

State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES

OFFICE OF THE COMMISSIONER

25 Capitol Street – Room 120

Concord, New Hampshire 03301

FEB 10 '15 AM 10:14 DAS

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LINDA M. HODGDON
Commissioner
(603) 271-3201

JOSEPH B. BOUCHARD
Assistant Commissioner
(603) 271-3204

January 22, 2015

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Administrative Services (DAS), Risk Management Unit (RMU), to enter into a contract with Secova, Inc., (Vendor Code 221176), Newport Beach CA 92660, in the amount of \$160,695 for the performance of a dependent eligibility verification project for a period of seven (7) months commencing upon Governor and Executive Council approval through September 30, 2015. **Approximately 32% General, 18% Federal, 3% Enterprise, 12% Highway, 1% Turnpike, and 34% Other Funds.**

Funding is available in SFY 2015 and is anticipated to become available in SFY 2016, with the authority to adjust encumbrances between state fiscal years if necessary and justified through the Budget Office, in the following accounts:

	SFY 2015	SFY 2016
01-14-14-140560-66000000		
102-500731 Actives - Contracts for Program Services	\$ 66,503	\$ 39,057
01-14-14-140560-66600000		
102-500731 Troopers - Contracts for Program Services	\$ 2,430	\$ 1,427
01-14-14-140560-66500000		
102-500731 Retirees - Contracts for Program Services	\$ 32,305	\$ 18,973
Subtotal	\$ 101,238	\$ 59,457
Grand Total	\$ 160,695	\$ 160,695

EXPLANATION

Health benefit coverage is provided to state employees and their dependents in accordance with provisions in several Collective Bargaining Agreements (CBAs). The DAS Commissioner is authorized, pursuant to RSA 21-I: 28, to enter into contracts with "any organization necessary to administer and provide a health plan." Many State health benefit programs have undertaken dependent eligibility verification audits in recent years, and have realized savings as a result of removing dependents from the plan who were no longer eligible for coverage. The State of New Hampshire has not conducted such an audit and DAS believes it is necessary to ensure that we are

only covering those eligible and demonstrating proper stewardship over State funds and taxpayer dollars.

Accordingly, on September 30, 2014 DAS issued a Request for Proposal (RFP) for dependent eligibility verification services. Six firms received direct notification of this solicitation and the RFP was posted on the DAS Bureau of Purchase and Property website. On November 17, 2014, DAS received a total of three (3) proposals from the following companies: Secova, ConSova, and HMS Employer Solutions. All three proposals were evaluated and scored and on-site finalist interviews were conducted.

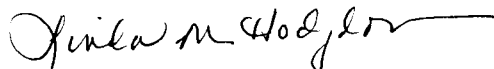
The scoring of the proposals was based upon the following areas and corresponding weights: Total Cost (40 points), Demonstrated Experience and Capabilities (12 points), Technology and Security (12 points), Administrative Support and Customer Service (12 points), Project Plan and Timeline (12 points), and Finalist Presentation (12 points). Based on the foregoing, the proposal submitted by Secova received the highest ranking score and was accepted by unanimous vote by the evaluation members. The evaluation team members were: Catherine Keane (Director of Risk and Benefits, DAS, RMU), Sara Willingham (Director, DAS, Division of Personnel), Michael O'Mahony (Manager, Privacy and Administration, DAS, RMU), Robert Stowell (Administrator, DAS, Bureau of Purchase and Property), Sarah Trask (Senior Financial Analyst, DAS, RMU), Christine Williams (Health Operations Program Specialist, Division of Personnel) and Danielle Ruest (Purchasing Agent, Bureau of Purchase and Property). The evaluation scoring sheet is attached.

Secova was chosen as the highest bidder, having received the highest scores in five of the six criteria categories; Demonstrated Experience and Capabilities, Technology and Security, Administrative Support and Customer Service, Finalist Presentation, and Total Cost. Secova submitted the lowest cost bid, receiving full points for its cost submission. Secova is an experienced dependent eligibility verification company specializing in the public sector, having performed seventy-one eligibility verifications since 2012. Seventy percent of Secova's eligibility verification work was conducted on behalf of public sector clients including the City of Philadelphia, Alabama's Public Education Employees' Health Insurance Plan, the State of Hawaii, and the University of California. Employees and retirees will work directly with Secova to provide documentation confirming the eligibility of their dependents to be on the health plan. During the project, participants will have access to a secure web portal where they can upload verification documents, print forms, track their submitted documents, and monitor their status. The secure web portal will be available seven days a week and 24 hours per day. Secova will also accept verification documents via fax and e-mail, allowing participants several ways to respond to the verification request. Secova's customer support staff will be available from 6:00AM until midnight Eastern Standard Time Monday through Friday.

The remaining two bidders, ConSova and HMS, scored second and third respectively. ConSova's lower score for the Total Cost component was a major factor in its second place score. The main contributors to HMS' third place ranking were its lack of public sector experience and lower scores for Administrative Support and Customer Service.

Based upon the foregoing, I respectfully request your approval of this contract.

Respectfully submitted,



Linda M. Hodgdon
Commissioner

Dependent Eligibility Verification Services

Total Score

Criteria Category	Weight	ConSova	HMS	Secova
Financial Score	40%	26	36	40
Total Cost		\$227,500	\$167,788	\$146,088
Technical Questionnaire				
Demonstrated experience and capabilities	12%	8	5	12
Technology and security capabilities in handling sensitive employee data	12%	8	5	12
Administrative support and customer service	12%	8	5	12
Detailed project plan and timeline	12%	12	5	8
Finalist Presentation	12%	5	8	12
Final Score (Highest receives award)		67	64	96
NOTE: \$146,088 + 10% CONTINGENCY = CONTRACT PRICE OF: \$160,695				

RFP 2015-169 DEPENDENT ELIGIBILITY VERIFICATION SERVICES

Evaluation Committee Members

CATHERINE KEANE

Current Position: Administrator of Risk and Benefits, Risk Management Unit, Department of Administrative Services

Background: Catherine (Cassie) is an attorney and serves as the Administrator of the Risk Management Unit. Cassie worked in the NH Department of Justice as Counsel to the Health Benefit program. Before that she worked at the NH Department of Health and Human Services for 14 years. She served as Director of the Division of Elderly and Adult Services for 5 years where she managed a \$300 million budget and worked to promote long term care system change. She also served as Assistant Director to the Office of Family Services, Assistant to the Director for the Division of Human Services and in other roles in her 14 years with state government.

MICHAEL O'MAHONY

Current Position: Manager, Privacy and Administration, Risk Management Unit, Department of Administrative Services

Background: Michael (Mike) has been working in and around the health insurance industry since 1991. His experience includes claims, reimbursement methodologies, data analysis, and contract development and administration. In addition, Mike has been a health benefit program vendor manager since 2008, participating in several procurement cycles including RFP development, contract negotiations, implementation, and performance management. Mike is currently attending Granite State College and pursuing a B.S. in Health Care Management.

ROBERT STOWELL

Current Position: Administrator IV, Bureau of Purchase & Property, Department of Administrative Services

Background: Robert has worked for the State of New Hampshire for 13 years and is presently the Administrator of the Bureau of Purchase and Property. Additionally, Bob has 30 years of contract experience in the private sector as the Director of Materials, Director of Logistics and Sales Administration. Bob has an MBA from Rivier College.

SARAH TRASK

Current Position: Senior Financial Analyst, Risk Management Unit, Department of Administrative Services

Background: Sarah has been employed with the State for the past four years and is presently the Senior Financial Analyst of Risk Management Unit. As the Senior Financial

Analyst, Sarah is responsible for the financial and accounting management of the health and dental program. Previously, Sarah worked as a Fund Accountant for the Risk Management Unit and was responsible for the day to day accounting of the health and dental program. Sarah holds a Masters of Science in Accounting with Southern New Hampshire University and five years of work experience in accounting, auditing, and finance with private sector employers.

SARA WILLINGHAM

Current Position: Director, Division of Personnel, Department of Administrative Services

Background: As Director of Personnel, Sara oversees all human resources activities for a workforce of approximately 10,000 full-time positions and 5,000 part-time positions. In the area of dental benefits administration, the Division of Personnel is responsible for customer service, eligibility and enrollment activities relating to the dental plan for active employees. Sara has an MBA in Human Resources Administration and has worked for the Division of Personnel for over 30 years in a variety of positions, including Manager of Employee Relations (labor relations and union negotiations) and most recently, as Deputy Director for the Division of Personnel.

CHRISTINE WILLIAMS

Current Position: Health Operations Program Specialist, Division of Personnel, Department of Administrative Services

Background: Christine Williams has extensive experience in the health care industry. Christine has been involved with the health benefit program since 2005 and has participated in many procurement cycles, vendor implementations and major projects.

DANIELLE RUEST

Current Position: Purchasing Agent, Bureau of Purchase & Property, Department of Administrative Services

Background: As a purchasing agent, Danielle oversees the procurement process activities for the Risk Management Unit. Danielle has a very diverse business background, and although she has been with the State for a short period of time, she has gained a very good understanding of the process. Danielle has a Master of Business Administration as well as a Master of Science in Accounting from Southern New Hampshire University.

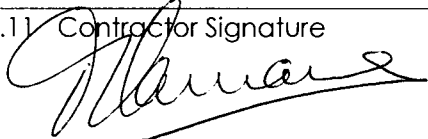
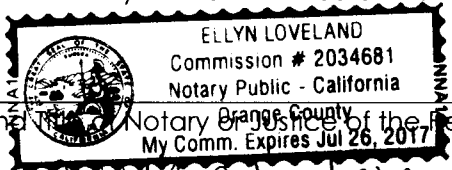
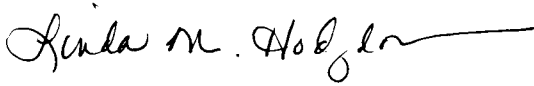

Subject: Dependent Eligibility Verification Services Contract

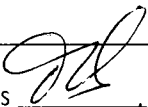
AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name State of New Hampshire Administrative Services		1.2 State Agency Address State House Annex, Room 102 25 Capitol Street Concord, NH 03301	
1.3 Contractor Name Secova, Inc.		1.4 Contractor Address 5000 Birch Street, West Tower Suite 1400 Newport Beach, California 92660	
1.5 Contractor Phone Number 714-384-0530	1.6 Account Number VARIOUS	1.7 Completion Date September 30, 2015	1.8 Price Limitation \$160,695
1.9 Contracting Officer for State Agency Michael O'Mahony		1.10 State Agency Telephone Number 603-271-0486	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory PRESIDENT & CEO.	
1.13 Acknowledgement: State of <u>California</u> County of <u>Orange</u> On <u>1/21/15</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal]  <u>Elynn Loveland</u>			
1.13.2 Name and Title of Notary Public or Justice of the Peace <u>Elynn Loveland, Notary Public</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Linda M. Hodgdon, Commissioner	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: <u>2/2/15</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

Contractor Initials 
Date 1/21/15

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

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

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

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

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

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

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

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

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

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

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

and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

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

and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

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

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

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

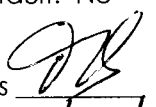
15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

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

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

Contractor Initials



Date 1/24/15

express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

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

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

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

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

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

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

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

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

EXHIBIT A

PURPOSE

The State of New Hampshire (hereafter referred to as "State") is contracting with Secova, Inc., to identify and assist with verifying dependent eligibility in accordance with the provisions of the State plan. The Contract shall commence upon the approval of Governor and Executive Council for a period of seven (7) months or through September 30, 2015, whichever is later. The overall goal of this contract is to avoid payment of healthcare claims for ineligible dependents and thereby effectively managing taxpayer money. The overall scope of the audit requires the contact of all employees and retirees enrolled in health benefits with at least one enrolled dependent for the purpose of collecting and validating proof of dependent eligibility. The project objectives include, but are not limited to:

1. verify the eligibility status of all currently enrolled dependents;
2. provide clear communications and a simplified verification process that includes electronic submissions;
3. support employee/dependent efforts to procure appropriate documentation;
4. provide State with detailed report of dependents that do not meet Plan eligibility rules;
5. retain documentation in digital form throughout the audit engagement and for an appropriate period thereafter;
6. produce a weekly report in a mutually agreed upon format for the State that contains indicators for the date verified and/or cause for termination (i.e., voluntary, incomplete, no response); and
7. provide for secure data storage or disposal; and
8. prepare a summary report and present in-person to the State at conclusion of the project.

The State of New Hampshire shall have the right to terminate the contract at any time by giving the Contractor thirty (30) days advance written notice.

SCOPE OF WORK

- Verification Objectives
 - Communicate to all State Health Plan Members with enrolled dependents the processes that will be implemented to manage dependent eligibility.
 - Educate Health Plan Members about dependent eligibility rules and improve compliance regarding enrolled dependents.
 - Request, collect and retain the required documentation from all Members with dependents enrolled in Health Plan benefits.
 - Provide the State with cost savings in required benefit funding reserves through termination of dependents who do not comply with eligibility requirements.

- Verification Population
 - All dependents of Members enrolled in Health Plan benefits as of date of project implementation.
- Communications
 - Secova will work with the State to develop and produce clear Member communications including written communication and call center scripts. Secova will cooperate with the State in good faith with respect to the manner in which all communications with Members will be handled. Secova agrees that all such communications will be handled in a professional and businesslike manner and in a manner that does not in any way reflect poorly on the State. All Member communications (including written communications and call center scripts) will be approved by the State in writing prior to distribution. Communications shall be distributed in the form of email (if provided), direct mail and direct phone calls to the Member's home. Secova will utilize a third-party print vendor for Project communications. Secova will include an agency or retiree identifier in the address block of all mailings.
- Project communications will include:
 - Announcement Letter (Project First Communication Mailing) – Brief notification to plan Members with enrolled dependents that the verification audit will commence shortly and introduces Secova as the administrator of the audit on behalf of the State.
 - Verification Packet (Project Second Communication Mailing) – Personalized communication packet mailed to the homes of all Members with at least one dependent enrolled in Health Plan Benefits, subject to verification.
 - Verification Letter with overview and instructions
 - Cover sheet with personal information listing the dependents to be verified
 - Definitions and Required Documents listing the dependent eligibility rules and outlining the documentation required to verify eligibility
 - Return envelope
 - Frequently Asked Questions document
 - Participant Self-Service Web Portal Instructions
 - Reminder Postcard (Project Third Mailing)
 - Reminder postcard mailed to Members who have not responded to previous communications.
 - Adjustments as needed based upon research and findings.
 - Pending Cancellation of Coverage Letter (Project Fourth Mailing)
 - A Pending Cancellation of Coverage letter will be mailed to every Member with one or more unverified dependents at the conclusion of the Verification Phase. This provides a final opportunity for Members to provide the necessary documentation ("Grace Period") without having to follow formal Health Plan appeal procedures for coverage reinstatement.
 - Termination Letter (Project Fifth Mailing)

- A Final Determination Notice will be mailed to every Participant with one or more unverified dependents at the conclusion of the Grace Period. This serves to notify members of any terminations of coverage for dependents who were not verified by the close of the Grace Period.
- Outbound Contact
 - When Participant contact information is available, a minimum of three (3) outbound telephone calls will be made to contact Members that fail to respond to the previous Verification and Reminder mailings (2 automated calls, 1 via live agent).
- Receipt of Documents Notice
 - A document receipt notice will be emailed to every Member with a valid email address on file upon receipt of document submission.
- Incomplete Notice
 - A notice will be emailed or mailed (if no email address on file) to every Member who submits insufficient documentation to verify all dependents and will detail the specific reason(s) the documentation is incomplete. The notice will include instructions on submitting the additional required documentation.
- Appeals Rights Notice
 - Notice is typically generated following the close of the verification period/document submission deadline providing short period for appeals.
- Confirmation Notice
 - Notice emailed or mailed (if no email address on file) to Members confirming the eligibility status of each dependent enrolled, once the verification process is complete for all dependents.
 - Additional Communications
 - Additional communications as mutually agreed to.
- Call Center Services
 - The Secova Service Center will support all questions related to the Project through its Interactive Voice Response (IVR) System and live call agents. Secova provides limited bi-lingual staff in its service centers but provides language line assistance through Language Select Telephone Interpreting Services. Specific eligibility enrollment questions not related to dependent verification will be transferred to the State of New Hampshire as agreed to by the parties. Secova will provide a non-vanity toll-free number that will be available 15 hours per day, 5 days per week during each phase of the Project with call center services based in US service centers. Secova will capture and record all employee communications. Secova will provide pre-employment screening, train and manage all agents handling phone calls.
- Documentation Requirements
 - Secova will work with the State to establish verification documents that must be submitted by Members to substantiate and verify dependent eligibility status.

- Documentation Management
 - Documents submitted to support eligibility status can be submitted securely online, by mail or fax or mail. Secova will receive and scan all hard copy documents in our US service center. Imaged documents will be stored in a dedicated offsite server located in the US. Hard copy mailed documents will be batched and stored in an onsite secure and dedicated locked storage area for the duration of the Project. All hard copy documents will, at the State's election, either be sent to the State (cost of preparation and mailing to be billed separately to the State at rates mutually agreed upon by Secova and the State), or destroyed on site at Project conclusion after State approval. Document images will be reviewed and verified in US Service Center. Document images will be provided to the State in electronic format at Project completion. Copy and print functions will be blocked for all non-supervisory Project personnel. Secova will provide pre-employment screening, train and manage all document processing agents.

- Data Management
 - Secova will load the initial data file and subsequent update files into its system. Secova will provide notice of dependents reported as "Not Eligible" to State in a mutually agreeable format. All data will be transmitted via secure protocol and all inbound data from the State will be stored in our secure facilities. State Project data will be stored in electronic files maintained in a secure offsite facility for seven years. After seven years, State will be notified in writing not less than 30 days in advance of the destruction of the files.

- Reporting
 - Secova will track and report daily to State the incoming volumes of web, mail, fax, e-mail, and phone calls related to the Project. Reports of the general status of the Project will also be provided on a weekly basis or as otherwise agreed upon by State and Secova in writing.

- Project Schedule

- Phase 1 Services: Project planning, preparation, resource allocation and training for first Project communication.
 - Initial project planning shall include:
 - On-site planning session
 - Development of a detailed project plan
 - Schedule training webinars for appropriate staff
 - Customization of communication materials and related documents
 - Agreement on eligibility documentation requirements
 - Schedule for mailings and other contacts, such as phone and email

- Agreement on components of and duration of project
- Reporting schedule

Time period: Project kick-off meeting until commencement of Project First Communication Deployment.

- Phase 2 Services: Conduct Project First Communication Deployment, inbound call center support, document verification processing planning, preparation, resource allocation and training for second Project communication.

Time period: Project First Communication Deployment until commencement of Project Second Communication Deployment.

- Phase 3 Services: Conduct Project Communication Deployment, inbound call center support, document verification processing, planning, preparation, resource allocation and training for third Project Communication and outbound follow-up calls.

Time period: Project Second Communication Deployment until commencement of Project Third Communication Deployment.

- Phase 4 Services: Conduct Project Third Communication deployment, inbound call center support, outbound follow-up contact, document verification processing, termination notices, results summary and recommendations.

Time period: Project Third Communication Deployment until commencement of Project conclusion.

■ Project Management

- Secova will manage the delivery and operation of all Project components for State including resource provision, allocation, timing and performance quality.

■ Verification Conclusion

- A data file with a verification status on each dependent.
- A data file with a copy of all scanned documents submitted during the verification process.
- Final Project report with trends and analysis of the verification results.
- Disposition of all verification documentation. submitted in hardcopy as directed by the State.
- Recommendation of cost savings recovery plans from activities such as plan tier structure changes and plan reserve funding changes.
- Report and recommendations for future compliance and cost savings activities.
- Short and long-term recommendations to improve the Eligibility Management process and comparisons to industry benchmarks and best practices.

- An electronic report containing individual details of all dependents and the contact details including dates of mailings and phone calls, communication results, dates of verifications, and responses from dependents or subscribers.
- Project Requirements
 - Timely review and approval of communication documents, schedules, project plans and other Project related materials. State shall be provided with a reasonable amount of time for such review and approval.
 - Timely delivery of required data files as specified herein.
 - Reasonable availability of a State resource for weekly project status meetings and discussion and resolution of non-standard and critical problem issues.
 - Reasonable availability of State staff during the onsite Eligibility Management Review.

EXHIBIT B

CONTRACT PRICE

The contract price shall not exceed \$160,695

- Payment Schedule
 - Secova shall invoice State for the Service Fees and related expenses in accordance with the Schedule set forth below:
 - Phase 1 Project Services (estimated February 2015): At the time the Agreement is signed, 20% of estimated total Project Fees.
 - Phase 2 Project Services (estimated March 2015): At Deployment of Project First Mailing, 25% of estimated total Project Fees and estimated expenses.
 - Phase 3 Project Services (estimated April 2015): At Deployment of Project Second Mailing, 25% of estimated total Project Fees and estimated expenses.
 - Phase 4 Project Services (estimated September 2015): Upon Project conclusion, 30% of estimated total Project Fees and estimated expenses.
 - 10% Contingency

- Assumptions
 - Project based on 11,250 benefit participants with 20,150 enrolled Dependents (based on estimates provided as part of RFP # 2015-169 from September 2014 data).
 - Fees quoted are subject to review in the event the Dependent count increases / decreases by 10%. Based on initial census file received from State.
 - Scheduled Maintenance (system may be temporarily unavailable).

Payment

Invoices shall be submitted after the completion of job/services. Contractor shall be paid within 30 days after receipt of properly documented invoice and acceptance of the work to the State's satisfaction.



1/21/15

EXHIBIT B (Con't)

PERFORMANCE GUARANTEES

MAXIMUM PROJECT FEES AT RISK: 10%				
SERVICE	DESCRIPTION OF PROPOSED PERFORMANCE STANDARD	MEASUREMENT	PERCENT OF FEES AT RISK	
Customer Service	Call Center Average Speed of Answer 45 seconds or less	Defined as the amount of time a call is answered by the IVR or a live agent after the call is transferred to the automated call distribution system.	Total speed of answer (in seconds) divided by the number of calls received.	1%
	Call Center abandonment rate 5% or less	Defined as a call disconnected by the caller after the call is transferred to the automated call distribution system following opening greeting (30 seconds)	Total number of telephone calls abandoned less "short abandons" (those dropped in the initial 30 seconds of the call) / total number of telephone calls received less short abandons	1%
	Blocked calls less than 3%	Defined as a call where the caller receives a busy signal due to insufficient phone lines.	Total number of telephone calls with busy signals/total number of telephone calls.	1%
Document Processing Time	Document processing within 4 business days of receipt.	Defined as the amount of time marked between indexing of document and validation processing against the dependent record	Average of actual time for all documents processed	1%
Audit Accuracy	100% accuracy of submitted documents processed in Secova's system as of the end of the project against State approved eligibility rule matrix.	Defined as the appropriate processing of dropped dependents as of the end of the "Grace Period" of the project against State approved eligibility rule matrix.	Number of dependents dropped in compliance with the eligibility rules as of the end of the "Grace Period" of the project divided by the number of dependents dropped.	1%
Website Guarantee	99% availability of online portal to both administrators and members	Defined as the amount of time outside of pre-defined normal maintenance schedules that the portal is available.	Total time available as a percentage of total time (less maintenance time) during applicable scheduled phases of the project.	1%
ROI Guarantee	Minimum of 5:1 Return on Investment	Defined as the total savings associated with the identified non-verified dependents presented as a ratio of total project costs.	Annual Claims Cost per dependent type multiplied by the number of identified non-verified dependents (by dependent type) against total fees charged by Secova for the project.	5%


Contractor Initials 
Date 1/21/15

EXHIBIT C

SPECIAL PROVISIONS

1. Delete Paragraph 14.1.1 and substitute the following: "comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per incident and no less than \$1,000,000 in excess/umbrella liability each occurrence; and"
2. There are no other special provisions of this contract.


1/21/15

State of New Hampshire Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Secova, Inc. a(n) Delaware corporation, is authorized to transact business in New Hampshire and qualified on April 26, 2011. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 21st day of January, A.D. 2015

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF CORPORATE RESOLUTION

**AUTHORIZING STATE OF NEW HAMPSHIRE
DEPENDENT ELIGIBILITY VERIFICATION CONTRACT**

I, Venkat Tadanki, Chief Executive Officer of Secova, Inc., organized and existing under the laws of Delaware and having its principal place of business at 5000 Birch Street, Suite 1400, Newport Beach, California 92660, hereby certify that the following is a true copy of a resolution adopted by the Board of Directors of the Corporation at a meeting convened and held on January 21, 2015 at which a quorum was present and voting throughout and that such resolution is now in full force and effect and is in accordance with the provisions of the charter and by-laws of the Corporation.

RESOLVED: That the Corporation approves the State of New Hampshire Dependent Eligibility Verification Contract as was or will be submitted to the State of New Hampshire Administrative Services;

RESOLVED: That the Chief Executive Officer of the Corporation is hereby authorized to sign on behalf of the Corporation any contracts or forms for the State of New Hampshire Dependent Eligibility Verification Contract;

RESOLVED FURTHER: That the Secretary of the Corporation is hereby authorized and directed to certify to any interested party that this resolution has been duly adopted, is in full force and effect, and is in accordance with the provisions of the charter and by-laws of the Corporation.

I further certify that this Corporation is duly organized and existing, and has the power to take the action called for by the foregoing resolution.

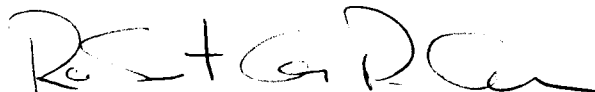
DIRECTORS



President

01/21/2015

Date



Secretary

01/21/2015

Date

Witness my hand seal of this corporation on this 21st day of Jan, 2015
(month) (year)

CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

COUNTY OF Orange)

On 1/21/15 before me, Eilyn Loveland Notary Public,

Date

(here insert name and title of the officer)

personally appeared Venkat Tadanki

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Eilyn Loveland (Seal)

OPTIONAL

Description of Attached Document

Title or Type of Document: Agreement-STOP NH Number of Pages: 1

Document Date: 1/21/2015 Other: _____



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
01/21/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER ISU Lovering Ins. Services P. O. Box 699 1121 Laurel Street San Carlos, CA 94070-0699	CONTACT NAME: Emily Chan	FAX (A/C, No): 650-228-5663
	PHONE (A/C, No, Ext): 650-593-7601	E-MAIL ADDRESS: echan@isulovering.com
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED Secova eServices Inc. **See Notes** 5000 Birch St.#1400 West Tower Newport Beach, CA 92660-2127	INSURER A : Great Northern (A++ XV)	20281
	INSURER B : Federal Insurance (A++ XV)	
	INSURER C :	
	INSURER D :	
	INSURER E :	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**


THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY			35920787WUC	04/28/2014	04/28/2015	EACH OCCURRENCE	\$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000
							MED EXP (Any one person)	\$ 10,000
							PERSONAL & ADV INJURY	\$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	\$ 2,000,000
	<input checked="" type="checkbox"/> POLICY	<input type="checkbox"/> PROJECT	<input type="checkbox"/> LOC				PRODUCTS - COMP/OP AGG	\$ Included
	OTHER						Emp Ben.	\$ 1,000,000
B	AUTOMOBILE LIABILITY			73567069	04/28/2014	04/28/2015	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
	<input type="checkbox"/> ANY AUTO	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per person)	\$
	<input checked="" type="checkbox"/> HIRED AUTOS	<input checked="" type="checkbox"/> NON-OWNED AUTOS					BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB			79879815	04/28/2014	04/28/2015	EACH OCCURRENCE	\$ 9,000,000
	<input type="checkbox"/> EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE					AGGREGATE	\$ 9,000,000
	<input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10000							\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			71737546	04/28/2014	04/28/2015	<input checked="" type="checkbox"/> PER STATUTE	<input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y <input type="checkbox"/> N	<input type="checkbox"/> N/A				E.L. EACH ACCIDENT	\$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
B	D&O			82349070	04/28/2014	04/28/2015	D&O	2,000,000
B	E&O			82349070	04/28/2014	04/28/2015	E&O	5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CONSULTANTS - NOT OTHERWISE CLASSIFIED
****All Coverages per Policy Terms, Exclusions, and Conditions****

CERTIFICATE HOLDER **CANCELLATION**

STATE-7 State of New Hampshire, Dept. of Admin. Services Risk Mgmt Unit/ Attn: Michael O'Mahony 25 Capitol Street Concord, NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

Attachment A

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 and those parts of the HITECH Act applicable to business associates. As defined herein, "Business Associate" shall generally have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the party to this Agreement, shall mean [name of Business Associate]. "Covered Entity" shall generally have the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this Agreement shall mean the State of New Hampshire Department of Administrative Services Employee and Retiree Health Benefit Program. "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

BUSINESS ASSOCIATE AGREEMENT

1. Definitions

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

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

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

3. Obligations and Activities of Business Associate

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

Individual Rights and PHI

h. Access

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

HITECH Act. Business Associate shall make such information available in an electronic format where required by the HITECH Act.

i. Amendment

- i. Business Associate shall respond to an individual's request to amend his or her PHI as part of Business Associate's normal customer service functions, if the request is communicated to Business Associate directly by the individual or the individual's personal representative. Business Associate shall respond to the request with respect to the PHI Business Associate and its subcontractors maintain in a manner and time frame consistent with requirements specified in the HIPAA Privacy Regulation.
- ii. In addition, Business Associate shall assist Covered Entity in responding to requests made to Covered Entity to invoke a right to amend under the HIPAA Privacy Regulation by performing the following functions:
 1. Upon receipt of written notice (including fax and email) from Covered Entity, Business Associate shall amend any portion of the PHI created or received for or from Covered Entity in Business Associate's custody or control (and/or the custody or control of its subcontractors), so that Covered Entity may meet its amendment obligations under 45 CFR 164.526.

j. Disclosure Accounting

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

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

v. Disclosure Tracking Time Periods

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

vi. Provision of Disclosure Accounting

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

k. Confidential Communications

- i. Business Associate shall respond to an individual's request for a confidential communication as part of Business Associate's normal customer service function, if the request is communicated to Business Associate directly by the individual or the individual's personal representative. Business Associate shall respond to the request with respect to the PHI Business Associate and its subcontractors maintain in a manner and time frame consistent with requirements specified in the HIPAA Privacy Regulation. If an individual's request, made to Business Associate, extends beyond information held by Business Associate or Business Associate's subcontractors, Business Associate shall refer individual to Covered Entity. Business Associate assumes no obligation to coordinate any request for a confidential communication of PHI maintained by other business associates of Covered Entity.
- ii. In addition, Business Associate shall assist Covered Entity in responding to requests to it by individuals (or their personal representatives) to invoke a right of confidential communication under the HIPAA Privacy Regulation by performing the following functions:
 1. Upon receipt of written notice (including fax and email) from Covered Entity, Business Associate will begin to send all communications of PHI directed to the individual to the identified alternate address so that Covered Entity may meet its access obligations under 45 CFR 164.524.

l. Restrictions

- i. Business Associate shall respond to an individual's request for a restriction as part of Business Associate's normal customer service function, if the request is communicated to Business Associate directly by the individual (or the individual's personal representative). Business Associate shall respond to the request with respect to the PHI Business Associate and its subcontractors maintain in a manner and time frame consistent with requirements specified in the HIPAA Privacy Regulation.
- ii. In addition, Business Associate shall promptly, upon receipt of notice from Covered Entity, restrict the use or disclosure of individuals' PHI, provided the Business Associate has agreed to such a restriction. Covered Entity agrees that it will not commit

Business Associate to any restriction on the use or disclosure of individuals' PHI for treatment, payment or health care operations without Business Associate's prior written approval.

4. Obligations of Covered Entity

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR § 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals to use or disclose his or her PHI to the extent that such changes may affect Business Associate's use or disclosure of PHI.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

5. Term and Termination

- a. The term of this Agreement shall be effective upon approval of Governor and Executive Council and shall terminate seven (7) months from that approval date or on the date covered entity terminates for cause as authorized in paragraph (b) of this Section, whichever is sooner.
- b. In addition to standard provision #10 of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Attachment A. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.
- c. Upon termination of this Agreement for any reason, Business Associate, with respect to PHI received from Covered Entity, or created, maintained or received by Business Associate on behalf of Covered Entity, shall:
 - i. Retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities;
 - ii. Return to Covered Entity [or, if agreed to by Covered Entity, destroy] the remaining PHI that Business Associate still maintains in any form;
 - iii. Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI to prevent use or disclosure of the PHI, other than as provided for in this Section, for as long as Business Associate retains the PHI;
 - iv. Not use or disclose the PHI retained by Business Associate other than for the purposes for which such PHI was retained and subject to the same conditions set out in this Agreement which applied prior to termination; and
 - v. Return to Covered Entity [or, if agreed to by Covered Entity, destroy] the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.
- d. The obligations of Business Associate under this Section shall survive the termination of this Agreement.

6. Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the HIPAA Rules as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for compliance with the requirements of the HIPAA Rules and any other applicable law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be interpreted to permit compliance with the HIPAA Rules.

- e. Segregation. If any term or condition of this Attachment A or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Attachment A are declared severable.
- f. Survival. Provisions in this Attachment A regarding the use and disclosure of PHI, return or destruction of PHI, the defense and indemnification provisions of provision #13 of the standard contract P-37, shall survive the termination of the Agreement.

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

 The State of New Hampshire Employee
 and Retiree Health Benefit Program

Linda M. Hodgdon

 Signature of Authorized Representative

Linda M. Hodgdon

 Name of Authorized Representative

Commissioner

 Title of Authorized Representative

1/30/2015

 Date

Secova, Inc.

Contractor

Venkat Tadanki

 Signature of Authorized Representative

Venkat Tadanki

 Name of Authorized Representative

President & CEO

 Title of Authorized Representative

01/28/2015

 Date