30) AGENCY TAIL			(33) F.Y.
				FUND	SID		(30) FUNCTION	(31) ACTIVITY	(32) EXTENSION	
		40,132				017 01730			2223	
		302,987				017 01730			2223	
		15,268				017 01750			2300	
		52,616				017 01750			2400	
		32,648				017 01750			4975	

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCES AND APPROVALS	(34) STATUTORY AUTHORITY 17b-28(a)
(35) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE)	TITLE _____ DATE _____
(36) AGENCY (AUTHORIZED OFFICIAL)	TITLE _____ DATE _____
(37) OFFICE OF POLICY & MGMT. / DEPT OF ADMIN SERV.	TITLE _____ DATE _____
(38) ATTORNEY GENERAL (APPROVED AS TO FORM)	TITLE <i>Attorney General</i> DATE _____

1. PREPARE IN QUINTUPPLICATE.
2. THE STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.
3. ACCEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS STATED ON THE REVERSE SIDE OF PART 1.

(1) ORIGINAL AMENDMENT (2) IDENTIFICATION NO. P.S. 7646100

CONTRACTOR (3) CONTRACTOR NAME: William M. Mercer, Inc.
CONTRACTOR ADDRESS: 2390 East Camelback Road, Suite 240, Phoenix, AZ 85016
(4) ARE YOU PRESENTLY A STATE EMPLOYEE? YES NO
CONTRACTOR FEIN / SSN: 137-03-4414

STATE AGENCY (5) AGENCY NAME AND ADDRESS: Dept. of Social Services, 25 Sigourney Street, Hartford, CT 06106
(6) AGENCY NO.: 610

CONTRACT PERIOD (7) DATE (FROM) 04/01/97 THROUGH (TO) 03/31/99
(8) INDICATE MASTER AGREEMENT CONTRACT AWARD NO. _____

CANCELLATION CLAUSE THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT.)
(9) REQUIRED NO. OF DAYS WRITTEN NOTICE: 30

COMPLETE DESCRIPTION OF SERVICE (10) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary)
Provide the Department with rate setting, actuarial and consulting services in accordance with the terms of the Scope of Work (Attachment A); Workplans (Attachments B1-B5); Key Personnel (Attachments C1-C5); and Mandatory Terms and Conditions (Attachment D).

COST AND SCHEDULE OF PAYMENTS (11) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.
Payments to the contractor will be based on the actual number of hours worked at the all-inclusive hourly rates stated in Attachment E, Budget; The maximum amount to be paid to the contractor under this agreement shall not exceed \$955,596.00.

(12) ACT CD	(13) DOCTYP	(14) COM TYP	(15) LSL TYP	(16) ORIG AGCY	(17) DOCUMENT NO.	(18) COMMIT AGCY	(19) COMMIT NO.	(20) VENDOR FEIN / SSN - SUFFI
				6100		6100		1371831441

(21) COMMITTED AMOUNT	(22) OBLIGATED AMOUNT	(23) CONTRACT PERIOD (FROM / TO)
\$ 270,060.00	447,000.00	\$ 955,596.00
		04/01/97 03/31/99

(24) ACT CD	(25) COMM LINE NO	(26) COMMITTED AMOUNT	(27) COMM AGCY	(28) COST CENTER		(29) OBJECT	(30) AGENCY TAIL		
				FUND	SID		(30) FUNCTION	(31) ACTIVITY	(32) EXTENSION
		40,132	6100		002	02230	3223		
		303,987	6100		002	02230	3223		
		18,208	6100		002	02230	3300		
		52,016	6100		040	02230	3400		
		32,648	6100		669	02230	4225		

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCES AND APPROVALS (34) STATUTORY AUTHORITY 176-28(a)

(35) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) Steven P. Schramm TITLE PRINCIPAL DATE 1/28/98

(36) AGENCY (AUTHORIZED OFFICIAL) Michael P. Starkowski TITLE Deputy Commissioner DATE 2/2/98

(37) OFFICE OF POLICY & MGMT / DEPT OF ADMIN SERV. TITLE DATE

(38) ATTORNEY GENERAL (APPROVED AS TO FORM) Assoc. Atty General DATE 2/20/98

CONNECTICUT DEPARTMENT OF SOCIAL SERVICES

Authorization of Signature Document

I, MARK S. HOYT, PRINCIPAL of WILLIAM M. MERCER, Inc., a corporation organized under the laws of the State of DELAWARE, hereby certify that the following is a full and true copy of a resolution adopted at a meeting of the Board of Directors of said company, duly held on the 28th day of JANUARY, 1998 :

“RESOLVED that STEVEN P. SCHRAMM is hereby authorized to make, execute and approve on behalf of this company, any and all contracts and amendments and to execute and approve on behalf of this company, other instruments, a part of or incident to such contracts and amendments effective until otherwise ordered by the Board of Directors”.

and I do further certify that the above resolution has not been in anyway altered, amended or repealed, and is now in full force and effect. IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said company this 28th day of JANUARY, 1998.

Mark S. Hoyt

Signature

PRINCIPAL

Title

FOR OPM USE ONLY

DATE RECEIVED

REQUEST FOR CONTINUANCE BY AMENDMENT

This form is to be completed when requesting a continuance by amendment to a Personal Service Agreement. Return this form to: Office of Policy and Management, Management Division, 450 Capitol Avenue, MS# 54 MGT, P.O. Box 341441, Hartford, CT 16134-1441.

Agency Name / Address: **Social Services, 25 Sigourney Street, Hartford**

Date: **March 11, 1999**

Agency Contact : **Kathleen M. Brennan**

Phone: **(860) 424-5693**

Name and Address of Contractor: **William M. Mercer, Inc.
2390 East Camelback Road, Suite 240
Phoenix, AZ 85016**

Was the cost of the original agreement more than \$50,000? **Yes**

Does the amendment have a cost of one hundred percent or more of the cost of the original contract? **Yes**

Does the amendment increase the cost of the agreement to more than fifty thousand dollars? **N/A**

Does the amendment extend the terms of the agreement beyond a one year period? **Yes**

Is this the second or subsequent amendment to this agreement? **No**

Original Agreement: **Competitive**

Description of Original Services (Purpose, Scope, Activities, Outcomes): **Contractor provides the Department with a variety of rate setting, actuarial and consulting services for Health Care Financing Programs and Issues such as Medicaid managed care, dually eligible medicare/medicaid population and HUSKY B. In addition, the Contractor provides actuarial and consulting services to the Department in connection with non-emergency medical transportation and pharmacy initiatives.**

Term of Original Contract: **4/1/97 – 3/31/99**

Cost of Original Services: **\$955,596.00**

Fund: **002, 040, 878, 669**

Number and cost of prior amendments: N/A. **This is the first amendment to this contract.**

Description of Services to be covered by the Amendment (Purpose, Scope, Activities, Outcomes): **The Contractor shall continue to provide actuarial, rate setting and consultation services for the following programs – CTLC (a/k/a Pace, f/k/a Dual eligible) : setting of rates, program design, cost-benefit analysis and regression analysis; 1915(b) Waiver cost-effectiveness: prospective and retrospective analyses; SFY 00 HUSKY A and B: development of actuarially sound UPLs; Financial monitoring of managed care plans: design, development and implementation of a financial monitoring process; Health Plan Reviews: on-site operational and financial reviews of the HUSKY A & B plans to assist the Department in the renegotiation of rates; SAGA Non-Emergency Medical Transportation Rate Setting: Development and implementation of a SAGA NEMT rate; TMO rates: review of existing TMO rates in response to concerns raised by Contractors; HMO Contract Review: assist DSS in the development and implementation of a reporting mechanism for DSS stakeholders relative to the managed care plans compliance with reporting, progress towards incentives and assessment of sanctions. In addition Contractor shall provide actuarial, rate setting and consultative services to the Department relating to the DMR Pilot Project Rate Setting: pursuant to the Governor’s Budget the Department is participating in the DMR Pilot Project; Pharmacy Initiatives: a continuation of a review and implementation of pharmacy initiatives to achieve savings. The contract amendment shall also address the possibility of the following tasks following the conclusion of the legislative session: Long-term purchasing strategies relating to Medicaid and the State Employee Plan and joint purchasing specifications.**

Need for the Services: **Issues relating to Health Care Financing continue to grow. The need for continued actuarial, rate setting and consultation services is directly tied to the State’s desire to maximize efficiencies in these areas.**

Cost of this Amendment: **\$2,775,000**
Fund: **002, 040, 878, 669**

Reasons why a new RFP and Personal Services Agreement are not needed: **During the contract term William M. Mercer had performed admirably. They have developed a first hand and in-depth knowledge of the issues pertaining to this agency. The majority of the tasks under this amendment are a continuation of the tasks in the original contract term. Additional tasks are directly related and in some cases were raised as a result of Mercer’s original work. Prior to Mercer’s contracting with the state the Department contracted with the Lewin Group for a number of rate setting and actuarial processes tied only to Medicaid Managed Care. The total value of their two year contract which ended on June 30, 1996 was \$1,308,677. This was strictly limited to what is now known as HUSKY A. While the cost of the Mercer amendment is greater they are providing a their rate setting and actuarial services**

across a broad range of Health Care issues. A new RFP would not be efficient due to the fact that Mercer has completed a large portion of the ground work for which these additional tasks are based. The learning curve that a potentially new contractor would have to manage would not allow the Department to implement the efficiencies or recognize any savings in a timely manner.

Term of this Amendment: 4/1/99 – 6/30/01

Total cost of amended services: \$2,775,000

Requester's Name and Title: Kathleen M. Brennan Contract Administrator	Requester's Signature:
Approved Disapproved Secretary, Office of Policy & Management Date	

C: Deputy Commissioner Starkowski
David Parrella
Lee Voghel

I. MANAGED CARE PROJECTS: Contractor shall provide actuarial and consulting services to the Department in connection with the following Managed Care Projects:

- In establishing a financially feasible and cost effective benefit plan proposal for the Dually Eligible Medicare/Medicaid population (Tasks A1-A5, B, C, D & E);
- In the development of a Primary Care Case Management Rate for the movement of the State's General Assistance (GA) population into managed care (Task F); and
- In the development of an 1115 waiver of Title XXI of the Social Security Act to implement the Department's proposed HUSKY Care program for uninsured children (Task G).

Contractor shall accomplish the following tasks:

A. MEDICAID AND MEDICARE RATE DEVELOPMENT

Task A1: Identify and Evaluate Risk Adjustment Methods

Contractor will work in collaboration with the Department of Social Services' Health Care Financing Division staff to identify and assess alternative risk adjustment methodologies for Medicaid and Medicare payments for Connecticut's dually eligible population, as well as for the Medically Needy Medicaid population. In order to determine the most effective approach, Contractor will do the following:

1.1: Review the discussion and the conclusions from the New England States Consortium's Reimbursement Summit.

1.2: Discuss alternatives to risk adjustment methodologies or a methodology that has already been approved by the federal Health Care Financing Administration (HCFA) and federal Office of Management and Budget (OMB) staff.

1.3: Assess existing methodologies discussed at the Reimbursement Summit, as well as others employed by other states. In identifying appropriate risk adjusters, Contractor will use the following criteria:

- the potential for explaining variation in costs among enrollees,
- the administrative ease to implement,
- the extent to which disincentives, are created to enrolled persons with more complex needs, and
- their potential use for complimenting quality or clinical assessment initiatives of the Department.

Contractor may propose that a methodology be piloted for a defined period of time. Before initiating the pilot, Contractor will write a proposal that outlines the program's

evaluation criteria and usefulness of the results. Contractor will ensure that the pilot program will not delay implementation plans.

1.4: Contractor will develop a proposal that discusses the relative strengths and weaknesses for each capitation methodology. This proposal may include a different recommendation for the Medically Needy population. If a client survey is necessary, Contractor will recommend a proposal for the best survey approach.

1.5: Contractor will chair, no less than, two round table meetings to discuss the risk adjustment issue.

Department Support: The Department shall participate in the Contractor's meetings to discuss the risk adjustment issue.

Task A2: Determination of Upper Payment Limit (UPL)

In calculating the UPL for the Medicare and Medicaid population Contractor will complete this task in the following three steps:

2.1: Ensure Data Accuracy and Review the Data

Contractor will review the data from the various state agencies and perform numerous cross-checks to ensure that the data are consistent and accurate. Contractor will compare the number of eligibles and expenditures with the amounts reported on the HCFA-64s and HCFA-2082s.

Prior to UPL and capitation development, Contractor will review the data to ensure that the following problems are corrected:

- Inappropriate use of paid claims data (based on date of payment) as opposed to incurred claims data (based on date of service)
- Problems with the derivation of accurate lag factors
- Inclusion of claims and member months prior to the time when the ISN would be at risk
- Inappropriate geographic groupings or adjustments for outliers
- Inclusion of disproportionate share hospital (DSH) and graduate medical education (GME) funds in the expenditures
- Inappropriate payments for either non covered services or ineligible participants

2.2: Calculate Fee-For-Service Equivalent Costs

Contractor will calculate base fee-for-service equivalent costs in a series of worksheets (see Appendix).

Contractor will split the PMPM cost estimates into utilization and cost components on a per 1,000 basis and per unit of service basis, respectively to identify trends in the risk characteristics of the target population.

Contractor will evaluate each of the following components:

- Utilization Per 1,000: calculated by taking the utilization supplied by the Department (number of admissions, number of visits, etc.), dividing by the average number of recipients in any month, and multiplying by 1,000. Contractor will isolate trends in service utilization separate from population growth. These trends include reductions in a service or substantial shift in service utilization by category of service.
- Unit Cost for each major service category: calculated by dividing the paid claims by total utilization. This is calculated to compare average costs across each year. Using this information, Contractor will also be able to isolate trends in unit costs and make comparisons across different eligibility categories.
- Per Member Per Month (PMPM) rates: calculated using the following formula: $[\text{Utilization per 1,000} \times \text{Unit Cost}] / 12,000$. PMPM figures will be compared across the three years, regions, age groups, and sex categories. These PMPM costs can also be compared against other states with similar benefit packages.

2.3: Calculate Upper Payment Limits

In developing the UPL, Contractor will trend and adjust the FFSE by:

- A trend factor, which is necessary to estimate the cost of providing health care services in some future year. Contractor will work with the Department to develop a Connecticut specific medical care inflation index that HCFA will accept. This index will combine inflation experience for hospital, physicians, pharmacy, and other areas based on the relative proportion of the State's Medicaid costs for each of the categories; and by.
- Selection Adjustment - Due to the voluntary nature of the program, Contractor will make a selection adjustment to account for the risk differential of those who actually enroll.

Department Support: The Department will provide the Contractor with the database, and a listing of any programmatic changes. The Department's attendance will be required at two meetings to review appropriateness of Contractor's rate setting assumptions for the Connecticut Medicaid program.

Task A3: Calculate Medicaid Capitation Rates

Contractor will calculate the final capitation rates for negotiation with the ISNs. The process described here is also applicable to the Medically Needy population.

3.1: Capitated Rate Structure - Inclusive of Risk Adjustment Methodology:

The capitated rate structure will be dependent on the risk adjustment methodology chosen to differentiate the risk among enrollees. Contractor will base the capitation rate on the risk adjustment rate structure if the data has sufficient credibility.

3.2: Impact of Managed Care:

Contractor will transition the UPL worksheet to a Capitation Rate Calculation Sheet (CRCS) (see Appendix) which includes analysis and adjustments by category of service to reflect the implementation of managed care.

3.3: Relational Modeling:

Contractor will perform relational modeling to ensure that the relationships between and among the rate cells are consistent and reasonable.

3.4: Adjustments:

Contractor will determine the adjustments to the gross capitation rates as shown on the CRCS. The adjustments address such issues as: ISN administration, profit, risk, and contingencies. Contractor will make other adjustments to the gross capitation rates as directed by the Department. The adjustments will depend upon the program design chosen by the Department; reinsurance if the Department offers a program or third party liability if the Department places the ISNs at risk for recoveries.

Contractor will peer review all work for the State. In rate setting, Contractor will ensure that the calculated capitation rate represents the underlying data provided by the Department.

Department Support: The Department will provide Contractor with the database, and a listing of any programmatic changes. The Department will attend, no less than, two meetings to review appropriateness of Contractor's rate setting assumptions for the Connecticut Medicaid program.

Task A4: Calculate Medicare Capitation Rates

In developing rates for this population, Contractor will follow the same process outlined in Tasks A2 and A3. In this process, Contractor will ensure the capitation rate only accounts

for services within the Medicare program. For overlapping services, Contractor will estimate the Medicare portion of the risk. This process will develop prospective rates that address the risk of providing Medicare services for the enrolled population. The Medicare rates will reflect the risk adjustment methodology chosen.

Department Support: The Department will provide the Contractor the database, and a listing of any programmatic changes. The Department will attend, no less than, two meetings to review the appropriateness of Contractor's rate setting assumptions for the Connecticut Medicaid program.

Task A5: Connecticut Medicare AAPCC Analysis

After completing Tasks A3 and A4, Contractor will compare the costs between the targeted dually eligible population and the payments that would have been made to the ISNs under AAPCC. Contractor will complete the following tasks:

- 5.1: Request five years of utilization and claims information from HCFA on their AAPCC tapes that detail the unadjusted Medicare experience and experience after HCFA has modeled it for the AAPCC calculation.
- 5.2: Adjust this information to match the target dually eligible population.
- 5.3: Review the rate setting methodology used by HCFA to set the AAPCC.
- 5.4: Estimate a Medicare capitation rate for the target population using the AAPCC rate setting methodology.

Department Support: To allow Contractor to evaluate how closely the AAPCC matches the risk of the target population, the Department will provide input on the target population along with the goals of the Connecticut dual initiative

DELIVERABLE DATES: Completion dates for the performance of Task A are identified in Attachment B-1, WORKPLAN-1115, attached hereto and incorporated herein.

KEY PERSONNEL: Key Personnel for the performance of Task A are identified in Attachment C-1, KEY PERSONNEL-1115, attached hereto and incorporated herein.

COST AND SCHEDULE OF PAYMENTS: Payments to the Contractor will be based on the actual number of hours worked at the all-inclusive hourly rates stated in Attachment D, Budget. The Contractor will submit a monthly invoice to the Department stating the task and the actual number of hours worked. The estimated cost for each task within this contract are stated in Attachment D and shall not be exceeded.

TASK B. PERFORM CASELOAD, UTILIZATION AND EXPENDITURE ANALYSES BASED ON CURRENT ELIGIBILITY CRITERIA AND CRITERIA PROPOSED IN THE WAIVER

As part of an 1115 waiver, HCFA requires the State to categorize five years of historical data based on aid category and age (children and adult). Because this structure is not appropriate for the dually eligible population, Contractor will recommend rate groupings that more closely match the categories used in the rate setting process. Most likely, these categories will be grouped according to aid category, elderly recipients, and the disabled as well as setting or functional status. Within each category, Contractor may be asked to calculate a case-mix or risk adjustment.

Contractor will combine groups that have insufficient credibility and make an estimate of the population's enrollment and expenditures in the current health care delivery system. This analysis will also include a trend estimate that projects the program's enrollment and expenditures into the contract year. In this entire analysis, Contractor will provide estimates that are both accurate and meet HCFA's expenditure requirements.

Department Support: The Department shall participate in at least two meetings to review Contractor's projections.

DELIVERABLE DATES: Completion dates for the performance of Task B are identified in Attachment B-1, WORKPLAN-1115, attached hereto and incorporated herein.

KEY PERSONNEL: Key Personnel for the performance of Task B are identified in Attachment C-1, KEY PERSONNEL-1115, attached hereto and incorporated herein.

COST AND SCHEDULE OF PAYMENTS: Payments to the Contractor will be based on the actual number of hours worked at the all-inclusive hourly rates stated in Attachment D, Budget. The Contractor will submit a monthly invoice to the Department stating the task and the actual number of hours worked. The estimated cost for each task within this contract are stated in Attachment D and shall not be exceeded.

TASK C. PREPARE UTILIZATION AND EXPENDITURE PROJECTIONS FOR POSSIBLE EXPANDED POPULATIONS

If the Department includes additional populations in the waiver, Contractor will need to estimate the enrollment and cost for this group. In making these estimates, Contractor will rely on the Current Population Survey (CPS) data set. The CPS includes data by age, sex, employment status, income level, and insurance coverage.

In projecting expenditures for new populations, Contractor will risk adjust the experience of the current population. In making this risk adjustment, Contractor will consider the following issues:

Demographics	Eligibility duration
Benefit packages	Service delivery network (FFS versus managed care)
Income standards	Premium deductible amounts
Phase-in	Level of health status
Insurance coverage	Eligibility processing
Pent-up demand	

Department Support: The Department shall review all adjustments for appropriateness based on the Department's unique knowledge of Connecticut's Medicaid environment.

DELIVERABLE DATES: Completion dates for the performance of Task C are identified in Attachment B-1, WORKPLAN-1115, attached hereto and incorporated herein.

KEY PERSONNEL: Key Personnel for the performance of Task C are identified in Attachment C-1, KEY PERSONNEL-1115, attached hereto and incorporated herein.

COST AND SCHEDULE OF PAYMENTS: Payments to the Contractor will be based on the actual number of hours worked at the all-inclusive hourly rates stated in Attachment D, Budget. The Contractor will submit a monthly invoice to the Department stating the task and the actual number of hours worked. The estimated cost for each task within this contract are stated in Attachment D and shall not be exceeded.

TASK D. DEMONSTRATE COST-EFFECTIVENESS AND BUDGET NEUTRALITY

To demonstrate budget neutrality, Contractor will demonstrate that the waiver program will have the same or lower expenditures than the current FFS program. Contractor will assist the Department in addressing HCFA ORD with issues regarding budget neutrality, such as blended funding, aggregate budget caps, counting conventions, etc.

Department Support: The Department will assist the Contractor in developing negotiation strategies for the budget neutrality discussions with HCFA. This may include the Department researching various trend rates and regulatory statutes to negotiate position.

Deliverable Dates: Completion dates for the performance of **Task D** are identified in **Attachment B-1, WORKPLAN-1115**, attached hereto and incorporated herein.

Key Personnel: Key Personnel for the performance of **Task D** are identified in **Attachment C-1, KEY PERSONNEL-1115**, attached hereto and incorporated herein.

COST AND SCHEDULE OF PAYMENTS: Payments to the Contractor will be based on the actual number of hours worked at the all-inclusive hourly rates stated in **Attachment D, Budget**. The Contractor will submit a monthly invoice to the Department stating the task and the actual number of hours worked. The estimated cost for each task within this contract are stated in **Attachment D** and shall not be exceeded.

TASK E. PROJECT SUPPORT SERVICES

At the request of the Department:

1. Contractor will prepare or edit certain sections of the waiver application.
2. Contractor will provide consulting support to DSS staff around evolving policy issues such as:
 - Determining when and how non-elderly dually eligible persons will be phased into the 1115 waiver program.
 - Ensuring that the eligibility proposals in the 1115 waiver program do not encourage adults to avoid purchasing long term care insurance when they are still young, and
 - Develop a premium or deductible strategy that encourages individuals to join ISNs under the income eligibility proposal.
3. Contractor will work with the Department on preparing legislative briefing packages as well as other public presentation materials.

Department Support: The Department shall provide Contractor with whatever supporting documentation is necessary to assist Contractor in developing the cost and caseload estimates.

DELIVERABLE DATES: Completion dates for the performance of Task E are identified in Attachment B-1, WORKPLAN-1115, attached hereto and incorporated herein.

KEY PERSONNEL: Key Personnel for the performance of Task E are identified in Attachment C-1, KEY PERSONNEL-1115, attached hereto and incorporated herein.

COST AND SCHEDULE OF PAYMENTS: Payments to the Contractor will be based on the actual number of hours worked at the all-inclusive hourly rates stated in Attachment D, Budget. The Contractor will submit a monthly invoice to the Department stating the task and the actual number of hours worked. The estimated cost for each task within this contract are stated in Attachment D and shall not be exceeded.

TASK F. DEVELOP A REIMBURSEMENT MECHANISM FOR THE MOVEMENT OF STATE ADMINISTERED GENERAL ASSISTANCE (SAGA) INTO MANAGED CARE.

Contractor shall set a Primary Care Case Management Rate to be paid to participating Providers for SAGA clients in managed care. In completing this task, Contractor shall provide the Department with:

1. An analysis of historical data ;
2. An analysis of other states who utilize a PCCM Rate (NY/ MA);
3. An analysis of anticipated savings

In addition, the Contractor will conduct interviews with SAGA stakeholders as identified by the Department to assess potential problems and concerns. Presentations on identified problems and concerns will be made by the Contractor to groups designated by the State.

Department Support: The Department shall provide Contractor with the data required and participate in at least two meetings to review Contractor's proposal relative to this task. The Department will also identify SAGA stakeholders to be interviewed and a group to receive presentations on results of the interviews. Three days are anticipated for the interviews and two days for the presentations.

DELIVERABLE DATES: Completion dates for the performance of Task F are identified in Attachment B-2, WORKPLAN-SAGA, attached hereto and incorporated herein.

KEY PERSONNEL: Key Personnel for the performance of Task F are identified in Attachment C-2, KEY PERSONNEL-SAGA, attached hereto and incorporated herein.

COST AND SCHEDULE OF PAYMENTS: Payments to the Contractor will be based on the actual number of hours worked at the all-inclusive hourly rates stated in Attachment D, Budget. The Contractor will submit a monthly invoice to the Department stating the task and the actual number of hours worked. The estimated cost for each task within this contract are stated in Attachment D and shall not be exceeded.

TASK G: DEVELOP AN 1115 WAIVER OF TITLE XXI OF THE SOCIAL SECURITY ACT TO IMPLEMENT THE DEPARTMENT'S PROPOSED HUSKY CARE PROGRAM FOR UNINSURED CHILDREN.

Task G1: Contractor shall subcontract with Engquist, Pelrine & Powell (EPP) for strategy assistance on the design and development of the waiver. This would include input on the waiver design process and two to three meetings with Gretchen Engquist and an appropriate EPP staffperson.

Department Support: The Department shall provide Contractor and their subcontractor with appropriate staff to lead the waiver process.

Task G2: Actuarial Assistance: Contractor shall provide actuarial work in the following areas to assist the Department in identifying the waiver program and how it drives the cost and caseload estimates:

a. **Program Design:** Contractor and their subcontractor will meet with the Department to determine the goals of HUSKY Care. Contractor and their subcontractor shall assist the Department in the design of a program that meets the goals while receiving approval from HCFA.

b. **Target Population:** Contractor will review the population estimates completed by the Department to ensure they accurately estimate the population eligible and expected to present to the HUSKY Care program. To do this, Contractor will compare population estimates on the number of uninsured children within the State as measured by the Current Population Survey (CPS) to the estimates provided by the Department. After determining the eligible population, Contractor and their subcontractor will work with the Department to determine the impact of the proposed program design upon the presentation rate of the eligible population and adjust the population estimates to cover only those reasonably expected to present for the program.

c. **Service Delivery Network:** The Department intends to run a competitively bid procurement to secure the services of at least two HMOs to serve HUSKY Care enrollees throughout the State. The goal of the procurement will be to select only those sophisticated managed care delivery systems that have extensive experience dealing with children. Contractor shall assist the Department in achieving this goal.

d. **Benefit Package:** The benefit package proposed is that of the current Connecticut State Employee Plan being offered by both MD Health Plan and Blue Cross/ Blue Shield of Connecticut. Contractor will adjust the Medicaid cost experience of children up to age 18 to reflect the proposed State Employee Benefit Plan. The Medicaid experience needs to be adjusted as the Medicaid benefit package covers

substantially more services than the State Employee Plan. The State Employee Plan experience needs to be adjusted as the proposed population differs from the existing employee base.

e. **Budget Neutrality/Waiver Documentation:** Contractor will provide the Department with tables and supporting documentation clearly demonstrating the budget neutrality of the proposal and, in fact, modest savings associated with the HUSKY Care program. The waiver tables and supporting documentation will allow HCFA to effectively evaluate the assumptions, such as trend and the impact of managed care, used to develop the cost and caseload estimates.

DELIVERABLE DATES: Completion dates for the performance of Task G are identified in Attachment B-3, WORKPLAN-HUSKY, attached hereto and incorporated herein.

KEY PERSONNEL: Key Personnel for the performance of Task G are identified in Attachment C-3, KEY PERSONNEL-HUSKY, attached hereto and incorporated herein.

COST AND SCHEDULE OF PAYMENTS: Payments to the Contractor will be based on the actual number of hours worked at the all-inclusive hourly rates stated in Attachment D, Budget. The Contractor will submit a monthly invoice to the Department stating the task and the actual number of hours worked. The estimated cost for each task within this contract are stated in Attachment D and shall not be exceeded.

II. OTHER ACTUARIAL PROJECTS:

Contractor shall provide actuarial and consulting services to the Department in connection with the following additional projects:

- an examination of strategies to volume purchase non-emergency medical transportation services not currently eligible for managed care (Task H); and
- an assessment of the cost impact of ten (10) managed pharmacy initiatives (Task I).

Contractor shall accomplish the following tasks:

TASK H: Contractor will develop an Upper Payment Limit and Rate Setting Methodology for Non-Emergency Transportation Services.

DELIVERABLE DATES: Completion dates for the performance of **Task H** are identified in **Attachment B-4, WORKPLAN-TMO**, attached hereto and incorporated herein.

KEY PERSONNEL: Key Personnel for the performance of **Task H** are identified in **Attachment C-4, KEY PERSONNEL-TMO**, attached hereto and incorporated herein.

COST AND SCHEDULE OF PAYMENTS: Payments to the Contractor will be based on the actual number of hours worked at the all-inclusive hourly rates stated in **Attachment D, Budget**. The Contractor will submit a monthly invoice to the Department stating the task and the actual number of hours worked. The estimated cost for each task within this contract are stated in Attachment D and shall not be exceeded.

TASK I: Contractor shall assess the cost impact of ten (10) managed pharmacy initiatives. The assessment should also address qualitative issues related to the initiatives including clinical appropriateness, operational requirements, and participant relations. Contractor shall also identify any other cost containment suggestions along with an estimate of the potential value.

a. Project Approach

Contractor shall:

1. Request and gather the necessary information.
2. Verify understanding of current claims processes.
3. Review current managed pharmacy process.
4. Identify the issues related to each initiative.
5. Develop baseline Rx cost and project FY 1998 Rx cost.
6. Estimate the cost/savings impact of each initiative.
7. Compare Contractor's cost/savings projections to the proposed savings.
8. Summarize observations and conclusions.

Attachment A-4 attached hereto and incorporated herein, provides an outline of certain key steps for assessing the cost impact of each initiative.

Department Support: The Department shall provide Contractor with the data required and participate in at least two meetings to review Contractor's proposal relative to this task.

DELIVERABLE DATES: Completion dates for the performance of Task I are identified in Attachment B-5, WORKPLAN-PHARMACY, attached hereto and incorporated herein.

KEY PERSONNEL: Key Personnel for the performance of Task I are identified in Attachment C-5, KEY PERSONNEL-PHARMACY, attached hereto and incorporated herein.

COST AND SCHEDULE OF PAYMENTS: Payments to the Contractor will be based on the actual number of hours worked at the all-inclusive hourly rates stated in Attachment D, Budget. The Contractor will submit a monthly invoice to the Department stating the task and the actual number of hours worked. The estimated cost for each task within this contract are stated in Attachment D and shall not be exceeded.

**CT COMMISSION ON HUMAN RIGHTS & OPPORTUNITIES
CONTRACT COMPLIANCE REGULATIONS**

Sec. 46a-68j-23. Obligations of Contractors

Every contractor awarded a contract subject to contract compliance requirements shall;

- 1) Comply fully with all federal and state antidiscrimination laws, and shall not discriminate or permit a discriminatory practice to be committed;
- 2) Cooperate full with the Commission;
- 3) Submit periodic reports of its employment and subcontracting practices in such a form, in such a manner and at such a time as may be prescribed by the Commission;
- 4) Provide reasonable technical assistance and training to minority business enterprises to promote the participation of such concerns in state contracts and subcontracts;
- 5) Make a good faith effort, based upon the availability of minority business enterprises in the labor market area, to award a reasonable proportion of all subcontracts to such enterprises;
- 6) Maintain full and accurate support data for a period of two (2) years from the date the record is made or the date the contract compliance form is submitted, whichever is later, provided that this provision shall not excuse compliance with any other applicable record retention statute, regulation or policy providing for a period of retention in excess of two (2) years;
- 7) Not discharge, discipline or otherwise discriminate against any person who has filed a complaint, testified or assisted in any proceeding with the Commission;
- 8) Make available for inspection and copying any support data requested by the Commission, and make available for interview any agent, servant or employee having knowledge of any matter concerning the investigation of a discriminatory practice complaint or any other matter related to a contract compliance review;
- 9) Include a provision in all subcontracts with minority business enterprises requiring that the minority business enterprise provide the Commission with such information on the structure and operations as the Commission finds necessary to make an informed determination as to whether the standards of Section 4a-60 of the Connecticut General Statutes as amended by Sec. 2 of Public Act 89-253 have been met; and
- 10) undertake such other reasonable activities or efforts as the Commission may prescribe to ensure the participation of minority business enterprises as state contractors and subcontractors.

Sec. 46a-68j-24. Utilization of minority business enterprises

Contractors shall make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on all project subject to contract compliance requirements.

WORKFORCE ANALYSIS

Contractor Name: _____

Total number of CT employees: _____

Address: _____

Full-time _____ Part-time _____

Complete the following Workforce Analysis for employees on Connecticut worksites who are:

JOB CATEGORIES	OVERALL TOTALS (sum of all cols male & female)	WHITE (NOT OF HISPANIC ORIGIN)		BLACK (NOT OF HISPANIC ORIGIN)		HISPANIC		ASIAN OR PACIFIC ISLANDER		AMER. INDIAN OR ALASKAN NATIVE		PEOPLE WITH DISABILITIES	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Officials & Managers													
Professionals													
Technicians													
Sales Workers													
Office & Clerical													
Craft Workers (Skilled)													
Operators (Semi Skilled)													
Laborers (Unskilled)													
Totals Above													
Totals One Year Ago													
Formal On-The-Job-Trainees (Enter figures for the same categories as shown above)													
Apprentices													
Trainees													
Employment Figures were obtained from: _____ Visual Check _____ Employment Records _____ Other: _____													

1. Have you successfully implemented an Affirmative Action Plan? Yes ___ No ___
 Date of Implementation _____ If the answer is "No", explain.

1.a. Do you promise to develop and implement a successful Affirmative Action Plan?
 Yes ___ No ___ Not Applicable ___ Explanation:

2. Have you successfully developed an apprenticeship program complying with Sec. 46a-68-1 to 46a-68-17 of the Connecticut Department of Labor Regulations, inclusive: Yes ___ No ___ Not Applicable ___ Explanation:

3. According to EEO-1 data, is the composition of your work force at or near parity when compared with the racial and sexual composition of the work force in the relevant labor market area? Yes ___ No ___ Explanation:

4. If you plan to subcontract, will you set aside a portion of the contract for legitimate minority business enterprises? Yes ___ No ___ Explanation:

 Contractor's Authorized Signature

 Date

CT DSS 1115 Dually Eligible Waiver Request Development Timeline

ID	Task Name	Nov 30, '97							Dec 14, '97			Dec 28, '97			Jan 11, '98			Jan 26, '98				
		T	M	F	T	S	W	S	T	M	F	T	S	W	S	T	M	F	T	S	W	
1	Background and Overview of Chapter	[Task bar from 11/24 to 12/12]																				
2	Draft overview	[Task bar from 11/24 to 12/12]																				
3	Distribute chapter for comment	[Task bar from 11/24 to 12/12]																				
4	Incorporate comments and finalize draft	[Task bar from 11/24 to 12/12]																				
5	Service Delivery System	[Task bar from 11/24 to 12/12]																				
6	Develop overall delivery system goals	[Task bar from 11/24 to 12/12]																				
7	Capacity analysis	[Task bar from 11/24 to 11/28]																				
8	Describe care delivery approach	[Task bar from 11/24 to 11/28]																				
9	Distribute chapter for comment	[Task bar from 11/24 to 12/12]																				
10	Incorporate comments and finalize draft	[Task bar from 11/24 to 12/12]																				
11	Eligibility	[Task bar from 11/24 to 12/12]																				
12	Finalize proposal	[Task bar from 11/24 to 12/12]																				
13	Distribute chapter for comment	[Task bar from 11/24 to 12/12]																				

Project: ctduval
 Date: Wed 12/3/97

Task Progress Milestone

Summary Rolled Up Task Rolled Up Progress

Rolled Up Milestone

• Timeline assumes final submission to legislature on 1/16

CT OSS 1115 Dually Eligible Walker Request Development Timeline

ID	Task Name	Nov 30, '97							Dec 14, '97							Dec 28, '97							Jan 11, '98							Jan 25, '98						
		T	M	F	T	S	W	S	T	M	F	T	S	W	S	T	M	F	T	S	W	S	T	M	F	T	S	W								
14	Incorporate comments and finalize draft																																			
15	Enrollment																																			
16	Describe enrollment approach																																			
17	Finalize decision about lock-ins i.e., timeframes																																			
18	Finalize disenrollment rules for consumers and the ISNs																																			
19	Determine broker reimbursement methodology																																			
20	Distribute chapter for comment																																			
21	Incorporate comments and finalize draft																																			
22	Quality																																			
23	Determine approach to managing ISNs incorporating NE states QA Committee's recommendations re: QA measurement/mtg.																																			
24	Determine client satisfaction assessment process																																			
25	Finalize grievance and appeals process																																			
26	Discuss potential for NE states to jointly hire EQRO vendor																																			

Project: ctual
Date: Wed 12/3/97

Task
Progress

Summary
Rolled Up Task
Rolled Up Milestone

CT DSS 1115 Dually Eligible Waiver Request Development Timeline

ID	Task Name	Nov 30, '97							Dec 14, '97							Dec 28, '97							Jan 11, '98							Jan 25, '98													
		T	M	F	T	S	W	S	T	M	F	T	S	W	S	T	M	F	T	S	W	S	T	M	F	T	S	W	S	T	M	F	T	S	W								
27	Determine how FF8 population will be used as control group	11/24														12/12																											
28	Distribute chapter for comment															12/12																											
29	Incorporate comments and finalize draft															12/22							20d							1/10													
30	Data Analysis/Cost Projections and Cost Chapter	[Solid black bar]																																									
31	Estimate Impact of eligibility changes	11/24														11/28							12/12																				
32	Refine rate development	11/24														12/1							12/12																				
33	Development of client premium payment scale	11/24														11/28																											
34	Caseload, Utilization and Expenditure Analysis	11/24														36d							1/8																				
35	Estimate administrative costs	11/24														12/5																											
36	Draft with and without waiver costs and savings projections	11/24														12/5							12/19																				
37	Mercer provides revised cost chapter to DSS															12/10																											
38	Distribute chapter for comment															12/12																											
38	Finalize cost projections and savings estimates															12/22							20d							1/10													

Project: ctduar
Date: Wed 12/3/97

Task	Summary	Rolled Up Task	Rolled Up Progress
Progress			
Milestones			

• Timeline assumes final submission to legislature on 1/10

CT DSS 1116 Dually Eligible Waiver Request Development Timeline

ID	Task Name	Nov 30, '97							Dec 28, '97							Jan 11, '98							Jan 26, '98						
		T	M	F	T	S	W	S	T	M	F	T	S	W	S	T	M	F	T	S	W	T	M	F	T	S	W		
53	Program Administration																												
54	Determine HCFA's role	11/24 10d 12/5																											
55	Determine process for administering ISN program	11/24 10d 12/5																											
56	Determine waiver implementation timeline	11/24 10d 12/5																											
57	Distribute chapter for comment	12/12																											
58	Incorporate comments and finalize draft	12/22 20d 1/18																											
59	Public Process																												
60	Distribute revised and more detailed chapter drafts	12/12																											
61	Hold public hearing to receive comments/answer questions	1/5 5d 1/9																											
62	Submit to legislature	1/12 5d 1/10																											
63	Incorporate comments into drafts as appropriate	1/19 5d 1/23																											
64	Submit to HCFA	1/26 5d 1/30																											

Project actual Date: Wed 12/3/97

Task Progress Milestone

Summary Rolled Up Task Rolled Up Milestone

Rolled Up Progress

* Timeline assumes final submission to legislature on 1/10

ID	Task Name	Duration	Sep 14, '97							Oct 19, '97			Nov 23, '97			Dec 20, '97		Feb 1, '98			Mar 0, '98		
			T	F	S	S	M	T	W	T	F	S	S	M	T	W							
1	SAGA Information to Mercer	5d	9/15	9/19																			
2	Mercer review SAGA information	6d	9/22	9/29																			
3	Mercer call w/ Jim Lihmane to scope project	1d		9/30	9/30																		
4	Mercer draft interview guidelines	1d		10/6	10/6																		
5	State to identify interview participants	16d			10/13																		
6	State provides Mercer w/ provider contracts	0d																					
7	Mercer meeting preparation for state	2d																					
	Mercer mtg. with SAGA and DMH/AS staff	1d																					
10	Mercer mtg. preparation for providers	3d																					
11	Mercer mtg. with providers	2d																					
12	Draft of interview report	10d																					
13	Draft to State for review and comment	1d																					
14	State comments returned to Mercer	0d																					
14	Mercer revises draft	5d																					
15	Final report delivered	0d																					
16	DATA ANALYSIS	65d																					
17	SAGA data from DSS to Mercer	1d																					
18	Data formatted for analysis	8d																					
	Analysis of data	20d																					
	Analysis of anticipated savings	10d																					
21	Develop reimbursement recommendations	10d																					
22	Present recommendations to DSS	6d																					

Task 

Progress 

Milestone 

Summary 

Rolled Up Task 

Rolled Up Milestone 

Rolled Up Progress 

ID	Task Name	Duration	Sep 7, '97			Sep 20, '97			Oct 18, '97			Nov 8, '97			Nov 30, '97			Dec 21, '97		
			T	W	F	T	F	S	S	M	T	W	T	F	S	S	M	T		
1	SAGA Information to Mercer	5d			9/15			9/19												
2	Mercer review SAGA Information	6d						9/22												
3	Mercer call w/ Jim Linname to scope project	1d							9/30											
4	Mercer draft interview guidelines	1d						9/30												
5	State to identify interview participants	10d							10/8											
6	State provides Mercer w/ provider contracts	0d							10/6											
7	Mercer meeting preparation for state	2d							10/3											
	Mercer mtg. with SAGA and DMHAS staff	1d								11/3										
	Mercer mtg. preparation for providers	3d																		
10	Mercer mtg. with providers	2d																		
11	Draft of interview report	10d																		
12	Draft to State for review and comment	1d																		
13	State comments returned to Mercer	0d																		
14	Mercer revises draft	5d																		
15	Final report delivered	0d																		

ATTACHMENT B-2
 WORKPLAN-SAGA
 Page 2 of 2

Project: SAGA
 File: Fil 12/8/97

Task Progress Milestone
 Summary Rolled Up Task Rolled Up Milestone
 Rolled Up Progress Milestone

Liam M. Mercer, Incorporated

HUSKY Care Rate Development and Strategy/Narrative Assistance

10/14	Preliminary Discussion of HUSKY Project
10/16	Mercer - HUSKY rate estimates developed and delivered
10/16 - 12/31	EP&P - Strategy consultation, review of draft legislation, draft of State Plan Amendment.
10/23 - 11/28	Research to validate assumptions made in estimated rates, actuarial validation of assumptions
12/1 - 12/12	Revised capitation rates developed.
12/15 - 12/31	Actuarial certification of HUSKY Rates

ID	Task Name	Duration	September			October			November			December		
			9/1	9/7	9/21	10/5	10/19	11/2	11/16	11/30	12/14	12/22		
1	Initial Rate Development	39d	[Task bar from 9/1 to 10/10]											
2	Research/Background	6d	[Task bar from 9/1 to 9/7]											
3	Import Raw Data	4d	[Task bar from 9/12 to 9/16]											
4	Review Data	2d	[Task bar from 9/18 to 9/20]											
5	Discuss with State Data Issues	3d	[Task bar from 9/22 to 9/24]											
6	Develop Summary Data from RFP	6d	[Task bar from 9/26 to 10/2]											
7	Rate Analysis	15d	[Task bar from 10/3 to 10/18]											
	Deal Rates Issued	0d	[Milestone diamond at 10/24]											
10	State Rate Review	6d	[Task bar from 10/27 to 11/2]											
	Revision - AEDC	0d	[Milestone diamond at 11/3]											
11	State Rate Review	3d	[Task bar from 11/4 to 11/7]											
	Revision - SAGA	0d	[Milestone diamond at 11/11]											
13	State Rate Review	11d	[Task bar from 11/11 to 11/22]											
14	Outstanding Issue Review	24d	[Task bar from 11/23 to 12/17]											
15	Rates Finalized	0d	[Milestone diamond at 12/31]											

Project: TMO
 Date: Mon 12/1/97

Task		Milestone		Rolled Up Critical Task	
Critical Task		Summary		Rolled Up Milestone	
Progress		Rolled Up Task		Rolled Up Progress	

**State of Connecticut
Department of Social Services
Managed Pharmacy Initiatives Project**

Project Milestones	Date
1. Proposal meeting	9/3/97
2. Data requirements meeting	9/15/97
3. Data request conference call	09/29/97
4. Initial draft of rebate data extract received from DSS	10/6/97
5. Rebate data extract received from DDS	10/24/97
6. Draft templates of data extracts received from EDS	10/24/97
7. Conference call to review proposed EDS data extracts	10/28/97
8. Revised templates of data extracts received from EDS	11/5/97
9. Cost/util data tapes received from EDS	12/4/97
10. Verification of data usability	12/9/97
11. Independent control reports received from DSS	12/16/97
12. Update Mercer system for therapeutic class translation	12/17/97
13. Validation of data credibility	12/29/97
14. Discuss analysis of Pharmacy Board estimates (Arrow Corp. Report)	1/9/97
15. Preliminary observations on data analysis	1/16/97
16. Conference call to discuss preliminary findings	week of 1/19/98
17. Initial draft of report to DSS	1/30/98
18. Feedback from DSS on draft report	week of 2/5/98
19. Final draft of report to DSS	2/13/1998
20. Meet with DSS to discuss findings	week of 2/16/98

CONTRACTOR'S KEY PERSONNEL FOR TASKS A THROUGH E:

Project Team		
Description	Staff/Title/ CT % 1115 Allocation	Role
Client Manager	Steve Schramm Principal 16% allocated for Connecticut 1115	As client manager, Steve will be responsible for ensuring that Contractor meets the Department's needs of timeliness, completeness, and accuracy. This includes overall project oversight, coordination of deliverables, report preparation, and presentations by Contractor on behalf of the Department.
Project Manager	Foster Northrup Senior Consultant 24% allocated for Connecticut 1115	As project manager, Foster's responsibilities will include daily interaction with the Department and coordinating Contractor's staff members.
Lead Actuary	Maria Dominiak, FSA, Associate 26% allocated for Connecticut 1115	As the lead actuary, Maria will be responsible for working with JEN Associates in the development and manipulation of the data set.
Data Manager	Maria Dominiak Technical Consultant 20% allocated for Connecticut 1115	As the data manager, Maria will be responsible for coordinating with JEN Associates in the retrieval of required data.
Analyst	Yuna Mindlin Analyst 36% allocated for Connecticut 1115	As the lead analyst, Yuna will be responsible for completing the rate setting analysis for both the Medicaid and Medicare capitation rates.
Analyst	Renee Champagne	Renee will be responsible for assisting the lead analyst in completing the rate setting analysis for both the Medicaid and Medicare capitation rates.

Project Team		
Description	Staff/Title/ CT % 1115 Allocation	Role
Analyst	Sarah Erlick	Sarah will be responsible for assisting the lead analyst in completing the rate setting analysis for both the Medicaid and Medicare capitation rates.
Peer Review	Mark Hoyt, FSA Principal 10% allocated for Connecticut 1115	Mark is the National Practice Leader for Contractor's Government Health Care Practice. Mark will be the lead peer reviewer on this project. He will be responsible for ensuring the recommendations and assumptions are appropriate for a dually eligible population.
Actuarial Peer	Michelle Raleigh, ASA, Associate 10% allocated for Connecticut 1115	Michelle will provide technical actuarial support and peer review for this project.
Local Perspective	Rich Lindahl, Consultant 10% allocated for Connecticut 1115	Rich will provide a local perspective on the project. He will provide information on the local market place.
Subcontractor	Michael Bailit, President, BHP 15% allocated for Connecticut 1115	Michael will be responsible for working with the Department and Contractor on the development of an appropriate risk-adjustment and reimbursement methodology for the DSS dually eligible program as well as providing periodic consulting support relative to Task E.
Subcontractor	Laurie Burgess, Vice President, BHP 40% allocated for Connecticut 1115	Laurie will provide consulting support services relative to Tasks E and A.1

CONTRACTOR'S KEY PERSONNEL FOR TASK F

1. **Steve Schramm:** Consulting Manager
2. **Maria Dominiak** Actuary (FSA)
3. **Foster Northrup** Project Manager
4. **Wendy Sandstedt** Consultant
5. **John LaSota** MIS Coordinator
6. **Sarah Erlick** Analyst
7. **Denise Bauman** Analyst

CONTRACTOR'S KEY PERSONNEL FOR TASK G

1. **Steve Schramm:** Consulting Manager
2. **Kevin Russell** Actuary (FSA)
3. **Sarah Erlick** Analyst
4. **Denise Bauman** Analyst

CONTRACTOR'S KEY PERSONNEL FOR TASK H

1. **Steve Schramm:** Consulting Manager
2. **Maria Dominiak** Actuary (FSA)
3. **Foster Northrup** Project Manager
4. **Andrew Wilson** MIS Consultant
5. **Judy Williams** Senior Analyst
6. **Sam Espinosa** Analyst

CONTRACTOR'S KEY PERSONNEL FOR TASK I

1. Nick Visilopoulos Principal
2. Maria Dominiak Actuary (FSA)
3. Art Shinn Pharm.D.
4. Deborah Martin MIS Consultant
5. Tim Jarvis MIS Consultant
6. Foster Northrup Project Manager
7. Janis Handte Analyst
8. Kevin Smith Analyst
9. Amy Strong Analyst

MANDATORY TERMS AND CONDITIONS

1. RIGHT TO PUBLISH

Throughout the term of the contract, the Contractor must secure the Department's written approval prior to the release of any information whatsoever which pertains to work or activities covered by the Contract.

All materials developed during the term of this contract are considered confidential. They are not to be released or published by the Contractor in any form.

2. SUBCONTRACTING

None of the services to be provided by the Contractor pursuant to the resultant Agreement shall be subcontracted or delegated to any other organization, subdivision, association, individual, corporation, partnership or group of individuals or other such entity without the prior written consent of the Department. Any subcontract to which the State has consented in writing shall be in writing attached to the resultant Agreement and made a part thereof and shall in no way alter the Agreement terms and conditions. Said subcontract shall contain the access to the books, document and records, provided for in paragraph 18 infra. No subcontract or delegation shall relieve or discharge the contractor from any obligation, provision or liability thereunder unless otherwise agreed to in writing by the Department. The contractor agrees to make good faith effort to award a reasonable proportion of subcontracts to small and minority businesses in accordance with Conn. Gen. Stat. Section 4a-60.

3. HOLD HARMLESS

The Contractor agrees to indemnify, defend and hold harmless the State of Connecticut; as well as all Departments, officers, agents and employees of the State from all claims, losses or suits accruing or resulting to any Contractors, Subcontractors, laborers and any person, firm or corporation who may be injured or damaged by the Contractor in the performance of the Contract.

A copy of Contractor's workers compensation insurance policy must be filed with the Contract Administrator within fifteen (15) days of notification of award of contract. The contractor, at his own expense, must defend any claim or suit which may be brought against the Department or the State for the infringement of any patents, copyrights, proprietary rights or right of privacy arising from the Contractor's or State's use of any equipment, materials or information prepared or developed by Contractor in conjunction with the performance of the Contract. The Contractor shall, in any such suit, satisfy any damages for infringement assessed against the State or its departments, be it resolved by settlement, final judgment, consent decree or any other manner except to the extent that such infringement is attributable to the acts or omissions of the Department.

4. CONFIDENTIALITY

All material and information provided to the Contractor by the State or acquired by Contractor in performance of the Contract whether verbal, written, recorded magnetic media, cards or otherwise shall be regarded as confidential information and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with federal and state statutes and regulations. The Contractor agrees not to release any information provided by the Department or providers or any information generated by the contractor without the express consent of the Contract Administrator.

5. INDEPENDENT PRICE DETERMINATION AND LENGTH OF COMMITMENT

By entering into this contract, the Contractor certifies, as to its own organization, and in connection with this contract that the costs proposed have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such process with any other organization or with any competitor;

6. NONSEGREGATED FACILITIES

By submission of a proposal the Contractor certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments; and that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. As Contractor, the organization agrees that a breach of this certification is a violation of Equal Opportunity in Federal Employment. In addition, Contractor must comply with the Federal Executive Order 11246 entitled "Equal Employment Opportunity" as amended by Executive Order 11375 and as supplemented in the United States Department of Labor Regulations (41 CFR Part 30). As used in this certification, the term "segregated facilities" includes any waiting rooms, restaurants and other eating areas, parking lots, drinking fountain, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated on the basis of race, color, religion, or national origin, because of habit, local custom, national origin or otherwise. The organization further agrees, (except where he has obtained identical certifications from proposed subcontractors for specific time periods) that it will obtain identical certifications from proposed subcontractors which are not exempt from the provisions for Equal Employment Opportunity; that it will retain such certifications in its files; and that it will forward a copy of this clause to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods).

7. UTILIZATION OF HANDICAPPED WORKERS

The Contractor certifies that it will not discriminate against any employee or applicant for employment because of a physical or mental handicap in regard to

any position for which the employee or applicant for employment is qualified. As Contractor, the organization agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation and selection for training including apprenticeship.

The Contractor agrees to comply with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to Section 504 of the Federal Rehabilitation Act of 1973, regarding access to program and facilities by handicapped individuals.

8. OFFER OF GRATUITIES

The Contractor certifies that no elected or appointed official or employee of the State of Connecticut has or will benefit financially or materially from this procurement. Any contract may be terminated by the Department if it is determined that gratuities of any kind were either offered to or received by any of the aforementioned officials or employees from the Contractor, its agent or employee.

9. INDEPENDENT CAPACITY OF CONTRACTOR

The Contractor, its officers, employees, subcontractors, or any other agent of the Contractor in performance of this Agreement will act in an independent capacity and not as officers or employees of the State of Connecticut or of the Department.

10. AWARD OF RELATED CONTRACTS

The Department may undertake or award supplemental contracts for work related to this contract or any portion thereof. The Contractor shall be bound to cooperate fully with such other contractors and the Department in all such cases. All subcontractors will be required to abide by this provision as a condition of the contract between the subcontractor and prime Contractor.

11. EXAMINATION OF RECORDS

The Contractor agrees that the Department or the U.S. Department of Health and Human Services (including their duly authorized representatives) until the expiration of three (3) years after final payment for the term of a resulting contract (or any extension) and all pending matters are closed shall, upon reasonable advance notice and during ordinary business hours, have access to and the right to examine any of its books, records, including but not limited to financial records, documents and papers pertinent to this solicitation and the resulting contract for the purpose of making audit, examination, excerpts and transcriptions. This provision also applies to the books, records, including but not limited to financial records, documents and papers of any parent, affiliated or subsidiary organization or any subcontractor approved by the Department pursuant this contract performing under formal or informal arrangement any service or furnishing any

supplies or equipment to the Contract involving transactions related to this contract. Any contract with an approved subcontract must contain a provision specifically authorizing access in accordance with the terms set forth in this paragraph.

If an audit, litigation, or other action involving the records is started before the end of the three year period, the records must be retained until all issues arising out of the action are resolved or until the end of the three year period, whichever is later. The organization further agrees that this provision shall be inserted in each subcontract.

12. SETTLEMENT OF DISPUTES

Any dispute concerning a question of fact arising under the Contract which is not disposed of by agreement shall be decided by the Contract Administrator whose decision shall be final and conclusive subject only to whatever rights, if any, the Contractor may have in a court of law. In connection with any appeal to the Contract Administrator under this paragraph, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute, the contractor shall proceed diligently with the performance of the Contract in accordance with the Contract Administrator's decision.

13. LIAISON

Both parties agree to have specifically named liaisons at all times. These representatives of the parties will be the first contacts regarding any questions and problems which arise during implementation and operation of the contract.

14. AUDIT LIABILITIES

In addition to and not in any way in limitation of the obligation of the agreement, it is understood and agreed by the Contractor that the Contractor shall be held liable for any State or Federal audit exceptions and shall return to the Department all payments made under the agreement to which exception has been taken or which have been disallowed because of such an exception in accordance with Connecticut General Statutes 7-396a.

15. CONTRACT TERM

The term of the contract is from April 1, 1997 through March 31, 1999.

16. SEVERABILITY

If any provision of this contract is declared or found to be illegal, unenforceable, or void, then both parties shall be relieved of all obligations under that provision. The remainder of this procurement or the resultant contract shall be enforced to the fullest extent permitted by law.

17. WAIVERS

No covenant, condition, duty, obligation or undertaking contained in or made a part of this contract shall be waived except as specifically provided in any section of this contract except by the written agreement of the parties, and forbearance or indulgence in any form or manner by either party in any regard whatsoever shall not constitute a waiver of the covenant, condition, duty, obligation or undertaking to be kept, performed, or discharged by the other party; and notwithstanding any such forbearance or indulgence, until complete performance or satisfaction of all such covenant, conditions, duties, obligations and undertakings, each party shall have the right to invoke any remedy available under the agreement, or under law or equity.

18. APPROVAL

The Department and the State of Connecticut assume no liability for payment under the terms of any agreement or Contract until Contractor is notified, in writing, that the contract has been approved by the Office of Policy and Management, and/or by the Attorney General of the State of Connecticut as appropriate.

19. PAYMENTS

Payments will be made by the Department's Medicaid Fiscal Agent in accordance with rates established by the Department.

20. ANTI-LOBBYING CLAUSE

No Federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor or its subcontractors, to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Contractor or its subcontractors shall complete and submit a Standard

Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

21. WITHHOLDING OF PAYMENT

The Department of Social Services may withhold payment if the contractor uses funds and/or personnel for purposes other than described in the contract or defaults in any of the provisions of the contract and fails to remedy such default within 30 days after receipt of a written notice thereof.

22. EQUIPMENT AND SUPPLIES

- A. Equipment shall mean all tangible personal property such as tables, chairs, lamps, desks, copying machines, typewriters, computer equipment, etc., with a normal useful life of more than one year and an acquisition cost of more than \$1000.
- B. Supplies shall mean all tangible personal property other than equipment.
- C. Purchase of equipment and supplies by the Contractor for the benefit of the Department shall be limited to those items essential to carrying out the program/operations/services authorized by this contract and approved by the Contract Administrator.

The Contractor shall maintain an inventory of all equipment and shall provide copies of the inventory to the Department upon acquisition of the equipment or as requested by the Contract Administrator. The Department shall determine the inventory data requirements.

Any item of equipment purchased under this agreement, may not be discarded, sold or removed from the inventory without the prior written approval of the Agency Contract Administrator.

Prior to the expiration or termination of the contract by either party, the Department will determine the manner of the disposition of all equipment and unused supplies purchased for the Department under this agreement.

Within 90 days of the termination of a contract, the Contractor will be informed in writing by the Contract Administrator as to the disposition method of equipment and unused supplies.

23. REPORTING

Contractors will be required to file progress reports on a monthly basis in a form and manner to be determined by the Department and agreed to by the Contractor. In addition, upon contract completion or termination, Contractors must submit a final report that summarizes and evaluates the activities of the entire project to date.

24. MOST FAVORED CUSTOMER

The Contractor agrees that if during the term hereof the Contractor shall enter into any agreement with any other similarly situated governmental customer, or any similarly situated non-affiliated commercial customer by which it agrees to provide

identical equipment or services at lower prices, or additional services at comparable prices, the Contractor shall so notify the Department and the Agreement shall, at the Department's option, be amended to accord equivalent advantage to the Department.

25. FREEDOM OF INFORMATION

Due regard will be given for the protection of proprietary information contained in all proposals received; however bidders should be aware that all materials associated with the procurement are subject to the terms of the Freedom of Information Act, the Privacy Act and all rules, regulations and interpretations resulting therefrom. It will not be sufficient for Bidders to merely state generally that the proposal is proprietary in nature and not therefore subject to release to third parties. Those particular pages of sections which a Bidder believes to be proprietary must be specifically identified as such. Convincing explanation and rational sufficient to justify each exemption from release consistent with section 1-19 of the Connecticut General Statutes must accompany the proposal. The rational and explanation must be stated in terms of the prospective harm and the competitive position of the bidder that would result if the identified material were to be released and the reasons why the materials are legally exempted from release pursuant to the above cited statute. Between the bidder and the Department the final administrative authority to release or exempt any or all material so identified rests with the Department.

26. KEY PERSONS

Bidders certify that all personnel named in their proposal shall actually work on the contract in the manner described in their proposal. No changes, substitution, additions or deletions shall be made to key personnel unless approved in advance by the Contract Administrator, which approval shall not be unreasonably withheld. Substitutions shall be made within thirty (30) days of the resignation or death of a key person.

27. PROPOSAL PREPARATION EXPENSE

The State of Connecticut assumes no liability for payment of expenses incurred by respondents in preparing and submitting proposals in response to this solicitation.

28. CONFLICT OF INTEREST

The bidder must disclose any business dealings which it has with any Medicaid and/or Medicare Managed Care Organization. The Contractor agrees it is precluded from entering into or continuing any business dealings, during the term of the resultant contract, with any Medicaid and/or Medicare Managed Care Organization. The Contractor also agrees not to represent any Medicaid and/or Medicare Managed Care Organization or Integrated Service Network (ISN) for a period of one year after the termination of the resultant contract, concerning any capitation rates established during the period of the contract.

29. PROCUREMENT AND CONTRACTUAL AGREEMENTS

The terms and conditions contained in this section constitute a basis for this contract. These terms and conditions, as well as others so labeled elsewhere in this document, are mandatory for this contract. The Department is solely responsible for rendering decisions in matters of interpretation on all terms and conditions.

30. CREDITS AND RIGHTS IN DATA

- a). All documents, reports and other data prepared during and/or resulting from the performance of services under this agreement shall include the following statement: "The preparation of this (report or document, etc.) was financed under an agreement with the Connecticut Department of Social Services.
- b). The Contractor may not publish or copyright any data without prior approval, unless otherwise stated herein. The Department and the Federal Government shall have the right to publish, duplicate, use and disclose all such data in any manner, and for any purpose whatsoever, and may authorize others to do so.
- c). "Data" shall mean all results, technical information and materials developed and/or obtained in the performance of the services hereunder including, but not limited to, all reports, surveys, plans, charts, recordings (video and/or sound), pictures, drawings, analyses, graphic representations, computer programs and printouts, notes and memoranda, and documents whether finished or unfinished, which result from or are prepared in connection with the services performed hereunder.

31. UTILIZATION OF MINORITY BUSINESS ENTERPRISES

The government of the State of Connecticut and the Department believe that minority business enterprises should have the maximum opportunity to participate in performance of government contracts. The Contractor agrees to use its best efforts consistent with Section 45 CFR 74.161 and Paragraph 9 of Appendix G thereto as well as Connecticut Public Act 84-412, and Section 4a-60 of the Connecticut General Statutes to carry out this policy in the award of ant subcontracts which may be permitted pursuant to this contract.

32. INSPECTION OF WORK PERFORMED

The Department or its authorized representative shall, at all reasonable times and upon reasonable advance notice, have the right to enter into Contractor's premises, or such other places where duties under the contract are being performed, to inspect, monitor, or otherwise evaluate the work being performed. The Contractor and all subcontractors must provide all reasonable facilities and assistance for the Department representatives. All inspections and evaluations shall be performed in such a manner as will not unduly delay work.

MONTH	PROJECT	STAFF TITLE	HOURS	RATE	COST
APR/MAY	1115	Principal/FSA	9.5	\$240.00	\$2,280.00
		Associate/FSA	35.5	\$200.00	\$7,100.00
		Consultant	64	\$150.00	\$9,600.00
		Analyst	18.5	\$125.00	\$2,312.50
		Support	47.75	\$50.00	\$2,387.50
APR/MAY	TOTAL		175.25		\$23,680.00
JUNE	1115	Principal/FSA	8	\$240.00	\$1,920.00
		Associate/FSA	8.25	\$200.00	\$1,650.00
		Consultant	53.75	\$150.00	\$8,062.50
		Analyst	25.25	\$125.00	\$3,156.25
		Support	33.28	\$50.00	\$1,664.00
JUNE	TOTAL		128.53		\$16,452.75
JULY	1115	Principal/FSA	18	\$240.00	\$4,320.00
		Associate/FSA	33	\$200.00	\$6,600.00
		Consultant	68.5	\$150.00	\$10,275.00
		Analyst	28.5	\$125.00	\$3,562.50
		Support	52.1	\$50.00	\$2,605.00
JULY	TOTAL		200.1		\$27,362.50
AUGUST	1115	Principal/FSA	35.5	\$240.00	\$8,520.00
		Associate/FSA	84.5	\$200.00	\$16,900.00
		Consultant	61.05	\$150.00	\$9,157.50
		Analyst	20.3	\$125.00	\$2,537.50
		Support	85.8	\$50.00	\$4,290.00
AUGUST	TOTAL		287.15		\$41,405.00
SEPT	1115	Principal/FSA	52.5	\$240.00	\$12,600.00
		Associate/FSA	57.25	\$200.00	\$11,450.00
		Consultant	82.75	\$150.00	\$12,412.50
		Analyst	76.15	\$125.00	\$9,518.75
		Support	33.98	\$50.00	\$1,699.00
SEPT	1115 TOTAL		302.63		\$47,680.25
	SAGA	Consulting Manager	1.5	\$240.00	\$360.00
		Actuary (FSA)	0	\$200.00	\$0.00
		Project Manager	10	\$150.00	\$1,500.00
		Consultant	8	\$150.00	\$1,200.00
		MIS Coordinator	0	\$135.00	\$0.00
		Analyst	1	\$125.00	\$125.00
		Analyst	5.8	\$125.00	\$725.00
	Total Staff Cost		24.8		\$3,910.00
	Expenses	Admin. Support			\$191.25
		Computer			\$1,507.75
SEPT	Total-SAGA				\$5,609.00
	TMO	Consulting Manager	3	\$240.00	\$720.00
		Actuary (FSA)	1.5	\$200.00	\$300.00
		Project Manager	4.3	\$150.00	\$645.00
		MIS Consultant	2	\$150.00	\$300.00

		Project Manager	18.8	\$150.00	\$2,820.00
		Analyst	2	\$125.00	\$250.00
	Total Staff Cost		30		\$7,142.00
	Task I-Expenses	Computer			\$1,507.75
		Admin Support			\$191.25
SEPT	Total Pharmacy				\$8,841.00
SEPT	TOTAL				\$67,106.75
OCT/NOV	1115	Principal/FSA	9.5	\$240.00	\$2,280.00
		Associate/FSA	54.75	\$200.00	\$10,950.00
		Consultant	85.3	\$150.00	\$12,795.00
		Analyst	69	\$125.00	\$8,625.00
		Support	37.33	\$50.00	\$1,866.50
OCT/NOV	1115 TOTAL		255.88		\$36,516.50
	SAGA	Consulting Manager	3.5	\$240.00	\$840.00
		Actuary (FSA)	0	\$200.00	\$0.00
		Project Manager	35.3	\$150.00	\$5,295.00
		Consultant	51	\$150.00	\$7,650.00
		MIS Coordinator	4	\$135.00	\$540.00
		Analyst	0	\$125.00	\$0.00
		Analyst	0	\$125.00	\$0.00
	Total Staff Cost		90.3		\$14,325.00
	Expenses	Admin. Support			\$229.80
		Computer			\$1,636.60
OCT/NOV	Total-SAGA				\$16,191.40
	TMO	Consulting Manager	18	\$240.00	\$4,320.00
		Actuary (FSA)	2	\$200.00	\$400.00
		Project Manager	5.3	\$150.00	\$795.00
		MIS Consultant	0	\$150.00	\$0.00
		Senior Analyst	5	\$135.00	\$675.00
		Analyst	34.3	\$125.00	\$4,287.50
	Total Staff Cost		44.6		\$10,477.50
	Expenses	Admin. Support			\$229.80
		Computer			\$1,636.60
OCT/NOV	Total TMO				\$12,343.90
	PHARMACY	Principal	10.4	\$240.00	\$2,496.00
		Actuary (FSA)	1	\$200.00	\$200.00
		PharmD	1.5	\$200.00	\$300.00
		MIS Consultant	1.8	\$200.00	\$360.00
		MIS Consultant	0	\$200.00	\$0.00
		Project Manager	18.5	\$150.00	\$2,775.00
		Analyst	12	\$125.00	\$1,500.00
	Total Staff Cost		33.8		\$7,631.00
	Task I-Expenses	Computer			\$1,636.60
		Admin Support			\$229.80
OCT/NOV	Total Pharmacy				\$9,497.40
	HUSKY	Consulting Manager	53.5	\$240.00	\$12,840.00
		Actuary (FSA)	4.6	\$240.00	\$1,104.00
		Analyst	5.16	\$125.00	\$645.00
		Analyst	0	\$125.00	\$0.00

		Analyst	103	\$125.00	\$12,875.00
		Support	0	\$50.00	\$0.00
DEC	1115 TOTAL		219.6		\$33,513.00
	SAGA	Consulting Manager	1	\$240.00	\$240.00
		Actuary (FSA)	0	\$200.00	\$0.00
		Project Manager	5.5	\$150.00	\$825.00
		Consultant	33	\$150.00	\$4,950.00
		MIS Coordinator	8	\$135.00	\$1,080.00
		Analyst	4	\$125.00	\$500.00
		Analyst	3.5	\$125.00	\$437.50
	Total Staff Cost		54		\$8,032.50
	Expenses	Admin. Support			\$83.75
		Computer			\$1,462.25
DEC	Total-SAGA				\$9,578.50
	TMO	Consulting Manager	1.5	\$240.00	\$360.00
		Actuary (FSA)	0	\$200.00	\$0.00
		Project Manager	3	\$150.00	\$450.00
		MIS Consultant	0	\$150.00	\$0.00
		Senior Analyst	0	\$135.00	\$0.00
		Analyst	1	\$125.00	\$125.00
	Total Staff Cost		4		\$935.00
	Expenses	Admin. Support			\$83.75
		Computer			\$1,462.25
DEC	Total TMO				\$2,481.00
	PHARMACY	Principal	1.8	\$240.00	\$432.00
		Actuary (FSA)	0	\$200.00	\$0.00
		PharmD	5	\$200.00	\$1,000.00
		MIS Consultant	0	\$200.00	\$0.00
		MIS Consultant	0	\$200.00	\$0.00
		Project Manager	4.5	\$150.00	\$675.00
		Consultant	10.5	\$150.00	\$1,575.00
		Analyst	68.8	\$125.00	\$8,600.00
	Total Staff Cost		88.8		\$12,282.00
	Expenses	Computer			\$1,462.25
		Admin Support			\$83.75
DEC	Total Pharmacy				\$13,828.00
	HUSKY	Consulting Manager	1.5	\$240.00	\$360.00
		Actuary (FSA)	0	\$240.00	\$0.00
		Project Manager	3.3	\$150.00	\$495.00
		Analyst	20	\$125.00	\$2,500.00
		Analyst	3	\$125.00	\$375.00
	Total Staff Cost		23		\$3,730.00
	Expenses	Admin. Support			\$83.75
		Computer			\$1,462.25
		Subcontract			\$11,905.00
DEC	Total HUSKY				\$17,181.00
	TOTAL DEC				\$76,581.50

		MIS Coordinator	16.8	\$135.00	\$2,268.00
		Analyst	2	\$125.00	\$250.00
		Analyst	8.7	\$125.00	\$1,087.50
	Total Staff Cost		45.8		\$6,350.50
	Expenses	Admin. Support			
		Computer			\$1,680.60
JAN	Total-SAGA				\$8,031.10
	TMO	Consulting Manager	0	\$240.00	\$0.00
		Actuary (FSA)	0	\$200.00	\$0.00
		Project Manager	2.5	\$150.00	\$375.00
		MIS Consultant	0	\$150.00	\$0.00
		Senior Analyst	4.3	\$135.00	\$580.50
		Analyst	20.5	\$125.00	\$2,562.50
	Total Staff Cost				\$3,518.00
	Expenses	Admin. Support			
		Computer			\$1,680.60
JAN	Total TMO				\$5,198.60
	PHARMACY	Principal	2	\$240.00	\$480.00
		Actuary (FSA)	1	\$200.00	\$200.00
		PharmD	11.5	\$200.00	\$2,300.00
		MIS Consultant	26	\$200.00	\$5,200.00
		MIS Consultant	21.8	\$200.00	\$4,360.00
		Project Manager	3.5	\$150.00	\$525.00
		Consultant	1	\$150.00	\$150.00
		Analyst	215.4	\$125.00	\$26,925.00
	Total Staff Cost		279.2		\$40,140.00
	Expenses	Computer			\$1,680.60
		Admin Support			
JAN	Total Pharmacy				\$41,820.60
	HUSKY	Consulting Manager	0	\$240.00	\$0.00
		Actuary (FSA)	0	\$240.00	\$0.00
		Project Manager	19.3	\$150.00	\$2,895.00
		Analyst	1	\$125.00	\$125.00
		Analyst	3	\$125.00	\$375.00
	Total Staff Cost				\$3,395.00
	Expenses	Admin. Support			
		Computer			\$1,680.60
		Subcontract			\$18,621.00
JAN	Total HUSKY				\$23,696.60
	TOTAL JAN				\$104,085.40
FEB	1115	Principal/FSA	1.5	\$240.00	\$360.00
		Associate/FSA	13	\$200.00	\$2,600.00
		Consultant	9.5	\$150.00	\$1,425.00
		Sr Analyst	1	\$135.00	\$135.00
		Analyst	12	\$125.00	\$1,500.00
		Support	22.31	\$50.00	\$1,115.50
FEB	1115 TOTAL		59.31		\$7,135.50
	SAGA	Consulting Manager	0	\$240.00	\$0.00

	TMO	Consulting Manager	0	\$240.00	\$0.00
		Actuary (FSA)	1.5	\$200.00	\$300.00
		Project Manager	0.7	\$150.00	\$105.00
		MIS Consultant	0	\$150.00	\$0.00
		Senior Analyst	6	\$135.00	\$810.00
		Analyst	12	\$125.00	\$1,500.00
	Total Staff Cost				\$2,715.00
	Expenses	Admin. Support			\$69.80
		Computer			\$1,045.60
FEB	Total TMO				\$3,830.40

	PHARMACY	Principal	1.3	\$240.00	\$312.00
		Actuary (FSA)	0	\$200.00	\$0.00
		PharmD	14.6	\$200.00	\$2,920.00
		MIS Consultant	2.5	\$200.00	\$500.00
		MIS Consultant	23	\$200.00	\$4,600.00
		Project Manager	4.3	\$150.00	\$645.00
		Consultant	4	\$150.00	\$600.00
		Analyst	248.3	\$125.00	\$31,037.50
	Total Staff Cost		296.7		\$40,614.50
	Expenses	Computer			\$1,045.60
		Admin Support			\$69.80
FEB	Total Pharmacy				\$41,729.90
	HUSKY	Consulting Manager	6	\$240.00	\$1,440.00
		Actuary (FSA)	0	\$240.00	\$0.00
		Project Manager	0	\$150.00	\$0.00
		Analyst	0	\$125.00	\$0.00
		Analyst	0	\$125.00	\$0.00
	Total Staff Cost				\$1,440.00
	Expenses	Admin. Support			\$69.80
		Computer			\$1,045.60
		Subcontract			\$1,990.00
FEB	Total HUSKY				\$4,545.40
	TOTAL FEB				\$59,859.60
MAR	1115	Principal/FSA	4	\$240.00	\$960.00
		Associate/FSA	5	\$200.00	\$1,000.00
		Consultant	10.5	\$150.00	\$1,575.00
		Sr Analyst	0	\$135.00	\$0.00
		Analyst	15.3	\$125.00	\$1,912.50
		Support	27.68	\$50.00	\$1,384.00
MAR	1115 TOTAL		62.48		\$6,831.50
	SAGA	Consulting Manager	3	\$240.00	\$720.00
		Actuary (FSA)	1	\$200.00	\$200.00
		Project Manager	1	\$150.00	\$150.00
		Consultant	3.9	\$150.00	\$585.00
		MIS Coordinator	24.8	\$135.00	\$3,348.00
		Analyst	3	\$125.00	\$375.00
		Analyst	0	\$125.00	\$0.00
	Total Staff Cost		32.7		\$5,378.00
	Expenses	Admin. Support			\$37.20
		Computer			\$1,346.40
MAR	Total-SAGA				\$6,761.60
	TMO	Consulting Manager	0	\$240.00	\$0.00
		Actuary (FSA)	0	\$200.00	\$0.00
		Project Manager	0	\$150.00	\$0.00
		MIS Consultant	0	\$150.00	\$0.00
		Senior Analyst	0	\$135.00	\$0.00
		Analyst	0	\$125.00	\$0.00
	Total Staff Cost				\$0.00

		Analyst	130.8	\$125.00	\$16,350.00
	Total Staff Cost				\$44,792.00
	Expenses	Computer			\$1,346.40
		Admin Support			\$37.20
MAR	Total Pharmacy				\$46,175.60
	HUSKY	Consulting Manager	0	\$240.00	\$0.00
		Actuary (FSA)	0	\$240.00	\$0.00
		Project Manager	0	\$150.00	\$0.00
		Analyst	0	\$125.00	\$0.00
		Analyst	0	\$125.00	\$0.00
	Total Staff Cost				\$0.00
	Expenses	Admin. Support			\$37.20
		Computer			\$1,346.40
		Subcontract			\$18,621.00
MAR	Total HUSKY				\$20,004.60
	TOTAL MAR				\$79,773.30
	HMO Program Rev	Principal	10	\$240.00	\$2,400.00
		Actuary (FSA)	1	\$200.00	\$200.00
		Actuary (FSA)	37.5	\$200.00	\$7,500.00
		Analyst	12.75	\$125.00	\$1,593.75
					\$11,693.75
		Admin Support			\$37.20
		Computer			\$1,346.40
					\$13,077.35
					\$92,850.65
APR	1115	Principal/FSA	0	\$240.00	\$0.00
		Project Manager	0.56	\$225.00	\$126.00
		Associate/FSA	15.5	\$200.00	\$3,100.00
		Consultant	0	\$150.00	\$0.00
		Sr Analyst	0	\$135.00	\$0.00
		Analyst	12.3	\$125.00	\$1,537.50
		Support	38.76	\$50.00	\$1,938.00
APR	1115 TOTAL		67.12		\$6,701.50
	HMO Program Rev	Principal	43	\$240.00	\$10,320.00
		Principal/FSA	18.5	\$240.00	\$4,440.00
		Actuary (FSA)	35.5	\$200.00	\$7,100.00
		Actuary (FSA)	0	\$200.00	\$0.00
		Project Manager	3.5	\$150.00	\$525.00
		Analyst	76.5	\$125.00	\$9,562.50
					\$31,947.50
		Admin Support			\$80.00
		Computer			\$1,858.00
					\$33,885.50
	PHARMACY	Principal	0	\$240.00	\$0.00
		Actuary (FSA)	0	\$200.00	\$0.00
		PharmD	16	\$200.00	\$3,200.00
		MIS Consultant	26.5	\$200.00	\$5,300.00

	Total Staff Cost				\$47,448.50
	Expenses	Computer			\$1,858.00
		Admin Support			\$80.00
APR	Total Project Support				\$49,386.50
	PROJECT TOTALS	BUDGET		BILLS	BAL. REM.
	1115	\$361,080.00		\$272,617.00	\$88,463.00
	SAGA	\$49,612.00		\$48,790.00	\$822.00
	TMO	\$21,164.00		\$28,830.40	(\$7,666.40)
	PHARMACY	\$149,820.00		\$180,668.00	(\$30,848.00)
	HUSKY	\$373,920.00		\$81,883.20	\$292,036.80
	SUBCONTRACT	\$200,000.00		\$32,716.00	\$167,284.00
Mar-98	TOTAL CONTRACT	\$955,596.00		\$612,788.60	\$342,807.40

→ HMO Program Review
Project Support

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TASK	STAFF TITLE	EST. HRS	RATE	EST. COST
A1	Principal/FSA	48	\$240.00	\$11,520.00
	Associate/FSA	128	\$200.00	\$25,600.00
	Consultant	96	\$150.00	\$14,400.00
	Analyst	32	\$125.00	\$4,000.00
	Support	24	\$50.00	\$1,200.00
Total Task A1		328		\$56,720.00
A2	Principal/FSA	16	\$240.00	\$3,840.00
	Associate/FSA	32	\$200.00	\$6,400.00
	Consultant	16	\$150.00	\$2,400.00
	Analyst	32	\$125.00	\$4,000.00
	Support	24	\$50.00	\$1,200.00
Total Task A2		120		\$17,840.00
A3	Principal/FSA	14	\$240.00	\$3,360.00
	Associate/FSA	28	\$200.00	\$5,600.00
	Consultant	42	\$150.00	\$6,300.00
	Analyst	98	\$125.00	\$12,250.00
	Support	21	\$50.00	\$1,050.00
Total Task A3		203		\$28,560.00
A4	Principal/FSA	16	\$240.00	\$3,840.00
	Associate/FSA	48	\$200.00	\$9,600.00
	Consultant	48	\$150.00	\$7,200.00
	Analyst	64	\$125.00	\$8,000.00
	Support	24	\$50.00	\$1,200.00
Total Task A4		200		\$29,840.00
A5	Principal/FSA	32	\$240.00	\$7,680.00
	Associate/FSA	64	\$200.00	\$12,800.00
	Consultant	64	\$150.00	\$9,600.00
	Analyst	48	\$125.00	\$6,000.00
	Support	24	\$50.00	\$1,200.00
Total Task A5		232		\$37,280.00
B	Principal/FSA	24	\$240.00	\$5,760.00
	Associate/FSA	36	\$200.00	\$7,200.00
	Consultant	48	\$150.00	\$7,200.00
	Analyst	48	\$125.00	\$6,000.00
	Support	18	\$50.00	\$900.00
Total Task B		174		\$27,060.00
C	Principal/FSA	30	\$240.00	\$7,200.00
	Associate/FSA	24	\$200.00	\$4,800.00
	Consultant	36	\$150.00	\$5,400.00
	Analyst	48	\$125.00	\$6,000.00
	Support	18	\$50.00	\$900.00
Total Task C		156		\$24,300.00
D	Principal/FSA	24	\$240.00	\$5,760.00
	Associate/FSA	32	\$200.00	\$6,400.00
	Consultant	48	\$150.00	\$7,200.00
	Analyst	48	\$125.00	\$6,000.00
	Support	24	\$50.00	\$1,200.00
Total Task D		176		\$26,560.00

F-SAGA	Consulting Manager	40	\$240.00	\$9,600.00
	Actuary (FSA)	24	\$200.00	\$4,800.00
	Project Manager	72	\$150.00	\$10,800.00
	Consultant	72	\$150.00	\$10,800.00
	MIS Coordinator	12	\$135.00	\$1,620.00
	Analyst	40	\$125.00	\$5,000.00
	Analyst	16	\$125.00	\$2,000.00
Total Staff Cost		212		\$44,620.00
Task F-Expenses	Admin. Support			\$500.00
	Computer			\$4,492.00
Total Task F				\$49,612.00
G-HUSKY	Consulting Manager	240	\$240.00	\$57,600.00
	Actuary (FSA)	240	\$240.00	\$57,600.00
	Analyst	240	\$125.00	\$30,000.00
	Analyst	96	\$125.00	\$12,000.00
	Total Staff Cost	336		\$157,200.00
Task G-Expenses	Admin. Support			\$1,000.00
	Computer			\$15,720.00
	Subcontract EPP			\$200,000.00
Total Task G				\$373,920.00
H-TMO	Consulting Manager	24	\$240.00	\$5,760.00
	Actuary (FSA)	4	\$200.00	\$800.00
	Project Manager	20	\$150.00	\$3,000.00
	MIS Consultant	4	\$150.00	\$600.00
	Senior Analyst	8	\$135.00	\$1,080.00
	Analyst	60	\$125.00	\$7,500.00
	Total Staff Cost	92		\$18,740.00
Task H-Expenses	Admin. Support			\$500.00
	Computer			\$1,924.00
Total Task H				\$21,164.00
I-PHARMACY	Principal	120	\$240.00	\$28,800.00
	Actuary (FSA)	32	\$200.00	\$6,400.00
	PharmD	140	\$200.00	\$28,000.00
	MIS Consultant	100	\$200.00	\$20,000.00
	MIS Consultant	100	\$200.00	\$20,000.00
	Project Manager	40	\$150.00	\$6,000.00
	Analyst	72	\$125.00	\$9,000.00
	Analyst	72	\$125.00	\$9,000.00
	Analyst	72	\$125.00	\$9,000.00
	Total Staff Cost	524		\$136,200.00
Task I-Expenses	Computer			\$13,620.00
Total Task I				\$149,820.00
Total All Tasks		2333		\$955,596.00

9dSRContract
PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT

CO-802A REV. 8/07 (Stock No. 6938-170-01)

Print or Type

OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION

1. THE STATE AGENCY AND THE CONTRACTOR, AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE C.G.S. AS APPLICABLE.

		⁽¹⁾ ORIGINAL <input type="checkbox"/> AMENDMENT <input checked="" type="checkbox"/>		⁽²⁾ IDENTIFICATION NO. PS 07DSS1202GP-A1	
CONTRACTOR	⁽³⁾ CONTRACTOR NAME SCHRAMM*RALEIGH, LLC			⁽⁴⁾ ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	
	CONTRACTOR ADDRESS 7740 East Gelding, Suite 2, Scottsdale, AZ 85260			CONTRACTOR FEIN/SSN 20-5552097	
STATE AGENCY	⁽⁵⁾ AGENCY NAME AND ADDRESS Department of Social Services, 25 Sigourney Street, Hartford, CT 06106				⁽⁶⁾ AGENCY NO. DSS6000
CONTRACT PERIOD	⁽⁷⁾ DATE (FROM) 11/01/07	⁽⁸⁾ THROUGH (TO) 12/31/2008	⁽⁸⁾ INDICATE MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO <input type="checkbox"/> NEITHER <input checked="" type="checkbox"/>		
CANCELLATION CLAUSE	THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).				⁽⁹⁾ REQUIRED NO. OF DAYS WRITTEN NOTICE. 30 Days

COMPLETE DESCRIPTION OF SERVICE

⁽¹⁰⁾ CONTRACTOR AGREES TO: (Include special provisions – Attach additional blank sheets if necessary.)

CONTINUE TO PROVIDE THE DEPARTMENT WITH CONSULTATION SERVICES RELATED TO THE STATEWIDE HEALTH CARE REFORM INITIATIVE, CHARTER OAK FOR AN ADDITIONAL PERIOD OF FOUR (4) MONTHS THROUGH DECEMBER 31, 2008. SPECIFIED SERVICES ARE SET FORTH IN THE SCOPE OF WORK SET FORTH ON PAGES 2 THROUGH 6 OF THE ORIGINAL CONTRACT. THE CONTRACTOR SHALL CONTINUE TO PERFORM THESE SERVICES IN ACCORDANCE WITH THE MANDATORY TERMS AND CONDITIONS SET FORTH IN SECTION V ON PAGES 8 THROUGH 25 OF THE ORIGINAL CONTRACT.

COST AND SCHEDULE OF PAYMENT

⁽¹¹⁾ PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

THE MAXIMUM VALUE OF THIS CONTRACT SHALL REMAIN AT A NOT TO EXCEED VALUE OF \$700,000.00 FOR SERVICES RENDERED. PAYMENTS SHALL BE MADE IN ACCORDANCE WITH THE PAYMENT TERMS SET FORTH IN SECTION III ON PAGES 6 THROUGH 7 OF THE ORIGINAL CONTRACT.

⁽¹²⁾ ACT CD	⁽¹³⁾ DOC TYP	⁽¹⁴⁾ COM TY P	⁽¹⁵⁾ LSE. TYP.	⁽¹⁶⁾ ORIG. AGCY	⁽¹⁷⁾ DOCUMENT NO.	⁽¹⁸⁾ COMMIT AGCY DSS6000	⁽¹⁹⁾ COMMIT. NO.	⁽²⁰⁾ VENDOR FEIN/SSN – SUFFIX 20-5552097
⁽²¹⁾ COMMITTED AMOUNT			⁽²²⁾ OBLIGATED AMOUNT			⁽²³⁾ CONTRACT PERIOD (FROM/TO) 11/01/07 – 12/31/08		

Line No.	⁽²⁵⁾ Budget Reference	⁽²⁶⁾ Fund	⁽²⁷⁾ Department	⁽²⁸⁾ Program	⁽²⁹⁾ SID	⁽³⁰⁾ Account	Project/Grant	⁽³¹⁾ Chart 1	⁽³²⁾ Chart 2	Amount
	2008	12060	DSS60521	41002	35364	51131	DSS000000022151	168012	NO_CODE	590,000.00
	2008	11000	DSS60521	14000	10020	51131	DSS_NONPROJECT	168012	NO_CODE	110,000.00

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS		⁽³⁴⁾ STATUTORY AUTHORITY §§ 4- 8, 17b-3	
⁽³⁵⁾ CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE)	TITLE Steven P. Schramm, Managing Member Schrammraleigh	DATE	
⁽³⁶⁾ AGENCY (AUTHORIZED OFFICIAL)	TITLE Michael P. Starkowski, Commissioner	DATE	
⁽³⁷⁾ OFFICE OF POLICY & MGMT./DEPT. OF ADMIN. SERV.	TITLE	DATE	
⁽³⁸⁾ ATTORNEY GENERAL (APPROVED AS TO FORM)		DATE	

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1. THE STATE AGENCY AND THE CONTRACTOR, AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE C.G.S. AS APPLICABLE.

		⁽¹⁾ ORIGINAL <input type="checkbox"/> AMENDMENT <input checked="" type="checkbox"/>		⁽²⁾ IDENTIFICATION NO. PS 07DSS1202RM A2	
CONTRACTOR	⁽³⁾ CONTRACTOR NAME SCHRAMM*RALEIGH, LLC			⁽⁴⁾ ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	
	CONTRACTOR ADDRESS 7740 East Gelding, Suite 2, Scottsdale, AZ 85260			CONTRACTOR FEIN/SSN 20-5552097	

STATE AGENCY	⁽⁵⁾ AGENCY NAME AND ADDRESS Department of Social Services, 25 Sigourney Street, Hartford, CT 06106			⁽⁶⁾ AGENCY NO. DSS6000	
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CONTRACT PERIOD	⁽⁷⁾ DATE (FROM) 11/01/07	⁽⁸⁾ THROUGH (TO) 06/30/2009	⁽⁸⁾ INDICATE MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO <input type="checkbox"/> NEITHER <input checked="" type="checkbox"/>		
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CANCELLATION CLAUSE	THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).			⁽⁹⁾ REQUIRED NO. OF DAYS WRITTEN NOTICE. 30 Days	
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COMPLETE DESCRIPTION OF SERVICE	⁽¹⁰⁾ CONTRACTOR AGREES TO: (Include special provisions – Attach additional blank sheets if necessary.)				
	CONTINUE TO PROVIDE THE DEPARTMENT WITH CONSULTATION SERVICES RELATED TO THE STATEWIDE HEALTH CARE REFORM INITIATIVE, CHARTER OAK FOR AN ADDITIONAL PERIOD OF SIX (6) MONTHS THROUGH JUNE 30, 2009. SPECIFIED SERVICES ARE SET FORTH IN THE SCOPE OF WORK SET FORTH ON PAGES 2 THROUGH 5 OF THIS AMENDMENT. THE CONTRACTOR SHALL CONTINUE TO PERFORM THESE SERVICES IN ACCORDANCE WITH THE MANDATORY TERMS AND CONDITIONS SET FORTH IN SECTION V ON PAGES 7 THROUGH 28 OF THIS AMENDMENT.				

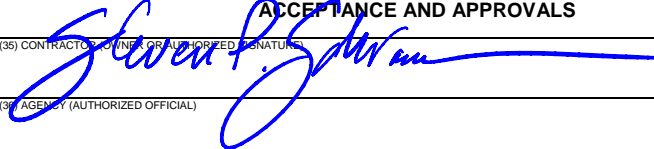
COST AND SCHEDULE OF PAYMENT	⁽¹¹⁾ PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.				
	THE MAXIMUM VALUE OF THIS CONTRACT SHALL BE INCREASED BY \$350,000.00 FOR A TOTAL NOT TO EXCEED VALUE OF \$1,050,000.00 FOR SERVICES RENDERED. PAYMENTS SHALL BE MADE IN ACCORDANCE WITH THE PAYMENT TERMS SET FORTH IN SECTION III ON PAGES 5 THROUGH 6 OF THIS AMENDMENT.				

⁽¹²⁾ ACT CD	⁽¹³⁾ DOC TYP	⁽¹⁴⁾ COM TY P	⁽¹⁵⁾ LSE. TYP.	⁽¹⁶⁾ ORIG. AGCY	⁽¹⁷⁾ DOCUMENT NO.	⁽¹⁸⁾ COMMIT AGCY DSS6000	⁽¹⁹⁾ COMMIT. NO.	⁽²⁰⁾ VENDOR FEIN/SSN – SUFFIX 20-5552097
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⁽²¹⁾ COMMITTED AMOUNT	⁽²²⁾ OBLIGATED AMOUNT	⁽²³⁾ CONTRACT PERIOD (FROM/TO) 11/01/07 – 06/30/09
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Line No.	⁽²⁵⁾ Budget Reference	⁽²⁶⁾ Fund	⁽²⁷⁾ Department	⁽²⁸⁾ Program	⁽²⁹⁾ SID	⁽²⁹⁾ Account	⁽³⁰⁾ Project/Grant	⁽³¹⁾ Chart 1	⁽³²⁾ Chart 2	⁽³³⁾ Amount
	2008	11000	DSS60521	14000	10020	51131	DSS_NONPROJECT	168012	NO_CODE	

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCE AND APPROVALS		⁽³⁴⁾ STATUTORY AUTHORITY §§ 4- 8, 17b-3	
⁽³⁵⁾ CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) 	TITLE Steven P. Schramm, Managing Member Schrammraleigh	DATE 12/29/08	
⁽³⁶⁾ AGENCY (AUTHORIZED OFFICIAL)	TITLE Michael P. Starkowski, Commissioner	DATE 12/30/08	
⁽³⁷⁾ OFFICE OF POLICY & MGMT./DEPT. OF ADMIN. SERV.	TITLE	DATE	
⁽³⁸⁾ ATTORNEY GENERAL (APPROVED AS TO FORM)		DATE	

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1. THE STATE AGENCY AND THE CONTRACTOR, AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE C.G.S. AS APPLICABLE.

		⁽¹⁾ ORIGINAL <input checked="" type="checkbox"/> AMENDMENT <input type="checkbox"/>		⁽²⁾ IDENTIFICATION NO. PS 07DSS1202GP	
CONTRACTOR	⁽³⁾ CONTRACTOR NAME SCHRAMM*RALEIGH, LLC				⁽⁴⁾ ARE YOU PRESENTLY A STATE EMPLOYEE? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
	CONTRACTOR ADDRESS 7740 East Gelding, Suite 2, Scottsdale, AZ 85260				

STATE AGENCY	⁽⁵⁾ AGENCY NAME AND ADDRESS Department of Social Services, 25 Sigourney Street, Hartford, CT 06106			⁽⁶⁾ AGENCY NO. DSS6000
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CONTRACT PERIOD	⁽⁷⁾ DATE (FROM) 11/01/07	⁽⁸⁾ THROUGH (TO) 08/30/2008	⁽⁸⁾ INDICATE MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD <input type="checkbox"/> NO <input type="checkbox"/> NEITHER <input checked="" type="checkbox"/>		
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CANCELLATION CLAUSE	⁽⁹⁾ THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).			⁽⁹⁾ REQUIRED NO. OF DAYS WRITTEN NOTICE. 30 Days
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COMPLETE DESCRIPTION OF SERVICE	⁽¹⁰⁾ CONTRACTOR AGREES TO: (Include special provisions – Attach additional blank sheets if necessary.) PROVIDE THE DEPARTMENT WITH CONSULTATION SERVICES RELATED TO THE STATEWIDE HEALTH CARE REFORM INITIATIVE, CHARTER OAK. SPECIFIED SERVICES ARE SET FORTH IN THE SCOPE OF WORK SET FORTH ON PAGES 2 THROUGH 6 OF THIS CONTRACT. THE CONTRACTOR SHALL PERFORM THESE SERVICES IN ACCORDANCE WITH THE MANDATORY TERMS AND CONDITIONS TO THIS CONTRACT SET FORTH IN SECTION V ON PAGES 8 THROUGH 25 OF THIS CONTRACT.			
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COST AND SCHEDULE OF PAYMENT	⁽¹¹⁾ PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES. THE MAXIMUM VALUE OF THIS CONTRACT SHALL NOT EXCEED \$700,000.00 FOR SERVICES RENDERED. PAYMENTS SHALL BE MADE IN ACOORDANCE WITH THE PAYMENT TERMS SET FORTH IN SECTION III ON PAGES 6 THROUGH 7 OF THIS CONTRACT.			
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⁽¹²⁾ ACT CD	⁽¹³⁾ DOC TYP	⁽¹⁴⁾ COM TY P	⁽¹⁵⁾ LSE. TYP.	⁽¹⁶⁾ ORIG. AGCY	⁽¹⁷⁾ DOCUMENT NO.	⁽¹⁸⁾ COMMIT AGCY DSS6000	⁽¹⁹⁾ COMMIT. NO.	⁽²⁰⁾ VENDOR FEIN/SSN – SUFFIX 20-5552097
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⁽²¹⁾ COMMITTED AMOUNT	⁽²²⁾ OBLIGATED AMOUNT	⁽²³⁾ CONTRACT PERIOD (FROM/TO) 11/01/07 – 08/30/08
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(24) Line No.	(25) Budget Reference	(26) Fund	(27) Department	(28)		(29) Account	(30) Project/Grant	(31) Chart 1	(32) Chart 2	(33) Amount
				Program	SID					
	2008	12060	DSS60521	41002	35364	51131	DSS000000022151	168012	NO_CODE	590,000.00
	2008	11000	DSS60521	14000	10020	51131	DSS_NONPROJECT	168012	NO_CODE	110,000.00

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ACCEPTANCE AND APPROVALS		STATUTORY AUTHORITY §§ 4- 8, 17b-3	
⁽³⁵⁾ CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE)	TITLE Steven P. Schramm, Managing Member Schrammraleigh		DATE
⁽³⁶⁾ AGENCY (AUTHORIZED OFFICIAL)	TITLE Michael P. Starkowski, Commissioner		DATE
⁽³⁷⁾ OFFICE OF POLICY & MGMT./DEPT. OF ADMIN. SERV.	TITLE		DATE
⁽³⁸⁾ ATTORNEY GENERAL (APPROVED AS TO FORM)			DATE

SECTION I - OVERVIEW

Pursuant to the terms of contract number 07DSS1202RM, as amended, by and between the State of Connecticut Department of Social Services (hereinafter referred to as "DSS") and Schramm*Raleigh, LLC (hereinafter referred to as "Contractor") the Contractor has been working with DSS to develop and implement Governor M. Jodi Rell's statewide health care reform initiative, Charter Oak. The Contractor has:

1. developed, and based on input from DSS, finalized Charter Oak plan design;
2. provided review of, and input on, the Charter Oak Prospectus and Request For Proposal (RFP);
3. assisted DSS in the pursuit of necessary approvals from the Centers for Medicare and Medicaid Services (CMS) to receive federal funding by completing the appropriate waiver documentation and providing consultation to DSS on CMS negotiations;
4. developed and established actuarially sound rate ranges (ASRR) for the Charter Oak Program;
5. provided actuarial and strategic assistance during the combined HUSKY A/B/Charter Oak procurement; and
6. has provided additional actuarial and strategic Assistance as needed and agreed upon in writing between Contractor and DSS.

DSS has determined that there is a need to extend the term of the contract for an additional period of six (6) months through June 30, 2009. During the period 1/1/09 through 6/30/09 the Contractor shall:

1. Continue to assist DSS in the pursuit of necessary approvals from the Centers for Medicare and Medicaid Services (CMS) to receive federal funding by completing the appropriate waiver documentation and providing consultation to DSS on CMS negotiations;
2. Provide actuarial and strategic assistance during the implementation and operation of the Charter Oak program; and
3. Provide additional actuarial and strategic assistance to DSS pertaining to the possible restructure and reprourement of the non emergency medical transportation program; and
4. Provide additional actuarial and strategic assistance as needed and agreed upon in writing between Contractor and DSS.

SECTION II - SCOPE OF WORK AND DELIVERABLES

- A. The Contractor, throughout the term of this contract or as otherwise stated herein, shall be available to provide consulting services for the Charter Oak program to the Department as requested by the Department. When directed by the Department to begin a specific task the Contractor shall submit to the Department a Project Workplan that identifies:
1. the steps to be taken to complete the task;
 2. a corresponding timeline;
 3. due dates for each stated deliverable;
 4. the personnel assigned to the task; and
 5. an estimate of the number of hours to complete the task.
- B. The Project Workplan shall also identify to the Department what the Contractor will need from the Department to complete the task and any issues that may delay or prevent the Contractor from completing the task.

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- C. The Department shall review the Project Workplan from the Contractor and provide comments and/or changes within fifteen (15) days of receipt. Once approved by the Department the Contractor shall provide the services in accordance with and as agreed to in the Project Workplan.
- D. The Department and the Contractor shall have the ability to suggest changes to the Project Workplan as the project is on-going. Changes should be submitted to the other party and shall be agreed to and incorporated into a revised Project Workplan.

Task 1. Develop CMS Waiver and Pursue Federal Approval

The Contractor shall develop the CMS waiver and work, as directed by DSS, towards obtaining Federal approval. Specific tasks may include, but not be limited to:

- a. Participate with DSS in strategy sessions regarding the various options and scenarios for Federal funding participation;
- b. Recommend a CMS negotiation strategy based on DSS' goals as discussed in the strategy sessions;
- c. Consult with Alicia Smith & Associates for strategic advice on waivers requested;
- d. Develop the baseline data set necessary to complete the budget neutrality and/or financial sections of the appropriate waiver vehicle as directed by DSS;
- e. As directed by DSS, complete the narrative and cost and caseload sections of the appropriate waiver vehicle for submission to the Legislative Committees of Cognizance; and, upon approval by the Legislative Committees of Cognizance, to CMS; and
- f. Participate, as directed by DSS, in CMS discussions and negotiations.

Task 1. Deliverables

The Contractor shall produce for the Department's review and approval:

- a. A draft of budget neutrality and/or financial sections of the waiver,
- b. A draft of the waiver documents required for submission to the Legislative Committees of Cognizance, and
- c. A draft of the waiver documents required for submission to CMS.

As directed by DSS, the Contractor shall incorporate changes or suggestions from DSS into the above referenced document and within five (5) business days of the receipt of such changes or suggestions shall produce a final version of each document.

Task 2. Monitor and as requested by the Department, modify the ASRR for Charter Oak Program

The Contractor shall:

- a. Using the baseline data set developed through the terms of the original contract, develop the SFY10 (July 1, 2009 to June 30, 2010) Charter Oak capitation rates;
- b. Develop the actuarial adjustments to make the Charter Oak program baseline data set mirror the expected Charter Oak enrolled risk;
- c. Create a reinsurance program to ameliorate (but not eliminate) the risk of the health plans participating in the Charter Oak program;
- d. Lead the Bidder's Conference discussion on Charter Oak's rate setting methodology;
- e. Develop actuarially sound rate ranges; and
- f. Prepare a rate certification letter that will meet CMS approval for the Department to receive federal funding participation (ffp) for expenditures in the Charter Oak Program.

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Task 2. Deliverables

The Contractor shall:

- a. Produce and provide the Department with SFY10 (July 1, 2009 to June 30, 2010) Charter Oak capitation rates;
- b. Develop and provide to the Department a reinsurance program to ameliorate (but not eliminate) the risk of the health plans participating in the Charter Oak program;
- c. Produce and provide the Department with actuarially sound rate ranges for the Charter Oak program;
- d. Produce and provide the Department with a rate certification letter that complies with CMS guidelines for the Department to receive federal funding participation (ffp) for expenditures in the Charter Oak Program;
- e. As requested by the Department participate in the Charter Oak rate negotiations and lead the discussion regarding the Charter Oak rate setting methodology; and
- f. Conduct a review of the Department's budget estimates based on potential contract rates within the actuarially sound rate ranges and the Department's Charter Oak program enrollment projections.

Task 3. As-Needed Actuarial, Contract Management and Strategic Assistance

As directed by the Department the Contractor shall:

- a. Provide contract management and monitoring assistance with its current and future health care initiatives including, but not limited to the HUSKY A, HUSKY B, Charter Oak and Non Emergency Medical Transportation Programs. Specifically the Contractor may provide assistance regarding:
 - The development and review of appropriate Financial Reports (including Interim)
 - The submission and review of Encounter Data
 - The development and implementation of a reporting grid
 - The payment methodology and provider relationship between the Federally Qualified Health Centers and the Managed Care Companies
 - Medicaid Floor Methodology
- b. Assist DSS in streamlining the contract development and monitoring process for HUSKY A/B and Charter Oak contracting
- c. Strategize and provide the Department with information pertaining to health care services and initiatives, including but not limited to those initiatives related to the provision of non-emergency medical transportation;
- d. Participate in SFY10 Charter Oak Rate Update and negotiations with MCOs including:
 - Assistance with potential changes to Charter Oak Plan Design for SFY10
 - Ongoing support for benefit coverage clarifications
 - Strategizing with and providing the Department with information pertaining to health care reforms in other states and the applicability of the health care reforms to health care in the State of Connecticut and the operation of the Charter Oak program;
- e. Provide the Department with input, and if requested by the Department, participate in or conduct presentations to the Legislative Committees of Cognizance through the Department's waiver approval process;
- f. Maintain contact with the State of Connecticut Department of Insurance to be aware of potential impacts of Charter Oak and HUSKY A/B to the individual and small group health insurance markets in the State of Connecticut; and
- g. Assist the Department's in-house and outside actuaries on rate-setting assumptions and data analyses.

Task 3. Deliverables

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Specified deliverables will be identified and agreed to by the Department and the Contractor through the submission of the Project Workplan.

SECTION III - PAYMENT TERMS

- A. Contractor shall submit to the Department, on a monthly basis, an invoice delineating the specific project, activities performed, actual hours worked and the category of personnel who performed the tasks. Contractor shall be paid for the actual hours worked at the following rates per specified personnel category. These hourly rates shall remain in effect through June 30, 2009.

Personnel Category	Hourly Rate
Strategist/Senior Principal	\$340
Principal	\$280
Associate	\$230
Consultant	\$190
Senior Analyst	\$150
Analyst	\$125
Intern	\$ 50
Administrative Support	\$ 0

- B. Administrative expenses, such as printing/overnight delivery directly, incurred during the month shall be specified on the monthly invoice.
- C. Travel expenses must be approved in advance by the Department and, if approved, shall be specified on the monthly invoice. Travel expenses include, but may not be limited to the costs associated with air, road or rail; hotel accommodations and meals.
- D. In order to properly administer the Department's budget during this contract term, the Department has developed a maximum budget for each of the projects that the Contractor may be required to complete. When developing the Project Workplan for a specific project the Contractor shall not exceed the Maximum Budget set forth below.
- E. The Department and the Contractor may propose revisions to the Maximum Budgets as tasks are removed and or modified from the Project Workplan. Revisions must be agreed to by both parties and may be submitted by letter rather than a formal amendment.

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Task	Maximum Budget
1. CMS Waiver & Approval	
2. Modifications to Charter Oak ASRR	
3. Additional Actuarial Assistance, including: a. Contract Management and Monitoring Assistance, including: <ul style="list-style-type: none">▪ Financial Reports (including Interim)▪ Encounter Data▪ Reporting Grid▪ FQHC▪ Medicaid Floor Methodology▪ Contract updates	
b. Assist DSS in streamlining the contract development and monitoring process for HUSKY A/B and Charter Oak contracting	
c. Health Services Purchasing Strategy , including but not limited to those initiatives related to Non-Emergent Transportation Contracting Strategy	
d. SFY10 Charter Oak Rate Update and negotiations with MCOs <ul style="list-style-type: none">▪ Charter Oak Plan Design assistance▪ Potential changes for SFY10▪ Ongoing support for benefit coverage clarifications▪ Strategize and provide the Department with information pertaining to health care reforms in other states and the applicability of the health care reforms to health care in the State of Connecticut and the operation of the Charter Oak program;	
e. Provide the Department with input, and if requested by the Department, participate in or conduct presentations to the Legislative Committees of Cognizance through the Department's waiver approval process;	
f. Maintain contact with the State of Connecticut Department of Insurance to be aware of potential impacts of Charter Oak and HUSKY A/B to the individual and small group health insurance markets in the State of Connecticut; and	
g. Additional Strategic and Actuarial Support, including: <ul style="list-style-type: none">▪ Assist the Department's in-house and outside actuaries on rate-setting assumptions and data analyses;	
Administrative Expenses	
Total	

SECTION IV - CHANGE ORDER PROCESS

- A. Revisions to Project Workplans including revisions to due dates for reports and completion of objectives or services, and line item only changes, must be approved in writing by the Department. A formal contract amendment shall be required for extensions to the final date of the contract period, revisions to the maximum contract payment, and any other contract revisions determined material by the Department. The Department reserves the right to renegotiate the Contractor's scope of work and budget at anytime during the term of this contract, based on the Contractor's performance and actual expenses to date.
- B. The Department may throughout the term of this contract request additions to the projects outlined in this contract. Such changes may include short term research projects or other activities required by new or amended Federal or State laws or regulations. In response to a request for changes the Contractor shall complete and submit to the Department a "DSS Consulting Project Request Form"(CPR).
- C. The CPR shall identify the total cost by the number of staff hours times the hourly rates set forth in the Part III - Payment Terms of this contract.
- D. The Department shall consider the cost impact of the requested change and signify its approval and direction to the Contractor to begin the task by securing the approval of the Commissioner of his designee, as evidenced by a signature on the CPR. No changes in the scope shall be conducted unless and until the Contractor receives a completed CPR signed by the Department's Commissioner or his designee.
- E. Significant Change Order work may require authorization from the State of Connecticut Office of Policy and Management in order to amend the Contract to allocate additional funds to this project.

SECTION V - MANDATORY TERMS AND CONDITIONS

A. Inspection of Work Performed. The Department or its authorized representative shall at all times have the right to enter into the Contractor's premises, or such other places where duties under the contract are being performed, to inspect, to monitor or to evaluate the work being performed. The Contractor and all subcontractors must provide all reasonable facilities and assistance for Department representatives. All inspections and evaluations shall be performed in such a manner as will not unduly delay work. The Contractor shall disclose information on clients, applicants and their families as requested unless otherwise prohibited by federal or state law. Written evaluations pursuant to this section shall be made available to the Contractor.

B. Contractor Obligations

1. Credits and Rights in Data.

- (a) Unless expressly waived in writing by the Department, all documents, reports, and other publications for public distribution during or resulting from the performances of this Contract shall include a statement acknowledging the financial support of the state and the Department and, where applicable, the federal government. All such publications shall be released in conformance

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with applicable federal and state law and all regulations regarding confidentiality. Any liability arising from such a release by the Contractor shall be the sole responsibility of the Contractor and the Contractor shall indemnify the Department, unless the Department or its agents co-authored said publication and said release is done with the prior written approval of the Commissioner of the Department. Any publication shall contain the following statement: "This publication does not express the views of the Department or the State of Connecticut. The views and opinions expressed are those of the authors." The Contractor or any of its agents shall not copyright data and information obtained under the terms and conditions of this contract, unless expressly authorized in writing by the Department. The Department shall have the right to publish, duplicate, use and disclose all such data in any manner, and may authorize others to do so. The Department may copyright any data without prior notice to the Contractor. The Contractor does not assume any responsibility for the use, publication or disclosure solely by the Department of such data.

(b) "Data" shall mean all results, technical information and materials developed and/or obtained in the performance of the services hereunder, including but not limited to all reports, surveys, plans, charts, recordings (video and/or sound), pictures, curricula, public awareness or prevention campaign materials, drawings, analyses, graphic representations, computer programs and printouts, notes and memoranda, and documents, whether finished or unfinished, which result from or are prepared in connection with the services performed hereunder.

2. Prohibited Interest. The Contractor warrants that no state appropriated funds have been paid or will be paid by or on behalf of the Contractor to contract with or retain any company or person, other than bona fide employees working solely for the Contractor, to influence or attempt to influence an officer or employee of any state agency in connection with the awarding, extension, continuation, renewal, amendment, or modification of this agreement, or to pay or agree to pay any company or person, other than bona fide employees working solely for the Contractor, any fee, commission, percentage, brokerage fee, gift or any other consideration contingent upon or resulting from the award or making of this Agreement.
3. Offer of Gratuities. By its agreement to the terms of this contract, the Contractor certifies that no elected or appointed official or employee of the State of Connecticut has or will benefit financially or materially from this contract. The Department may terminate this contract if it is determined that gratuities of any kind were either offered or received by any of the aforementioned officials or employees from the Contractor or its agents or employees.
4. Related Party Transactions. The Contractor shall report all related party transactions, as defined in this clause, to the Department on an annual basis. "Related party" means a person or organization related through marriage, ability to control, ownership, family or business association. Past exercise of influence or control need not be shown, only the potential or ability to directly or indirectly exercise influence or control. "Related party transactions" between a Contractor, its employees, Board members or members of the Contractor's governing body, and a related party include, but are not limited to:
 - (a) real estate sales or leases;
 - (b) leases for equipment, vehicles or household furnishings;
 - (c) mortgages, loans and working capital loans; and
 - (d) contracts for management, consultant and professional services as well as for materials, supplies and other services purchased by the Contractor.
5. Lobbying. The Contractor agrees to abide by state and federal lobbying laws, and further specifically agrees not to include in any claim for reimbursement any expenditures associated with activities to influence, directly or indirectly, legislation pending before Congress, or the Connecticut General Assembly or any administrative or regulatory body unless otherwise required by this contract.
6. Suspension or Debarment.
 - (a) Signature on Contract certifies the Contractor or any person (including subcontractors) involved in the administration of Federal or State funds:

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- (1) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any governmental department or agency (Federal, State or local);
- (2) within a three year period preceding this Contract, has not been convicted or had a civil judgment rendered against him/her for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State or local) transaction or Contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;
- (3) is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the above offenses;
- (4) has not within a three year period preceding this agreement had one or more public transactions terminated for cause or fault.

(b) Any change in the above status shall be immediately reported to the Department.

7. Liaison. Each party shall designate a liaison to facilitate a cooperative working relationship between the Contractor and the Department in the performance and administration of this contract.
8. Subcontracts. Notwithstanding the execution of this contract prior to a specific subcontractor being identified or specific costs being set, no subcontractor may be used or expense under this contract incurred prior to identification of the subcontractor or inclusion of a detailed budget statement as to subcontractor expense, unless expressly approved by the Department. No subcontractor shall acquire any direct right of payment from the Department by virtue of the provisions of this clause or any other clause of this contract. The use of subcontractors shall not relieve the Contractor of any responsibility or liability under this contract. The Contractor shall make available copies of all subcontracts to the Department upon request.
9. Independent Capacity of Contractor. The Contractor, its officers, employees, subcontractors, or any other agent of the Contractor in the performance of this contract will act in an independent capacity and not as officers or employees of the State of Connecticut or of the Department.
10. Indemnification.
 - (a) The Contractor shall indemnify, defend and hold harmless the State of Connecticut and its officers, representatives, agents, servants, employees, successors and assigns from and against any and all:
 - (1) claims arising directly or indirectly, in connection with the contract, including the acts of commission or omission (collectively the "Acts") of the Contractor or Contractor Parties; and
 - (2) liabilities, damages, losses, costs and expenses, including but not limited to attorneys' and other professionals' fees, arising, directly or indirectly, in connection with Claims, Acts or the contract. The Contractor shall use counsel reasonably acceptable to the State in carrying out its obligations under this contract. The contractor's obligations under this section to indemnify, defend and hold harmless against claims includes claims concerning confidentiality of any part of or all of the bid or any records, and intellectual property rights, other propriety rights of any person or entity, copyrighted or uncopied compositions, secret processes, patented or unpatented inventions, articles or appliances furnished or used in the performance of the contract.
 - (b) The Contractor shall reimburse the State for any and all damages to the real or personal property of the State caused by the Acts of the Contractor or any Contractor Parties. The State shall give the Contractor reasonable notice of any such claims.

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- (c) The Contractor's duties under this section shall remain fully in effect and binding in accordance with the terms and conditions of the contract, without being lessened or compromised in any way, even where the Contractor is alleged or is found to have merely contributed in part to the Acts giving rise to the Claims and/or where the State is alleged or is found to have contributed to the Acts giving rise to the Claims.
- (d) The Contractor shall carry and maintain at all times during the term of the contract, and during the time that any provisions survive the term of the contract, sufficient general liability insurance to satisfy its obligations under this contract. The Contractor shall name the State as an additional insured on the policy and shall provide a copy of the policy to the Agency prior to the effective date of the contract. The Contractor shall not begin performance until the delivery of the policy to the Agency.
- (e) The rights provided in this section for the benefit of the State shall encompass the recovery of attorneys' and other professionals' fees expended in pursuing a Claim against a third party.
- (f) This section shall survive the termination, cancellation or expiration of the Contract, and shall not be limited by reason of any insurance coverage.

11. Choice of Law and Choice of Forum, Settlement of Disputes, Office of the Claims Commission.

- (a) The Contractor agrees to be bound by the laws of the State of Connecticut and the federal government where applicable, and agrees that this contract shall be construed and interpreted in accordance with Connecticut law and Federal law where applicable.
- (b) Any dispute concerning the interpretation or application of this contract shall be decided by the Commissioner of the Department or his/her designee whose decision shall be final subject to any rights the Contractor may have pursuant to state law. In appealing a dispute to the commissioner pursuant to this provision, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final resolution of a dispute, the Contractor and the Department shall proceed diligently with the performance of the contract.
- (c) The Contractor agrees that the sole and exclusive means for the presentation of any claim against the State arising from this Contract shall be in accordance with Chapter 53 of the Connecticut General Statutes (Claims Against the State) and the Contractor further agrees not to initiate legal proceedings except as authorized by that Chapter in any State or Federal Court in addition to or in lieu of said Chapter 53 proceedings.

12. Compliance with Law and Policy. Contractor shall comply with all pertinent provisions of local, state and federal laws and regulations as well as Departmental policies and procedures applicable to Contractor's programs as specified in this contract. The Department shall notify the Contractor of any applicable new or revised laws, regulations, policies or procedures which the Department has responsibility to promulgate or enforce.

13. Litigation.

- (a) The Contractor shall provide written notice to the Department of any litigation that relates to the services directly or indirectly financed under this contract or that has the potential to impair the ability of the Contractor to fulfill the terms and conditions of this contract, including but not limited to financial, legal or any other situation which may prevent the Contractor from meeting its obligations under the contract.
- (b) The Contractor shall provide written notice to the Department of any final decision by any tribunal or state or federal agency or court which is adverse to the Contractor or which results in a settlement, compromise or claim or agreement of any kind for any action or proceeding brought against the Contractor or its employee or agent under the Americans with Disabilities Act of 1990,

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Executive Orders Nos. 3 & 17 of Governor Thomas J. Meskill and any other provisions of federal or state law concerning equal employment opportunities or nondiscriminatory practices.

C. Alterations, Cancellation and Termination

1. Contract Amendments.

- (a) Contract amendments must be in writing and shall not be effective until executed by both parties to the contract, and, where applicable, approved by the Attorney General.
- (b) No amendments may be made to a lapsed contract.

2. Contract Reduction.

- (a) The Department reserves the right to reduce the Contracted amount of compensation at any time in the event that:
 - (1) the Governor or the Connecticut General Assembly rescinds, reallocates, or in any way reduces the total amount budgeted for the operation of the Department during the fiscal year for which such funds are withheld; or
 - (2) federal funding reductions result in reallocation of funds within the Department.
- (b) The Contractor and the Department agree to negotiate on the implementation of the reduction within thirty (30) days of receipt of formal notification of intent to reduce the contracted amount of compensation from the Department. If agreement on the implementation of the reduction is not reached within 30 calendar days of such formal notification and a contract amendment has not been executed, the Department may terminate the contract sixty (60) days from receipt of such formal notification. The Department will formally notify the Contractor of the termination date.

3. Default by the Contractor.

- (a) If the Contractor defaults as to, or otherwise fails to comply with, any of the conditions of this contract the Department may:
 - (1) withhold payments until the default is resolved to the satisfaction of the Department;
 - (2) temporarily or permanently discontinue services under the contract;
 - (3) require that unexpended funds be returned to the Department;
 - (4) assign appropriate state personnel to execute the contract until such time as the contractual defaults have been corrected to the satisfaction of the Department;
 - (5) require that contract funding be used to enter into a subcontract arrangement with a person or persons designated by the Department in order to bring the program into contractual compliance;
 - (6) terminate this contract;
 - (7) take such other actions of any nature whatsoever as may be deemed appropriate for the best interests of the state or the program(s) provided under this contract or both;
 - (8) any combination of the above actions.
- (b) In addition to the rights and remedies granted to the Department by this contract, the Department shall have all other rights and remedies granted to it by law in the event of breach of or default by the Contractor under the terms of this contract.
- (c) Prior to invoking any of the remedies for default specified in this paragraph except when the Department deems the health or welfare of service recipients is endangered as specified in of this contract or has not met requirements as specified in this contract, the Department shall notify the Contractor in writing of the specific facts and circumstances constituting default or failure to comply with the conditions of this contract and proposed remedies. Within five (5) business days of receipt of this notice, the Contractor shall correct any contractual defaults specified in the notice and submit written documentation of correction to the satisfaction of the Department or request in writing a meeting with the commissioner of the Department or his/her designee. Any such meeting

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shall be held within five (5) business days of the written request. At the meeting, the Contractor shall be given an opportunity to respond to the Department's notice of default and to present a plan of correction with applicable time frames. Within five (5) business days of such meeting, the commissioner of the Department shall notify the Contractor in writing of his/her response to the information provided including acceptance of the plan of correction and, if the commissioner finds continued contractual default for which a satisfactory plan of corrective action has not been presented, the specific remedy for default the Department intends to invoke. This action of the Commissioner shall be considered final.

- (d) If at any step in this process the Contractor fails to comply with the procedure and, as applicable, the agreed upon plan of correction, the Department may proceed with default remedies.
4. Non-enforcement Not to Constitute Waiver. The failure of either party to insist upon strict performance of any terms or conditions of this agreement shall not be deemed a waiver of the term or condition or any remedy that each party has with respect to that term or condition nor shall it preclude a subsequent default by reason of the failure to perform.
 5. Cancellation and Recoupment.
 - (a) This agreement shall remain in full force and effect for the entire term of the contract period, above, unless either party provides written notice thirty (30) days or more from the date of termination, except that no cancellation by the Contractor may be effective for failure to provide services for the agreed price or rate and cancellation by the Department shall not be effective against services already rendered, so long as the services were rendered in compliance with the contract during the term of the contract.
 - (b) In the event the health or welfare of the service recipients is endangered, the Department may cancel the contract and take any immediate action without notice it deems appropriate to protect the health and welfare of service recipients. The Department shall notify the Contractor of the specific reasons for taking such action in writing within five (5) business days of cancellation. Within five (5) business days of receipt of this notice, the Contractor may request in writing a meeting with the commissioner of the Department or his/her designee. Any such meeting shall be held within five (5) business days of the written request. At the meeting, the Contractor shall be given an opportunity to present information on why the Department's actions should be reversed or modified. Within five (5) business days of such meeting, the Commissioner of the Department shall notify the Contractor in writing of his/her decision upholding, reversing or modifying the action of the Department. This action of the Commissioner shall be considered final.
 - (c) The Department reserves the right to cancel the contract without prior notice when the funding for the contract is no longer available.
 - (d) The Department reserves the right to recoup any deposits, prior payment, advance payment or down payment made if the contract is terminated by either party. Allowable costs incurred to date of termination for operation or transition of program(s) under this contract shall not be subject to recoupment. The Contractor agrees to return to the Department any funds not expended in accordance with the terms and conditions of the contract and, if the Contractor fails to do so upon demand, the Department may recoup said funds from any future payments owing under this contract or any other contract between the State and the Contractor.
 6. Equipment. In the event this Contract is terminated or not renewed, the Department reserves the right to recoup any equipment, deposits or down payments made or purchased with start-up funds or other funds specifically designated for such purpose under this Contract. For purposes of this provision, equipment means tangible personal property with a normal useful life of at least one year and a value of at least \$5,000. Equipment shall be considered purchased from Contractor funds and not from Department funds if the equipment is purchased for a program that has other sources of income equal to or greater than the equipment purchase price.
 7. Termination. All notices of termination as defined in the subsections below shall be signed by the Contract Administrator and/or designee, shall specify a date of termination and shall be delivered to the Contractor no less than 90 days prior to the specified date of termination.

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a. Termination for Convenience:

- i. The Department may terminate performance of work under the Contract in whole or in part whenever for any reason the Department shall determine that such termination is in the best interest of the Department and/or the State of Connecticut.
- ii. In the event that the Department elects to terminate the Contract pursuant to this provision, the Contract Administrator and/or designee shall notify the Contractor by certified mail, return receipt requested. Termination shall be effective as of the close of business on the date specified in the notice.

b. Termination for Financial Instability:

- i. In the event that the Contractor becomes financially unstable to the point of threatening the ability of the Department to obtain the services provided for under this contract, ceases to conduct business in the normal course, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or its assets, the Department may, at its option, immediately terminate this contract.
- ii. In the event the Department elects to terminate this contract under this provision, it shall do so by the Contract Administrator and/or designee sending notice of termination to the Contractor by certified mail, return receipt requested, specifying the date of termination.
- iii. In the event of the filing of a petition in bankruptcy by or against a principal subcontractor, the Contractor shall immediately so advise the Department. The Contractor shall ensure that all tasks related to the subcontract are performed in accordance with the terms of the contract and agrees that the filing of a petition in bankruptcy by or against a subcontractor shall, in no way, relieve Contractor of its duties under this contract.

c. **Procedure for Termination:**

In addition to the requirements set forth above, upon delivery by certified mail to the Contractor of a Notice of Termination specifying the nature of the termination and the date upon which such termination becomes effective, the Contractor shall:

- i. **Stop work under the contract on the date and to the extent specified in the Notice of Termination.**
- ii. **If the Department so directs in writing, terminate all subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination or assign to the Department in the manner and to the extent directed by the Contract Administrator all of the right, title, and interest of the Contractor under the subcontracts not so terminated, in which case the Department shall have the right, in its discretion, to settle or pay any and all claims arising out of the termination of such subcontracts.**
- iii. **Complete the performance of such part of the work as shall not have been terminated by the Notice of Termination.**
- iv. **Be entitled to payment for services rendered through the effective date of termination.**

8. Transition after Termination or Expiration of Contract. In the event that this contract is terminated for any reason except where the health and welfare of service recipients is endangered or if the Department does not offer the Contractor a new contract for the same or similar service at the contract's expiration, the Contractor will assist in the orderly transfer of clients served under this contract as required by the Department and will assist in the orderly cessation of operations under this contract. Prior to incurring expenses related to the orderly transfer or continuation of services to service recipients beyond the terms of the contract, the Department and the Contractor agree to negotiate a termination amendment to the existing agreement to address current program components and expenses, anticipated expenses necessary for the orderly transfer of service recipients and changes to the current program to address service recipient needs. The Contractual agreement may be amended as necessary to assure transition requirements are met during the term of this contract. If the transition cannot be concluded during this

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term, the Department and the Contractor may negotiate an amendment to extend the term of the current contract until the transition may be concluded.

9. Program Cancellation. Where applicable, the cancellation or termination of any individual program or services under this Contract will not, in and of itself, in any way affect the status of any other program or service in effect under this Contract.

10. Mergers and Acquisitions.

- (a) Contracts in whole or in part are not transferable or assignable without the prior written agreement of the Department.
- (b) At least ninety (90) days prior to the effective date of any fundamental changes in corporate status, including merger, acquisition, transfer of assets, and any change in fiduciary responsibility, the Contractor shall provide the Department with written notice of such changes.
- (c) The Contractor shall comply with requests for documentation deemed necessary by the Department to determine whether the Department will provide prior written agreement. The Department shall notify the Contractor of such determination not later than forty-five (45) business days from the date the Department receives such requested documentation.

D. Statutory and Regulatory Compliance

1. Health Insurance Portability Act of 1996 ("HIPAA").

- (a) If the Contractor is a Business Associate under the requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Contractor must comply with all terms and conditions of this Section of the Contract. If the Contractor is not a Business Associate under HIPAA, this Section of the Contract does not apply to the Contractor for this Contract.
- (b) The Contractor is required to safeguard the use, publication and disclosure of information on all applicants for, and all clients who receive, services under the Contract in accordance "with all applicable federal and state law regarding confidentiality, which includes but is not limited to ("HIPAA"), more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C, and E; and
- (c) The State of Connecticut Department named on page 1 of this Contract (hereinafter "Department") is a "covered entity" as that term is defined in 45 C.F.R. § 160.103; and
- (d) The Contractor, on behalf of the Department, performs functions that involve the use or disclosure of "individually identifiable health information," as that term is defined in 45 C.F.R. § 160.103; and
- (e) The Contractor is a "business associate" of the Department, as that term is defined in 45 C.F.R. § 160.103; and
- (f) The Contractor and the Department agree to the following in order to secure compliance with the HIPAA, more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C, and E.
- (g) Definitions
 - (1) "Business Associate" shall mean the Contractor.
 - (2) "Covered Entity" shall mean the Department of the State of Connecticut named on page 1 of this Contract.
 - (3) "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 C.F.R. § 164.501.

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- (4) "Individual" shall have the same meaning as the term "individual" in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative as defined in 45 C.F.R. § 164.502(g).
 - (5) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and parts 164, subparts A and E.
 - (6) "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to information created or received by the Business Associate from or on behalf of the Covered Entity.
 - (7) "Required by Law" shall have the same meaning as the term "required by law" in 45 C.F.R. § 164.103.
 - (8) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.
 - (9) "More stringent" shall have the same meaning as the term "more stringent" in 45 C.F.R. § 160.202.
 - (10) "This Section of the Contract" refers to the HIPAA Provisions stated herein, in their entirety.
 - (11) "Security Incident" shall have the same meaning as the term "security incident" in 45 C.F.R. § 164.304.
 - (12) "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. part 160 and parts 164, subpart A and C.
- (h) Obligations and Activities of Business Associates.
- (1) Business Associate agrees not to use or disclose PHI other than as permitted or required by this Section of the Contract or as Required by Law.
 - (2) Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for in this Section of the Contract.
 - (3) Business Associate agrees to use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of electronic protected health information that it creates, receives, maintains, or transmits on behalf of the Covered Entity.
 - (4) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of a use or disclosure of PHI by Business Associate in violation of this Section of the Contract.
 - (5) Business Associate agrees to report to Covered Entity any use or disclosure of PHI not provided for by this Section of the Contract or any security incident of which it becomes aware.
 - (6) Business Associate agrees to insure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate, on behalf of the Covered Entity, agrees to the same restrictions and conditions that apply through this Section of the Contract to Business Associate with respect to such information.
 - (7) Business Associate agrees to provide access, at the request of the Covered Entity, and in the time and manner agreed to by the parties, to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 C.F.R. § 164.524.

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- (8) Business Associate agrees to make any amendments to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526 at the request of the Covered Entity, and in the time and manner agreed to by the parties.
 - (9) Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by, Business Associate on behalf of Covered Entity, available to Covered Entity or to the Secretary in a time and manner agreed to by the parties or designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
 - (10) Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.
 - (11) Business Associate agrees to provide to Covered Entity, in a time and manner agreed to by the parties, information collected in accordance with paragraph I of this Section of the Contract, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.
 - (12) Business Associate agrees to comply with any state law that is more stringent than the Privacy Rule.
- (i) Permitted Uses and Disclosure by Business Associate.
- (1) General Use and Disclosure Provisions Except as otherwise limited in this Section of the Contract, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in this Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.
 - (2) Specific Use and Disclosure Provisions
 - (A) Except as otherwise limited in this Section of the Contract, Business Associate may use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.
 - (B) Except as otherwise limited in this Section of the Contract, Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
 - (C) Except as otherwise limited in this Section of the Contract, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).
- (j) Obligations of Covered Entity.
- (1) Covered Entity shall notify Business Associate of any limitations in its notice of privacy practices of Covered Entity, in accordance with 45 C.F.R. § 164.520, or to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
 - (2) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

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(3) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(k) Permissible Requests by Covered Entity. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by the Covered Entity, except that Business Associate may use and disclose PHI for data aggregation, and management and administrative activities of Business Associate, as permitted under this Section of the Contract.

(l) Term and Termination.

(1) Term. The Term of this Section of the Contract shall be effective as of the date the Contract is effective and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.

(2) Termination for Cause Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

(A) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate the Contract if Business Associate does not cure the breach or end the violation within the time specified by the Covered Entity; or

(B) Immediately terminate the Contract if Business Associate has breached a material term of this Section of the Contract and cure is not possible; or

(C) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(3) Effect of Termination

(A) Except as provided in (l)(2) above, upon termination of this Contract, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

(B) In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon documentation by Business Associate that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Section of the Contract to such PHI and limit further uses and disclosures of PHI to those purposes that make return or destruction infeasible, for as long as Business Associate maintains such PHI. Infeasibility of the return or destruction of PHI includes, but is not limited to, requirements under state or federal law that the Business Associate maintains or preserves the PHI or copies thereof.

(m) Miscellaneous Provisions.

(1) Regulatory References. A reference in this Section of the Contract to a section in the Privacy Rule means the section as in effect or as amended.

(2) Amendment. The Parties agree to take such action as is necessary to amend this Section of the Contract from time to time as is necessary for Covered Entity to comply with requirements of the

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Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

- (3) Survival. The respective rights and obligations of Business Associate shall survive the termination of this Contract.
 - (4) Effect on Contract. Except as specifically required to implement the purposes of this Section of the Contract, all other terms of the Contract shall remain in force and effect.
 - (5) Construction. This Section of the Contract shall be construed as broadly as necessary to implement and comply with the Privacy Standard. Any ambiguity in this Section of the Contract shall be resolved in favor of a meaning that complies, and is consistent with, the Privacy Standard.
 - (6) Disclaimer. Covered Entity makes no warranty or representation that compliance with this Section of the Contract will be adequate or satisfactory for Business Associate's own purposes. Covered Entity shall not be liable to Business Associate for any claim, loss or damage related to or arising from the unauthorized use or disclosure of PHI by Business Associate or any of its officers, directors, employees, Contractors or agents, or any third party to whom Business Associate has disclosed PHI pursuant to this Contract. Business Associate is solely responsible for all decisions made, and actions taken, by Business Associate regarding the safeguarding, use and disclosure of PHI within its possession, custody or control.
 - (7) Indemnification. The Business Associate shall indemnify and hold the Covered Entity harmless from and against all claims, liabilities, judgments, fines, assessments, penalties, awards, or other expenses, of any kind or nature whatsoever, including, without limitation, attorney's fees, expert witness fees, and costs of investigation, litigation or dispute resolution, relating to or arising out of any violation by the Business Associate and its agents, including subcontractors, of any obligation of Business Associate and its agents, including subcontractors, under this Section of the Contract.
2. Americans with Disabilities Act of 1990. This clause applies to those Contractors which are or will come to be responsible for compliance with the terms of the Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101-12189 and §§ 12201-12213) (Supp. 1993); 47 USCS §§ 225, 611 (Supp. 1993). During the term of the Contract, the Contractor represents that it is familiar with the terms of this Act and that it is in compliance with the law. The Contractor warrants that it will hold the state harmless from any liability which may be imposed upon the state as a result of any failure of the Contractor to be in compliance with this Act. As applicable, the Contractor agrees to abide by provisions of § 504 of the Federal Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794 (Supp. 1993), regarding access to programs and facilities by people with disabilities.
 3. Utilization of Minority Business Enterprises. It is the policy of the state that minority business enterprises should have the maximum opportunity to participate in the performance of government Contracts. The Contractor agrees to use best efforts consistent with 45 C.F.R. §§ 74.160 et seq. (1992) and paragraph 9 of Appendix G thereto for the administration of programs or activities using HHS funds; and §§ 13a-95a, 4a-60 to 4a-62, 4b-95(b), and 4a-60q of the Connecticut General Statutes to carry out this policy in the award of any subcontracts.
 4. Priority Hiring. Subject to the Contractor's exclusive right to determine the qualifications for all employment positions, the Contractor shall use its best efforts to ensure that it gives priority to hiring welfare recipients who are subject to time limited welfare and must find employment. The Contractor and the Department will work cooperatively to determine the number and types of positions to which this paragraph shall apply. The Department of Social Services regional office staff or staff of Department of Social Service Contractors will undertake to counsel and screen an adequate number of appropriate candidates for positions targeted by the Contractor as suitable for individuals in the time limited welfare program. The success of the Contractor's efforts will be considered when awarding and evaluating Contracts.

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5. Non-discrimination Regarding Sexual Orientation. Unless otherwise provided by Conn. Gen. Stat. § 46a-81p, the Contractor agrees to the following provisions required pursuant to § 4a-60a of the Connecticut General Statutes:
 - (a) (1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation;
 - (2) the Contractor agrees to provide each labor union or representatives of workers with which such Contractor has a collective bargaining agreement or other Contract or understanding and each vendor with which such Contractor has a Contract or understanding a notice to be provided by the commission on human rights and opportunities advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;
 - (3) the Contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to § 46a-56 of the Connecticut General Statutes;
 - (4) the Contractor agrees to provide the commission on human rights and opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts concerning the employment practices and procedures of the Contractor which relate to provisions of this section and § 46a-56 of the Connecticut General Statutes.
 - (b) The Contractor shall include the provisions of subsection (a) of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a Contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with § 46a-56 of the Connecticut General Statutes provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.
6. Nondiscrimination and Affirmative Action Provisions in Contracts of the State and Political Subdivisions Other Than Municipalities. The Contractor agrees to comply with provisions of § 4a-60 of the Connecticut General Statutes:
 - (a) Every Contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions:
 - (1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut. The Contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved;

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- (2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the commission;
 - (3) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other Contract or understanding and each vendor with which such Contractor has a Contract or understanding, a notice to be provided by the commission advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;
 - (4) the Contractor agrees to comply with each provision of this section and Conn. Gen. Stat. §§ 46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to Conn. Gen. Stat. §§ 46a-56, 46a-68e and 46a-68f;
 - (5) the Contractor agrees to provide the commission of human rights and opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this section and Conn. Gen. Stat. § 46a-56. If the Contract is a public works Contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project.
- (b) For the purposes of this section, "minority business enterprise" means any small Contractor or supplier of materials fifty-one per cent or more of capital stock, if any, or assets of which is owned by a person or persons:
- (1) who are active in the daily affairs of the enterprise;
 - (2) who have the power to direct the management and policies of the enterprise; and
 - (3) who are members of a minority, as such term is defined in subsection (a) of Conn. Gen. Stat. § 49-60g.
- (c) For the purposes of this section, "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements. Determinations of the Contractor's good faith efforts shall include but shall not be limited to the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative action advertising; recruitment and training; technical assistance activities and such other reasonable activities or efforts as the commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.
- (d) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the commission, of its good faith efforts.
- (e) Contractor shall include the provisions of subsection (a) of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a Contract with the state and such provision shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. § 46a-56; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the Contractor may request the state of Connecticut to enter into such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

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7. Whistleblowing. This Agreement is subject to the provisions of § 4-61dd of the Connecticut General Statutes. In accordance with this statute, if an officer, employee or appointing authority of the Contractor takes or threatens to take any personnel action against any employee of the Contractor in retaliation for such employee's disclosure of information to any employee of the Contracting state or quasi-public agency or the Auditors of Public Accounts or the Attorney General under the provisions of subsection (a) of such statute, the Contractor shall be liable for a civil penalty of not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of this Agreement. Each violation shall be a separate and distinct offense and in the case of a continuing violation, each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The State may request that the Attorney General bring a civil action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. In accordance with subsection (f) of such statute, each large state Contractor, as defined in the statute, shall post a notice of the provisions of the statute relating to large state Contractors in a conspicuous place which is readily available for viewing by the employees of the Contractor.

8. Campaign Contribution Restrictions. On February 8, 2007, Governor Rell signed into law Public Act 07-1, An Act Concerning the State Contractor Contribution Ban and Gifts to State and Quasi-Public Agencies.

For all State contracts as defined in P.A. 07-1 having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this Agreement expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See SEEC Form 11.

9. Non-smoking. If the Contractor is an employer subject to the provisions of § 31-40q of the Connecticut General Statutes, the Contractor agrees to provide upon request the Department with a copy of its written rules concerning smoking. Evidence of compliance with the provisions of § 31-40q of the Connecticut General Statutes must be received prior to Contract approval by the Department.

10. Executive Orders.

(a) Executive Order No. 3: Nondiscrimination. This Contract is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971, and, as such, this Contract may be canceled, terminated or suspended by the State Labor Commissioner for violation of or noncompliance with said Executive Order No. 3 or any state or federal law concerning nondiscrimination, notwithstanding that the Labor Commissioner is not a party to this Contract. The parties to this Contract, as part of the consideration hereof, agree that said Executive Order No. 3 is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to Contract performance in regard to nondiscrimination, until the Contract is completed or terminated prior to completion. The Contractor agrees, as part consideration hereof, that this Contract is subject to the Guidelines and Rules issued by the State Labor Commissioner to implement Executive Order No. 3 and that the Contractor will not discriminate in employment practices or policies, will file all reports as required, and will fully cooperate with the State of Connecticut and the State Labor Commissioner.

(b) Executive Order No. 16: Violence in the Workplace Prevention Policy. This Contract is subject to provisions of Executive Order No. 16 of Governor John J. Rowland promulgated August 4, 1999, and, as such, this Contract may be cancelled, terminated or suspended by the Contracting agency or the State for violation of or noncompliance with said Executive Order No. 16. The parties to this Contract, as part of the consideration hereof, agree that:

(1) Contractor shall prohibit employees from bringing into the state work site, except as may be required as a condition of employment, any weapon/dangerous instrument defined in Section 2 to follow;

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- (2) weapon means any firearm, including a BB gun, whether loaded or unloaded, any knife (excluding a small pen or pocket knife), including a switchblade or other knife having an automatic spring release device, a stiletto, any police baton or nightstick or any martial arts weapon or electronic defense weapon. Dangerous instrument means any instrument, article or substance that, under the circumstances, is capable of causing death or serious physical injury;
 - (3) Contractor shall prohibit employees from attempting to use, or threaten to use, any such weapon or dangerous instrument in the state work site and employees shall be prohibited from causing, or threatening to cause, physical injury or death to any individual in the state work site;
 - (4) Contractor shall adopt the above prohibitions as work rules, violation of which shall subject the employee to disciplinary action up to and including discharge. The Contractor shall require that all employees are aware of such work rules;
 - (5) Contractor agrees that any subcontract it enters into in the furtherance of the work to be performed hereunder shall contain the provisions 1 through 4, above.
- (c) Executive Order No. 17: Connecticut State Employment Service Listings. This Contract is subject to provisions of Executive Order No. 17 of Governor Thomas J. Meskill promulgated February 15, 1973, and, as such, this Contract may be canceled, terminated or suspended by the Contracting agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order Number 17, notwithstanding that the Labor Commissioner may not be a party to this Contract. The parties to this Contract, as part of the consideration hereof, agree that Executive Order No. 17 is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the Contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction in respect to Contract performance in regard to listing all employment openings with the Connecticut State Employment Service.
- (d) Executive Order No. 7C: Contracting Standards Board. This Contract is subject to provisions of Executive Order No. 7C of Governor M. Jodi Rell, promulgated on July 13, 2006. The Parties to this Contract, as part of the consideration hereof, agree that:
- (1) The State Contracting Standards Board ("Board") may review this Contract and recommend to the state Contracting agency termination of this Contract for cause. The State Contracting agency shall consider the recommendations and act as required or permitted in accordance with the Contract and applicable law. The Board shall provide the results of its review, together with its recommendations, to the state Contracting agency and any other affected party in accordance with the notice provisions in the Contract not later than fifteen (15) days after the Board finalizes its recommendation. For the purposes of this Section, "for cause" means: (A) a violation of the State Ethics Code (Chap. 10 of the general statutes) or section 4a-100 of the general statutes or (B) wanton or reckless disregard of any state Contracting and procurement process by any person substantially involved in such Contract or state Contracting agency.
 - (2) For purposes of this Section, "Contract" shall not include real property transactions involving less than a fee simple interest or financial assistance comprised of state or federal funds, the form of which may include but is not limited to grants, loans, loan guarantees, and participation interests in loans, equity investments and tax credit programs. Notwithstanding the foregoing, the Board shall not have any authority to recommend the termination of a Contract for the sale or purchase of a fee simple interest in real property following transfer of title.
 - (3) Notwithstanding the Contract value listed in sections 4-250 and 4-252 of the Conn. Gen. Stat. and section 8 of Executive Order Number 1, all State Contracts between state agencies and private entities with a value of \$50,000 (fifty thousand dollars) or more in a calendar or fiscal year shall comply with the gift and campaign contribution certification requirements of section 4-252 of the Conn. Gen. Stat. and section 8 of Executive Order Number 1. For purposes of this section, the term "certification" shall include the campaign contribution and annual gift affidavits required by section 8 of Executive Order Number 1.

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- (e) Executive Order No. 14: Procurement of cleaning products and services. This Agreement is subject to the provisions of Executive Order No. 14 of Governor M. Jodi Rell promulgated April 17, 2006. Pursuant to this Executive Order, the contractor shall use cleaning and/or sanitizing products having properties that minimize potential impacts on human health and the environment, consistent with maintaining clean and sanitary facilities.

9eFees

Project	Supporting Projects	YTD SFY09 TRENDED TOTAL
Project Support	General	\$ -
	Project Management	\$ 119,002
HUSKY A Rates	Actuarial	\$ 481,636
	Data - Informatics	\$ 66,536
	Financial Analyses	\$ 8,101
	Ad Hoc	\$ -
BH Carve-Out	Actuarial	\$ -
	Ad Hoc	\$ -
Dental Carve-Out	Actuarial	\$ -
	Ad Hoc	\$ -
Risk Adjusted Rates/ Data Quality		\$ -
HUSKY A Waiver Renewal		\$ 179,138
Financial Monitoring		\$ 189,285
Health Plan Reviews	Initial Preparation	\$ 3,911
	Plan 1 Financials	\$ -
	Plan 2 Financials	\$ -
	Plan 3 Financials	\$ -
As Needed Consulting		\$ -
AIDS Waiver		\$ 139,173
Money Follows the Person		\$ 69,338
Reconciliation		\$ 1,198,892
Encounter Data Management	Ad Hoc Requests	\$ 35,631
		\$ -
	Development	\$ 287,227
	Routine Processing	\$ 462,759
	Routine Reporting	\$ 19,825
	Eligibility Work	\$ -
	Encounter Pricing	\$ -
National Provider ID		\$ 272
Family Plannin gWaiver		\$ -
Procurements		\$ 73,425
Charter Oak	Actuarial	\$ 618,996
	Ad Hoc	\$ 50,000
	Total	\$ 4,003,147

Addendum 1

State of Connecticut Department of Social Services
Actuarial Consulting Services
Request for Proposals ACS_RFP_050609

Date Issued: May 13, 2009

Approved: *Marcia McDonough*
Marcia McDonough

State of Connecticut Department of Social Services
(Original signature on document in procurement file)

This Addendum must be signed and returned with your submission.

Authorized Signer

Name of Company

Department of Social Services

Actuarial Consulting Services (ACS)

Request for Proposals

The Department of Social Services/Division of Financial Management and Analysis (DSS/DFMA) or (Department) has issued this Request for Proposals (RFP) to obtain consulting services to assist DSS/DFMA staff with ad hoc projects requiring actuarial expertise over the course of the contract period.

The resultant contract period is expected to begin July 1, 2009 and end June 30, 2012 with the option for two one-year extensions at the discretion of the Department.

Bidders must submit a mandatory Letter of Intent to the Department no later than 3:00 p.m. eastern standard time on **April 23, 2009**. Failure to submit the mandatory Letter of Intent (LOI) in a timely manner will preclude the Bidder from further consideration. Proposal submissions must be received at the Department no later than 3:00 p.m. eastern standard time on **May 21, 2009**. Proposal submissions received after the stated due date and time may be accepted by the Department as a clerical function but will not be evaluated. Proposals that are not evaluated shall be retained for thirty days after the resultant contracts are executed, after which the proposals will be destroyed.

To download this Request for Proposals (RFP), access the State's Procurement/Contracting Portal at the State of Connecticut Department of Administrative Services' Procurement Services Home Page at http://www.das.state.ct.us/Purchase/Portal/Portal_Home.asp or call or write:

Marcia McDonough
Department of Social Services
Contract Administration
25 Sigourney Street
Hartford, CT 06106
Telephone: 860-424-5214
Fax: 860-424-4953
E-mail: Marcia.McDonough@ct.gov

The Department of Social Services is an Equal Opportunity/Affirmative Action Employer. Persons who are deaf or hard of hearing may use a TDD by calling 1-800-842-4524. Questions or requests for information in alternative formats must be directed to the Contract Administration Office at 860-424-5693. The Department of Social Services reserves the right to reject any and all proposals or cancel this procurement at any time if it is deemed in the best interest of the State.

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Acronyms, Abbreviations, and Definitions

The following acronyms, abbreviations, and definitions apply to this procurement:

1. Actuarial - Actuarial science is the discipline that applies mathematical and statistical methods to assess risk in the insurance and finance industries. Actuaries are professionals who are qualified in this field through education and experience. They must demonstrate their qualifications by passing a series of professional examinations.
2. Actuary - An actuary is a business professional who deals with the financial impact of risk and uncertainty. Actuaries have a deep understanding of financial security systems, their reasons for being, their complexity, their mathematics, and the way they work.
3. Ad hoc - It generally signifies a solution designed for a specific problem or task, non-generalizable, and which cannot be adapted to other purposes.
4. American Academy of Actuaries - The American Academy of Actuaries, also known as the “Academy” or the AAA, is the body that represents and unites United States actuaries in all practice areas. Established in 1965, the Academy serves as the profession’s voice on public policy and professionalism issues.
5. Consultant - A consultant is a professional who provides advice in a particular area of expertise such as management, accountancy, the environment, entertainment, technology, law (tax law, in particular), human resources, marketing, medicine, finance, economics, public affairs, communication, engineering, sound system design, graphic design, or waste management.
6. Data Sets - A data set (or dataset) is a collection of data, usually presented in tabular form. Each column represents a particular variable. Each row corresponds to a given member of the data set in question. It lists values for each of the variables, such as height and weight of an object or values of random numbers. Each value is known as a datum. The data set may comprise data for one or more members, corresponding to the number of rows.
7. Demographics - The characteristics of human populations and population segments, especially when used to identify consumer markets.
8. Expert - An expert is someone widely recognized as a reliable source of technique or skill whose faculty for judging or deciding rightly, justly, or wisely is accorded authority and status by their peers or the public in a specific well distinguished domain. An expert, more generally, is a person with extensive knowledge or ability in a particular area of study.

9. Health actuary - A health actuary is an ethical professional that possesses expertise in the financial problems in the field of health care.
10. Society of Actuaries - The Society of Actuaries is a professional organization for actuaries based in North America. The Society's vision is for actuaries to be recognized as the leading professionals in the modeling and management of financial risk and contingent events.
11. Subcontract - Any written agreement between the resultant ACS contractor and another party to fulfill any contract requirements.
12. Subcontractor - A party to a subcontract with a contractor who has agreed to provide some or all of the goods and services the original contractor is required to provide.

SECTION I - OVERVIEW OF THE DEPARTMENT OF SOCIAL SERVICES AND PROGRAM

A. PURPOSE OF REQUEST FOR PROPOSALS

This Request for Proposals (RFP) provides an exceptional opportunity for highly skilled and qualified actuarial consultants with a minimum of five (5) years experience in providing health care actuarial consulting. The Department will not review proposals received from organizations/individuals that do not meet the minimum of five (5) years experience in providing health care actuarial consulting.

The ACS contractor selected as a result of this RFP will work with the DSS/DFMA staff to complete ad hoc projects requiring actuarial expertise including but not limited to assumptions, fiscal and trend projections and analysis. The ACS contractor shall be expected to:

1. Review projections made by others on various Department programs;
2. Review actuarial analysis performed by the DSS/DFMA staff on Department health programs and program changes and provide analyses when needed;
3. Assist the DSS/DFMA staff in developing an actuarially sound health benefit package for the HUSKY and Charter Oak managed care programs; and
4. Assist the DSS/DFMA staff in other services as needed.

The ACS contractor may be asked to assist with analyses conducted by DSS/DFMA staff or conduct the analyses, depending on the complexity of the analysis, the data sets used and preferences of DSS/DFMA staff.

B. OVERVIEW OF THE DEPARTMENT OF SOCIAL SERVICES

The Department of Social Services provides a broad range of services to older adults, persons with disabilities, families, and persons who need assistance in maintaining or achieving their full potential for self-direction, self-reliance, and independent living. It administers more than ninety legislatively authorized programs and about one-third of the State budget. By statute, it is the State agency responsible for administering human service programs sponsored by Federal legislation including the Rehabilitation Act, the Food Stamp Act, the Older Americans Act, and the Social Security Act. The Department of Social Services is also designated as a public housing agency for administering the Section 8 Program under the Federal Housing Act.

The Department of Social Services is headed by the Commissioner of Social Services and there are Deputy Commissioners for Administration and Programs. There is a Regional Administrator responsible for each of the three service regions. By statute, there is a

Statewide Advisory Council to the Commissioner of Social Services and each region must have a Regional Advisory Council.

The Department of Social Services administers most of its programs at offices located throughout the State. Within the Department of Social Services, the Bureau of Rehabilitation Services provides vocational rehabilitation services for eligible persons with physical and mental disabilities throughout the State. For the other programs, services are available at offices located in the three geographic service regions, with central office support located in Hartford. In addition, many services funded by the Department of Social Services are available through community-based agencies. The Department of Social Services has out-stationed employees at participating hospitals and nursing facilities to expedite Medicaid applications and funds Healthy Start sites, which can accept applications for Medicaid for pregnant women and young children. Many of the services provided by the Department of Social Services are available via mail or telephone.

There are three entities attached to the Department of Social Services for administrative purposes only. They are the Commission on Deaf and Hearing-impaired, the Board of Education and Services for the Blind, and the Child Day Care Council.

C. OVERVIEW OF THE ACTUARIAL AND ANALYTICAL SUPPORT UNIT

The DSS/DFMA supports the Department through the provision of a full range of operational and budgetary financial functions. This includes financial management activities provided through the DSS/DFMA's **Actuarial and Analytical Support Unit**.

The Actuarial and Analytical Support Unit supports Department efforts in areas related to Medicaid program changes, revenue maximization, and other programs by providing significant, in-house analytical capacity within the Department. This unit is responsible for the development of capitation rates, pursuing revenue initiatives, and providing the analytical support for State Medicaid waivers and State Medicaid Plan Amendments, as well as providing actuarial and analytical support to other program areas within the Department as needed. The Actuarial and Analytical Support Unit staff works closely with staff in the Department's Medical Care Administration Division, other program divisions, other units of the Division of Financial Management and Analysis, other State agencies, and the Federal government.

D. OVERVIEW OF MEDICAID MANAGED CARE AND SCHIP PROGRAMS

The Department's managed care program for children and families is called HUSKY (i.e. Healthcare for Uninsured Kids and Youth). The HUSKY program includes Medicaid managed care (HUSKY A) that targets children, pregnant women and families with incomes at or below 185% of the federal poverty level (FPL) and SCHIP (HUSKY B) for children in families with higher incomes (above 185% FPL). Currently, under HUSKY B, families with

incomes between 185% - 235% FPL pay no premiums while those between 235% to 300% FPL pay modest monthly premiums and those families with incomes exceeding 300% FPL pay group premium rates negotiated by the Department.

The HUSKY A covered services are the same as the Medicaid covered services. The HUSKY B program and its co-payment structure are modeled after the Connecticut state employee benefit program. The Department also provides additional coverage for children with special physical and/or behavioral health care needs under the HUSKY Plus program for children who are eligible for HUSKY B.

Many adult Medicaid recipients, including those that are aged, blind, or disabled, are served in the Medicaid Fee for Service (FFS) program administered and managed by the Department. Department employees conduct utilization review, with the exception of general hospital inpatient services that are reviewed by a Department utilization review contractor. All claims for the Medicaid FFS program are paid by the Department's Medicaid Management Information System (MMIS) claims vendor.

The Department manages the Charter Oak program. Charter Oak is designed to provide an affordable health insurance product to adults of all incomes. Charter Oak benefits are based on a commercial health insurance model, with deductibles, co-payments, and coinsurance. To improve access to affordable health insurance for those greatest in need, defined as individuals with incomes less than 300% of the federal poverty level (FPL), premiums will be subsidized by the Department according to a fixed sliding scale.

The Department also manages several carved out specialty programs: behavioral health, pharmacy and dental services.

- Specialty behavioral health services are authorized and managed under an Administrative Services Organization (ASO) contract with Value Options (VO). VO manages the specialty behavioral health services of HUSKY A, HUSKY B and Department of Children and Families (DCF) funded clients under the CT Behavioral Health Partnership (BHP).
- Specialty pharmacy services are accessed by HUSKY A, HUSKY B, the State Administered General Assistance and Charter Oak programs members through the Department's Preferred Drug List (PDL) managed by Electronic Data Systems (EDS) under contract with the Department.
- Specialty dental services are provided for HUSKY A and HUSKY B (dental services are not covered under Charter Oak) recipients through a separate ASO agreement with BeneCare under direct contract with the Department.

E. OVERVIEW OF THE PROGRAM

Introduction - The ACS contractor will review and provide expert advice regarding all assumptions, projections and analysis. The ACS contractor shall:

1. Critically review projections made by others on various Department programs;
2. Review analysis performed by the Department staff on Department health programs and program changes and provide analyses when needed;
3. Assist the Department staff in developing an actuarially sound health benefit package for the HUSKY and Charter Oak managed care programs; and
4. Assist the Department staff in other services as needed.

F. BIDDER QUALIFICATIONS

Qualified Bidders must be Associates or Fellows of the Society of Actuaries and members of the American Academy of Actuaries with a minimum of five years experience in health care actuarial consulting services. Qualified Bidders must demonstrate proficiency in the following areas:

- actuarial analysis;
- knowledge in state and federal health care delivery systems;
- knowledge of and experience working with data from state and federal health care programs;
- knowledge of options for expanding health insurance coverage; and
- knowledge of available data sets at a federal and state level.

The Bidder's analytical support staff (if applicable) must also demonstrate similar minimum experience requirements.

SECTION II - OVERVIEW OF THE PROCUREMENT PROCESS

A. ISSUING OFFICE AND CONTRACT ADMINISTRATION

The Department of Social Services is issuing this RFP through its Office of Contract Administration - Procurement Unit. The Contract Administration - Procurement Unit is the Issuing Office for this procurement and is the only contact in the State of Connecticut for this procurement. The integrity of the procurement process is based in part on ensuring that all potential and intended Bidders be afforded the same information and opportunities regarding the terms of the procurement. Therefore, it is incumbent on the Issuing Office to monitor, control, and release information pertaining to this procurement. Potential and intended Bidders are advised that they must refrain from calling or writing any other office within the State of Connecticut or any other state employee with questions or comments related to this procurement. Potential and intended Bidders who call or write others within the State of Connecticut with questions or issues pertaining to this procurement may risk disqualification from consideration. Decisions regarding such disqualification will be made by the Department of Social Services' Contract Administrator within the Issuing Office, after consultation with the Office of the Commissioner. The contact information for the Issuing Office is:

Marcia McDonough
Department of Social Services
Contract Administration
25 Sigourney Street
Hartford, CT 06106
Telephone: 860-424-5214
Fax: 860-424-4953
E-mail: Marcia.McDonough@ct.gov

All questions, comments, proposals, and other communications with the Issuing Office regarding this RFP must be submitted in writing directed to the Issuing Office and must be clearly identified as pertaining to the **ACS RFP**.

Any material received that does not so state its RFP-related contents will be opened as general mail.

B. PROCUREMENT SCHEDULE

The schedule for this procurement is as follows. The Department of Social Services reserves the right to adjust this schedule, as needed.

Milestones	Expected End Date
RFP posting/release	April 09, 2009
Deadline for <u>mandatory</u> Letter of Intent (no later than <u>3:00 p.m. eastern standard time</u>)	April 23, 2009
Deadline for the submission of written questions (no later than <u>3:00 p.m. eastern standard time</u>)	April 23, 2009
Posting/release of the Department of Social Services' official responses to questions (Questions/Answers Addenda)	April 30, 2009
Proposals due (no later than <u>3:00 p.m. eastern standard time</u>)	May 21, 2009
Recommendations to Commissioners	To be determined
Announcement of awards for contract negotiation	To be determined
Contract negotiations end/contract execution	To be determined
Actuarial Consulting Services commences	July 1, 2009

The dates for review of Proposals and recommendations to Commissioners, the announcement of awards for contract negotiation, and contract negotiations end/contract execution will be determined. Dates will be posted in an Addendum to this RFP on the State Procurement/Contracting Portal at http://www.das.state.ct.us/Purchase/Portal/Portal_Home.asp.

C. MANDATORY LETTER OF INTENT (LOI)

Interested **BIDDERS SHALL** submit a mandatory nonbinding Letter of Intent (LOI) to the Issuing Office to advise the Department of Social Services of their intent to submit a Proposal in response to this RFP. The LOI must be received by the Issuing Office no later than 3:00 p.m. eastern standard time on April 23, 2009.

Please choose one way to submit the LOI to the Issuing Office via e-mail, fax, or postal mail. Do not submit duplicate copies. The LOI must clearly identify the contact person including name, telephone number, fax number, and e-mail address. It is the Bidder's responsibility to confirm the Issuing Office's receipt of an LOI.

Failure to submit an LOI in accordance with the requirements set forth herein shall disqualify a Bidder from further consideration.

D. BIDDER'S QUESTIONS

Interested Bidders may submit questions regarding this RFP to the Issuing Office by fax or e-mail directed to the Issuing Office. To be considered, questions regarding this RFP must be

received by the Issuing Office no later than 3:00 p.m. eastern standard time on April 23, 2009. The early submission of questions is encouraged. It is solely the Bidder's responsibility to ensure and verify the Department of Social Services' receipt of questions.

The Issuing Office will respond only to those questions that meet the stated due date and time and criteria listed herein. Official responses to all questions will be in a Questions/Answers Addendum to this RFP posted on the State Procurement/Contracting Portal at www.das.state.ct.us/Purchase/Portal/Portal_home.asp.

The expected posting/release date for the Questions/Answers Addendum is April 30, 2009. It is solely the Bidder's responsibility to access the State Procurement/Contracting Portal to obtain any and all Addenda or official announcements pertaining to this RFP. To submit a responsive proposal, THE BIDDER SHALL provide a signed acknowledgment of the receipt of any and all Addenda posted to the State Procurement/Contracting Portal. The last page only of any and all Addenda must be signed (and company name provided) and submitted with the proposal.

In addition to the questions and answers, the Addendum will specify dates in the Procurement Schedule currently identified as To Be Determined.

E. EVALUATION AND SELECTION

It is the Department of Social Services' intent to conduct a comprehensive, fair, and impartial evaluation of proposals received in response to this RFP. Only proposals found to be responsive to this RFP will be evaluated and scored. A responsive proposal must comply with all instructions listed in this RFP including the general proposal requirements.

F. CONTRACT EXECUTION

The resultant contract is subject to State contracting procedures. These procedures include approval of the State of Connecticut Attorney General's Office. Note that resultant contracts become executed upon the signature of the Attorney General. No financial commitments can be made until and unless the resultant contracts have been approved by the Attorney General. The Attorney General reviews the resultant contract only after the parties have agreed to the provisions.

G. BIDDER DEBRIEFING

The State will notify all Bidders of any award issued by it as a result of this RFP. Unsuccessful Bidders may, within thirty days of the signing of the resultant contract, request a meeting for debriefing and discussion of their proposal by writing the Issuing Office at the address provided herein. Debriefing will not include any comparisons of unsuccessful proposals with other proposals.

H. RIGHTS RESERVED

Upon determination that its best interests would be served, the Department of Social Services shall have the right to do the following:

1. Cancellation - Cancel this procurement at any time before the contract award
2. Amendment of procurement - Amend this procurement at any time before contract award
3. Refusal to accept - Refuse to accept or return accepted proposals that do not comply with procurement requirements
4. Rejection of incomplete proposal - Reject any proposal in which any part of the proposal is incomplete or in which there are significant inconsistencies or inaccuracies (the State reserves the right to reject all proposals)
5. Prior contract default - Reject the proposal of any Bidder in default of any prior contract or for the misrepresentation of material presented
6. Receipt of proposals after stated due date and time - Reject or refuse to evaluate any proposal that is received after the stated due date and time
7. Written clarification - Require Bidders, at their own expense, to submit written clarification of proposals in a manner or format that the Department of Social Services may require
8. Oral clarification - Require Bidders, at their own expense, to make oral presentations at a time selected and in a place provided by the Department of Social Services

The Department of Social Services may invite Bidders, but not necessarily all, to make an oral presentation to assist the Department of Social Services in its determination of award. The Department of Social Services further reserves the right to limit the number of Bidders invited to make such a presentation and the number of attendees per Bidder.

9. Onsite visits - Make onsite visits to the operational facilities of Bidders to further evaluate the Bidder 's capability to perform the duties required in this RFP
10. Allowance of proposal changes - Except as may be authorized by the Department of Social Services, allow no additions or changes to the original proposal after the stated due date and time

11. Property of the State - Own all proposals submitted in response to this procurement upon receipt by the Department of Social Services
12. Separate service negotiation - Negotiate separately any services in any manner needed to serve the best interest of the State
13. All or any portion - Contract for all or any portion of the Scope of Services or tasks contained in this RFP
14. One or more Bidders - Contract with one or more Bidders
15. Proposal most advantageous - Consider cost and all factors in determining the most advantageous proposal for the Department of Social Services when awarding a Bidder the right to negotiate a contract with the Department of Social Services (while cost is a factor in determining the Bidder to be awarded the right to negotiate a contract with the Department of Social Services, price alone shall not determine the successful Bidders)
16. Technical defects - Waive technical defects, irregularities, and omissions, if in its judgment the best interest of the Department of Social Services will be served
17. Privileged and confidential information - Share the contents of any proposal with any of its designees for purpose of evaluating proposals to make an award (the contents of all meetings including the first, second, and any subsequent meetings and all communications in the course of negotiating and arriving at the resultant contract periods shall be privileged and confidential)
18. Best and Final Offers - Seek Best and Final Offers (BFO) on price from Bidders upon review of the scored criteria (in addition, the Department of Social Services reserves the right to set parameters on any BFOs it receives)
19. Unacceptable proposals - Reopen the bidding process if advantageous to the Department of Social Services

I. PROPOSAL PRESENTATION EXPENSES

The State of Connecticut and the Department of Social Services assume no liability for payment of expenses incurred by Bidders in preparing and submitting proposals in response to this procurement.

J. PROPOSAL DUE DATE AND TIME

The Issuing Office must receive proposals no later than the due date and time specified in the Procurement Schedule. The Department of Social Services will not consider a postmark date

as the basis for meeting the submission due date and time. Bidders must not interpret or otherwise construe receipt of a proposal after the stated due date and time as acceptance of the proposal, since the actual receipt of the document is a clerical function. The Department of Social Services suggests the Bidder use certified or registered mail to deliver the proposal when the Bidder is not able to deliver the proposal by courier or in person. Bidders that are hand-delivering proposals will not be granted access to the building without photo identification and shall allow extra time for security procedures. Bidders must address all RFP communications to the Issuing Office.

K. ACCEPTANCE OF PROPOSAL CONTENTS

If acquisition action ensues, the contents of this RFP and the proposals of the successful Bidders will form the basis of contractual obligations in the final contract. The resultant contract will be a Personnel Service Agreement (PSA) contract (Appendix 1) between the successful Bidders and the Department of Social Services. The proposal must include a Signatory Acceptance (Appendix 2), without Proposal, of all terms and conditions as stated in this RFP and Part II of the Department of Social Services' PSA contract. Successful Bidders may suggest alternate language after accepting without Proposal the Mandatory Terms and Conditions as specified in the PSA contract. The Department of Social Services may, after consultation with the State of Connecticut Attorney General's Office and the Office of Policy and Management (OPM), agree to incorporate the alternate language in any resultant contract; however, the Department of Social Services' decision is final. Any proposal that fails to comply in any way with this requirement may be disqualified as non-responsive. The Department of Social Services is solely responsible for rendering decisions in matters of interpretation on all terms and conditions before and after contract execution.

L. BIDDER ASSURANCES

1. Independent price determination - By submission of a proposal and through assurances given in its Transmittal Letter, the Bidder certifies that in connection with this procurement the following requirements have been met:
 - a) Costs - The costs proposed have been arrived at independently, without consultation, communication, or agreement, for restricting competition, as to any matter relating to such process with any other organization or with any competitor.
 - b) Disclosure - Unless otherwise required by law, the costs quoted have not been knowingly disclosed by the Bidder on a prior basis directly or indirectly to any other organization or to any competitor.
 - c) Competition - No attempt has been made or will be made by the Bidder to induce any person or firm to submit or not submit a proposal for restricting competition.

- d) Prior knowledge - The Bidder has no prior knowledge of RFP contents before actual receipt of this RFP and had no part in RFP development.
 - e) Offer of gratuities - The Bidder certifies that no elected or appointed official or employee of the State of Connecticut has or will benefit financially or materially from this procurement. Any resultant contract may be terminated by the State if it is determined that gratuities of any kind were either offered to or received by any of the aforementioned officials or employees of the ACS contractor, the ACS contractor's agent, or the ACS contractor's employees.
 - f) Campaign contribution restrictions - The Bidder certifies receipt of SEEC Form 11 (Appendix 10).
2. Valid and binding offer - The proposal represents a valid and binding offer to provide services in accordance with the terms and provisions described in this RFP and any amendments or attachments hereto.
 3. Press releases - The Bidder agrees to obtain prior written consent and approval of the Department of Social Services for press releases that relate in any manner to this RFP or any resultant contract.
 4. Restrictions on Communications with Department of Social Services staff - The Bidder agrees that from the RFP posting/release date until the Department of Social Services makes an award that it shall not communicate with the Department of Social Services' staff on matters relating to this RFP except as provided herein through the Issuing Office. Any other communication concerning this RFP with any of the Department of Social Services' staff may, at the decision of the Department of Social Services, result in disqualification of that Bidder's proposal.
 5. Evidence of Qualified Entity - The Bidder certifies that it is qualified to conduct business in the State of Connecticut and is not prohibited by its articles of incorporation, bylaws, or the law under which it is incorporated from performing the services required under any resultant contract.
 6. Real or perceived conflicts of interest - The Bidder, its principals, and staff assure that they will avoid all real or perceived conflicts of interest with Medicaid managed care organizations (MCO) operating in the State of Connecticut. This assurance shall include, but not be limited to, an assurance that the bidder's principals and staff will have no relationships with MCO during the term of the resultant contract that could or do conflict with the goals and intent of this project.
 7. Discovery of a Conflict of Interest - The Bidder certifies that it shall immediately disclose any situation with the Department's Contract

Administrator where the bidder (if selected as the ACS contractor) becomes aware of an existing, potential, or perceived conflict that may compromise its objective provision of services under the resultant contract. The Department's Contract Administrator will determine the necessary remedy.

8. Health Insurance Portability and Accountability Act (HIPAA) compliance - The Bidder certifies that it shall comply with the applicable parts of HIPAA pursuant to CFR 45 Part 160 and Part 164. Privacy and Transaction Code Sets.
9. Confidentiality - The Bidder certifies that it shall comply with all applicable State and Federal laws and regulations pertaining to the confidentiality of all Medicaid applicant/client records and other materials that are maintained in accordance with the resultant contract including, but not limited to, the Health Insurance Portability and Accountability Act (HIPAA) of 1996.

A blanket assurance statement is acceptable

M. DECLARATION AND PROTECTION OF PROPRIETARY INFORMATION

Due regard will be given to the protection of proprietary information contained in all proposals received; however, Bidders must be aware that all materials associated with this procurement are subject to the terms of the Freedom of Information Act (FOIA), the Privacy Act, and all rules, regulations, and interpretations resulting therefrom. The Bidder must provide convincing explanation and rationale to justify each exception from release consistent with C.G.S. §1-210 to claim proprietary exemption.

It will not be adequate for Bidders to merely state generally that the proposal is proprietary in nature and therefore not subject to release to third parties to claim an exemption. Price and cost alone do not meet exemption requirements. The particular pages or sections of the proposal that a Bidder believes are proprietary must be specifically identified as such. The rationale and explanation must be stated in terms of the prospective harm to the Bidder's competitive position that would result if the identified material were to be released and the reasons why the materials are legally exempt from release pursuant to the above-cited statute. The Proprietary Declaration must be located immediately following the Table of Contents.

While Bidders may claim proprietary exemptions, the final administrative authority to release or exempt any or all material so identified rests with the State.

N. AFFIRMATIVE ACTION

Regulations of Connecticut State Agencies §46a68j-3(10) requires agencies to consider the following factors when awarding a contract that is subject to contract compliance requirements:

1. The Bidder's success in implementing an affirmative action plan
2. The Bidder's success in developing an apprenticeship program complying with C.G.S. §46a-68-1 to 46a-68-17, inclusive
3. The Bidder's promise to develop and implement a successful affirmative action plan
4. The Bidder's submission of EEO-1 data indicating that the composition of its workforce is at or near parity when compared to the racial and sexual composition of the workforce in the relevant labor market area
5. The Bidder's promise to set aside a portion of the resultant contract for legitimate small contractors and minority business enterprises (See C.G.S. 4a-60)

O. RESULTANT CONTRACT PERIOD, FUNDING, AND NUMBER OF AWARDS

The resultant three-year contract period is expected to begin July 1, 2009 and end June 30, 2012 with the option for two one-year extensions at the discretion of the Department.

It is the Department's intent to award one contract for services described in the RFP. The Department reserves the right to fund more than one contract if desired.

SECTION III - GENERAL PROPOSAL REQUIREMENTS AND STRUCTURE

A. GENERAL PROPOSAL REQUIREMENTS

Bidders must adhere to the Department of Social Services' rules as established in this RFP for proposal consideration, format, and content. The Department of Social Services requires each Bidder, at a minimum, to clearly describe how the specifications in this RFP will be met. Proposals must provide evidence of successful experience or competence. The proposal structure requirements and the proposal content requirements are listed herein. Bidders must respond to each content requirement that begins with **THE BIDDER SHALL**. Proposals must provide evidence of successful experience or competence.

B. INSTRUCTIONS FOR PROPOSAL STRUCTURE

1. Delivery Condition - An original (clearly marked) and five (5) exact, legible copies of the proposal must be submitted in clearly identified (“**Actuarial Consulting Services RFP**”) sealed envelopes or sealed boxes by the stated due date and time. In addition, one (1) exact electronic copy (compact disk) of the entire proposal in a non-PDF format must be submitted with the original. Those required documents that cannot be converted into electronic format may be excluded from the electronic copy. All materials must be in Word or Excel except those items such as pictures or signatures that can be scanned into a Word document.
2. Proposal Structure - The Department of Social Services has structured the submission requirements into four distinct parts:
 - a) Transmittal Communication, Forms, and Acceptances
 - b) Organizational Capability and Structure
 - c) Scope of Services
 - d) Business Cost Section
3. Proposal Construction -
 - a) Binding of Proposals - **THE BIDDER SHALL** submit a proposal in a format that will allow updated pages to be easily incorporated into the original proposal. An original (clearly marked) and six exact, legible copies of the proposal must be submitted in loose leaf or spiral-bound notebooks with the Bidder's official name appearing on the outside

front cover of each binder and on each page of the proposal (location is at the Bidder's discretion).

- b) Tab Sheet Dividers - A tab sheet keyed to the Table of Contents (TOC) must separate each major part of the proposal. The title of each part must appear on the tab sheet.
- c) Table of Contents (TOC) - Each proposal must incorporate a TOC. It is through this TOC that the Department of Social Services will evaluate conformance to uniform proposal content and format.
- d) Cross-referencing RFP and Proposal - Each section of the proposal must cross-reference the appropriate section of this RFP that is being addressed. This will allow the Department of Social Services to determine uniform compliance with specific RFP requirements.
- e) Page Numbers - Each page of the proposal must be numbered consecutively in Arabic numerals from the beginning of the proposal through all appended materials.
- f) Page Format - The standard format to be used throughout the proposal is:
 - (1) Text shall be on 8½" x 11" paper, portrait orientation, single-spaced.
 - (2) Font shall be either Arial or Times New Roman and a minimum of twelve point.
 - (3) The binding edge margin of all pages shall be a minimum of 1½ inches; all other margins shall be one inch.
 - (4) Graphics may have a landscape orientation, bound along the top (11") side (if oversized, graphics may have a maximum of one fold).
 - (5) Graphics may have a smaller text spacing and font size.

Note: The page formatting does not apply to graphics, charts, and tables.

SECTION IV - PROPOSAL CONTENTS

A. TRANSMITTAL COMMUNICATION, FORMS, AND ACCEPTANCES

Each proposal must include an original (clearly marked) and five (5) exact copies clearly identified as “**Actuarial Consulting Services RFP.**” In addition, one (1) exact electronic copy (compact disk) of the entire proposal in a non-PDF format must be submitted with the original.

1. Transmittal Letter - To submit a responsive application, **THE BIDDER SHALL** submit the original proposal (clearly marked) and all copies with a Transmittal Letter signed by an official with the authority to bind the Bidder and limited to no more than two (2) pages, which:

 - a) Addresses each assurances in Section II.L of this RFP
 - b) Includes the Bidder’s Federal Employer Identification Number, if the Bidder is an organization or the Bidder’s Social Security Number, if the Bidder is an individual
 - c) Includes the Bidder’s full legal name
 - d) Includes the name, title, telephone number, fax number, and email address of the individual with authority to bind the Bidder to sign a resultant contract with the Department of Social Services
 - e) Include in the transmittal letter written assurance to the Department of Social Services from its, (Bidder’s), legal counsel that it is qualified to conduct business in the State of Connecticut and is not prohibited by its articles of incorporation, bylaws, or the laws under which it is incorporated from performing the services required under any resultant contract.

2. Table of Contents (TOC) - To submit a responsive proposal, **THE BIDDER SHALL** provide a TOC for the entire proposal beginning with the Executive Summary including all appendices.
3. Proprietary Declaration - To submit a responsive proposal, **THE BIDDER SHALL** identify any proprietary information, if applicable.
4. Executive Summary - To submit a responsive proposal, **THE BIDDER SHALL** provide a high-level summary limited to two (2) pages that summarizes the content of the bidder’s proposal. The Department of Social Services will not evaluate proposals from bidders that have no health care

related actuarial consulting experience. **The Executive Summary shall include the Bidder's demonstrated experience of at least five (5) years providing health care related actuarial consulting services.**

5. Addendum Acknowledgement - To submit a responsive proposal, THE BIDDER SHALL provide the signed acknowledgement of its receipt of any and all Addenda issued for this RFP. The last page only of any and all Addenda must be signed (and company name provided) and submitted with the proposal.
6. Procurement and Contractual Agreements Signatory Acceptance (Appendix 2) - To submit a responsive proposal, THE BIDDER SHALL provide a signed Acceptance Statement, without Proposal, of all Mandatory Terms and Conditions (Appendix 1).
7. Workforce Analysis Form (Appendix 3) - To submit a responsive proposal, THE BIDDER SHALL complete the Workforce Analysis Form. This form shall be completed by Bidders with Connecticut worksites.
8. Notification to Bidders Form (Appendix 4 [signed]) - To submit a responsive proposal, THE BIDDER SHALL summarize the Bidder's affirmative action plan and the Bidder's affirmative action policy statement. Additionally, to submit a responsive proposal, THE BIDDER SHALL address in writing the following five factors, as appropriate, to the Bidder's particular situation. These factors are:
 - a) Affirmative Action Plan - The Bidder's success in implementing an Affirmative Action Plan
 - b) Development of Affirmative Action Plan - The Bidder's promise to develop and implement a successful Affirmative Action Plan if no successful Affirmative Action Plan is in place
 - c) Apprenticeship Program - The Bidder's success in developing an apprenticeship program complying with C.G.S. §§46a-68-1 to 46a-68-17, inclusive
 - d) EEO-1 Data - The Bidder's submission of EEO-1 data indicating that the composition of its workforce is at or near parity when compared to the racial and sexual composition of the workforce in the relevant labor market area
 - e) Set-aside for Minority Businesses - The Bidder's promise to set-aside a portion of the resultant contract for legitimate minority business enterprises, and to provide the Department of Social Services Set-aside Reports in a format required by the Department of Social Services

9. Smoking Policy (Appendix 5 - signed Statement, if applicable) - If the Bidder is an employer subject to the provisions of C.G.S. §31-40q, to submit a responsive proposal, THE BIDDER SHALL agree to provide the Department of Social Services with a copy of its written rules concerning smoking. The Department of Social Services must receive the rules or a statement that the Bidder is not subject to the provisions of C.G.S. §31-40q before contract approval.
10. Certification Regarding Lobbying (Appendix 6) - To submit a responsive proposal, THE BIDDER SHALL provide a signed statement to the effect that no funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress or an employee of a member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
11. Contract Affidavits/Certifications - General Statutes of Connecticut (C.G.S.) §§4-250 through 4-252 require that State contracts with a value of \$50,000 or more be accompanied by a Gift and Campaign Contribution Certification and a Consulting Agreement Affidavit. To submit a responsive proposal, THE BIDDER SHALL provide a completed Gift and Campaign Contribution Certification (Appendix 7) and a Consulting Agreement Affidavit (Appendix 8).

If a Bidder is exempt from the Contract Affidavit/Certification Requirements, the Bidder must state this fact on the affidavits/certifications and return the forms with the proposal.

12. Affirmation of Receipt of State Ethics Laws Summary (Appendix 9) - Pursuant to C.G.S. §§1-101mm and 1-101qq, persons, resultant contractors, subcontractors, consultants, or the duly authorized representative thereof must affirm receipt of the summary of State ethics laws developed by the State Office of Ethics pursuant to C.G.S. §1-81b and that key employees of such person, resultant contractor, subcontractor, or consultant have read and understand the summary and agree to comply with its provisions. To submit a responsive proposal, THE BIDDER SHALL provide a completed and signed Affirmation of Receipt of State Ethics Laws Summary.
13. Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Ban (Appendix 10) - With regard to a State contract as defined in Public Act 07-1 having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this submission in response to the State's solicitation expressly

acknowledges receipt of the State Elections Enforcement Commission's notice advising prospective State contractors of State campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice.

B. ORGANIZATIONAL CAPABILITY AND STRUCTURE (MAXIMUM TEN (10) PAGES) Bidders that propose the use of subcontractors must present the same information about the proposed subcontractors as for the Bidders.

General - Responses to the requirements in this section must describe the Bidder's background and experience relevant to health related Actuarial Consulting Services, (ACS). The responses must also address the details regarding the Bidder's size if an organization, and resources of the organization or individual consultant. The proposal must clearly describe the Bidder's ability and competence to perform the requirements under this RFP.

1. Summary of Organizational Capacity - The Department/DSS is requesting proposals from qualified organizations/individuals, to fulfill the health related ACS as directed by the DSS/DFMA

A responsive proposal must summarize the Bidder's overall qualifications to provide actuarial and related analytical assistance to DSS/DFMA staff regarding the impact of programmatic or legislative changes that may or will impact the Department's health programs. A responsive proposal shall demonstrate that the actuarial consultants proposed by the Bidder are Associates or Fellows of the Society of Actuaries and members of the American Academy of Actuaries, and have a minimum of five years experience in health care actuarial consulting. Analytical support staff (if applicable) must also demonstrate similar minimum experience requirements.

To submit a responsive proposal, **THE BIDDER SHALL** include the following specific details regarding the Bidder:

- a) Organization / individual consultant establishment date, mission at time of establishment, the current mission, and if the current mission is different from original, a description of the changes in focus that led to the current mission;
 - b) Experience relevant to the functions to be performed as required under the resultant contract and a listing and summary of recent contracts for similar services;
2. Key Positions - Identify positions that will be responsible for the operation and success of the ACS and include job descriptions for proposed key positions and resumes for key personnel proposed to fill the key positions.

To submit a responsive proposal, **THE BIDDER SHALL:**

- (1) Provide job descriptions for proposed key positions and resumes for key personnel proposed to fill the key positions;
- (2) Describe the contract-related experience, credentials, education and training, and work experience required in job descriptions for proposed key positions and in the resumes for key personnel proposed to fill the key positions and include:
 - (a) Experience with Bidder,
 - (b) Experience working in this type of activity,
 - (c) Education, experience, and training relevant to the requirements of the RFP, including Society of Actuaries and American Academy of Actuaries memberships as required in the RFP,
 - (d) Names, positions, titles, and telephone numbers of persons able to provide information concerning the proposed key personnel experience and competence, and

Resumes for key personnel proposed to fill the key positions are limited to two pages per resume. Resumes for key personnel proposed to fill the key positions and job descriptions for proposed key positions are not included in the page limitation of this section. **Bidders must incorporate resumes and job descriptions into an appropriately tabbed section of the binder sequentially following the previous “Bidder shall” item.**

3. Corporate Experience

- a) Contracts - To submit a responsive proposal, **THE BIDDER SHALL** describe its experience and success related to the Scope of Services for ACS including the following information concerning the Bidder’s experience with other contracts or programs similar to the type of service contemplated by this RFP, whether ongoing or completed:
 - (1) Identify all State Agencies and commercial vendors for which the Bidder has engaged in similar or related contract work; Describe the consultant’s corporate background as it relates to projects similar in scope and complexity to the project described in this RFP. If the proposal includes the use of

subcontractors, include a similar description of the subcontractor's corporate background.

- (2) Explain whether work was performed as a prime consultant or subcontractor. If the work was performed as a subcontractor, the consultant must describe the scope of subcontracting activities;
 - (3) Provide a signed release allowing the Department of Social Services to access any evaluative information including, but not limited to, site reviews conducted by any state agency or commercial vendor for which the Bidder has performed work in the past five years; **NOTE: The signed release must be submitted as a separate sheet and must be located immediately following the Executive Summary located after the Table of Contents**
 - (4) Identify contacts for those programs including name of customer's program officer, title, address, telephone number, fax number, and e-mail address;
 - (5) Identify the term for the contracts including the contract signing date, the program initiation date, the initial scheduled completion date, and the actual completion date;
 - (6) List all sanctions, fines, penalties, or letters of noncompliance issued against the Bidder by any of the contracting entities listed above; (the list shall describe the circumstance eliciting the sanction or letter of noncompliance and the corrective action or resolution to the sanction, fine, penalty, or letters of noncompliance; if no sanctions, fines, penalties, or letters of noncompliance were issued, a statement that attests that no sanction, penalty, or compliance action has been imposed on the Bidder within the three years immediately preceding the RFP posting/release date must be submitted)
 - (7) List all contracts awarded to it or its predecessor firm(s) by the State of Connecticut during the last five years, by State Department, Division, Contact Person (with address/phone number), period of performance and amount.
4. **Bidder References** - To submit a responsive proposal, THE BIDDER SHALL provide three specific programmatic references for the Bidder. References must be persons able to comment on the Bidder's capability to perform the services specified in this RFP. The contact person must be an individual familiar with the organization and its day-to-day performance. If the Bidder

has been a State contractor within the last five years, the Bidder must include a State of Connecticut reference. Bidders are strongly encouraged to call or write their references to ensure the accuracy of their contact information and their willingness and capability to be a reference. References must include the organization's name, address, current telephone number, and name of a specific contact person. The Department of Social Services expects to use these references in its evaluation process. References cannot be the Bidder's current employees. If the Bidder's proposal proposes the use of subcontractors for direct service provision, the Bidder's proposal must also include three programmatic references for each proposed subcontractor.

5. Small, Minority, or Women's Business Enterprise - Section 4a-60g of the General Statutes of Connecticut (C.G.S.) sets forth the requirements of each Executive Branch agency relative to the Connecticut Small Business Set-Aside program. Pursuant to that statute, 25 percent of the average total of all contracts let for each of the three previous fiscal years must be set aside. The Department of Social Services requires that the ACS contractor make a good-faith effort to set aside a portion of the resultant contract for a small, minority, or women's business enterprise as a proposed subcontractor. Such proposed subcontractors may supply goods or services. Prospective Bidders may obtain a list of firms certified to participate in the Set-Aside program at the State of Connecticut Department of Administrative Services Web site at http://www.das.state.ct.us/Purchase/SetAside/SAP_Search_Vendors.asp or by calling 860-713-5236. During the evaluation process, special consideration will be given to those Bidders who document their use of a certified small business or show the Bidder's commitment to, whenever possible, use a certified small business. Businesses must be certified with the State of Connecticut. To submit a responsive proposal, **THE BIDDER SHALL** describe its effort to set aside a portion of the resultant contract for a small, minority, or women's business enterprise as a proposed subcontractor.
6. Department of Social Services Responsibilities - To submit a responsive proposal, **THE BIDDER SHALL** propose specific support the Bidder requires from the Department of Social Services to perform the tasks in any resultant contract.

Specific Department of Social Services responsibilities are:

- Program Management - A Program Manager will be appointed by the Department of Social Services. This individual will be responsible for monitoring program progress and will have final authority to approve/disapprove program deliverables.
- Staff Coordination - The Program Manager will coordinate all needed contacts between the resultant ACS contractor and DSS/DFMA staff.

- Approval of Deliverables - The Program Manager will review, evaluate, and approve all deliverables before the ACS contractor being released from further responsibility.
- Policy Decisions - The Department of Social Services retains final authority for making policy decisions affecting completion of the ACS. In addition, the Department of Social Services shall:
 - Monitor the ACS contractor's performance and request updates, as appropriate
 - Respond to written requests for policy interpretations
 - Provide technical assistance to the ACS contractor, as needed
 - Allow access to Department of Social Services automated databases, as available and permitted
 - Allow access to management reports and case files, as appropriate
 - Provide a Program Manager
 - Hold regularly scheduled program meetings with the ACS contractor
 - Provide a process for and facilitate open discussions with staff and personnel to gather information regarding recommendations for improvement
 - Provide data as required by the ACS contractor to perform the functions of the ACS contract.

C. **SCOPE OF SERVICES (MAXIMUM 10 PAGES)**
Bidders that propose the use of subcontractors must present the same information about the proposed subcontractors as for the Bidders.

General - Responses for this section must describe the Bidder's capability and competence to perform the requirements specified in this RFP.

No Rewrites - The Department of Social Services does not want a rewrite of the RFP requirements, since such a proposal would show a lack of understanding of the project and an inability to provide appropriate levels of support and guidance for the implementation of this type of project.

1. Bidder's Comprehensive Risk Understanding - The overall focus of the Actuarial Consulting Services (ACS) is to seamlessly provide actuarial consulting services to assist the DSS/DFMA staff with ad hoc projects requiring actuarial expertise. To this end, the ACS contractor must be sensitive to the needs and circumstances of individual members and the policy requirements of the Department of Social Services and the Federal government. The Department of Social Services looks forward to a relationship with an ACS contractor who will expect risks and propose solutions to problems that may occur in providing actuarial consulting services to the DSS/DFMA staff. To submit a responsive proposal, THE BIDDER SHALL:
 - a) Show its understanding of the ACS functions by describing potential risks to the Department of Social Services and risks that the Bidder could encounter by acting as the ACS contractor; and
 - b) Propose solutions or approaches for managing those risks that show the Bidder's familiarity and sensitivity with managing the program described in this RFP.
2. Collaborating with the Department of Social Services - To submit a responsive proposal, THE BIDDER SHALL propose its approach for collaborating with the Department of Social Services to provide seamless ACS.
3. Task-related Policies and Procedures -

The Bidder must acknowledge and agree that:

 - The success of the ACS contractor's performance depends, in part, on the ACS contractor's development of and application of clear and accurate policies and procedures that reflect functional interpretations of regulations, quality goals, and directives
 - The ACS contractor's policies and procedures must be organized and available to allow seamless access by both the ACS contractor and designated Department administrative staff.
4. The Department/DSS is seeking an ACS contractor to provide actuarial consulting services to assist the DSS/DFMA staff with ad hoc projects requiring actuarial expertise. The ACS contractor shall, as directed by the Department:
 - a) Review actuarial projections for various Department health programs and provide critical review of all assumptions, projections and analysis;

- b) Provide actuarial and related analytical assistance to the Department regarding the impact of programmatic or legislative changes that may or will impact Department health programs;
- c) Assist the DSS/DFMA staff in developing an actuarially sound health benefit analysis in accordance with the regulatory requirements of 42 CFR 438.6(c) <http://cfr.vlex.com/vid/438-6-contract-requirements-19809701> and current Centers for Medicare and Medicaid Services requirements for capitated Medicaid managed care programs; and
- d) Assist the DSS/DFMA staff in other actuary and related analytical services as needed.

For all of the above, the ACS contractor shall be required to provide the Department with expert advice regarding various assumptions that need to be made to address issues including but not limited to changing demographics, changing economic health, changing state and federal assistance, and changes in the provision of health care (new technologies, etc.). In some cases, data will be provided to the ACS contractor; in other cases, the Department will depend on national data sets that the ACS contractor has made available. Data sets used will be agreed upon by the ACS contractor and DSS/DFMA staff. The ACS contractor shall provide, when required by DSS/DFMA, back up material or supporting documentations used in analyses.

A responsive proposal shall demonstrate the Bidder's expertise in performing actuarial analysis in health care ; knowledge in state and federal health care delivery systems; knowledge of and experience in working with data from state and federal health care programs; knowledge of options for the expansion of health insurance coverage; knowledge of available data sets at a federal and state level.

To submit a responsive proposal, **THE BIDDER SHALL:**

- (1) Present examples of generic expert advice provided regarding changing demographics, changing economic health, changing state and federal assistance, and changes in the provision of health care (new technologies, etc.);
- (2) Describe its past work experience involved with national data sets;
- (3) Demonstrate its knowledge and expertise in performing health care actuarial analysis; knowledge in state and federal health care delivery systems; and
- (4) Provide evidence of knowledge of and experience in working with data from state and federal health care programs;

knowledge of options for the expansion of health insurance coverage; knowledge of available data sets at a federal and state level.

D. BUSINESS COST SECTION

No cost information or other financial information may be included in any other portion of the proposal. Any proposal that fails to adhere to this requirement may be disqualified as non-responsive. Each proposal must include cost information and other financial information in the following order:

1. Audited Financial Statements - To submit a responsive proposal, THE BIDDER SHALL provide audited financial statements for each of the last two fiscal years. If audited financial statements for each of the last two fiscal years are not available, the Bidder shall provide comparable statements that will document the Bidder's financial stability and include an explanation of the submission of documents other than audited financial statements. Audited Financial Statements do not count toward the total page limit of the proposal.

2. Business Cost Section - To submit a responsive proposal, THE BIDDER SHALL provide the hourly rates for the key positions identified in Section B.2.(1) of the RFP that will be responsible for the operation and success of the ACS.

Hourly rates should be all-inclusive, i.e., consulting services, administrative expenses, travel expenses, appearances at meetings, and any other activities initiated to fulfill the requirements of this RFP. Refer to Appendix 11 for completion of the all-inclusive hourly rate cost summary for the proposed three-year resultant contract.

3. Business Narrative (maximum two pages) - To submit a responsive proposal, THE BIDDER SHALL provide a written explanation of the proposed all-inclusive hourly rate for the key positions noted on the cost summary for the three year resultant contract. The narrative should also include any business, economic, legal, programmatic, or practical assumptions that underlie the cost proposal. The bidder may separately identify cost saving and cost-avoidance methods and measures and the effect of such methods and measures on the cost proposal and requirements of the RFP.

4. Cost Standards - Budgetary information included in the Bidder's response to this RFP must comply with the Statewide Cost Standards published by the State of Connecticut Office of Policy and Management. The cost standards are available online at http://www.ct.gov/opm/cwp/view.asp?a=2981&q=382994#Cost_Standards.

Payment Structure - The ACS contractor shall be paid in accordance with expenditures incurred in accordance with the approved line-item budget. While specific payment terms will be made final during contract negotiations, it is expected that payments will be made monthly, contingent upon the ACS contractor's timely compliance with the resultant contract periods including, but not limited to, the ACS contractor's submission and Department of Social Services' acceptance of all required reports and payment requests.

SECTION V - PROPOSAL EVALUATION

A. OVERVIEW OF THE EVALUATION OF PROPOSALS

The Department of Social Services will conduct a comprehensive, fair, and impartial evaluation of proposals received in response to this RFP. An Evaluation Team will be established to assist the Department in selection of the ACS contractor. The Department reserves the right to alter the composition of the Evaluation Team. The Evaluation Team will be responsible for submitting recommendations to the Commissioners. The Commissioner of Social Services will notify the selected Bidder that the selected Bidder has been awarded the right to negotiate a contract with the Department for the Actuarial Consulting Services.

The evaluation will be conducted in five phases:

- Phase One - Evaluation of General Proposal Requirements and Structure
- Phase Two - Evaluation of the Organizational Capability and Structure
- Phase Three - Evaluation of the Scope of Services
- Phase Four - Evaluation of the Business Cost Section
- Phase Five - Ranking of the Proposals

B. PHASE ONE - EVALUATION OF GENERAL PROPOSAL REQUIREMENTS AND STRUCTURE

The purpose of this phase is to determine whether each proposal is adequately responsive to the General Proposal Requirements to permit a complete evaluation of the proposal. Proposals must comply with the instructions to Bidders contained throughout. Failure to comply with the instructions may deem the proposal non-responsive and subject to rejection without further consideration. The Department of Social Services reserves the right to waive minor irregularities. The General Proposal Requirements are identified in this RFP.

C. PHASE TWO - EVALUATION OF THE ORGANIZATIONAL CAPABILITY AND STRUCTURE

Only those proposals passing the General Proposal Requirements review will be considered in Phase Two. The Department of Social Services reserves the right to reject any and all proposals.

The quality of the work plan and the program management will be evaluated including the organization, completeness, and logic of the proposed plan. The evaluation will consider how comprehensive and knowledgeable the Bidder is in responding to the functional and technical requirements outlined in this RFP.

The Department of Social Services will evaluate the experience of proposed key personnel, agency and individual resources, and the Proposals and affirmative action achievement (as shown on the Workforce Analysis Form) of the Bidder and any proposed subcontractors. The Department of Social Services will determine to what extent the organization and its key personnel have the capability to work effectively with the Department of Social Services to successfully develop and implement the Actuarial Consulting Services. The Department of Social Services will also assess the Bidder's capability to take on the additional workload that would be generated by the resultant contract and the Bidder's financial capability to undertake the resultant contract. References will be checked. The Organizational Capability and Structure section of the proposal will be worth **40 percent** of the available points for the entire proposal.

D. PHASE THREE - EVALUATION OF THE SCOPE OF SERVICES

The proposed Scope of Services will be evaluated for its responsiveness to the requirements of this RFP including its organization, appropriateness, completeness, and logic. The evaluation will consider how creative and innovative the Bidder is in responding to the functional and technical requirements outlined in this RFP. The Scope of Services section of the proposal will be worth **30 percent** of the available points for the entire proposal.

E. PHASE FOUR - EVALUATION OF THE BUSINESS COST SECTION

The Business Cost Section will be evaluated only for Bidders who achieve a minimum of 75 percent of the total available points in Phase Two and Phase Three. The Business Cost Section will be worth **30 percent** of the available points for the entire proposal. It will be scored for:

1. Cost comparison (determined by comparing bid price information)
2. Cost reasonableness (determined by examining the Business Narrative and the relationship between the costs, personnel, and the work plan outlined in the proposal)

F. PHASE FIVE - RANKING OF THE PROPOSALS

Upon completion of Phases One through Four of the evaluation, it is possible that Evaluation Team members will interview the finalists. After the Evaluation Team has scored the proposals, the points awarded will be totaled to determine the ranking. Recommendations, along with pertinent supporting materials, will then be conveyed to the Commissioner of Social Services. The Commissioner of Social Services, at his discretion, reserves the right to approve or reject the Evaluation Team's recommendations.

SECTION VI - APPENDICES

APPENDIX 1 - MANDATORY TERMS AND CONDITIONS

Section 1 - General RFP Provisions:

1.1 Preparation Expense

The State of Connecticut assumes no liability for payment of expenses incurred by Bidders in preparing and providing submissions in response to this procurement.

1.2 Insurance

By provision of a submission the BIDDER agrees that it will carry insurance, (liability, fidelity bonding, workers' compensation or surety bonding and/or other), as specified in a resultant contract, during the term of the contract according to the nature of the work to be performed to "save harmless" the State of Connecticut from any claims, suits, or demands that may be asserted against it by reason of any act or omission of the contractor, subcontractor or employees in providing services hereunder, including, but not limited to, any claims or demands of malpractice. Certificates of such insurance shall be filed with the Contract Administrator prior to the performance of services.

1.3 Suspension or Debarment

By provision of a submission, the BIDDER certifies the BIDDER or any person (including subcontractors) involved in the administration of Federal or State funds:

- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any governmental department or agency (local, state or Federal)
- b. Has not within a three-year period preceding the application submission been convicted or had a civil judgment rendered against him/her for commission of fraud or criminal offense in connection with obtaining, attempting to obtain, or performing a public (local, state or Federal) transaction or contract under a public transaction, violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property
- c. Is not presently indicted for or otherwise criminally or civilly charged by a governmental entity with the commission of any of the above offenses

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- d. Has not within a three-year period preceding the application submission had one or more public transactions terminated for cause or fault.

Any change in the above status shall be immediately reported to the Department.

1.4. Procurement and Contractual Agreements

The terms and conditions contained in this section constitute a basis for any resultant contract to this RFP and are mandatory for any resultant contracts. The Department is solely responsible for rendering decisions in matters of interpretation on all terms and conditions. As used in these mandatory terms and conditions, the term, "contract," refers to any resultant contract to this RFP, although the term, "contract," as used in these terms and conditions does not suggest, warrant, nor guarantee that the Department will enter into a contract as a result of this RFP. Also, as used in these mandatory terms and conditions, the term, "contractor," refers to any resultant contractor to this RFP, although the term, "contractor," does not suggest, warrant nor guarantee that the Department will enter into a contract as a result of this RFP.

Section 2 - General Contract Provisions:

The Contractor agrees to comply with the following mandatory terms and conditions.

- A. Client-Related Safeguards
 1. Inspection of Work Performed
 2. Safeguarding Client Information
 3. Reporting of Client Abuse or Neglect

- B. Contractor Obligations
 1. Cost Standards
 2. Credits and Rights in Data
 3. Organizational Information, Conflict of Interest, IRS Form 990
 4. Federal Funds
 5. Audit Requirements
 6. Prohibited Interest
 7. Offer of Gratuities
 8. Related-party Transactions
 9. Lobbying
 10. Suspension or Debarment
 11. Liaison
 12. Subcontracts
 13. Independent Capacity of Contractor
 14. Indemnification

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15. Choice of Law and Choice of Forum, Settlement of Disputes, Office of the Claims Commission
 16. Compliance with Law and Policy
 17. Facility Standards and Licensing Compliance
 18. Reports
 19. Delinquent Reports
 20. Recordkeeping and Access
 21. Workforce Analysis
 22. Litigation
- C. Alternations, Cancellation and Termination
1. Contract Revisions and Amendments
 2. Contract Reduction
 3. Default by the Contractor
 4. Non-enforcement not to Constitute Waiver
 5. Cancellation and Recoupment
 6. Equipment
 7. Transition after Termination or Expiration of Contract
 8. Program Cancellation
 9. Mergers and Acquisitions
- D. Statutory and Regulatory Compliance
1. Health Insurance Portability Act of 1996
 2. Americans with Disabilities Act of 1990
 3. Utilization of Minority Business Enterprises
 4. Priority Hiring
 5. Nondiscrimination Regarding Sexual Orientation
 6. Nondiscrimination and Affirmative Action Provisions
 7. Performance of Government Function
 8. Whistleblowing
 9. Campaign Contribution Restrictions
 10. Non-smoking
 11. Executive Orders

The Contractor agrees to comply with the following mandatory terms and conditions.

A. Client-Related Safeguards

1. Inspection of Work Performed - The Department or its authorized representative shall at all times have the right to enter into the Contractor's premises, or such other places where duties under the contract are being performed, to inspect, to monitor, or to evaluate the work being performed. The Contractor and all subcontractors must provide all reasonable facilities and assistance for Department representatives. All inspections and evaluations shall be performed in such a manner as will not unduly delay work. The Contractor shall disclose information on clients, applicants and their families as requested unless otherwise prohibited by Federal or state law. Written evaluations pursuant to this section shall be made available to the Contractor.
2. Safeguarding Client Information - The Department and the Contractor agree to safeguard the use, publication, and disclosure of information on all applicants for and all clients who receive service under this contract with all applicable Federal and state law concerning confidentiality.
3. Reporting of Client Abuse or Neglect - The Contractor shall comply with all reporting requirements relative to client abuse and neglect including, but not limited to, requirements as specified in General Statutes of Connecticut (C.G.S.) §§17a-101 through 103, 19a-216, 46b-120 (related to children), C.G.S. §46a-11b (relative to persons with mental retardation), and C.G.S. §17b-407 (relative to elderly persons).

B. Contractor Obligations

1. Cost Standards - Effective January 1, 2007, the Contractor and funding state agency shall comply with the Cost Standards issued by the State of Connecticut, Office of Policy and Management ("OPM"), as may be amended from time to time. The Cost Standards are published by OPM on the Web at http://www.ct.gov/opm/cwp/view.asp?a=2981&q=382994#Cost_Standards. Such Cost Standards shall apply to:
 - (a) All new Contracts effective on or after January 1, 2007
 - (b) All Contract amendments modifying funding, effective on or after January 1, 2007
 - (c) All Contracts in effect on or after July 1, 2007

2. Credits and Rights in Data -

- (a) Unless expressly waived in writing by the Department, all documents, reports, and other publications for public distribution during or resulting from the performances of this Contract shall include a statement acknowledging the financial support of the state and the Department and, where applicable, the Federal government. All such publications shall be released in conformance with applicable Federal and state law and all regulations regarding confidentiality. Any liability arising from such a release by the Contractor shall be the sole responsibility of the Contractor and the Contractor shall indemnify the Department, unless the Department or its agents co-authored said publication and said release is done with the prior written approval of the Commissioner of the Department. Any publication shall contain the following statement: "This publication does not express the views of the Department or the State of Connecticut. The views and opinions expressed are those of the authors." The Contractor or any of its agents shall not copyright data and information obtained under the terms and conditions of this contract, unless expressly authorized in writing by the Department. The Department shall have the right to publish, duplicate, use, and disclose all such data in any manner, and may authorize others to do so. The Department may copyright any data without prior notice to the Contractor. The Contractor does not assume any responsibility for the use, publication, or disclosure solely by the Department of such data.
- (b) "Data" shall mean all results, technical information and materials developed and/or obtained in the performance of the services hereunder including, but not limited to, all reports, surveys, plans, charts, recordings (video and/or sound), pictures, curricula, public awareness or prevention campaign materials, drawings, analyses, graphic representations, computer programs and printouts, notes and memoranda, and documents, whether finished or unfinished, which result from or are prepared in connection with the services performed hereunder.

3. Organizational Information, Conflict of Interest, IRS Form 990 -
Annually during the term of the contract, the Contractor shall submit to the Department the following:

- (a) A copy of its most recent IRS Form 990 submitted to the Federal Internal Revenue Service, and

- (b) Its most recent Annual Report as filed with the Office of the Secretary of the State or such other information that the Department deems appropriate with respect to the organization and affiliation of the Contractor and related entities
4. Federal Funds - The Contractor shall comply with requirements relating to the receipt or use of Federal funds. The Department shall specify all such requirements in Part I of this contract.
 5. Audit Requirements - The Contractor shall provide for an annual financial audit acceptable to the Department for any expenditure of state-awarded funds made by the Contractor. Such audit shall include management letters and audit recommendations. The State Auditors of Public Accounts shall have access to all records and accounts for the fiscal year(s) in which the award was made. The Contractor will comply with Federal and state single audit standards as applicable.
 6. Prohibited Interest - The Contractor warrants that no state appropriated funds have been paid or will be paid by or on behalf of the Contractor to contract with or retain any company or person, other than bona fide employees working solely for the Contractor, to influence or attempt to influence an officer or employee of any state agency in connection with the awarding, extension, continuation, renewal, amendment, or modification of this agreement, or to pay or agree to pay any company or person, other than bona fide employees working solely for the Contractor, any fee, commission, percentage, brokerage fee, gift or any other consideration contingent upon or resulting from the award or making of this Agreement.
 7. Offer of Gratuities - By its agreement to the terms of this contract, the Contractor certifies that no elected or appointed official or employee of the State of Connecticut has or will benefit financially or materially from this contract. The Department may terminate this contract if it is determined that gratuities of any kind were either offered or received by any of the aforementioned officials or employees from the Contractor or its agents or employees.
 8. Related-party Transactions - The Contractor shall report all related-party transactions, as defined in this clause, to the Department on an annual basis in the appropriate fiscal report as specified in Part I of this contract. "Related party" means a person or organization related through marriage, ability to control, ownership, family or business association. Past exercise of influence or control need not be shown, only the potential or ability to directly or indirectly exercise influence or control. "Related-party transactions" between a Contractor, its

employees, Board members or members of the Contractor's governing body, and a related party include, but are not limited to:

- (a) Real estate sales or leases
- (b) Leases for equipment, vehicles or household furnishings
- (c) Mortgages, loans and working capital loans
- (d) Contracts for management, consultant and professional services as well as for materials, supplies and other services purchased by the Contractor

9. Lobbying - The Contractor agrees to abide by state and Federal lobbying laws, and further specifically agrees not to include in any claim for reimbursement any expenditures associated with activities to influence, directly or indirectly, legislation pending before Congress, or the Connecticut General Assembly or any administrative or regulatory body unless otherwise required by this contract.

10. Suspension or Debarment -

- (a) Signature on Contract certifies the Contractor or any person (including subcontractors) involved in the administration of Federal or State funds:
 - (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any governmental department or agency (Federal, State or local)
 - (2) Within a three-year period preceding this Contract, has not been convicted or had a civil judgment rendered against him/her for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State or local) transaction or Contract under a public transaction, violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property
 - (3) Is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the above offenses

- (4) Has not within a three-year period preceding this agreement had one or more public transactions terminated for cause or fault
 - (b) Any change in the above status shall be immediately reported to the Department.
11. Liaison - Each party shall designate a liaison to facilitate a cooperative working relationship between the Contractor and the Department in the performance and administration of this contract.
12. Subcontracts - For purposes of this clause, subcontractors shall be defined as providers of direct human services. Vendors of support services, not otherwise known as human service providers or educators, shall not be considered subcontractors, e.g. lawn care, unless such activity is considered part of a training, vocational or educational program. The subcontractor's identity, services to be rendered, and costs shall be detailed in Part I of this contract. Notwithstanding the execution of this contract prior to a specific subcontractor being identified or specific costs being set, no subcontractor may be used or expense under this contract incurred prior to identification of the subcontractor or inclusion of a detailed budget statement as to subcontractor expense, unless expressly provided in Part I of this contract. No subcontractor shall acquire any direct right of payment from the Department by virtue of the provisions of this clause or any other clause of this contract. The use of subcontractors, as defined in this clause, shall not relieve the Contractor of any responsibility or liability under this contract. The Contractor shall make available copies of all subcontracts to the Department upon request.
13. Independent Capacity of Contractor - The Contractor, its officers, employees, subcontractors, or any other agent of the Contractor in the performance of this contract will act in an independent capacity and not as officers or employees of the State of Connecticut or of the Department.
14. Indemnification -
- (a) The Contractor shall indemnify, defend and hold harmless the State of Connecticut and its officers, representatives, agents, servants, employees, successors and assigns from and against any and all:
 - (1) Claims arising directly or indirectly, in connection with the contract, including the acts of commission or omission

(collectively the "Acts") of the Contractor or Contractor Parties

- (2) Liabilities, damages, losses, costs and expenses, including, but not limited to, attorneys' and other professionals' fees, arising, directly or indirectly, in connection with Claims, Acts or the contract. The Contractor shall use counsel reasonably acceptable to the State in carrying out its obligations under this contract. The contractor's obligations under this section to indemnify, defend and hold harmless against claims includes claims concerning confidentiality of any part of or all of the bid or any records, and intellectual property rights, other propriety rights of any person or entity, copyrighted or uncopyrighted compositions, secret processes, patented or unpatented inventions, articles or appliances furnished or used in the performance of the contract.
- (b) The Contractor shall reimburse the State for any and all damages to the real or personal property of the State caused by the Acts of the Contractor or any Contractor Parties. The State shall give the Contractor reasonable notice of any such claims.
- (c) The Contractor's duties under this section shall remain fully in effect and binding in accordance with the terms and conditions of the contract, without being lessened or compromised in any way, even where the Contractor is alleged or is found to have merely contributed in part to the Acts giving rise to the Claims and/or where the State is alleged or is found to have contributed to the Acts giving rise to the Claims.
- (d) The Contractor shall carry and maintain at all times during the term of the contract, and during the time that any provisions survive the term of the contract, sufficient general liability insurance to satisfy its obligations under this contract. The Contractor shall name the State as an additional insured on the policy and shall provide a copy of the policy to the Agency prior to the effective date of the contract. The Contractor shall not begin performance until the delivery of the policy to the Agency.
- (e) The rights provided in this section for the benefit of the State shall encompass the recovery of attorneys' and other professionals' fees expended in pursuing a Claim against a third party.

- (f) This section shall survive the termination, cancellation, or expiration of the Contract, and shall not be limited by reason of any insurance coverage.
15. Choice of Law and Choice of Forum, Settlement of Disputes, Office of the Claims Commission -
- (a) The Contractor agrees to be bound by the laws of the State of Connecticut and the Federal government where applicable, and agrees that this contract shall be construed and interpreted in accordance with Connecticut law and Federal law where applicable.
- (b) Any dispute concerning the interpretation or application of this contract shall be decided by the Commissioner of the Department or his/her designee whose decision shall be final subject to any rights the Contractor may have pursuant to state law. In appealing a dispute to the commissioner pursuant to this provision, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final resolution of a dispute, the Contractor and the Department shall proceed diligently with the performance of the contract.
- (c) The Contractor agrees that the sole and exclusive means for the presentation of any claim against the State arising from this Contract shall be in accordance with Chapter 53 of the General Statutes of Connecticut (Claims Against the State) and the Contractor further agrees not to initiate legal proceedings except as authorized by that Chapter in any State or Federal Court in addition to or in lieu of said Chapter 53 proceedings.
16. Compliance with Law and Policy - Contractor shall comply with all pertinent provisions of local, state, and Federal laws and regulations as well as Departmental policies and procedures applicable to Contractor's programs as specified in this contract. The Department shall notify the Contractor of any applicable new or revised laws, regulations, policies, or procedures, which the Department has responsibility to promulgate or enforce.
17. Facility Standards and Licensing Compliance - The Contractor will comply with all applicable local, state and Federal licensing, zoning, building, health, fire and safety regulations or ordinances, as well as standards and criteria of pertinent state and Federal authorities. Unless otherwise provided by law, the Contractor is not relieved of compliance while formally contesting the authority to require such standards, regulations, statutes, ordinance, or criteria.

18. Reports - The Contractor shall provide the Department with such statistical, financial, and programmatic information necessary to monitor and evaluate compliance with the contract. All requests for such information shall comply with all applicable state and Federal confidentiality laws. The Contractor agrees to provide the Department with such reports as the Department requests.
19. Delinquent Reports - The Contractor will submit required reports by the designated due dates as identified in this agreement. After notice to the Contractor and an opportunity for a meeting with a Department representative, the Department reserves the right to withhold payments for services performed under this Contract if the Department has not received acceptable progress reports, expenditure reports, refunds, and/or audits as required by this agreement or previous agreements for similar or equivalent services the Contractor has entered into with the Department.
20. Recordkeeping and Access - The Contractor shall maintain books, records, documents, program and individual service records and other evidence of its accounting and billing procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature incurred in the performance of this contract. These records shall be subject at all reasonable times to monitoring, inspection, review or audit by authorized employees or agents of the state or, where applicable, Federal agencies. The Contractor shall retain all such records concerning this contract for a period of three years after the completion and submission to the state of the Contractor's annual financial audit.
21. Workforce Analysis - The Contractor shall provide a workforce analysis affirmative action report related to employment practices and procedures.
22. Litigation -
 - (a) The Contractor shall provide written notice to the Department of any litigation that relates to the services directly or indirectly financed under this contract or that has the potential to impair the ability of the Contractor to fulfill the terms and conditions of this contract, including, but not limited to, financial, legal or any other situation which may prevent the Contractor from meeting its obligations under the contract.
 - (b) The Contractor shall provide written notice to the Department of any final decision by any tribunal or state or Federal agency or

court which is adverse to the Contractor or which results in a settlement, compromise or claim or agreement of any kind for any action or proceeding brought against the Contractor or its employee or agent under the Americans with Disabilities Act of 1990, Executive Orders Nos. 3 and 17 of Governor Thomas J. Meskill and any other provisions of Federal or state law concerning equal employment opportunities or nondiscriminatory practices.

C. Alterations, Cancellation, and Termination

1. Contract Revisions and Amendments -

- (a) The Contractor shall submit to the Department in writing any proposed revision to the contract and the Department shall notify the Contractor of receipt of the proposed revision.
- (b) Contract amendments must be in writing and shall not be effective until executed by both parties to the contract, and, where applicable, approved by the Attorney General.
- (c) No amendments may be made to a lapsed contract.

2. Contract Reduction -

- (a) The Department reserves the right to reduce the Contracted amount of compensation at any time in the event that:
 - (1) The Governor or the Connecticut General Assembly rescinds, reallocates, or in any way reduces the total amount budgeted for the operation of the Department during the fiscal year for which such funds are withheld or
 - (2) Federal funding reductions result in reallocation of funds within the Department
- (b) The Contractor and the Department agree to negotiate on the implementation of the reduction within thirty days of receipt of formal notification of intent to reduce the contracted amount of compensation from the Department. If agreement on the implementation of the reduction is not reached within 30 calendar days of such formal notification and a contract amendment has not been executed, the Department may terminate the contract sixty days from receipt of such formal notification. The Department will formally notify the Contractor of the termination date.

3. Default by the Contractor -

- (a) If the Contractor defaults as to, or otherwise fails to comply with, any of the conditions of this contract the Department may:
 - (1) Withhold payments until the default is resolved to the satisfaction of the Department
 - (2) Temporarily or permanently discontinue services under the contract
 - (3) Require that unexpended funds be returned to the Department
 - (4) Assign appropriate state personnel to execute the contract until such time as the contractual defaults have been corrected to the satisfaction of the Department
 - (5) Require that contract funding be used to enter into a subcontract arrangement with a person or persons designated by the Department in order to bring the program into contractual compliance
 - (6) Terminate this contract
 - (7) Take such other actions of any nature whatsoever as may be deemed appropriate for the best interests of the state or the program(s) provided under this contract or both
 - (8) Any combination of the above actions
- (b) In addition to the rights and remedies granted to the Department by this contract, the Department shall have all other rights and remedies granted to it by law in the event of breach of or default by the Contractor under the terms of this contract.
- (c) Prior to invoking any of the remedies for default specified in this paragraph except when the Department deems the health or welfare of service recipients is endangered as specified in of this contract or has not met requirements as specified in this contract, the Department shall notify the Contractor in writing of the specific facts and circumstances constituting default or failure to comply with the conditions of this contract and proposed remedies. Within five business days of receipt of this

notice, the Contractor shall correct any contractual defaults specified in the notice and submit written documentation of correction to the satisfaction of the Department or request in writing a meeting with the commissioner of the Department or his/her designee. Any such meeting shall be held within five business days of the written request. At the meeting, the Contractor shall be given an opportunity to respond to the Department's notice of default and to present a plan of correction with applicable time frames. Within five business days of such meeting, the commissioner of the Department shall notify the Contractor in writing of his/her response to the information provided including acceptance of the plan of correction and, if the commissioner finds continued contractual default for which a satisfactory plan of corrective action has not been presented, the specific remedy for default the Department intends to invoke. This action of the Commissioner shall be considered final.

- (d) If at any step in this process the Contractor fails to comply with the procedure and, as applicable, the agreed upon plan of correction, the Department may proceed with default remedies.
4. Non-enforcement Not to Constitute Waiver -The failure of either party to insist upon strict performance of any terms or conditions of this agreement shall not be deemed a waiver of the term or condition or any remedy that each party has with respect to that term or condition nor shall it preclude a subsequent default by reason of the failure to perform.
5. Cancellation and Recoupment -
- (a) This agreement shall remain in full force and effect for the entire term of the contract period, above, unless either party provides written notice ninety days or more from the date of termination, except that no cancellation by the Contractor may be effective for failure to provide services for the agreed price or rate and cancellation by the Department shall not be effective against services already rendered, so long as the services were rendered in compliance with the contract during the term of the contract.
 - (b) In the event the health or welfare of the service recipients is endangered, the Department may cancel the contract and take any immediate action without notice it deems appropriate to protect the health and welfare of service recipients. The Department shall notify the Contractor of the specific reasons

for taking such action in writing within five business days of cancellation. Within five business days of receipt of this notice, the Contractor may request in writing a meeting with the commissioner of the Department or his/her designee. Any such meeting shall be held within five business days of the written request. At the meeting, the Contractor shall be given an opportunity to present information on why the Department's actions should be reversed or modified. Within five business days of such meeting, the Commissioner of the Department shall notify the Contractor in writing of his/her decision upholding, reversing, or modifying the action of the Department. This action of the Commissioner shall be considered final.

- (c) The Department reserves the right to cancel the contract without prior notice when the funding for the contract is no longer available.
 - (d) The Department reserves the right to recoup any deposits, prior payment, advance payment, or down payment made if the contract is terminated by either party. Allowable costs incurred to date of termination for operation or transition of program(s) under this contract shall not be subject to recoupment. The Contractor agrees to return to the Department any funds not expended in accordance with the terms and conditions of the contract and, if the Contractor fails to do so upon demand, the Department may recoup said funds from any future payments owing under this contract or any other contract between the State and the Contractor.
6. Equipment - In the event this Contract is terminated or not renewed, the Department reserves the right to recoup any equipment, deposits or down payments made or purchased with start-up funds or other funds specifically designated for such purpose under this Contract. For purposes of this provision, equipment means tangible personal property with a normal useful life of at least one year and a value of at least \$5,000. Equipment shall be considered purchased from Contractor funds and not from Department funds if the equipment is purchased for a program that has other sources of income equal to or greater than the equipment purchase price.
7. Transition after Termination or Expiration of Contract - In the event that this contract is terminated for any reason except where the health and welfare of service recipients is endangered or if the Department does not offer the Contractor a new contract for the same or similar service at the contract's expiration, the Contractor will assist in the orderly transfer of clients served under this contract as required by the

Department and will assist in the orderly cessation of operations under this contract. Prior to incurring expenses related to the orderly transfer or continuation of services to service recipients beyond the terms of the contract, the Department and the Contractor agree to negotiate a termination amendment to the existing agreement to address current program components and expenses, expected expenses necessary for the orderly transfer of service recipients and changes to the current program to address service recipient needs. The Contractual agreement may be amended as necessary to assure transition requirements are met during the term of this contract. If the transition cannot be concluded during this term, the Department and the Contractor may negotiate an amendment to extend the term of the current contract until the transition may be concluded.

8. Program Cancellation - Where applicable, the cancellation or termination of any individual program or services under this Contract will not, in and of itself, in any way affect the status of any other program or service in effect under this Contract.
9. Mergers and Acquisitions -
 - (a) Contracts in whole or in part are not transferable or assignable without the prior written agreement of the Department.
 - (b) At least ninety days prior to the effective date of any fundamental changes in corporate status, including merger, acquisition, transfer of assets, and any change in fiduciary responsibility, the Contractor shall provide the Department with written notice of such changes.
 - (c) The Contractor shall comply with requests for documentation deemed necessary by the Department to determine whether the Department will provide prior written agreement. The Department shall notify the Contractor of such determination not later than forty-five business days from the date the Department receives such requested documentation.

D. Statutory and Regulatory Compliance

1. Health Insurance Portability Act of 1996 ("HIPAA") -
 - (a) If the Contractor is a Business Associate under the requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Contractor must comply with all terms and conditions of this Section of the Contract. If the Contractor is not a Business Associate under

HIPAA, this Section of the Contract does not apply to the Contractor for this Contract.

- (b) The Contractor is required to safeguard the use, publication and disclosure of information on all applicants for, and all clients who receive, services under the Contract in accordance “with all applicable Federal and state law regarding confidentiality, which includes but is not limited to (“HIPAA”), more specifically with the Privacy and Security Rules at 45 CFR Part 160 and Part 164, subparts A, C, and E *and*
- (c) The State of Connecticut Department named on page 1 of this Contract (hereinafter “Department”) is a “covered entity” as that term is defined in 45 CFR §160.103 *and*
- (d) The Contractor, on behalf of the Department, performs functions that involve the use or disclosure of “individually identifiable health information,” as that term is defined in 45 CFR §160.103 *and*
- (e) The Contractor is a “business associate” of the Department, as that term is defined in 45 CFR §160.103 *and*
- (f) The Contractor and the Department agree to the following in order to secure compliance with the HIPAA, more specifically with the Privacy and Security Rules at 45 CFR Part 160 and Part 164, subparts A, C, and E
- (g) Definitions
 - (1) “Business Associate” shall mean the Contractor.
 - (2) “Covered Entity” shall mean the Department of the State of Connecticut named on page 1 of this Contract.
 - (3) “Designated Record Set” shall have the same meaning as the term “designated record set” in 45 CFR §164.501.
 - (4) “Individual” shall have the same meaning as the term “individual” in 45 CFR §160.103 and shall include a person who qualifies as a personal representative as defined in 45 CFR §164.502(g).
 - (5) “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and parts 164, subparts A and E.

- (6) "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 CFR §160.103, limited to information created or received by the Business Associate from or on behalf of the Covered Entity.
 - (7) "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR §164.103.
 - (8) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.
 - (9) "More stringent" shall have the same meaning as the term "more stringent" in 45 CFR §160.202.
 - (10) "This Section of the Contract" refers to the HIPAA Provisions stated herein, in their entirety.
 - (11) "Security Incident" shall have the same meaning as the term "security incident" in 45 CFR §164.304.
 - (12) "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 160 and parts 164, subpart A and C.
- (h) Obligations and Activities of Business Associates -
- (1) Business Associate agrees not to use or disclose PHI other than as permitted or required by this Section of the Contract or as Required by Law.
 - (2) Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for in this Section of the Contract.
 - (3) Business Associate agrees to use administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of electronic protected health information that it creates, receives, maintains, or transmits on behalf of the Covered Entity.
 - (4) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of a use or disclosure of PHI by

Business Associate in violation of this Section of the Contract.

- (5) Business Associate agrees to report to Covered Entity any use or disclosure of PHI not provided for by this Section of the Contract or any security incident of which it becomes aware.
- (6) Business Associate agrees to insure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate, on behalf of the Covered Entity, agrees to the same restrictions and conditions that apply through this Section of the Contract to Business Associate with respect to such information.
- (7) Business Associate agrees to provide access, at the request of the Covered Entity, and in the time and manner agreed to by the parties, to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR §164.524.
- (8) Business Associate agrees to make any amendments to PHI in a Designated Record Set that the Covered Entity directs or agrees to make PHI available for amendment pursuant to 45 CFR §164.526 at the request of the Covered Entity, and in the time and manner agreed to by the parties.
- (9) Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by, Business Associate on behalf of Covered Entity, available to Covered Entity or to the Secretary in a time and manner agreed to by the parties or designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
- (10) Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.

- (11) Business Associate agrees to provide to Covered Entity, in a time and manner agreed to by the parties, information collected in accordance with paragraph I of this Section of the Contract, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.
- (12) Business Associate agrees to comply with any state law that is more stringent than the Privacy Rule.
- (i) Permitted Uses and Disclosure by Business Associate -
 - (1) General Use and Disclosure Provisions - Except as otherwise limited in this Section of the Contract, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in this Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.
 - (2) Specific Use and Disclosure Provisions
 - (A) Except as otherwise limited in this Section of the Contract, Business Associate may use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.
 - (B) Except as otherwise limited in this Section of the Contract, Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
 - (C) Except as otherwise limited in this Section of the Contract, Business Associate may use PHI to provide Data Aggregation services to Covered

Entity as permitted by 45 CFR
§164.504(e)(2)(i)(B).

- (j) Obligations of Covered Entity -
 - (1) Covered Entity shall notify Business Associate of any limitations in its notice of privacy practices of Covered Entity, in accordance with 45 CFR §164.520, or to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
 - (2) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.
 - (3) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR §164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

- (k) Permissible Requests by Covered Entity - Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by the Covered Entity, except that Business Associate may use and disclose PHI for data aggregation, and management and administrative activities of Business Associate, as permitted under this Section of the Contract.

- (l) Term and Termination -
 - (1) Term - The Term of this Section of the Contract shall be effective as of the date the Contract is effective and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.

- (2) Termination for Cause upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
 - (A) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate the Contract if Business Associate does not cure the breach or end the violation within the time specified by the Covered Entity or
 - (B) Immediately terminate the Contract if Business Associate has breached a material term of this Section of the Contract and cure is not possible or
 - (C) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary
- (3) Effect of Termination
 - (A) Except as provided in (1)(2) above, upon termination of this Contract, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.
 - (B) In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon documentation by Business Associate that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Section of the Contract to such PHI and limit further uses and disclosures of PHI to those purposes that make return or destruction infeasible, for as long as Business Associate maintains such PHI. Infeasibility of the return or destruction of PHI includes, but is not limited to, requirements under state or Federal law that the Business Associate maintains or preserves the PHI or copies thereof.

(m) Miscellaneous Provisions -

- (1) Regulatory References - A reference in this Section of the Contract to a section in the Privacy Rule means the section as in effect or as amended.
- (2) Amendment - The Parties agree to take such action as is necessary to amend this Section of the Contract from time to time as is necessary for Covered Entity to comply with requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.
- (3) Survival - The respective rights and obligations of Business Associate shall survive the termination of this Contract.
- (4) Effect on Contract - Except as specifically required to implement the purposes of this Section of the Contract, all other terms of the Contract shall remain in force and effect.
- (5) Construction - This Section of the Contract shall be construed as broadly as necessary to implement and comply with the Privacy Standard. Any ambiguity in this Section of the Contract shall be resolved in favor of a meaning that complies, and is consistent with, the Privacy Standard.
- (6) Disclaimer - Covered Entity makes no warranty or representation that compliance with this Section of the Contract will be adequate or satisfactory for Business Associate's own purposes. Covered Entity shall not be liable to Business Associate for any claim, loss or damage related to or arising from the unauthorized use or disclosure of PHI by Business Associate or any of its officers, directors, employees, Contractors or agents, or any third party to whom Business Associate has disclosed PHI pursuant to this Contract. Business Associate is solely responsible for all decisions made, and actions taken, by Business Associate regarding the safeguarding, use and disclosure of PHI within its possession, custody, or control.

- (7) Indemnification - The Business Associate shall indemnify and hold the Covered Entity harmless from and against all claims, liabilities, judgments, fines, assessments, penalties, awards, or other expenses, of any kind or nature whatsoever, including, without limitation, attorney's fees, expert witness fees, and costs of investigation, litigation or dispute resolution, relating to or arising out of any violation by the Business Associate and its agents, including subcontractors, of any obligation of Business Associate and its agents, including subcontractors, under this Section of the Contract.
2. Americans with Disabilities Act of 1990. This clause applies to those Contractors which are or will come to be responsible for compliance with the terms of the Americans with Disabilities Act of 1990 (42 USC §§12101-12189 and §§12201-12213) (Supp. 1993), 47 USCS §§225, 611 (Supp. 1993). During the term of the Contract, the Contractor represents that it is familiar with the terms of this Act and that it is in compliance with the law. The Contractor warrants that it will hold the state harmless from any liability, which may be imposed upon the state as a result of any failure of the Contractor to be in compliance with this Act. As applicable, the Contractor agrees to abide by provisions of §504 of the Federal Rehabilitation Act of 1973, as amended, 29 USC §794 (Supp. 1993), regarding access to programs and facilities by people with disabilities.
3. Utilization of Minority Business Enterprises - It is the policy of the state that minority business enterprises should have the maximum opportunity to participate in the performance of government Contracts. The Contractor agrees to use best efforts consistent with 45 CFR §§74.160 et seq. (1992) and paragraph 9 of Appendix G thereto for the administration of programs or activities using HHS funds, and §§13a-95a, 4a-60 to 4a-62, 4b-95(b), and 4a-60q of the General Statutes of Connecticut to carry out this policy in the award of any subcontracts.
4. Priority Hiring - Subject to the Contractor's exclusive right to determine the Proposals for all employment positions, the Contractor shall use its best efforts to ensure that it gives priority to hiring welfare recipients who are subject to time-limited welfare and must find employment. The Contractor and the Department will work cooperatively to determine the number and types of positions to which this paragraph shall apply. The Department of Social Services regional office staff or staff of Department of Social Service Contractors will undertake to counsel and screen an adequate number of appropriate candidates for positions targeted by the Contractor as suitable for individuals in the

time limited welfare program. The success of the Contractor's efforts will be considered when awarding and evaluating Contracts.

5. Non-discrimination Regarding Sexual Orientation - Unless otherwise provided by C.G.S. §46a-81p, the Contractor agrees to the following provisions required pursuant to §4a-60a of the General Statutes of Connecticut:

(a)

- (1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation
- (2) The Contractor agrees to provide each labor union or representatives of workers with which such Contractor has a collective bargaining agreement or other Contract or understanding and each vendor with which such Contractor has a Contract or understanding a notice to be provided by the commission on human rights and opportunities advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment
- (3) The Contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to §46a-56 of the General Statutes of Connecticut
- (4) The Contractor agrees to provide the commission on human rights and opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts concerning the employment practices and procedures of the Contractor which relate to provisions of this section and §46a-56 of the General Statutes of Connecticut

- (b) The Contractor shall include the provisions of subsection (a) of this section in every subcontract or purchase order entered into

in order to fulfill any obligation of a Contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with §46a-56 of the General Statutes of Connecticut provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

6. Nondiscrimination and Affirmative Action Provisions in Contracts of the State and Political Subdivisions Other Than Municipalities - The Contractor agrees to comply with provisions of §4a-60 of the General Statutes of Connecticut:

- (a) Every Contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions:
 - (1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut. The Contractor further agrees to take affirmative action to insure that applicants with job-related Proposals are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved
 - (2) The Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of

the Contractor, to state that is an “affirmative action-equal opportunity employer” in accordance with regulations adopted by the commission

- (3) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other Contract or understanding and each vendor with which such Contractor has a Contract or understanding, a notice to be provided by the commission advising the labor union or workers’ representative of the Contractor’s commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment
 - (4) The Contractor agrees to comply with each provision of this section and C.G.S. §§46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to C.G.S. §§46a-56, 46a-68e and 46a-68f
 - (5) the Contractor agrees to provide the commission of human rights and opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this section and C.G.S. §46a-56. If the Contract is a public works Contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project.
- (b) For the purposes of this section, “minority business enterprise” means any small Contractor or supplier of materials fifty-one per cent or more of capital stock, if any, or assets of which is owned by a person or persons:
- (1) Who are active in the daily affairs of the enterprise
 - (2) Who have the power to direct the management and policies of the enterprise and
 - (3) Who are members of a minority, as such term is defined in subsection (a) of C.G.S. §49-60g

- (c) For the purposes of this section, “good faith” means that degree of diligence that a reasonable person would exercise in the performance of legal duties and obligations. “Good faith efforts” shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements. Determinations of the Contractor’s good faith efforts shall include but shall not be limited to the following factors: The Contractor’s employment and subcontracting policies, patterns and practices, affirmative action advertising, recruitment and training, technical assistance activities and such other reasonable activities or efforts as the commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.
 - (d) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the commission, of its good faith efforts.
 - (e) Contractor shall include the provisions of subsection (a) of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a Contract with the state and such provision shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with C.G.S. §46a-56, provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the Contractor may request the state of Connecticut to enter into such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.
7. Performance of Government Function - Pursuant to Section 1-218 of the State of Connecticut General Statutes, each contract in excess of two million five hundred thousand dollars between a public agency and a person for the performance of a governmental function requires the inclusion of language indicating that the records and files associated with the performance of the governmental function are subject to the Freedom of Information Act and may be disclosed by the public agency pursuant to the Freedom of Information Act.

Section 1-200(11) of the State of Connecticut General Statutes defines "Governmental Function" as the administration or management of a program of a public agency, which program has been authorized by law to be administered or managed by a person, where (A) the person receives funding from the public agency for administering or managing the program, (B) the public agency is involved in or regulates to a significant extent such person's administration or management of the program, whether or not such involvement or regulation is direct, pervasive, continuous or day-to-day, and (C) the person participates in the formulation of governmental policies or decisions in connection with the administration or management of the program and such policies or decisions bind the agency. The Department and the Contractor agree that the Contractor does not make governmental policy decisions that are binding on the Department. Therefore the Contractor's performance under the terms of this Contract do not equate to the performance of a governmental function.

8. Whistleblowing - This Agreement is subject to the provisions of §4-61dd of the General Statutes of Connecticut. In accordance with this statute, if an officer, employee or appointing authority of the Contractor takes or threatens to take any personnel action against any employee of the Contractor in retaliation for such employee's disclosure of information to any employee of the Contracting state or quasi-public agency or the Auditors of Public Accounts or the Attorney General under the provisions of subsection (a) of such statute, the Contractor shall be liable for a civil penalty of not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of this Agreement. Each violation shall be a separate and distinct offense and in the case of a continuing violation, each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The State may request that the Attorney General bring a civil action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. In accordance with subsection (f) of such statute, each large state Contractor, as defined in the statute, shall post a notice of the provisions of the statute relating to large state Contractors in a conspicuous place that is readily available for viewing by the employees of the Contractor.
9. Campaign Contribution Restrictions - On February 8, 2007, Governor Rell signed into law Public Act 07-1, An Act Concerning the State Contractor Contribution Ban and Gifts to State and Quasi-Public Agencies.

For all State contracts as defined in P.A. 07-1 having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the

authorized signatory to this Agreement expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See SEEC Form 11.

10. Non-smoking - If the Contractor is an employer subject to the provisions of §31-40q of the General Statutes of Connecticut, the Contractor agrees to provide upon request the Department with a copy of its written rules concerning smoking. Evidence of compliance with the provisions of §31-40q of the General Statutes of Connecticut must be received prior to Contract approval by the Department.

11. Executive Orders -
 - (a) Executive Order No. 3: Nondiscrimination - This Contract is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971, and, as such, this Contract may be canceled, terminated, or suspended by the State Labor Commissioner for violation of or noncompliance with said Executive Order No. 3 or any state or Federal law concerning nondiscrimination, notwithstanding that the Labor Commissioner is not a party to this Contract. The parties to this Contract, as part of the consideration hereof, agree that said Executive Order No. 3 is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to Contract performance in regard to nondiscrimination, until the Contract is completed or terminated prior to completion. The Contractor agrees, as part consideration hereof, that this Contract is subject to the Guidelines and Rules issued by the State Labor Commissioner to implement Executive Order No. 3 and that the Contractor will not discriminate in employment practices or policies, will file all reports as required, and will fully cooperate with the State of Connecticut and the State Labor Commissioner.

(b) Executive Order No. 16: Violence in the Workplace Prevention Policy - This Contract is subject to provisions of Executive Order No. 16 of Governor John J. Rowland promulgated August 4, 1999, and, as such, this Contract may be cancelled, terminated or suspended by the Contracting agency or the State for violation of or noncompliance with said Executive Order No. 16. The parties to this Contract, as part of the consideration hereof, agree that:

- (1) Contractor shall prohibit employees from bringing into the state work site, except as may be required as a condition of employment, any weapon/dangerous instrument defined in Section 2 to follow
- (2) weapon means any firearm, including a BB gun, whether loaded or unloaded, any knife (excluding a small pen or pocket knife), including a switchblade or other knife having an automatic spring release device, a stiletto, any police baton or nightstick or any martial arts weapon or electronic defense weapon. Dangerous instrument means any instrument, article, or substance that, under the circumstances, is capable of causing death or serious physical injury
- (3) Contractor shall prohibit employees from attempting to use, or threaten to use, any such weapon or dangerous instrument in the state work site and employees shall be prohibited from causing, or threatening to cause, physical injury or death to any individual in the state work site
- (4) Contractor shall adopt the above prohibitions as work rules, violation of which shall subject the employee to disciplinary action up to and including discharge. The Contractor shall require that all employees are aware of such work rules
- (5) Contractor agrees that any subcontract it enters into in the furtherance of the work to be performed hereunder shall contain the provisions 1 through 4, above.

(c) Executive Order No. 17: Connecticut State Employment Service Listings - This Contract is subject to provisions of Executive Order No. 17 of Governor Thomas J. Meskill promulgated February 15, 1973, and, as such, this Contract may be canceled, terminated or suspended by the Contracting agency or the State Labor Commissioner for violation of or

noncompliance with said Executive Order Number 17, notwithstanding that the Labor Commissioner may not be a party to this Contract. The parties to this Contract, as part of the consideration hereof, agree that Executive Order No. 17 is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the Contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction in respect to Contract performance in regard to listing all employment openings with the Connecticut State Employment Service.

- (d) Executive Order No. 7C: Contracting Standards Board - This Contract is subject to provisions of Executive Order No. 7C of Governor M. Jodi Rell, promulgated on July 13, 2006. The Parties to this Contract, as part of the consideration hereof, agree that:
- (1) The State Contracting Standards Board (“Board”) may review this Contract and recommend to the state Contracting agency termination of this Contract for cause. The State Contracting agency shall consider the recommendations and act as required or permitted in accordance with the Contract and applicable law. The Board shall provide the results of its review, together with its recommendations, to the state Contracting agency and any other affected party in accordance with the notice provisions in the Contract not later than fifteen days after the Board finalizes its recommendation. For the purposes of this Section, “for cause” means: (A) a violation of the State Ethics Code (Chap. 10 of the general statutes) or §4a-100 of the general statutes or (B) wanton or reckless disregard of any state Contracting and procurement process by any person substantially involved in such Contract or state Contracting agency.
 - (2) For purposes of this Section, “Contract” shall not include real property transactions involving less than a fee simple interest or financial assistance comprised of state or Federal funds, the form of which may include but is not limited to grants, loans, loan guarantees, and participation interests in loans, equity investments, and tax credit programs. Notwithstanding the foregoing, the Board shall not have any authority to recommend the termination of a Contract for the sale or purchase of a fee simple interest in real property following transfer of title.

- (3) Notwithstanding the Contract value listed in sections 4-250 and 4-252 of the C.G.S. and Section 8 of Executive Order Number 1, all State Contracts between state agencies and private entities with a value of \$50,000 (fifty thousand dollars) or more in a calendar or fiscal year shall comply with the gift and campaign contribution certification requirements of §4-252 of the C.G.S. and Section 8 of Executive Order Number 1. For purposes of this section, the term “certification” shall include the campaign contribution and annual gift affidavits required by Section 8 of Executive Order Number 1.
- (e) Executive Order No. 14: Procurement of cleaning products and services - This Agreement is subject to the provisions of Executive Order No. 14 of Governor M. Jodi Rell promulgated April 17, 2006. Pursuant to this Executive Order, the contractor shall use cleaning and/or sanitizing products having properties that minimize potential impacts on human health and the environment, consistent with maintaining clean and sanitary facilities.

**APPENDIX 2 - PROCUREMENT AND CONTRACTUAL AGREEMENTS
SIGNATORY ACCEPTANCE**

Statement of Acceptance

The terms and conditions contained in this Request for Proposals constitute a basis for this procurement. These terms and conditions, as well as others so labeled elsewhere in this document are mandatory for the resultant contract. The Department is solely responsible for rendering decisions in matters of interpretation on all terms and conditions.

Acceptance Statement

On behalf of _____ I,
_____ agree to accept the Mandatory Terms and Conditions as set forth in the Department of Social Services' Actuarial Consulting Services Request for Proposals.

Signature

Title

Date

APPENDIX 3 - WORKFORCE ANALYSIS FORM

Contractor Name: _____
 Address: _____

Total number of CT employees: _____
 Full-time _____ Part-time _____

Complete the following Workforce Analysis for employees on Connecticut worksites who are:

Job Categories	Totals for all Columns - Male and Female	White (Not of Hispanic Origin)		Black (Not of Hispanic Origin)		Hispanic		Asian Or Pacific Islander		American Indian Or Alaskan Native		Individuals Disabilities	
		male	female	male	female	male	female	male	female	male	female	male	female
Officials and Managers													
Professionals													
Technicians													
Sales Workers													
Office and Clerical													
Craft Workers (Skilled)													
Operators (Semi Skilled)													
Laborers (Unskilled)													
Totals Above													
Totals One Year Ago													
Formal On-The-Job-Trainees (Enter figures for the same categories as shown above)													
Apprentices													
Trainees													
Employment Figures were obtained from _____ Visual Check _____ Employment Records _____ Other: _____													

Workforce Analysis Form (continued)

1. Have you successfully implemented an Affirmative Action Plan?
Yes _____ No _____ Implementation Date _____
If the answer is No, explain.
- 1.a. Do you promise to develop and implement a successful Affirmative Action Plan?
Yes _____ No _____ Not Applicable _____
Explanation:
2. Have you successfully developed an apprenticeship program complying with §46a-68-1 to 46a-68-17 of the State of Connecticut Department of Labor Regulations, inclusive:
Yes _____ No _____ Not Applicable _____
Explanation:
3. According to EEO-1 data, is the composition of your workforce at or near parity when compared with the racial and sexual composition of the workforce in the relevant labor market area?
Yes _____ No _____ Not Applicable _____
Explanation:
4. If you plan to subcontract, will you set aside a portion of the contract for legitimate minority business enterprises?
Yes _____ No _____ Not Applicable _____
Explanation:

Contractor's Authorized Signature

Date [WFA 5/93]

APPENDIX 4 - NOTIFICATION TO BIDDERS FORM

The contract to be awarded in response to this RFP is subject to contract compliance requirements mandated by §4a-60 of the General Statutes of Connecticut, and when the awarding agency is the State, §46a-71(d) of the General Statutes of Connecticut. Contract Compliance Regulations codified at §4a-60 et. seq. of the Regulations of the Connecticut State agencies establish a procedure for the awarding of all contracts covered by §4a-60 and 46a-71(d) of the General Statutes of Connecticut.

According to §4-114a-3(9) of the Contract Compliance Regulations, every agency awarding a contract subject to the contract compliance regulations has an obligation to “aggressively solicit participation of legitimate minority business enterprises as Bidders, contractors, subcontractors and suppliers of materials.” “Minority business enterprise” is defined in §4a-60 of the General Statutes of Connecticut as a business wherein 51 percent or more of the capital stock or assets belong to a person or persons: “(1) Who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise, and (3) who are members of a minority, as such term is defined in subsection (a) of §32-9n.” “Minority” groups are defined in §32-9n of the General Statutes of Connecticut as “(1) Black Americans, (2) Hispanic Americans, (3) Women, (4) Asian Pacific Americans and Pacific Islanders, or (5) American Indians” The above definitions apply to the contract compliance requirements by virtue of §4-114a (10) of the Contract Compliance Regulations.

The awarding agency will consider the following factors when reviewing the Bidder’s Proposals under the contract compliance requirements:

1. The Bidder’s success in implementing an affirmative action plan
2. The Bidder’s success in developing an apprenticeship program complying with §46a-68-1 to 46a-68-17 of the Regulations of Connecticut State agencies, inclusive
3. The Bidder’s promise to develop and implement an affirmative action plan
4. The Bidder’s submission of EEO-1 data indicating that the composition of its workforce is at or near parity when compared to the racial and sexual composition of the workforce in the relevant labor market
5. The Bidder’s promise to set aside a portion of the contract for legitimate minority businesses. See §4-114a3 (10) of the Contract Compliance Regulations

INSTRUCTION TO THE BIDDER: The BIDDER must sign the acknowledgement below and return it to the Awarding Agency along with the bid proposal. Retain a signed copy in your files.

The undersigned acknowledges receiving and reading a copy of the “Notification to Bidders” form:

Signature

Date

On Behalf of: _____

Organization Name

Address

APPENDIX 5 - SMOKING POLICY

General Statutes of Connecticut

Section 31-40q. Smoking in the workplace: Definitions, employers to establish nonsmoking areas, exemptions.

- a) As used in this section:
- i. "Person" means one or more individuals, partnerships, associations, corporations, limited liability companies, business trusts, legal representatives, or any organized group of persons.
 - ii. "Employer" means a person engaged in business that has employees including the state and any political subdivision thereof.
 - iii. "Employee" means any person engaged in service to an employer in the business of his employer.
 - iv. "Business facility" means a structurally enclosed location or portion thereof at which twenty or more employees perform services for their employer.
 - v. "Smoking" means the burning of a lighted cigar, cigarette, pipe or any other matter or substance that contains tobacco.
- b) Each employer shall establish one or more work areas, sufficient to accommodate nonsmokers who request to utilize such an area, within each business facility under its control, where smoking is prohibited. The employer shall clearly designate the existence and boundaries of each nonsmoking area by posting signs that can be readily seen by employees and visitors. In the areas within the business facility where smoking is permitted, existing physical barriers and ventilation systems shall be used to the extent practicable to minimize the effect of smoking in adjacent nonsmoking areas. Nothing in this section may be construed to prohibit an employer from designating an entire business facility as a nonsmoking area.
- c) The State Labor Commissioner may exempt any employer from the provisions of this section if the Commissioner finds that (1) the employer made a good-faith effort to comply with the provisions of this section and (2) any further requirement to so comply would constitute an unreasonable financial burden on the employer.

(P.A. 83-268; P.A. 87-149, S.1, 3; P.A. 91-94; P.A. 95-79, S. 109, 189.)

History: P.A. 87-149 amended Subsection (b) To require employers to establish sufficient nonsmoking areas in business facilities and added Subsection (c) To enable the State Labor Commissioner to exempt certain employers from compliance with those requirements, effective April 1, 1988, P.A. 91-94 amended Subsection (a) By reducing the minimum number of employees from fifty to twenty in Subdiv. (4), P.A. 95-79 amended Subsection (a) To redefine "person" to include limited liability companies, effective May 31, 1995.

Cited. 24C. 666,672-674.

Subsection (b):

Cited. 224C. 666, 674.

APPENDIX 6 - CERTIFICATION REGARDING LOBBYING

Contractor: _____

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

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

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

Signature

Typed Name and Title

Firm/Organization

Date

APPENDIX 7 - GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION



STATE OF CONNECTICUT GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION

Certification to accompany a State contract with a value of \$50,000 or more in a calendar or fiscal year, pursuant to C.G.S. §§4-250 and 4-252(c); Governor M. Jodi Rell's Executive Orders No. 1, Para. 8, and No. 7C, Para. 10; and C.G.S. §9-612(g)(2), as amended by Public Act 07-1

INSTRUCTIONS:

Complete all sections of the form. Attach additional pages, if necessary, to provide full disclosure about any lawful campaign contributions made to campaigns of candidates for statewide public office or the General Assembly, as described herein. Sign and date the form, under oath, in the presence of a Commissioner of the Superior Court or Notary Public. Submit the completed form to the awarding State agency at the time of initial contract execution (and on each anniversary date of a multi-year contract, if applicable).

CHECK ONE: Initial Certification Annual Update (Multi-year contracts only.)

GIFT CERTIFICATION:

As used in this certification, the following terms have the meaning set forth below:

- 1) "Contract" means that contract between the State of Connecticut (and/or one or more of its agencies or instrumentalities) and the Contractor, attached hereto, or as otherwise described by the awarding State agency below;
- 2) If this is an Initial Certification, "Execution Date" means the date the Contract is fully executed by, and becomes effective between, the parties; if this is an Annual Update, "Execution Date" means the date this certification is signed by the Contractor;
- 3) "Contractor" means the person, firm or corporation named as the contractor below;
- 4) "Applicable Public Official or State Employee" means any public official or state employee described in C.G.S. §4-252(c)(1)(i) or (ii);
- 5) "**Gift**" has the same meaning given that term in C.G.S. §4-250(1);
- 6) "Planning Start Date" is the date the State agency began planning the project, services, procurement, lease or licensing arrangement covered by this Contract, as indicated by the awarding State agency below; and
- 7) "Principals or Key Personnel" means and refers to those principals and key personnel of the Contractor, and its or their agents, as described in C.G.S. §§4-250(5) and 4-252(c)(1)(B) and (C).

I, the undersigned, am the official authorized to execute the Contract on behalf of the Contractor. I hereby certify that, between the Planning Start Date and Execution Date, neither the Contractor nor any Principals or Key Personnel has made, will make (or has promised, or offered, to, or otherwise indicated that he, she or it will, make) any **Gifts** to any Applicable Public Official or State Employee.

I further certify that no Principals or Key Personnel know of any action by the Contractor to circumvent (or which would result in the circumvention of) the above certification regarding **Gifts** by providing for any other principals, key personnel, officials, or employees of the Contractor, or its or their agents, to make a **Gift** to any Applicable Public Official or State Employee. I further certify that the Contractor made the bid or proposal for the Contract without fraud or collusion with any person.

CAMPAIGN CONTRIBUTION CERTIFICATION:

I further certify that, on or after December 31, 2006, neither the Contractor nor any of its principals, as defined in C.G.S. §9-612(g)(1), has made any **campaign contributions** to, or solicited any contributions on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support, any candidate for statewide public office, in violation of C.G.S. §9-612(g)(2)(A). I further certify that **all lawful campaign contributions** that have been made on or after December 31, 2006 by the Contractor or any of its principals, as defined in C.G.S. §9-612(g)(1), to, or solicited on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support any candidates for statewide public office or the General Assembly, are listed below:



**STATE OF CONNECTICUT
GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION**

Lawful Campaign Contributions to Candidates for Statewide Public Office:

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

Lawful Campaign Contributions to Candidates for the General Assembly:

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Printed Contractor Name
Official

Signature of Authorized Official

Subscribed and acknowledged before me this _____ day of _____, 200__.

Commissioner of the Superior Court (or Notary Public)

For State Agency Use Only

_____ Awarding State Agency	_____ Planning Start Date
_____ Contract Number or Description	

APPENDIX 8 - CONSULTING AGREEMENT AFFIDAVIT



STATE OF CONNECTICUT
CONSULTING AGREEMENT AFFIDAVIT

Affidavit to accompany a State contract for the purchase of goods and services with a value of \$50,000 or more in a calendar or fiscal year, pursuant to General Statutes of Connecticut §§4a-81(a) and 4a-81(b)

INSTRUCTIONS:

If the BIDDER or vendor has entered into a consulting agreement, as defined by General Statutes of Connecticut §4a-81(b)(1): Complete all sections of the form. If the BIDDER or vendor has entered into more than one such consulting agreement, use a separate form for each agreement. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public. If the BIDDER or vendor has not entered into a consulting agreement, as defined by General Statutes of Connecticut §4a-81(b)(1): Complete only the shaded section of the form. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public.

Submit completed form to the awarding State agency with bid or proposal. For a sole source award, submit completed form to the awarding State agency at the time of contract execution.

This affidavit must be amended if the contractor enters into any new consulting agreement(s) during the term of the State contract.

AFFIDAVIT: [Number of Affidavits Sworn and Subscribed On This Day: ____]

I, the undersigned, hereby swear that I am the chief official of the BIDDER or vendor awarded a contract, as described in General Statutes of Connecticut §4a-81(a), or that I am the individual awarded such a contract who is authorized to execute such contract. I further swear that I have not entered into any consulting agreement in connection with such contract, except for the agreement listed below:

Form fields for Consultant's Name and Title, Name of Firm, Start Date, End Date, Cost, and Description of Services Provided.

Is the consultant a former State employee or former public official? [] YES [] NO

If YES: Name of Former State Agency, Termination Date of Employment

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement. Shaded area for Printed Name of BIDDER or Vendor, Signature of Chief Official or Individual, Date, Printed Name (of above), and Awarding State Agency.

Sworn and subscribed before me on this ____ day of _____, 200__.

Commissioner of the Superior Court or Notary Public

APPENDIX 9 - AFFIRMATION OF RECEIPT OF STATE ETHICS LAWS SUMMARY



**STATE OF CONNECTICUT
AFFIRMATION OF RECEIPT OF STATE ETHICS LAWS SUMMARY**

Affirmation to accompany a large State construction or procurement contract, having a cost of more than \$500,000, pursuant to General Statutes of Connecticut §§1-101mm and 1-101qq

INSTRUCTIONS:

Complete all sections of the form. Submit completed form to the awarding State agency or contractor, as directed below.

CHECK ONE:

- I am a person seeking a large State construction or procurement contract. I am submitting this affirmation to the awarding State agency with my bid or proposal. [Check this box if the contract will be awarded through a competitive process.]
- I am a contractor who has been awarded a large State construction or procurement contract. I am submitting this affirmation to the awarding State agency at the time of contract execution. [Check this box if the contract was a sole source award.]
- I am a subcontractor or consultant of a contractor who has been awarded a large State construction or procurement contract. I am submitting this affirmation to the contractor.

IMPORTANT NOTE:

Contractors shall submit the affirmations of their subcontractors and consultants to the awarding State agency. Failure to submit such affirmations in a timely manner shall be cause for termination of the large State construction or procurement contract.

AFFIRMATION:

I, the undersigned person, contractor, subcontractor, consultant, or the duly authorized representative thereof, affirm (1) receipt of the summary of State ethics laws* developed by the Office of State Ethics pursuant to General Statutes of Connecticut §1-81b and (2) that key employees of such person, contractor, subcontractor, or consultant have read and understand the summary and agree to comply with its provisions.

* The summary of State ethics laws is available on the State of Connecticut's Office of State Ethics website at http://www.ct.gov/ethics/lib/ethics/contractors_guide_final2.pdf.

Signature

Date

Printed Name

Title

Firm or Corporation (if applicable)

Street Address

City

State

Zip

Awarding State Agency

APPENDIX 10 - NOTICE TO EXECUTIVE BRANCH STATE CONTRACTORS AND PROSPECTIVE STATE CONTRACTORS OF CAMPAIGN CONTRIBUTION AND SOLICITATION BAN

SEEC FORM 11

This notice is provided under the authority of General Statutes of Connecticut 9-612(g)(2), as amended by P.A. 07-1, and is for informing state contractors and prospective state contractors of the following law (*italicized words are defined below*):

Campaign Contribution and Solicitation Ban

No state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor, with regard to a state contract or state contract solicitation with or from a State agency in the Executive Branch or a quasi-public agency or a holder, or principal of a holder of a valid preProposal certificate, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

In addition, no holder or principal of a holder of a valid preProposal certificate, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

Duty to Inform

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

Penalties for Violations

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

Civil penalties

\$2,000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor, which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations, may also be subject to civil penalties of \$2,000 or twice the amount of the prohibited contributions made by their principals.

Criminal penalties

Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than five years, or \$5,000 in fines, or both.

Contract Consequences

Contributions made or solicited in violation of the above prohibitions may result, in the case of a state contractor, in the contract being voided.

Contributions made or solicited in violation of the above prohibitions, in the case of a prospective state contractor, shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The State will not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Additional information and the entire text of P.A. 07-1 may be found on the Web site of the State Elections Enforcement Commission, www.ct.gov/seec. Click on the link to "State Contractor Contribution Ban."

