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**THE STATE OF NEW HAMPSHIRE  
INSURANCE DEPARTMENT**

21 SOUTH FRUIT STREET SUITE 14  
CONCORD, NEW HAMPSHIRE 03301

Roger A. Sevigny  
Commissioner

Alexander K. Feldvebel  
Deputy Commissioner

August 4, 2015

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

**REQUESTED ACTION**

Authorize the New Hampshire Insurance Department (NHID) to enter into a contract in the amount of \$65,000 with Compass Health Analytics, Inc., Portland, Maine (Vendor # 162376), to assist the Department in its development and execution of market conduct examinations to verify that health care insurance premiums are accurately developed based on filed and approved rates in compliance with requirements. This agreement is to be effective upon Governor & Council approval through April 30, 2016. 100% Federal Funds.

Funding is available in account titled Rate Review Cycle IV Grant as follows:

	FY2016
02-24-24-240010-59300000-046-500464 Consultants	\$65,000

**EXPLANATION**

The New Hampshire Insurance Department has received a federal grant to improve the health insurance premium rate review process and transparency related to health insurance premiums and medical care costs in New Hampshire. Under the grant, the vendor will assist the department with developing and executing market conduct examinations to verify that health care insurance premiums are accurately developed based on filed and approved rates in compliance with ACA and NH requirements.

The major deliverables for Compass Health Analytics, Inc. include:

1. Assisting the NHID in developing a detailed audit program to verify that individual and small group premiums for calendar years 2014 and 2015 were accurate based on the rate filings approved by the New Hampshire Insurance Department.
2. Conducting market conduct examinations, using the approved audit program, for the following issuers offering medical products in NH:

- Matthew Thornton Health Plan, Inc
- Time Insurance Company
- Harvard Pilgrim Health Care of N.E., Inc.
- Maine Community Health Options (d/b/a Community Health Options)
- Minutemen Health, Inc.

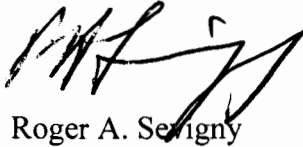
3. Summarizing the findings in a report format for NHID

After reviewing the bid responses, the Commissioner selected the Compass Health Analytics, Inc. proposal as the most responsive and cost effective to the Request for Proposals (RFP). The Request for Proposals was posted on the Department's website June 22, 2015 and sent to past bidders for Department contract work and companies doing work in this field. Six bids were received. Bids were evaluated by Department staff familiar with the project goals using a scoring system included in the RFP.

The department respectfully requests that the Governor and Council authorize funding for this consulting work. Your consideration of the request is appreciated.

In the event Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Roger A. Seigny

**RRG-404 PROPOSALS EVALUATIONS**

Evaluation Committee members: Edwin Pugsley, Joelien Atwater, Alain Couture, Martha McLeod, Maureen Mustard, Jenny Patterson

Evaluation process: Every member reviewed and independently evaluated the bids.

On August 3, 2015 the Evaluation Committee members met, and as a group assigned points to each bid per the "Specific comparative scoring process" described in each RFP.

All members agreed with the points assigned to each category for each bid depicted in the table below.

RFP/VENDOR	CONTRACTOR Specific SKILL (25% or points)	CONTRACTOR EXPERIENCE & QUALIFICATIONS (25% or points)	PROPOSED AUDIT PROGRAM (30% or points)	Bid Price	COST (20% or points)	TOTAL SCORE (100% or Points)	Score without \$\$\$	NOTES
<b>RFP 2015-RRG-404 Market Conduct Rate Review</b>								
Compass Health Analytics	20.40%	20.00%	23.20%	\$65,000	20.00%	83.60%	63.60%	
AGI Services	23.20%	22.60%	25.40%	\$158,925	8.18%	79.38%	71.20%	
Examination Resources, LLC	23.60%	24.20%	25.60%	\$323,910	4.01%	77.41%	73.40%	
Gorman Actuarial, Inc.	20.60%	20.80%	25.60%	\$159,810	8.13%	75.13%	67.00%	
Risk & Regulatory Consulting	21.80%	21.80%	23.20%	\$410,866	3.16%	69.96%	66.80%	
INS Regulatory Insurance Services, Inc.	21.80%	21.40%	7.00%	\$190,260	6.83%	57.03%	50.20%	

Subject: Compass Health Analytics - Market Conduct Rate Review

**AGREEMENT**

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

**GENERAL PROVISIONS**

RECEIVED BY  
NH INSURANCE DEPT  
AUG 05 2015

**1. IDENTIFICATION.**

1.1 State Agency Name New Hampshire Insurance Department		1.2 State Agency Address 21 S. Fruit Street, Suite 14, Concord, NH 03301	
1.3 Contractor Name Compass Health Analytics, Inc.		1.4 Contractor Address 254 Commercial Street, 2nd Floor, Portland, ME 04101	
1.5 Contractor Phone Number 207-541-4900	1.6 Account Number	1.7 Completion Date April 30, 2016	1.8 Price Limitation \$65,000
1.9 Contracting Officer for State Agency Alexander Feldvebel, Deputy Commissioner		1.10 State Agency Telephone Number 603-271-7973	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory James Highland, PhD, President, Compass Health Analytics	
1.13 Acknowledgement: State of <u>Maine</u> , County of <u>Cumberland</u> On <u>August 4, 2015</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.i Signature of Notary Public or Justice of the Peace [Seal] <b>Chanterelle P. Atkins</b> Notary Public, State of Maine My Commission Expires on <b>January 30, 2019</b>			
1.13.2 Name and Title of Notary or Justice of the Peace Chanterelle P. Atkins, Notary			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Alexander K. Feldvebel, Deputy 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>8/12/15</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**  
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").  
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

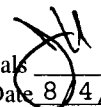
**4. CONDITIONAL NATURE OF AGREEMENT.** Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event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

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**  
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.  
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.  
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

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

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**  
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.  
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.  
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**  
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.  
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.  
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials   
Date 8/4/15

**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 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.

# **Agreement with Compass Health Analytics, Inc. Market Conduct Rate Review**

## **Exhibit A**

### **Scope of Services**

The consultant's primary responsibility is to perform consulting services for the NHID relating to developing and executing Market Conduct Examination(s) to verify that health care insurance premiums are accurately developed based on filed and approved rates in compliance with ACA and NH requirements. Specific responsibilities of this vendor include:

1. Assisting the NHID in developing a detailed audit program to verify that individual and small group premiums for calendar years 2014 and 2015 were accurate based on the rate filings approved by the New Hampshire Insurance Department.
2. Conducting market conduct examinations, using the approved audit program, for the following issuers offering medical products in NH:

#### Calendar Year 2014

Matthew Thornton Health Plan, Inc. NAIC# 95527

#### Calendar Year 2015

Matthew Thornton Health Plan, Inc. NAIC# 95527

Time Insurance Company NAIC# 69477

Harvard Pilgrim Health Care of N.E., Inc. NAIC# 96717

Maine Community Health Options NAIC# 15077 (d/b/a Community Health Options)

Minutemen Health, Inc. NAIC# 15010

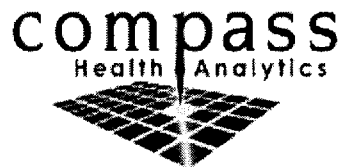
3. Summarizing the findings in a report format for NHID
4. Work set out in response to the RFP (attached)



Proposal to the  
State of New Hampshire Insurance Department  
for Consulting Services Relating to  
Market Conduct Rate Review  
NHID RFP 2015-RRG-404

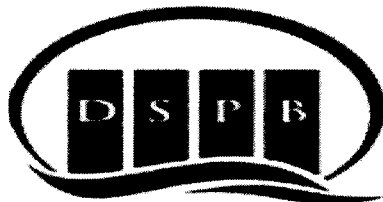
July 20, 2015

Submitted by  
Compass Health Analytics, Inc.



and

Dawson, Smith, Purvis & Bassett, P.A.



**DAWSON SMITH  
PURVIS & BASSETT**  
CERTIFIED PUBLIC ACCOUNTANTS  
AND BUSINESS ADVISORS

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## 1. Introduction

Compass Health Analytics, Inc. and Dawson, Smith, Purvis & Bassett, P.A are pleased to partner and submit this proposal in response to the Request for Proposals from the State of New Hampshire Insurance Department (NHID) to provide consulting services to develop and execute Market Conduct Examinations. The examinations will verify that health insurance premiums are accurately developed based upon filed and approved rates in compliance with the ACA and New Hampshire requirements.

Compass provides consulting services on actuarial, financial, economic, and data management issues to state and county governments as well as nonprofit health care organizations nationwide. We employ experts in health care economics and finance, health care actuarial science, analytical programming, and decision support technology, with whom we support our clients in their decision-making related to health care policy, rate development and review, medical and capital budgeting, risk arrangements, managed care contracting, reimbursement systems, and financial planning.

Dawson, Smith, Purvis & Bassett, P.A. (DSPB) provides audit and accounting services to numerous organizations of different sizes. We provide audit, review and compilation services to a variety of clients. In addition to financial statement services, we also prepare tax returns and any other filing requirements our clients have. Our staff, from partners to staff accountants, are responsive to the needs of our clients. We can be on site if necessary and we will respond to emails and phone calls immediately. The size of our firm provides us with a depth of knowledge to cover a wide variety of audit and accounting issues, but also the flexibility to be very responsive to clients.

This document addresses Compass and DSPB's skills and experience in providing services similar to those described in the RFP, our general qualifications, our approach to the project, and a proposed Audit program time line. Please contact James P. Highland, PhD, President of Compass, with any questions or requests for further information.

## 2. Primary Expertise Relevant to the RFP

Compass specializes in analysis of health care data, ranging from actuarial and financial analysis to outcomes analysis to economic analysis supporting policy makers. We provide analysis of issues related to: benefit pricing, including the effect of benefit mandates and essential health benefits, health care cost trends, carrier administrative loads, profits, and financial condition.

Compass has a practical knowledge of insurance markets, insurance laws, and insurance regulations, drawn from decades of collective experience working for commercial insurers as employees, consulting for regulators and reviewing individual rates. This knowledge and experience gives us a unique understanding of the rate filing process and rating regulations. Drawing on the firm's health economics expertise, we have an understanding of the overall dynamics of the health care market.

Dawson, Smith, Purvis & Bassett, P.A. is committed to providing quality accounting, tax and consulting services to our clients in a timely manner. One of the mantras in our office is "no surprises". Communicating clearly and frequently with our clients ensures that we are knowledgeable about their individual situations in order to avoid unexpected outcomes. The success of the firm is anchored by a solid team of professionals with a wide range of expertise. We use a variety of technological tools to enable us to efficiently perform our duties including laptops and scanners in the field and a paperless work paper organization software (ProSystem fx Engagement) which integrates with our tax software (ProSystem fx Tax).

With our collective experience in New Hampshire health insurance issues and auditing expertise, we are well-positioned to assist the Department. Our experience covers the key areas laid out in the RFP:

- Expertise with operational processes and procedures of health carriers for rate filings
- Knowledge of ACA requirements for rate setting
- Ability to document proposed work plan with TeamMate software
- Familiarity with NAIC Market Regulation Handbook

The following paragraphs summarize these qualifications.

**Expertise with operational processes and procedures of health care rate filings**

Our knowledge of insurance markets, insurance laws, and insurance regulations includes direct experience with New Hampshire rate filings. As noted above we have extensive experience working for commercial insurers as employees. Two of our staff proposed for this project were directly involved in the initial and second year ACA rate filings for a national insurer including New Hampshire filings. Having developed rate filings they are very familiar with the ACA rate regulations, allowable rating factors, and rating algorithms. This knowledge and experience gives us the expertise needed to develop an audit that will accurately test if billed rates are in compliance with ACA rate filings. Additionally, much of our collective experience has been in support of evaluating the justification for proposed health insurance premium increases. For example, Compass staff members have:

- Analyzed the self-selection and other effects arising in open enrollment scenarios, and drawn upon the literature on selection effects to inform analyses
- Analyzed various potential health insurance reforms and their effects on premiums. For example:
  - Accumulated extensive experience estimating the impact on premiums of state-mandated benefits
  - Developed premium requirements for a new low-cost health insurance product designed for small businesses

- Assisted the Maine Bureau of Insurance in reviewing ACA rate filings
- Calculated the actuarial valuation of different benefit levels in commercial policies. For example, Compass performed this type of analysis in the New Hampshire HealthFirst project.

In the following, we describe some examples of our relevant recent projects to illustrate the range of our expertise.

#### Actuarial analysis for New Hampshire HealthFirst

Compass provided actuarial analysis for the New Hampshire HealthFirst product, a small employer health coverage option. Over the course of several months, Lisa Kennedy and Jim Highland worked as part of a team with two other consulting organizations, and met regularly with the other team members and staff from NHID. Compass helped conduct public meetings which included members of the Legislature, employers, and carriers, and presented to the HealthFirst Advisory Committee.

#### Evaluation of proposed rates for individual health insurance in Maine, including rate increases submitted in response to the ACA

The Superintendent of the Maine Bureau of Insurance asked Compass for assistance in analyzing in detail the data and analysis supporting proposed rate increases for health insurance for the individual market. Compass evaluated the data submitted by the market-leading carrier and assisted the Bureau in identifying errors in the data and in requesting corrected and additional data. Compass identified alternative, significantly lower, trend assumptions which the insurer did not appeal. Compass's questioning of the data and calculations underlying the carrier's original proposed rates led to substantial reductions in the rate – by more than one third – approved by the Superintendent. In addition, we conducted similar reviews of the increases requested by carriers to comply with provisions of the ACA.

#### Knowledge of ACA requirements for rate setting

As previously mentioned, two of our staff were directly involved in the initial and second year ACA rate filings for a national insurer. Having developed rate filings, they are very familiar with the ACA rate regulations, allowable rating factors and rating algorithms. They were both involved not only in filings for three New England states, but also in the development of the rating tool used across all states within a national insurer to comply with the ACA rating algorithm. They worked with teams to develop an integrated and automated approach to the filing development. This tool allowed for the ability to quickly react to rating rule changes that were occurring during the initial construction of the filings, as well as respond to questions from state regulators. This work has provided our team members extensive knowledge of ACA requirements for rate setting.

#### Ability to document proposed work plan within TeamMate software

The parent company that makes TeamMate, Wolters Kluwer, is the same company that produces the audit software (ProSystem) that DSPB uses. We expect that there are a number of similarities

between the two. We expect that the software is fairly intuitive and user friendly, and we are confident in our ability to quickly learn the application. Our approach will be to have the staff that will be using it attend a tutorial on the software. The time, and associated cost, of learning to use the application are not in the project budget and would not be billed to NHID.

If awarded this project we would have staff get up to speed immediately on this software.

### **Familiarity with NAIC Market Regulation Handbook**

Compass has the 2015 NAIC Market Regulation handbook. We have reviewed pertinent sections of the handbook applicable to the scope of this project. Our knowledge will allow us to design an appropriate market conduct exam to test the performance of rating and billing systems. The design will include a first level electronic testing of all rate cells. Our audit approach will include further testing using an appropriate sampling of rates for each Issuer on a more granular level, including paper documentation, for the information used to assign rating factors in the system.

## **3. General Qualifications, Related Experience and Credentials**

### **3.1. Other firm experience**

Compass employees bring to Compass and its clients wide-ranging and technically-advanced cumulative experience in the healthcare industry. In the sub-sections below we discuss our experience in the following areas:

- New Hampshire and federal health insurance laws
- Insurance markets and trends
- Benefit mandate reviews
- Working with state governments
- Technical Reporting

The sub-sections below also contain a summary of our staff credentials. Compass and DSPB often find themselves working on projects collaboratively with clients and other consultants. We bring to our engagements solid communication and teamwork skills, a focus on client needs, and a demonstrated ability to work with both industry and regulatory personnel.

### **New Hampshire and federal health insurance laws**

With recent work on the NHID process and data sources, Compass staff have accumulated a working knowledge of New Hampshire insurance laws and regulations, particularly those related to rate review.

In prior roles, one of our staff members worked in New Hampshire as the senior director of underwriting for one of the state's largest insurers, acquiring local experience and knowledge of the

New Hampshire health care market, and another staff member worked as an actuarial director for a large national insurer, responsible for the New England regional pricing department, inclusive of New Hampshire.

As needed, Compass has accumulated knowledge of the ACA and other federal health insurance requirements, ranging from provisions that interact with state health insurance benefit mandates (for example, new requirements for minimum coverage for preventative care) to the impact of the ACA on state-level rate review standards.

#### Insurance markets and medical trends

Compass's practice requires its staff to stay informed about current trends in medical costs and to apply that knowledge in much of its work, whether evaluating a carrier's outstanding claim liability, assisting an employer group in rate negotiation, or evaluating the cost of a health insurance benefit mandate.

Likewise, Compass remains abreast of developments in the health care market. For example, Jim Highland has worked recently on ACO planning efforts in Maine and New Hampshire, the latter developing guidelines for ACO contracting among the largest health systems and insurers in the state.

#### Benefit mandate reviews

Compass has extensive experience in reviewing the potential impact of mandated health insurance benefits on commercial premiums. Such analysis requires a combination of legislative and regulatory analysis, a thorough familiarity with service data (codes) reflected in insurer claims, the capability to manage and work with large claim data sets such as APCDs, and actuarial skills, including the ability to project member/patient populations.

Compass has conducted numerous such prospective studies, mostly in Massachusetts, and has also completed two quadrennial assessments of the cost of all existing health insurance mandates in Massachusetts. All of these projects required coordination with the major carriers and other constituencies in Massachusetts in an environment in which opinions about the issues being analyzed are divergent and often contentious.

#### Working with state governments

Compass has extensive experience working for state government clients and for nonprofit entities working with state government programs. Through the experience of our staff with insurance regulators in Maine, Vermont, New Hampshire, and Connecticut, Compass staff have learned the policies, procedures, and politics typical of state government health insurance regulation. We have worked extensively with non-profit managed care organizations under contract to serve beneficiaries of state programs, interacting effectively and cordially with state personnel on insurance premium issues and negotiations.

In addition, Compass has experience working with the legislative and regulatory environment and with state agencies on matters that involved potential conflicts among stakeholders. Compass president Jim Highland has served on government committees that include legislators and has participated or led efforts to analyze public policy matters for government entities, recently assisting New Hampshire with developing recommendations for health care provider payment reform.

Most importantly, through our work with state agencies, including testifying at hearings, we have become attuned to the stakeholders in health insurance policy and regulation and their agendas. We understand the occasional contentiousness of the issues and environment, and the need to formulate and communicate conclusions carefully.

#### Technical reporting

Compass has experience in following, developing, and executing technical reporting instructions and requirements. Many, if not most, of our clients devise, or are required to produce, reports to meet legal or regulatory requirements. We have developed reports and the data processing environments supporting them required of insurer clients by regulatory and government-payer agencies. In working with insurance departments in New Hampshire and elsewhere, we have had to dig deep into the specifications of reports required of regulated carriers.

#### Healthcare compensation verification

On an annual basis, Dawson, Smith, Purvis & Bassett, P.A. (DSPB) assists management of one of our clients in determining whether compensation paid to medical providers is properly calculated according to a predetermined calculation formula.

Compensation paid to the medical providers is based on a combination of base salary, plus a combination of units of service provided and the type of service provided. Compensation will vary based on number of units and type of units. Each year DSPB develops a testing plan that includes sampling, recalculation and comparison to approved, predetermined rates. We then report to management with any discrepancies noted, and offer suggestions when applicable to help improve controls over maintaining the compensation calculation and proper documentation of the information supporting the calculation.

### **3.2. Staff credentials**

Compass staff members Larry Hart and Sarah Pacheco, under the direction of Jennifer Elwood FSA, MAAA will provide the actuarial and testing services outlined in this proposal. In addition to the experience Compass has as a firm, its staff bring deep and varied industry experience.

Dawson, Smith, Purvis & Bassett, P. A staff member Benjamin Gosselin, CPA will provide the primary auditing experience outlined in this proposal. He would assist in the development of the audit methodology, creating the testing procedures, and review and evaluation of the test results.

Summary descriptions of our consultants' experience follow; resumes are contained in Appendix A, and references who can speak to the specific skill sets are listed in Appendix B.



### **Jennifer Elwood, FSA, MAAA**

Ms. Elwood has over 17 years of experience as a health care actuary. Her broad background within the health care actuarial field has been built through multiple regional director positions for one of the largest insurers in the nation; most recently with responsibility for individual and commercial pricing in three New England states, including but not limited to actuarial pricing work related to the implementation of the Affordable Care Act, rate filings for Individual and Commercial lines of business, and other regulatory reporting. Further experience prior to Compass has included valuation of claim liabilities, financial forecasting, and developing and standardizing actuarial processes. At Compass, Jennifer's work has included development of actuarial cost estimates for mandated benefit studies, and claim liability estimation. Jennifer holds B.S. degrees in Mathematics-Statistics and Psychology, and a M.S. in Statistics from the University of Connecticut. She is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries.

### **Lawrence Hart**

Mr. Hart has a broad range of experience in health care insurance markets in both underwriting and actuarial capacities, including 28 years of experience at a national carrier in New Hampshire and other states. In his most recent role he was the pricing director responsible for leading a team that developed community base rates and rating factors for Maine individual and group markets. This included work on the initial ACA QHP rate filings. He previously served in several underwriting roles of increasing responsibility ending as a senior director of underwriting for New Hampshire. He was responsible for individual, small group and large group underwriting, and his experience includes developing a new medical underwriting capability in the small group market based on legislative changes. In addition Larry has experience in re-engineering and standardizing both actuarial and underwriting processes. Larry's work at Compass includes efforts on non-profit, community-based risk-bearing organizations, particularly on ACA and ACO related issues. Larry received his B.A. degree in mathematics from the University of Maine in Orono.

### **Sarah Pacheco**

Ms. Pacheco provides both quantitative and qualitative analytical support at Compass. Her work includes researching current health care reform efforts to support economic analyses, preparing data for actuarial analysis, and advising staff on current health care trends. Sarah joined Compass after graduating summa cum laude from the University of Maine with a B.A. in financial economics

### **Benjamin Gosselin, CPA**

Ben Gosselin is a manager at DSPB and would assist in the development of the audit methodology. He has over ten years of experience as a CPA. After beginning his career at a local mid-size CPA firm and spending 6 years there, Ben joined the internal audit department of a large financial institution. In his time there, Ben worked primarily on operational audits of various business lines within the bank. The focus of these audits was to evaluate the control structure and operating effectiveness of the controls in place. In addition, Ben also coordinated the annual Sarbanes-Oxley (SOX) testing for his audit group, which is the annual requirement to test controls over financial reporting. Since his return to public accounting, Ben has focused his time on audits and reviews of various business

entities. Ben is a graduate of Saint Joseph's College and holds a master of science in accounting from the University of Southern Maine. In addition to being a CPA, he is a certified fraud examiner.

### **3.3. Conflicts of interest**

Compass and DSPB are not aware of any potential, or actual, conflicts of interest with respect to this procurement. Compass has recently engaged in other consulting projects with the State of New Hampshire Insurance Department. Compass recently assisted a large New Hampshire hospital system with financial analysis of potential risks and rewards related to its participation in a Medicare ACO program. Compass has among its clients no insurers in New England, although it does serve some employer groups in Maine.

### **3.4. References**

See Appendix B for references.

## **4. Project Approach**

### **4.1. Project statement**

Based upon New Hampshire statute RSA 420-G (rate Review compliance to ACA requirements) the New Hampshire Insurance Department is required to verify that health care insurance premiums charged to individuals and groups are accurate and are based upon filed and approved rates.

This verification process is important because the ACA brought changes to health insurance rate development. The ACA changed rating rules, restrictions and the rate filing requirements for insurance carriers. As a result, insurance carriers also had to adapt their rating and billing systems used to support the billing of health insurance premiums in New Hampshire. This project will help ensure that rates charged to consumers and groups are accurate relative to rates approved by the New Hampshire Insurance Department.

Our proposed approach for assisting the Department with this important task is addressed in the following sections.

### **4.2. Assumptions**

Compass and Dawson, Smith, Purvis & Bassett, P.A. reviewed the rate filings publically available in SERFF. From those we see that of the five Issuers in 2015 all but one filed both individual and small group and one filed individual only. Our approach will use the following assumptions:

1. There are six issuers to be tested (includes Matthew Thornton both in 2014 and 2015).
2. Each Issuer provides individual coverage, and all but one of the Issuers provide small group coverage.

3. Within small group, there are four different rate filings or rate sets per year, each representing its own population.
4. Based on these assumptions, there would be up to 26 populations that would require detailed testing: 5 Issuers \* 4 rate filings/sets per year (small group) = 20, plus 6 Issuers (individual).
5. The risk of error by the Issuers in providing the correct rates is assumed to be low, and 0 deviations would be the expectation as a result of testing.

### 4.3. Approach

Compass and Dawson, Smith, Purvis & Bassett, P.A. will take the following approach to the audit:

1. Develop an independent rate algorithm tool based upon the filed and approved rates of each Issuer. The tool will utilize the base rates, age factors, plan factors, smoking status factors, and the rating algorithm within each rate filing. A separate algorithm for each Issuer and rating period will be developed.
2. Electronically collect from Issuers a file containing all rate cells using a combination of base rates, plan factors, age factors and smoking status factors. Using the rating algorithm we developed, devise a means to electronically test all rate cells (combinations) provided by the Issuers.
3. Based on the assumptions in Section 4.2 above, audit sampling methodology requires a selection of 40 items per population to be tested (assumes each population is greater than 200 total items). This sampling would include requesting detailed documentation from the Issuers supporting the age and other factors for the enrolled population in each test case.
4. With a total of 26 distinct populations to be tested, and 40 items per population, this results in a total of 1,040 total items to be tested.
5. If a deviation is noted, audit procedures dictate that an additional 20 items from the population be selected for testing, to be able to conclude that the deviation is an isolated incident.
6. Testing procedures for the sample population will consist of obtaining census data and entering key information from this source documentation (age, product selection, etc.) into the independent rating algorithm that will calculate what the proper rate should be based on filed and approved rates in compliance with ACA and NH requirements. These calculated rates will be compared against rates actually provided by each Issuer from their billing system. Deviations would be any rates actually charged to customers that do not agree with the calculated rate.

#### 4.4. Assistance from NHID

Compass and DSPB always work with their clients in a collaborative manner, and we expect this project will require a degree of partnership with NHID.

- NHID will review the project scope and plan with Compass and DSPB.
- Potential need for assistance from NHID in getting the required documentation from Issuers in the required time periods.
- NHID staff time will be required for typical project status and review of tasks.

### 5. Cost and Timeframe Proposal

#### 5.1. Timeframe

We will begin by reviewing the project timeframe with NHID and amend it as necessary. For purposes of planning under this proposal, we will assume the project will begin in early September, and be completed by March 30, 2016. We will assume that the carriers will provide the necessary documentation in the time frames outlined below.

#### NHID General Project Plan

<b>Task</b>	<b>Timeframe</b>
Initial Project Review w/ NHID	Early September
Request Electronic rate information from the Issuers for all rating periods	By September 10
Develop Independent rating tool and rate tester for each Issuer for each rating population	By October 16
Obtain electronic rate information from the Issuers	By October 16
Select audit sampling of 40 for each population to be tested	By October 20
Request census information and billing rate information from the Issuers	By October 22
Obtain census information and rate information from the issuers	By November 20
Perform testing using census data, plan information, and billing rates	By December 22
Review Results	By December 30
Research any deviations	By January 5, 2016
Request census information and rate information from the issuers for populations with deviations for 20 more samples	By January 12
Obtain census information and rate information from the issuers for populations with deviations	By February 15
Perform testing using census data and plan information	By February 28
Review Results	By March 15
Summarize Findings for NHID	By March 30

Maintaining this, or any, timeline will depend on the start date of the project. We plan to complete the project in advance of the April 30, 2016 deadline as a contingency to allow 30 days for any unforeseen delays.

## 5.2. Cost Bid

Compass proposes the following hourly rates and total cost for performance of work described in Section 4.

<b>Staff class</b>	<b>Hourly rate</b>
Consulting Actuary	\$ 275
Director Risk Consulting Services	\$ 225
Analyst	\$ 60
Auditor	\$ 180
Total Estimated for Project	\$ 59,750

Compass' hourly rates are all-inclusive. No additional expenses will be billed to the NHID with the exception of travel costs and extraordinary out-of-pocket costs for purchases requested by the client (e.g., public data files). Invoicing for staff time will not exceed \$65,000 and will meet the requirements laid out in the RFP.

## Appendix A: Resumes

Jen Elwood, FSA, MAAA

Lawrence Hart

Sarah Pacheco

Benjamin Gosselin

## JENNIFER ELWOOD, FSA, MAAA

### Professional Experience

- 2014-present     **Compass Health Analytics, Inc., Portland, ME**  
**Consulting Actuary**  
Assist nonprofit managed care organizations with claim liability analysis, rate development, budget development, and financial monitoring.  
Estimate impact of proposed benefit mandates for state government policy makers.
- 1998-2014     **Anthem, Inc., Wallingford, CT**  
**Northeast Regional Pricing Director, 2012-2014**  
Responsible for the Individual and Commercial Pricing function in Connecticut, Maine and New Hampshire, managing a team of three state pricing directors and seven analysts. Acted as a strategic regional lead supporting the East RVP and executive leadership in the Northeast region. Collaborated with state and regional leadership to achieve profitability and membership goals. Coordinated rate development and preparation of rate filings and certifications for Connecticut, Maine, and New Hampshire Individual and Commercial business. Provided strategic guidance and direction to the state Pricing Directors, ensured corporate directives were met while balancing state objectives.
- Northeast Regional Lead and Connecticut Pricing Director, 2010-2012**  
Responsible for the Commercial Pricing function in Connecticut and managing a pool of seven analysts supporting the pricing needs of Connecticut, Maine, and New Hampshire. Collaborated with state leadership and underwriting to achieve profitability and membership goals. Supported the Connecticut State President as a strategic business partner and acting as the primary actuarial point of contact for internal and external constituents. Coordinated rate development and preparation of rate filings and certifications for Connecticut Commercial business and provided quarterly rate recommendations based on emerging experience and changing business environment. Served as the primary point of contact for the Department of Insurance regarding rate filings. Participated in the quarterly forecast and annual planning process, working closely with the Connecticut leadership team on strategies to drive success in the marketplace. Supported ongoing product development efforts, a critical component to manage risk in a community rated environment. Participated on enterprise projects representing the actuarial discipline as well as regional and state market needs. Served as the actuarial representative for ongoing Connecticut Exchange Board and Department of Insurance meetings with health insurance carriers.
- Northeast Valuation Director, 2008-2010**  
Responsible for the Valuation function in Connecticut, Maine, and New Hampshire. Managed staff of eight associates responsible for estimating claim liabilities and other reserves for Commercial, Consumer and FEP business. Directed development of quarterly and annual statutory and GAAP reporting including support of quarterly actuarial certification and SOX control testing and certifications. Coordinated actuarial portion of quarterly and annual external audits and supported DOI audits. Provided information to Actuarial, Finance and Business Unit partners to support timely understanding of emerging financial results. Standardized work processes across the region and supported enterprise standardization efforts.
- Northeast Forecasting Director, 2006-2008**  
Responsible for the Forecasting function for Commercial and Individual business in Connecticut, Maine, and New Hampshire. Managed staff of five associates responsible for developing the annual budget, quarterly forecasts, and detailed monthly variance analysis. Supported executive management as a strategic partner in understanding emerging business results and modeling potential future actions. Acted in a peer review capacity by fully developing all assumptions and reconciling them with ongoing pricing and valuation development as well as other financial entries.

**Professional Experience (cont.)**

1998-2014

**Anthem, Inc. (cont.)**

**Connecticut and New York Forecast Lead, 2001-2006**

Developed the annual budget and quarterly forecasts for the Connecticut Commercial Business and Anthem Health and Life of New York. Provided key financial information to executive management in a timely and accurate manner through forecast modeling and analysis of monthly results. Participated on the Strategic Research Team evaluating potential opportunities for growth in the East region and assisting the Corporate Mergers and Acquisition team as needed. Developed and enhanced forecasting models to increase speed and accuracy of forecast process.

**Connecticut Valuation and Forecasting Analyst, 1998-2001**

Developed annual budget and quarterly forecasts for Anthem Health & Life of New York. Participated on the Medical Cost and Quality Committee and represented the Actuarial Division as a point of contact for Medical Management and Provider Contracting. Presented Cost of Care information to executive management and external audiences. Produced monthly claim liability reserves and corresponding Quarterly and Annual Statement exhibits.

**Education**

M.S., University of Connecticut, Statistics, August 1997

B.S., University of Connecticut, Mathematics-Statistics and Psychology, December 1992

**Memberships**

Fellow, Society of Actuaries (FSA)

Member, American Academy of Actuaries (MAAA)

**Boards and Committees**

**Professional**

- Blue Cross and Blue Shield Actuarial and Underwriting Committee (District I) (2010-2014)
- Society of Actuaries – Grading and Question Writing, Core Exam (2012-current)
- Health Reinsurance Association/Connecticut Small Employer Health Reinsurance Pool Actuarial Committee (2010-2014)
- New Hampshire Small Employer Health Reinsurance Pool Board (2009-2011)

**Other**

- Easter Seals Goodwill Industries Board of Directors (2011-current)
- Minnechaug Swim and Tennis Club Board of Directors (2012-2014)



## LAWRENCE E. HART

### Professional Experience

- 2014 – Present    **Compass Health Analytics, Inc., Portland, ME**  
**Director, Risk Consulting Services, 2014-**  
Price new benefit designs, project claims, develop rates, and develop forecasts for managed care clients. Assist state regulators with review of health insurance rate filings. Analyze health insurance cost drivers for state government policy makers. Support clients in financial evaluation of alternative provider reimbursement arrangements, including ACOs, with experience analysis, projections, and modeling.
- 2006 – 2014    **Anthem Blue Cross & Blue Shield of Maine, South Portland, ME**  
**Actuarial Business Director, 2010-2014**  
Other position held: Actuarial Business Consultant  
Supervised staff and conducted competitive analysis, new product and mandate pricing. Recommended adjustments to product design, and the product portfolio. Developed financial forecast key assumptions such as rate increases, buy down, and claims trends. Worked with Finance partners to develop the forecast, interpret financial results and variances. Prepared and oversaw Maine group and individual rate filings including the 2014 QHP filings. Responsible for the development of all retention, trend, completion and other rating factors for the Maine business unit. As the Actuarial pricing Lead and point of contact provided ongoing consulting service including strategic growth and margin planning for Maine leadership.
- 2002 – 2006    **Anthem Blue Cross & Blue Shield of New Hampshire, Manchester, NH**  
**Senior Director of Underwriting, 2002-2006**  
Managed and led a staff of up to 22 associates in successful rate development for prospective and renewing group business. Developed alternate funding mechanisms including contingent premium, minimum premium, and ASO. Recruited and developed small group staff to perform newly allowed medical underwriting. Managed a rating system conversion for small and large group business. Developed an underwriting process for new dental product launch in New Hampshire market. Developed incentive plan with common goals for underwriters and sales associates. Accompanied sales staff to explain technical rating components to marquee accounts.
- 1986 – 2002    **Anthem Blue Cross & Blue Shield of Maine, South Portland, ME**  
**Underwriting Manager, 1996-2002**  
Other positions held: Senior Underwriter and Underwriter  
Managed and led a staff of seven associates in the successful rate development for prospective and renewing group business. Developed alternate funding mechanisms including contingent premium, minimum premium, and ASO. Successful implementation of an automated Excel-based merit-rating model. Developed streamlined product portfolio and standard plan packages to minimize adverse selection. Accompanied sales staff to explain underwriting rationale to marquee accounts. Developed an income transfer mechanism to deal with adverse selection issues resulting from offering a separately-owned HMO beside Anthem products. Oversaw analysis and implementation of a procedure which ensured high-risk individuals were assessed and were accurately reflected in the rating of large groups.
- 1985- 1986    **Northwestern Mutual Life, Bangor, ME**  
**Insurance Agent**  
Became licensed with the State of Maine to sell life and health insurance. Completed Essentials of Life Underwriting training program for Northwestern Mutual. Developed clientele by selling term and whole life insurance.

**Lawrence Hart**

Page 2

**Education**

B.A., University of Maine at Orono, Mathematics, 1985

**Boards and Committees**

Professional

- Blue Cross and Blue Shield Actuarial and Underwriting Committee (District I) (2002 – 2014)
- Maine Vaccine Association Board (2010-2014)
- New Hampshire Vaccine Association Board (2005-2008)

Other

- Greater Portland United Way Investment Committee for Health Services. (2009 – present)
- Easter Seals Maine Board of Directors (2014 – present)
- Blue Cross Blue Shield of Maine Employees Federal Credit Unit Board of Directors (1988 – 2004)

## Sarah H. Pacheco

### Professional Experience

October 2012 - **Compass Health Analytics, Inc., Portland, ME**  
Present **Analyst**

Conducts quantitative and qualitative research on various health care topics, with a primary focus on behavioral health in the public sector and health care reform. Acts as a research assistant for senior level economists and actuaries to help support client work related to analyzing insurance claims data. Assists programming staff in monthly production of multi-million record data warehouse for a managed care organization.

### Education

B.A., University of Maine, *summa cum laude*, Phi Beta Kappa, Financial Economics, 2012

## Benjamin E. Gosselin

### Professional Experience

- 2014-present     **Dawson, Smith, Purvis & Bassett, P.A., Portland, ME**  
**Audit Manager**  
As Audit Manager, responsible for timely and efficient performance of audit engagements, as well as providing issuance-ready products to partner for review. Primary responsibilities as manager include, but are not limited to:
- Engagement planning – preparation of all planning documents, schedule requests, coordinating fieldwork and preparation of budgets.
  - Engagement fieldwork and administration – leading the engagement by assigning work to staff members, performing testing of more complicated areas and reviewing the work of staff members.
  - Engagement wrap-up – preparation of financial statements and other communications with client management.
  - Preparation of corporate and individual tax returns.
- 2012-2014     **Albin, Randall & Bennett, Portland, ME**  
**Audit Senior**  
As Audit Senior, act as the in-charge auditor for most engagements. Primary responsibilities as an audit senior include, but are not limited to:
- Engagement planning – preparation of all planning documents, schedule requests, coordinating fieldwork and preparation of budgets.
  - Engagement fieldwork and administration – leading the engagement by assigning work to staff members, performing testing of more complicated areas and reviewing the work of staff members.
  - Engagement wrap-up – preparation of financial statements and other communications with client management.
  - Preparation of corporate and individual tax returns.
- 2010-2012     **TD Bank, N.A., West Falmouth, ME**  
**Audit Supervisor, Internal Audit Department**  
Transferred internally from the Finance department where I held the title of Accounting Supervisor III. The primary responsibilities included:
- Audit planning – preparation of all planning documents, coordinating and leading kick-off meetings with lines of business management and preparing budget/milestone documents.
  - 
  - Audit fieldwork – coordinating document requests, ensuring that the team is fully capacitated and working efficiently, reviewing work papers, identifying risks and controls, maintaining communication with audit management and lines of business.
  - 
  - Reporting and wrap-up – preparation of audit reports and other communication to lines of business, leading exit meetings and coordination of all post-audit follow-up work.
- In addition to the responsibilities noted above, I successfully managed the SOX testing effort for my team within the audit division. The SOX testing had a budget of approximately 2500 hours, and required the constant coordination of 6-10 staff members on a regular basis. The effort finished within budget and met all deadlines set.

**Professional Experience (cont.)**

**Accounting Supervisor III**

Hired to fill a newly created position that was to be responsible for Sarbanes-Oxley (SOX) documentation within the Finance department. The primary responsibility was to include the maintenance and updating of the process documentation of all SOX processes and to perform the corresponding test of one transaction for each process, which was to be relied upon by both internal and external audit. The responsibilities included but were not limited to:

- Responsibility for coordinating the quarterly SOX certification process, to include preparing and sending the certifications, as well as tracking responses and communicating control changes to internal audit.
- Preparing the quarterly account coverage analysis - a document that assists both internal and external audit in planning which accounts and areas to test.
- Responsible for creating and maintaining SOX process documentation for new processes to the Bank as a result of mergers, acquisitions, new products, etc.

2005-2010

**Macdonald Page and Co LLC, South Portland, ME**

**Audit Supervisor**

Promoted to supervisor to manage larger, more complex audit and accounting engagements; usually supervising several engagements simultaneously. Review the working papers of staff and senior level accountants and oversee preparation of the financial statements. Act as the primary contact with clients regarding engagement planning and status. Develop and train new staff members. Comply with pronouncements of professional and other regulatory groups. Key functions included:

- Assume full responsibility for supervising engagements and special assignments using established policies and procedures.
- Coordinating various phases of engagements, planning engagements, budgeting time and expenses, monitoring actual performance against budget, review working papers for accuracy and completeness and review financial statements for suitability of presentation and adequacy of disclosures.
- Review and evaluate client internal controls.
- Assign work to staff members based on their knowledge and capabilities.
- Ensure that working papers, financial statements and tax returns are prepared in accordance with generally accepted professional and internal Firm standards.
- Communicates engagement progress, problems, resolution, financial information, tax activity and other business concerns to the client.
- Preparation or review of financial statements, notes, schedules, management letters and tax returns for later discussion with the manager or director and the client.

**Education**

M.Sc., University of Southern Maine, Accounting, 2010

B.S., Saint Joseph's College of Maine, Biology, 2000

**Certifications**

Certified Public Accountant, State of Maine, 2008

Certified Fraud Examiner, Association of Certified Fraud Examiners, 2012

**Other**

Community Bicycle Center, Biddeford, Maine, Treasurer and Board Member (2012-2014)

## Appendix B: References

### Compass References

Catherine West  
Former Director of External Research Partnerships  
Massachusetts Center for Health Information Analysis  
617-701-8149  
[catherine.west@state.ma.us](mailto:catherine.west@state.ma.us)

Eric Cioppa  
Superintendent  
Maine Bureau of Insurance  
(207) 624-8426  
[Eric.A.Cioppa@maine.gov](mailto:Eric.A.Cioppa@maine.gov)

Richard H. Diamond, FSA, MAAA  
Former Actuary – HMO Rate Review  
Maine Bureau of Insurance  
Now Consulting Actuary  
207-728-0120  
[rickdiamond99@gmail.com](mailto:rickdiamond99@gmail.com)

### DSPB Reference

Brian Blethen  
Financial Analyst  
Lincoln Medical Partners  
35 Miles Street  
Damariscotta, ME 04543  
207-633-8453  
[brian.blethen@lchcare.org](mailto:brian.blethen@lchcare.org)

**Agreement with Compass Health Analytics, Inc.  
Market Conduct Rate Review**

**Exhibit B  
Contract Price, Price Limitations and Payment**

Total compensation under this contract with Compass Health Analytics, Inc. ("Compass") shall not exceed \$65,000, including travel.

Compass shall present an itemized invoice to the Department for payment which sets forth the date of service, number of hours in providing the services, the name of the individual(s) providing such service, and a description of the service provided. The Department will pay such invoices for services with 30 days of receipt.

# 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 Compass Health Analytics, Inc. is a New Hampshire corporation duly incorporated under the laws of the State of New Hampshire on July 14, 2008. I further certify that all fees and annual reports required by the Secretary of State's office have been received and that articles of dissolution have not been filed.



In TESTIMONY WHEREOF, I hereto  
set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 5<sup>th</sup> day of August, A.D. 2015

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State



**CERTIFICATE OF VOTE**  
(Corporation without Seal)

RECEIVED BY  
NH INSURANCE DEPT  
AUG 05 2015

I, **Arnold C. Macdonald**, do hereby certify that;  
*(Name of Clerk of the Corporation; cannot be contract signatory)*

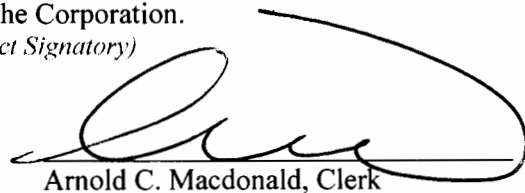
1. I am a duly elected Clerk of **Compass Health Analytics, Inc.**  
*(Corporation Name)*
2. The following resolutions were adopted by written consent of the sole director effective August 3, 2015.

**RESOLVED:** That this Corporation enter into a contract with the State of New Hampshire Insurance Department, for the provision of Health Insurance Market Conduct Rate Review services.

**RESOLVED:** That the **President, James P. Highland**, is hereby authorized on behalf  
*(Title of Contract Signatory)*  
of this Corporation to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he may deem necessary, desirable or appropriate.

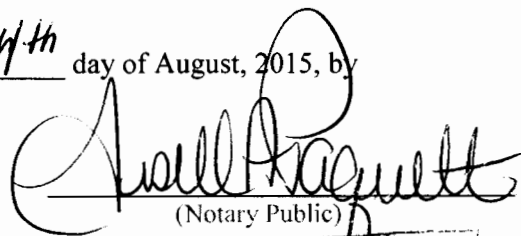
3. The foregoing resolutions have not been amended or revoked, and remain in full force and effect as of the **3<sup>rd</sup>** day of **August, 2015**.  
*(Date Contract Signed)*

4. **James P. Highland** is the duly elected **President** of the Corporation.  
*(Name of Contract Signatory) (Title of Contract Signatory)*

  
Arnold C. Macdonald, Clerk

STATE OF MAINE  
County of Cumberland

The foregoing instrument was acknowledged before me this 4<sup>th</sup> day of August, 2015, by  
**Arnold C. Macdonald, Clerk.**

  
(Notary Public)

**GISELE PAQUETTE**  
NOTARY PUBLIC  
Commission Expires: NTY 11/7/20  
MY COMMISSION EXPIRES NOVEMBER 7, 2020



# CERTIFICATE OF LIABILITY INSURANCE

COMPHEA-01 DLITTLEFIELD

DATE (MM/DD/YYYY)

8/7/2015

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).

<b>PRODUCER</b> Holden Agency Insurance 1085 Brighton Ave Portland, ME 04102	<b>CONTACT NAME:</b> Diane K. Littlefield, CIC, CPIW <b>PHONE (A/C, No, Ext):</b> (207) 775-3793 <b>E-MAIL ADDRESS:</b> info@holdenagency.com	<b>FAX (A/C, No):</b> (207) 523-2449
	<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b>  Compass Health Analytics, Inc. 254 Commercial St, 2nd Floor Portland, ME 04101	<b>INSURER A:</b> Peerless Indemnity Insurance Co.	
	<b>INSURER B:</b> Sentinel Insurance Co.	
	<b>INSURER C:</b> Nautilus Insurance Company	
	<b>INSURER D:</b>	
	<b>INSURER E:</b>	
	<b>INSURER F:</b>	

**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	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER: <b>General Aggregate</b>			BZS56285305	08/09/2015	08/09/2016	EACH OCCURRENCE \$ 2,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000
							MED EXP (Any one person) \$ 5,000
							PERSONAL & ADV INJURY \$ 2,000,000
							GENERAL AGGREGATE \$ 4,000,000
							PRODUCTS - COMP/OP AGG \$ 4,000,000
							\$
A	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			BZS56285305	08/09/2015	08/09/2016	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
							BODILY INJURY (Per person) \$
							BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
							\$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> EXCESS LIAB DED RETENTION \$						EACH OCCURRENCE \$
							AGGREGATE \$
							\$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	04WECK4323	08/09/2015	08/09/2016	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER
							E.L. EACH ACCIDENT \$ 100,000
							E.L. DISEASE - EA EMPLOYEE \$ 100,000
							E.L. DISEASE - POLICY LIMIT \$ 500,000
C	<b>Professional Liab</b>			NN595454	08/09/2015	08/09/2016	Each Claim/Agg 2,000,000

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

**CERTIFICATE HOLDER****CANCELLATION**

New Hampshire Insurance Department 21 South Fruit Street, Suite 14 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  <i>Diane Littlefield</i>

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## STANDARD EXHIBIT I

The Contractor identified as 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 mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and “Covered Entity” shall mean the New Hampshire Insurance Department.

### **BUSINESS ASSOCIATE AGREEMENT**

(1) **Definitions.**

- a. “Breach” shall have the same meaning as the term “Breach” in Title XXX, Subtitle D. Sec. 13400.
- b. “Business Associate” has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. “Covered Entity” has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. “Designated Record Set” shall have the same meaning as the term “designated record set” in 45 CFR Section 164.501.
- e. “Data Aggregation” shall have the same meaning as the term “data aggregation” in 45 CFR Section 164.501.
- f. “Health Care Operations” shall have the same meaning as the term “health care operations” in 45 CFR Section 164.501.
- g. “HITECH Act” means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. “HIPAA” means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
- i. “Individual” shall have the same meaning as the term “individual” in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. “Protected Health Information” shall have the same meaning as the term “protected health information” in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- l. “Required by Law” shall have the same meaning as the term “required by law” in 45 CFR Section 164.501.

- m. “Secretary” shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. “Security Rule” shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. “Unsecured Protected Health Information” means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
  - I. For the proper management and administration of the Business Associate;
  - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
  - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) 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 (ii) an agreement from such third party to notify Business Associate, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402 of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.
- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

**(3) Obligations and Activities of Business Associate.**

- a. 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 Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402.
- b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.
- c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
- e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- h. Business Associate shall 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 Section 164.528.
- i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

- j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(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 Section 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 whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- 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) **Termination for Cause**

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 Exhibit I. 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.

(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 Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section 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 Covered Entity to comply with the

changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state 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 resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
- e. Segregation. If any term or condition of this Exhibit I 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 Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

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

The NH Insurance Dept.

The State

Alexander K Feldvebel  
Signature of Authorized Representative

Alexander K. Feldvebel  
Name of Authorized Representative

Deputy Commissioner  
Title of Authorized Representative

8/10/15  
Date

Compass Health Analytics, Inc.

Name of the Contractor

[Signature]  
Signature of Authorized Representative

James P. Highland, PhD  
Name of Authorized Representative

President  
Title of Authorized Representative

August 4, 2015  
Date