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

IV 18

February 24, 2014

Her Excellency Governor Margaret Wood Hassan
And The Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the New Hampshire Insurance Department to enter into a contract in the amount of $525,920 with Public Consulting Group, Inc. (Vendor # 161843) of Boston, MA, for consulting services for the purpose of providing technical assistance, training, planning, and additional production capacity to support plan management activities related to the New Hampshire marketplace. This contract is to be effective upon Governor & Council approval through December 31, 2014.

The funding is available in account titled CY2014 Level I Establishment Grant as follows.

	FY2014	FY2015
02-24-24-240010-89040000-046-500464 Consultants	$300,000	$225,920

Source of funds: 100% Federal. No General Funds are required.

EXPLANATION

The New Hampshire Insurance Department has received a federal grant to continue to support the plan management activities related to the partnership health benefit marketplace established in New Hampshire. The purpose of the partnership is to preserve the state's insurance regulatory authority, to the greatest extent possible, with respect to insurance plans sold on the marketplace. The Level One Establishment Grant is made available pursuant to Public Law 111-148 and Public Law 111-152 (The Patient Protection and Affordable Care Act.)

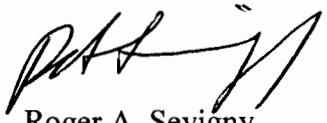
Grant funds will be used to update procedures and work flows necessary to continue the State's traditional regulatory authority as applied to the health insurance sold through the New Hampshire marketplace, including such areas as licensure, solvency review, form and rate review, review of marketing, consumer complaints and determination of network adequacy.

After reviewing the bid responses, the Commissioner selected the Public Consulting Group's proposal as the most responsive to the Request for Proposals (RFP). The Request for Proposals was posted on the Department's website January 16, 2014 and sent to past bidders for Department contract work and companies doing work in this field. Two 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.

Very truly yours,



Roger A. Sevigny

2014-PM-01 PROPOSALS EVALUATIONS

Evaluation Committee members: Sonya Baker, Michael Wilkey, Alain Couture, Martha McLeod

Evaluation process: Every member reviewed and independently evaluated the bids.
On February 14, 2014, 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	COMPLIANCE EXAMINER & MARKET ANALYSIS SKILL * (50% or points)	CONTRACTOR EXPERIENCE & QUALIFICATIONS (25% or points)	Bid Price- BUDGET AMOUNT	COST (25% or points)	TOTAL SCORE (100% or Points)	Score without $$$	NOTES
2014-PM-01 Plan Management Consultant Services							
Public Consulting Group	46.00%	21.25%	$525,920	23.96%	91.21%	67.25%	Winning Bid
Ins Regulatory Insurance Services, Inc.	41.00%	21.00%	$504,000	25.00%	87.00%	62.00%	

Print Form

Subject:

FORM NUMBER P-37 (version 1/09)

RECEIVED BY NH INSURANCE DEPT FEB 20 2014

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Insurance Department	1.2 State Agency Address 21 South Fruit St. Suite 14, Concord, NH 03301
1.3 Contractor Name Public Consulting Group, Inc.	1.4 Contractor Address 148 State St. Tenth Floor, Boston, MA 02109
1.5 Contractor Phone Number 617.426.2026	1.6 Account Number
1.7 Completion Date December 31, 2014	1.8 Price Limitation $525,920.00
1.9 Contracting Officer for State Agency Alexander Feldvebel	1.10 State Agency Telephone Number 603.271.7973 x257
1.11 Contractor Signature William S. Mosakowski	1.12 Name and Title of Contractor Signatory William S. Mosakowski President/CEO

1.13 Acknowledgement: State of Massachusetts, County of Suffolk

On 2/19/14, 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. Carrie P. Kaplowitz

1.13.1 Signature of Notary Public or Justice of the Peace

CARRIE P. KAPLOWITZ
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
August 31, 2018

[Seal]

1.13.2 Name and Title of Notary or Justice of the Peace

Carrie P. Kaplowitz Administrative Assistant

1.14 State Agency Signature Alexander K Feldvebel	1.15 Name and Title of State Agency Signatory Alexander Feldvebel, Deputy Comm

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: M.K. Brown On: 2/24/14

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 2/20/14

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

Contractor Initials DSH

Date 2/20/14

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.

Contractor Initials DSH
Date 2/20/14

Agreement with Public Consulting Group, Inc.

2014-PM-01 Plan Management Consultant Services

Exhibit A

Scope of Services

The Contractor's primary responsibility will be to

1. Provide Project Management to the New Hampshire Insurance Department (the Department) to support the New Hampshire Plan Management Partnership Marketplace including:
    a. Evaluating existing workflows, resources, production standards and tools
    b. Create an implementation plan with new workflows, production standards and tools to support certification and regulation of Qualified Health Plans (QHP)
    c. Provide training and guidance to Department staff
    d. Issue periodic status reports to senior management at the Department
    e. Draft required federal reports for grant funding and partnership exchange
2. Provide capacity to the Department, as determined by production needs, in the form of a compliance examiner to implement the certification and regulation of QHPs including:
    a. Examination of insurance policy forms, riders, endorsements and advertising to assure compliance with established federal and state laws and regulations
    b. Prepare communications for issuance through an electronic data base system, and
    c. Assist Department personnel with the implementation of plan management processes and workflows
3. Provide capacity to the Department in the form of market analysis and examination to implement the certification and regulation of QHPs including:
    a. Examination of state network adequacy requirements and Affordable Care Act requirements for the identification of provider and service area requirements to meet QHP standards
    b. Identify reporting requirements and identify tools and data sources to track and report market conduct investigations and examinations related to ACA
    c. Assist in implementation of new tools and standards;
    d. Assist Department personnel with the implementation of plan management processes and workflows
4. Work set out in the response to the RFP (attached).

PCG | Health

Public Focus. Proven Results.™

New Hampshire Insurance Department

Plan Management Consultant Services

February 13, 2014 4:00 PM

RFP #:2014-PM-01

21 South Fruit Street, Suite 14
Concord, New Hampshire, 03301

PUBLIC CONSULTING GROUP

148 State Street, Tenth Floor, Boston, Massachusetts 02109
Tel. (617) 426-2026, Fax. (617) 426-4632
www.publicconsultinggroup.com

PUBLIC CONSULTING GROUP

Public Focus. Proven Results.™

February 13, 2014

New Hampshire Insurance Department
Attention: Alain Couture
21 South Fruit Street, Suite 14
Concord, NH 03301

Dear Mr. Couture:

Public Consulting Group is pleased to submit this proposal to provide Establishment Grant Plan Management activities (RFP# 2014-PM-01) for the New Hampshire Insurance Department (NHID).

The skills, experience and approach we describe in this proposal highlight the following reasons to select PCG:

- Since March 2013, PCG has played a key role helping NHID establish its Qualified Health Plan (QHP) certification and oversight process. Over the next nine months, we are ideally positioned to "finish the job" of establishing the operational sustainability of this process for years to come.

- PCG is supporting Plan Management establishment activities for both state-based and partnership exchanges in New Hampshire, Arkansas, Delaware, Hawaii, Idaho, and New Mexico. In the process, PCG has become deeply engaged with the existing structures and functions of state insurance departments and bring national subject matter expertise to our work in New Hampshire.

- PCG is the only vendor in the country that has helped a state insurance department fully establish operational protocols for QHPs that serve as the delivery system for a Medicaid expansion, which is now on the horizon in New Hampshire.

- Our approach to establishing state insurance department partnership exchange plan management procedures has been cited by the federal DHHS as a best practice other states may wish to emulate.

- PCG is deeply versed in all aspects of the Affordable Care Act, not just Plan Management. About one-half of states have engaged PCG in some capcity to assist them with health care reform. This expertise will prove invaluable to NHID as its responsibilities related to state health care policy increases.

- Over the past year, PCG has proven its capacity to provide weekly onsite QHP certification support in Concord. We are committed to maintaining that physical presence throughout 2014. As PCG continues to broaden its support of New Hampshire state government activities, our staff presence in Concord will continue to grow.

The 2015 QHP certification cycle will be more complex than 2014. NHID will be reviewing more plans, likely including multi-state plans. It is anticipated that some of the carriers likely to file plans for 2015 have not previously offered health insurance policies in New Hampshire. The form and rate filing process NHID compliance staff will be expected to execute in a short time frame will be especially challenging.

New Hampshire has every reason to leverage the relationship it has already built with PCG to support this process. The consultants staffing this project have built relationships with NHID staff and have come to understand the internal processes NHID uses to complete work.

We look forward to another year of helping the New Hampshire Insurance Department navigate the changing regulatory landscape and its growing role in state health care policy.

Sincerely,

William S. Mosakowski,
President & CEO
Public Consulting Group, Inc.

Table of Contents

A. Introduction & Company Profile

A. Introduction & Company Profile

Public Consulting Group (PCG) is pleased to submit this proposal in response to 2014-PM-01, Plan Management Consultant Services.

PCG is submitting this proposal to finish the next phases of the job we started last March helping the New Hampshire Insurance Department (NHID) establish its Health Insurance Marketplace plan management capacity.

PCG has spent a great deal of time in Concord over the past year, directly assisting NHID compliance staff with the State Partnership plan management implementation. Our work together has been extremely successful. PCG and NHID worked as a fully integrated team to meet the Qualified Health Plan (QHP) filing deadlines in 2013. We have worked together to complete bulletins, checklists, a policy and procedure manual, end-to-end process business mapping and to manage the plan certification process in the System for Electronic Rate and Form Filing (SERFF).

We have made substantial progress, and this next round of Level 1 grant funding will permit us to confront the new challenges that lay ahead during the next ten months, including the participation of new carriers, the involvement of the Office of Personnel Management (OPM) multi-state offerings and the anticipated release of additional federal rules governing the process. As consumer experience in the Marketplace begins to accrue this year, we also expect a greater emphasis on plan oversight.

PCG has 28 years of experience helping states navigate state and federal law to implement health reforms. PCG has been engaged with about half the states during the past three years assisting with Affordable Care Act (ACA) consulting. We understand that the ACA is about much more than health insurance exchanges. It's not just about providing access to coverage, but about reforming the way care is regulated in order to deliver the ACA vision of improving health outcomes, increasing the quality of care and lowering cost.

Overview of Public Consulting Group (PCG)

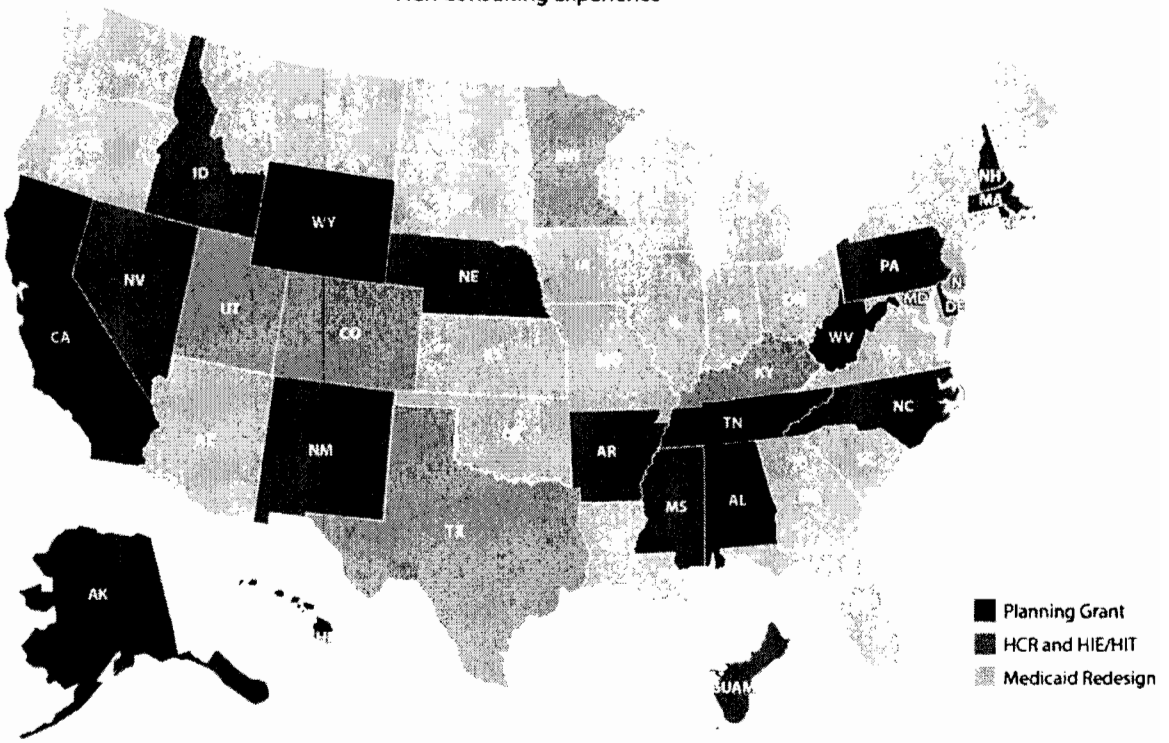
PCG is a professional services management consulting firm, founded in 1986, that has dedicated itself almost exclusively to public sector health, human services and education clients. PCG has grown to a firm of 1,414 employees as of December 1, 2013, located in 44 offices across the United States, Canada, and the European Union.

One of PCG's major focus areas is to help state and municipal health agencies to implement program reform initiatives, restructure service delivery systems to best respond to regulatory change, maximize program revenue, and achieve regulatory compliance. PCG's health practice area uses industry best practices to help organizations deliver quality services with constrained resources, offering expertise in strategy and finance, revenue cycle management, and payer support services.

Because PCG has dedicated itself almost exclusively to the public sector for 28 years, the firm has developed a deep understanding of the legal and regulatory requirements and fiscal constraints that often dictate a public agency's ability to meet the needs of the populations it serves.

We have helped numerous public sector organizations to maximize resources, make better management decisions using performance measurement techniques, improve business processes, improve federal and state compliance, and improve client outcomes. The practice has expanded to also include health care expense management, cost containment services, and Health Insurance Marketplace planning and implementation. PCG has established its Health Insurance Marketplace consulting leadership in Idaho, Delaware, Arkansas, New Mexico, Tennessee, Mississippi, Hawaii, Massachusetts, Nevada and New Hampshire with successful Across the United States, PCG has more than 1,000 active contracts in 48 of the 50 states.

HCR Consulting Experience



In the pages that follow, PCG will outline the specific regulatory and policy expertise related to plan management that we will deliver in order to "finish the job" in New Hampshire.

In preparing this proposal, PCG also considered attaching all of the artifacts prepared for the CMS New Hampshire Plan Management implementation review in November 2013. We deferred because those documents are already in NHID staff hands, but we reference them here and encourage a review of them as evidence of the formidable work PCG has put into our New Hampshire efforts thus far. We are committed to bringing the same energy to the job in the months ahead.

B. Specific Experience

PUBLIC CONSULTING GROUP

B.1. Project Management

A. Specific Experience

1. Project Management

B.1.a. At least five years of experience in the area of insurance regulatory compliance.

PCG has developed a robust Plan Management practice since the passage of the Affordable Care Act in March 2010. Three of the seven State Partnership Marketplaces - Arkansas, Delaware, and New Hampshire – rely on PCG for QHP plan management implementation consulting.

PCG is more qualified than any other firm to provide the staff augmentation NHID needs to conduct the 2015 certification and ongoing regulation of Qualified Health Plans. Since 2011, PCG has worked with Delaware to identify state rule changes and requirements necessary for their commercial market to comply with the Affordable Care Act. In addition to the rating rule changes required, PCG helped Delaware identify and implement more rule changes that modify review and audit procedures.

Arkansas has followed a similar path, with PCG as its trusted advisor for plan management. PCG helped Arkansas consider how QHP certification standards will interact with other state health policy priorities, such as payment reform. The Medicaid "Private Option" passed in Arkansas is the first experiment of its kind to utilize Marketplace Qualified Health Plans to be the delivery system for the Medicaid expansion population. PCG is the only vendor in the United States that has directly provided consulting expertise to an insurance department related to QHP certification procedures in an approved private option program.

PCG's insurance regulatory compliance experience extends to both managed care organizations and public payors. This is relevant to NHID because of the "churn" issue that will occur as consumers face income fluctuations that will prompt changes in eligibility status between New Hampshire Medicaid and the Marketplace.

Unlike firms that have traditionally just served Departments of Insurance, PCG has a deep understanding of Medicaid – eligibility, benefits, and regulations – that will be a valuable asset to NHID as we all work to improve the QHP certification process and implement additional reforms to health care.

B.1.b Ability to assess current workflows, tools and standards of health plan management; identify the need for new workflows, tools and standards; and incorporate changes into current structure.

Business process mapping, which involves assessing workflows and standards, has been a core PCG competency for over 20 years. State agencies have looked to PCG to enhance operational efficiency, improve client outcomes, achieve state and federal compliance, expand program financing options and contain costs utilizing its business process mapping capabilities.

The most relevant examples of PCG's ability to assess and redesign processes relate to our work with the ACA. Many ACA requirements call for extensive development and modification to business processes.

Last year, PCG assisted the NHID with efficiently integrating QHP review within the existing health insurance form and rate review process. Through joint planning sessions and interviews with key staff, PCG developed a process model outlining all aspects of QHP certification in New Hampshire, including standardized application review procedures. PCG documented the QHP application review, form and rate review, and other Department processes in the Plan Management Policies and Procedures manual developed in 2013.

PCG will continue to recommend new and modified processes, as appropriate, to assist NHID in efficiently and accurately completing QHP certification, recertification, and decertification requirements. PCG will use available tools and its current knowledge of NHID processes to identify further opportunities to improve the process.

B.1.c Project management experience including project start-up and implementation; ability to meet timelines and coordinate effectively with NHID staff.

Today PCG is managing more than 1,000 active contracts in 48 states. In this section, we describe our project management methodology and provide examples of our work drawn from our ACA experience.

PCG's Project Management Methodology

Project management encompasses the standards, processes, procedures, and supporting tools necessary to plan, monitor, and execute project life cycle phases. In addition, project management goes beyond managing the daily activities of the project team; it involves monitoring and communicating the project status, ensuring the timeliness and quality of deliverables and identifying and resolving issues before the project is affected.

PCG has helped states establish sound project frameworks that:

- Align with (CMS and CCIIO) milestone schedules and requirements;
- Ensure appropriate resources and skill sets were deployed as needed;
- Coordinate limited staff resources across multiple agencies and divisions;
- Produce high quality deliverables on time and within budget;
- Support streamlined flow of project communications through appropriate channels; and
- Ensure overall project accountability to project sponsors and key stakeholders.

Over the last twelve months, PCG has worked with the NHID to develop and follow a comprehensive Project Work Plan that provides detailed tasks, processes, and procedures for managing and controlling the life cycle activities of the NHID Plan Management project. It describes the processes and approaches for managing (i.e., planning, monitoring, and controlling) the project. The information in the Work Plan provides the basis for communication and understanding among project team members and all other stakeholders. PCG will continue to

leverage its experience managing large Marketplace implementations to tailor the project work plan to fit this project's size, scope, and duration.

B.1.d Experience in training and educating staff.

PCG routinely trains state and federal staff on Medicaid rules and regulations through the National Association of State Human Services Finance Officers (HSFO) organization. Our team has taught courses on Medicaid managed care, eligibility, coverage, reimbursement, and other waiver rules and regulations.

We are experts in the Code of Federal Regulations, State Plans, Title XIX of the Social Security Act and now the Affordable Care Act and the voluminous federal guidance and regulations released in the wake of the ACA. These training sessions have also included topics such as cost allocation preparation, time studies, revenue maximization, hands-on system training, and subject matter training.

We regularly conduct training sessions as part of our contracts with state government agencies and others. Examples include North Carolina, Colorado, and Wisconsin. In North Carolina, PCG provides training to 85 Local Health Districts (LHDs) on the Medicaid Administrative Claiming (MAC) program, the random moment time study (RMTS) process, and financial reporting. Through these trainings, PCG assists the state in ensuring the MAC program is compliant with state and federal requirements.

PCG also conducts outreach and training efforts across all of our school based health services program projects. In states like Colorado and Wisconsin, PCG provides training to the participating schools on RMTS, financial reporting and cost settlement and cost reconciliation. PCG also provides program review functions as part of our scope of services to ensure these programs are compliant with their State Plans and the federal guidelines.

In Arkansas, PCG provides guidance to the Insurance Department for both Plan Management and Consumer Assistance functions of the Exchange. Through creation of Policies and Procedures manuals and interdepartmental memorandums of understanding, PCG has enabled the Department to more clearly understand division roles and responsibilities under the Exchange.

In our work with the NHID, PCG has provided QHP certification training to staff, including SERFF training and ongoing technical support to ensure successful completion of the 2014 QHP certification process.

PCG has developed and conducted numerous trainings for clients, in a variety of contexts across and a wide range of subjects, with 28 years of experience from which to draw.

B.1.e Proven communication and organizational skills.

Communication and organizational management are cornerstones of all of PCG's project engagements.

In Arkansas, PCG is executing a Communication Plan to engage community partners and stakeholders in the development and refining of Marketplace operations, including Private Option Medicare expansion planning. PCG successfully engaged in a variety of communication platforms, including the creation of a collaborative online environment to serve as a document repository and communication channel for all members of the project team.

PCG has also serves as an active contributor to Delaware's Health Benefit Exchange Steering Committee and Delaware's Health Care Commission, routinely presenting on various aspects of the project. In addition, PCG conducted over 30 stakeholder meetings, focus groups, and public forums throughout the state to solicit input and feedback from a variety of individuals and groups. Similarly, in North Carolina, PCG worked with DHHS leadership to ensure clear and consistent communication and messaging about North Carolina's health care reform initiatives to internal stakeholders. We did similar stakeholder outreach for the State of Nevada as they designed their Marketplace model.

Perhaps most important is how we have applied our communication skills and capabilities with the federal government, on behalf of our clients. PCG communicates on a regular basis with CCIIO, including participating in CCIIO design review sessions. Three months ago, PCG facilitated a successful CMS Plan Management implementation review in Concord, assembling an impressive bundle of "artifacts" to exhibit the robust QHP certification and oversight infrastructure we have worked with NHID to build.

PCG maintains the most up-to-date information from CCIIO on plan management partnership requirements and actively engages in dialogue with federal officers to resolve ambiguities or questions surrounding rules.

Beyond managing the daily activities of the project team, PCG monitors and communicates the overall project status, ensuring the timeliness and quality of deliverables and identifying and resolving issues before the project is affected. We will continue to send bi-weekly status updates, tracking our deliverables as well as updating the timelines and checklist developed to ensure both the ID and issuers are on track to deliver certified QHP's by the federal deadlines.

B.1.f Documentation and reporting skills for drafting grant reports to the US Department of Health and Human Services.

As a condition of receiving Section 1311 funding through the Centers for Consumer Information and Insurance Oversight (CCIIO) and Department of Health and Human Services (HHS), states are required to submit regular reports relating to project accomplishments and budgeting. PCG has experience working with the reporting structure in the ACA environment, including direct experience providing supplemental information to the NHID to allow completion of thorough and accurate reports to CCIIO.

Best practice for reporting on scopes using federal grant funding involves more than a description of the work performed. Federal grant reporting requires knowledge of the report

collection system, managing report due dates and coverage periods, and clearly differentiating scopes when multiple grants are received and managed concurrently.

PCG has supported the NHID in submission of Level I Grant Reports for both reporting periods experienced over the project lifecycle. We will assist with submitting a scope close-out report at the conclusion of the current plan management funding cycle in February 2014.

For each of these reports, PCG provided narratives of work performed, major project accomplishments and descriptions of all tools and documents created or used during the reporting period. PCG provided information on a timely basis that allowed for on-time submission of reports to the US Department of Health and Human Service through the federal Online Data Collection (OLDC) system.

B.1.g Facilitating the collection of data and reporting to Office of Consumer Information & Insurance Oversight as required by law.

Plan management operational functions include data collection from the QHP issuers and transmission of this information to all other Marketplace business areas, including financial management, eligibility and enrollment and monitoring of plan performance. PCG will continue to work with NHID on SERFF plan binder submission in 2015 and manage collection of QHP issuer and plan data. PCG has accrued expertise working with the system and provided training to NHID staff last year. PCG will leverage this knowledge and experience to update policies and procedural manuals during the next 10 months.

PCG will continue regular communication with CCIIO at NHID's direction to resolve ambiguities or questions about the data transfer process for 2015, and the reporting expectations of the NHID to CCIIO in a partnership marketplace.

QHP Quality Reporting

The NHID must ensure that QHP issuers meet the minimum certification requirements pertaining to quality reporting and provide relevant information to the Exchange and HHS pursuant to Affordable Care Act 1311(c)(1), 1322(e)(3), and as specified in rulemaking. PCG will continue to work with the NHID towards meeting and defining the process pertaining to quality data reporting requirements and will assist NHID in navigating the relationship and quality data flow among NCQA, NAIC's SERFF, and CCIIO. PCG will also work with NHID to leverage existing quality data reporting requirements to meet QHP requirements. PCG provided updates to the NHID when the quality regulations were released in late 2013, and will continue to monitor federal guidance to ensure NHID compliance with applicable regulations.

Establish Procedures for Ongoing QHP Operations and Monitoring

PCG will continue to work with NHID and CCIIO to document processes related to ongoing monitoring of QHP performance. Processes addressed last year that will require ongoing monitoring may include:

- Transmission of monthly plan membership information from the federal government to plans, and the success of transfer of plan membership information;
- Ongoing submission of plan XML files identifying provider updates;
- Reporting dashboards and auditing protocols to assure plan performance;
- Tracking and resolution of complaints; and
- Development of corrective action plans and issuer appeals of Marketplace corrective actions.

In summary, PCG has been and continues to support Plan Management activities in Arkansas, Delaware and New Hampshire. We have worked with our state partners to complete Plan Management Blueprints, marketplace requirements, business process and operations manuals, QHP certification processes, as well as supporting their CCIIO design reviews, much like we did for New Hampshire.

Throughout this process, PCG become deeply engaged with the existing structures and functions of state insurance departments. We have mapped how insurance department business needs are changing under the ACA. We have emerged as a consulting leader in this area, and we look forward to continuing to contribute our expertise in New Hampshire throughout the rest of 2014.

B.2. Compliance Examiner and Market Analysis

B. Specific Experience

2. Compliance Examiner & Market Analysis

B.2.a At least five years of experience in the area of insurance regulatory compliance and/or examination.

PCG staff directing the project management, compliance examination and market analysis will work under the supervision of Rich Albertoni. Mr. Albertoni's resume is provided in the "Staff Resources" section of this proposal and documents the ten years of insurance industry experience he has accrued working with health plans.

In addition to Mr. Albertoni, the PCG New Hampshire team includes Margot Thistle, a Senior Consultant who previously led the QHP plan management process for the State of Vermont. Our lead business analyst, Charlie Punches, has been on the ground working in Concord since our work began there in March 2013. Mr. Punches has developed a deep understanding of NHID processes and works seamlessly with compliance staff.

More background on PCG's insurance industry experience is provided in Section B.1.a, which is also provided here:

PCG has developed a robust Plan Management practice since the passage of the Affordable Care Act in March 2010. Three of the seven State Partnership Marketplaces–Arkansas, Delaware, and New Hampshire–rely on PCG for QHP plan management implementation consulting.

PCG is more qualified than any other firm to provide the staff augmentation NHID needs to conduct the 2015 certification and ongoing regulation of Qualified Health Plans. Since 2011, PCG has worked with Delaware to identify state rule changes and requirements necessary for their commercial market to comply with the Affordable Care Act. In addition to the rating rule changes required, PCG helped Delaware identify and implement more rule changes that modify review and audit procedures.

Arkansas has followed a similar path, with PCG as its trusted advisor for plan management. PCG helped Arkansas consider how QHP certification standards will interact with other state health policy priorities, such as payment reform. The Medicaid "Private Option" passed in Arkansas is the first experiment of its kind to utilize Marketplace Qualified Health Plans to be the delivery system for the Medicaid expansion population. PCG is the only vendor in the United States that has directly provided consulting expertise to an insurance department related to QHP certification procedures in an approved private option program.

PCG's insurance regulatory compliance experience extends to both managed care organizations and public payers. This is relevant to NHID because of the "churn" issue that will occur as consumers face income fluctuations that will prompt changes in eligibility status between New Hampshire Medicaid and the Marketplace.

Unlike firms that have traditionally just served Departments of Insurance, PCG has a deep understanding of Medicaid – eligibility, benefits, and regulations – that will be a valuable asset to NHID as we all work to improve the QHP certification process and implement additional reforms to health care.

B.2.b. High technical skill for review and analysis of health plans and/or high technical skill for examination of network adequacy requirements.

Qualified Health Plan network adequacy requirements were established in Exchange regulations published on March 27, 2012 and have since been updated, most recently through the 2015 Letter to Issuers Guidance released in February 2014. In general network adequacy requirements include three major elements:

- Inclusion of essential community providers in accordance with §156.235;
- Maintenance of a network that is sufficient in number and types of providers, including providers that specialize in mental health and substance abuse services, to assure that all services will be accessible without unreasonable delay; and
- Consistency with the network adequacy provisions of section 2702(c) of the Public Health Services Act (PHSA).

PCG has been actively working with states to establish qualified health plan certification processes, including capacity to confirm compliance with network adequacy. We began this work by determining existing processes that may be in place at state insurance departments to determine variance from ACA required provisions. Alternatively, states may be able to draw on existing network adequacy provisions used by their Medicaid agencies to certify managed care organizations.

PCG is aware that, to the extent a state does not have any existing network adequacy requirements that are fully compliant with the ACA, states may use the National Association of Insurance Commissioners (NAIC) model process. PCG is familiar with this model process and has the technical skills to enhance capacity to use this process within the New Hampshire Insurance Department. PCG has regularly attended NAIC forums since passage of the Affordable Care Act. The NAIC model process includes a template for an "access plan" intended to accompany health form filing applications. This template addresses a broad scope of provider access considerations, including access to centers of excellence such as trauma centers.

Based on our deep Medicaid experience, PCG is also technically trained to enhance the capacity of NHID to assure compliance with essential community provider requirements. We understand the terms that defined these providers, including their inclusion in federal 340(B) discount drug purchasing programs.

Since our work with the NHID began in 2013, we have also been part of the team working to improve network adequacy, and relook at the networks of the 2014 plan offerings. Most recently, we made network adequacy policy recommendations to the NHID, both those applicable to plan certification and more long-term reforms efforts to think about moving forward. Additionally, we played a supportive role to the NHID in preparing for the Frisbie Memorial Hospital Network

Adequacy hearing, held February 10, 2014. We created process flows, and mapped out the current review and approval process, assisting the NHID in crafting visuals to explain the complicated process to an audience of citizens, and health care professionals.

B.2.c Knowledge of reporting requirements, tools and data sources necessary to track and report market conduct investigations and examinations.

The market conduct examination is an effective tool when it is desirable to conduct an in depth transactional review or when interaction with multiple divisions within an insurer are necessary. An effective market conduct examination program incorporates four basic elements:

1. A system for scheduling examinations;
2. Examination procedures tailored to the nature of the examinee's operations;
3. Timely, action-oriented reporting; and
4. Cooperation and coordination among the jurisdictions.

A market conduct examination may cover one or all of the following areas:

- Company Operations and Management: Designed to provide an overview view of the legal entity type and how it operates.
- Marketing and Sales: Designed to evaluate representations made by an insurance company or producer about its product(s) or services.
- Underwriting and Rating: Designed to provide an overview of how an insurance company treats applicants and policyholders and whether that treatment is in compliance with applicable statues, rules, and regulations.
- Policyholder Service: Designed to test compliance with statutes regarding notice/billing delays/no response, and premium refund and coverage questions.
- Claim Handling: Designed to provide an overview of how an insurance company treats claimants and whether treatment is in compliance with applicable statutes, rules, and regulations.
- Complaints: Designed to review the insurance company's procedures for processing consumer complaints.
- Producer Licensing: Designed to test an insurance company's compliance with state producer licensing laws.

<u>NAIC Market Information Systems</u>
The Complaints Database System (CDS) contains information about closed consumer complaints filed against insurance entities and producers. The information contained in this database may be submitted by states at varying times and should be used only as an indicator. There are four closed consumer complaint reports: Closed Complaint Counts by Code; Closed Complaint Counts by State; Closed Complaint Trend Report; and Closed Complaint Index.

The Examination Tracking System (ETS) allows market regulation and financial examiners to communicate examination schedules and results. ETS includes functions for calling financial, market and combined examinations, reporting dates and easy access to information about the people involved in the examination of a specific entity or group of entities. ETS can also be used to view or update examination information for a specific entity or group of entities.

The Market Analysis Prioritization Tool (MAPT) provides an overall score, a national score and a state score for companies writing a specified line of business based on both market and financial data. The report allows market analysts to compare similar companies on a national and state basis. The eleven available lines of business for this report are: Credit, Group Accident & Health, Group Annuity, Group Life, Homeowner, Individual Accident & Health, Individual Annuity, Individual Life, Long Term Care, Medicare Supplement and Private Passenger.

The Market Analysis Review System (MARS) provides regulators with sets of questions to guide them in the completion of a thorough analysis of a company's market and financial data. There are two types of MARS analyses. A MARS "Level One" analysis is a preliminary analysis that only uses data contained within the NAIC financial and market information databases. A MARS "Level Two" analysis is a more detailed analysis of company which requires the analyst to draw upon a broader range of information in six core areas of concern and a number of additional areas of concern. All approved Level One and Level Two analyses are tracked within MARS and can be reviewed by other states.

The Market Conduct Annual Statement (MCAS) is an annual statement of market conduct activity that qualifying companies must submit to each state that participates in MCAS. The statement is submitted by companies to the NAIC, which collects this information on behalf of the states. MCAS information is collected on a state and line of business level. The lines of business included in MCAS are Private Passenger Auto, Homeowners, Life and Annuity.

The Market Initiative Tracking System (MITS) provides regulators with a method of tracking and sharing information concerning the actions they take in investigating the business practices of a particular company, group of companies or a general issue. The MITS system is designed to capture market initiatives that may impact other jurisdictions. These initiatives may include, but are not limited to, any of the options from the continuum of regulatory responses. This database is distinguished from the ETS system in that an initiative may include research, investigations or analysis. These initiatives may include single state, multistate, collaborative or even MAWG initiatives. If an initiative starts as a single state effort, it may then be linked to other single state efforts or even other initiatives. In addition, if an initiative is associated with an examination, the MITS system will allow for the two systems to be linked.

The Regulatory Information Retrieval System (RIRS) contains records of regulatory actions taken by participating state insurance departments against insurance producers, companies and other entities engaged in the business of insurance. All of these actions have a final resolution. RIRS can be for companies or individuals engaged in the business of insurance. All final adjudicated actions taken by the state insurance department should be submitted to RIRS. All actions should be reported regardless of the voluntary forfeiture, fine or penalty amount. The

state submitted information includes, but is not limited to, the following: administrative complaints, cease and desist orders, settlement agreements and consent orders, receiverships, license suspensions or revocations, corrective action plans, restitutions, closing letters and letter agreements. Excluded from the submission of data should be exam report adoption orders without regulatory actions.

The Special Activities Database (SAD) contains information related to market activities and legal actions involving entities engaged in the business of insurance. Unlike regulatory actions that are submitted only from the states, SAD submissions are completed by states and NAIC staff. This database contains suspicious activities, legal cases, indictments and issues of regulatory concern researched and obtained from the states or other legitimate resources.

Additional tools that PCG relies on when assisting with market analysis work on behalf of states include the Georgetown University Health Policy Institute work plan template and self-audit tool for state divisions of insurance. The self-audit tool is a chronological, step-by-step checklist that gives state officials a guide as they analyze their insurance laws, rules and regulations for compliance with ACA.

This is an important first step for states as they determine which changes will be needed and what they will do to make those changes (e.g., legislative packages, regulatory changes, bulletins, etc.). It helps states identify tasks that have been completed, what is on-going, and what needs to begin. This tool is organized by activity, the task list in this template include:

- ACA Standards and Authority Required for Implementation;
- ACA Standards Oversight and Plan Compliance;
- Rate Review Policy Decisions and Oversight;
- Data Submission to HHS;
- Insurance Market Policy Decisions;
- Licensing Framework;
- Determine Rules/Policies/Oversight Inside/Outside Exchange;
- Outreach and Education Plan; and
- Internal Staff Processes.

B.2.d Ability to maintain productivity standards and quality standards set by NHID;

Public Consulting Group, Inc. (PCG) during the 2014 QHP certification process thoroughly reviewed the NHID Review Requirements Checklist for individual health filings. We are currently working on updating these documents for 2015 to reflect the operational approach NHID maintains in setting productivity standards and quality standards. In addition to an understanding of NHID's current standards, PCG will offer the NHID expertise on the Marketplace requirements for quality and productivity reporting.

PCG drafted similar checklists for Arkansas and Delaware as part of our work on their states' Qualified Health Plan (QHP) certification process. PCG has gained a comprehensive understanding of the reporting requirements for QHPs from this work and will be able to continue to provide applicable, necessary guidance to the NHID. PCG will work to integrate the

requirements of the ACA and update quality regulations and standards to ensure a seamless 2015 plan management and QHP certification cycle.

B.2.e Ability to make decisions based on relevant facts, findings, federal and state laws, regulations and bulletins.

PCG understands that QHP certification is a process built on federal and state laws and that plan management is an end-to-end process resulting from NAIC systems and CMS planning. The 2014 process was reactive and responsive, as the process was continually updated by CMS, requiring state and issuer flexibility.

PCG assisted the NHID throughout the 2014 QHP certification and has since continued to adapt as we move into the 2015 planning process. Taking the knowledge acquired through our hands-on experience of 2014, we will be able to synthesize, organize and plan the timeline and expected dates of further guidance in a way that will allow the NHID to be successful again in 2015. The centerpiece of PCG's plan management efforts has been to assure that operations reflect the most current and applicable rules and procedures.

PCG's plan management knowledge has evolved alongside continuing guidance from the Center for Consumer Information and Insurance Oversight (CCIIO). In addition to acknowledging and ensuring compliance with federal regulations, PCG understands that plan management must be tailored according to each state's unique characteristics.

With each release of additional information, we provide interpretations and issue briefs to plan management clients, continually advancing our expertise in the health care reform arena. We make every effort to participate in NAIC, SERFF technical team, CMS, and CIICO calls and conferences, collaborate with our colleagues in other states, and actively seek out policy guidance to ensure current information is relayed to our clients.

PCG recognizes the need for clear and complete information regarding policy options and potential outcomes, and will provide NHID with information needed to keep up to date state-specific rules for plan management.

B.2.f Ability to meet timelines and coordinate effectively with NHID staff

We believe our work in Concord over the past twelve months speaks for itself in terms of demonstrating PCG's abilities to develop working relationships and establish clear lines of communication with NHHID staff.

Other examples of our ability to meet timelines and coordinate effectively with agency staff is the success of our work in Arkansas and Delaware in winning Partnership Marketplace conditional approval on time. Along the way, we met every deadline CCIIO established and we worked as part of a team with state staff to make it happen.

We wrote blueprints by the deadline. We submitted CCIIO Design Review documents on time. We worked with staff directly in New Hampshire as staff augmentation to ensure QHP certification was completed on time.

In New Hampshire, we established a timeline for establishing the Plan Management processes a year ago, and in February 2014, PCG updated the timeline for New Hampshire to ensure we continue to meet targets. We send bi-weekly updates to NHID staff on our deliverables, upcoming deadlines and milestones. We have these timelines accessible to staff at all times. Sticking to our timelines is what has driven the success in New Hampshire and other states.

B.2.g Experience in training and educating of staff; and carrying out training for New Hampshire's plan management partnership Exchange.

As mentioned previously in this proposal, PCG maintains significant experience training and educating client staff on components of health reform. More background on PCG's training experience is provided in Section B.1.d, which is also provided here:

PCG routinely trains state and federal staff on Medicaid rules and regulations through the National Association of State Human Services Finance Officers (HSFO) organization. Our team has taught courses on Medicaid managed care, eligibility, coverage, reimbursement, and other waiver rules and regulations.

We are experts in the Code of Federal Regulations, State Plans, Title XIX of the Social Security Act and now the Affordable Care Act and the voluminous federal guidance and regulations released in the wake of the ACA. These training sessions have also included topics such as cost allocation preparation, time studies, revenue maximization, hands-on system training, and subject matter training.

We regularly conduct training sessions as part of our contracts with state government agencies and others. Examples include North Carolina, Colorado, and Wisconsin. In North Carolina, PCG provides training to 85 Local Health Districts (LHDs) on the Medicaid Administrative Claiming (MAC) program, the random moment time study (RMTS) process, and financial reporting. Through these trainings, PCG assists the state in ensuring the MAC program is compliant with state and federal requirements.

PCG also conducts outreach and training efforts across all of our school based health services program projects. In states like Colorado and Wisconsin, PCG provides training to the participating schools on RMTS, financial reporting and cost settlement and cost reconciliation. PCG also provides program review functions as part of our scope of services to ensure these programs are compliant with their State Plans and the federal guidelines.

In Arkansas, PCG provides guidance to the Insurance Department for both Plan Management and Consumer Assistance functions of the Exchange. Through creation of Policies and Procedures manuals and interdepartmental memorandums of understanding, PCG has enabled the Department to more clearly understand division roles and responsibilities under the Exchange.

In our work with the NHID, PCG has provided QHP certification training to staff, including SERFF training and ongoing technical support to ensure successful completion of the 2014 QHP certification process.

PCG has developed and conducted numerous trainings for clients, in a variety of contexts across and a wide range of subject matter, with 28 years of experience from which to draw.

B.2.h Proven written and oral communication skills.

As mentioned previously in this proposal, PCG maintains a proven record of written oral and communication skills. More background on PCG's communication and stakeholder engagement experience is provided in Section B.1.e, which is also provided here:

In Arkansas, PCG is executing a Communication Plan to engage community partners and stakeholders in the development and refining of Marketplace operations, including Private Option Medicare expansion planning. PCG successfully engaged in a variety of communication platforms, including the creation of a collaborative online environment to serve as a document repository and communication channel for all members of the project team.

PCG has also serves as an active contributor to Delaware's Health Benefit Exchange Steering Committee and Delaware's Health Care Commission, routinely presenting on various aspects of the project. In addition, PCG conducted over 30 stakeholder meetings, focus groups, and public forums throughout the state to solicit input and feedback from a variety of individuals and groups. Similarly, in North Carolina, PCG worked with DHHS leadership to ensure clear and consistent communication and messaging about North Carolina's health care reform initiatives to internal stakeholders. We did similar stakeholder outreach for the State of Nevada as they designed their Marketplace model.

Perhaps most important is how we have applied our communication skills and capabilities with the federal government, on behalf of our clients. PCG communicates on a regular basis with CCIIO, including participating in CCIIO design review sessions. Three months ago, PCG facilitated a successful CMS Plan Management implementation review in Concord, assembling an impressive bundle of "artifacts" to exhibit the robust QHP certification and oversight infrastructure we have worked with NHID to build.

PCG maintains the most up-to-date information from CCIIO on plan management partnership requirements and actively engages in dialogue with federal officers to resolve ambiguities or questions surrounding rules.

Beyond managing the daily activities of the project team, PCG monitors and communicates the overall project status, ensuring the timeliness and quality of deliverables and identifying and resolving issues before the project is affected. We will continue to send bi-weekly status updates, tracking our deliverables as well as updating the timelines and checklist developed to ensure both the ID and issuers are on track to deliver certified QHP's by the federal deadlines.

B.3. General Qualifications and Experience

3. General Qualifications & Related Experience

B.3.a Knowledge of Health Insurance Regulations

PCG understands that a comprehensive knowledge of health insurance regulations is key to effectively guiding partnership exchange states to successful implementation. We take these regulations seriously because they are the basis of qualified health plan (QHP) certification standards and all QHP monitoring that will follow. The Affordable Care Act (ACA) fundamentally changed many of the established rules insurance departments use to approve rate and form filings for individual and small group health plans. Even large group plans are impacted.

Every week in Concord, PCG continues to bring our formidable regulatory subject matter expertise to the table to assist the New Hampshire Insurance Department (NHID) in certifying and overseeing the QHPs. We have already demonstrated our capacity to do this in New Hampshire during the past year.

We can cite many examples. Last year we helped NHID understand how CFR 156.235 requires QHPs to include essential community providers in the care networks they make available to their members. We helped NHID establish procedures to verify this requirement by training staff on use of the CMS review tools. But more than that, PCG was able to rely on our expertise in health consulting to explain what it means for a provider to be enrolled in a public health service 340B program, which is a basis for identifying compliance with the essential community provider requirement.

To provide a second example of how our regulatory knowledge informed our work, PCG guided NHID through options it could exercise under CFR 156.110 to establish the scope of habilitative services offered in QHPs. This is an example of where our experience in other states brings strength to our work in New Hampshire. PCG facilitated the study of this issue in Arkansas, which defined the scope of habilitative services independent of a benchmark plan and without deferring to issuers.

PCG has been helping states work within the State Partnership Marketplace model since the Center for Consumer Information and Insurance Oversight (CCIIO) first provided this framework in guidance issued May 2012 and again in January 2013. PCG served as the plan management consultant for the first two states (Delaware and Arkansas) to win conditional approval to be a partnership marketplace, and we are proud that we helped New Hampshire accomplish this as well last year.

<u>Plan Management Review and Examination Process</u>
Early in 2012, CMS published a set of business process maps referred to as the Plan Management Blueprint Model – End to End (E2E) Process Flow. This model diagramed and coded each Plan Management business function and established the sequential relationships of those functions.

As PCG began our Plan Management Partnership work in Delaware and Arkansas, these business process maps served as our compass. Our focus became establishing a crosswalk to align the generic process flow with the state-specific policies and procedures. We accomplished this by facilitating onsite sessions with insurance department staff across divisions to better understand their current responsibilities and compare them to required QHP certification functions. We completed the same exercise in New Hampshire last March.

Ultimately, this process allowed PCG to identify how best to leverage current skill sets to accomplish the QHP process. We drafted state-specific model processes, and asked insurance department staff to provide feedback. In New Hampshire, this work became the foundation of the extensive Plan Management Policy and Procedures manual we completed in 2013.

The first time we shared the results of our state-specific end-to-end business process mapping with CCIIO staff was at the Arkansas design review meeting in October 2012. The feedback was so positive that CCIIO asked Arkansas for permission to share it as a "best practice" other states should consider emulating.

At PCG, we believe we have literally written the book on state alignment with plan management processes in a partnership model. We're now proud to say we helped write New Hampshire's "book" as well. We look forward to using these same methodologies to help NHID navigate the 2015 QHP certification process and ongoing oversight of marketplace plans.

New Hampshire Insurance Laws

PCG has a long history of working with state-specific and agency-specific laws and rules as necessary to achieve program outcomes. Interpreting law and rules is an ongoing part of what we do. During the past two years, our Marketplace clients relied on us to provide new rule interpretation summaries for them and prepare comments on their behalf.

Since we began our Plan Management work in the Granite State last year, we have gained first-hand knowledge of statutes and rules that govern New Hampshire Insurance law. We have helped NHID understand how these align with the Affordable Care Act and related federal regulations. Last year, we worked closely with NHID to assure that its state laws would not be in conflict with federal rules in ways that restricted its capacity to regulate the state market. This effort proved successful and has helped set the stage for NHID QHP regulation for years to come.

PCG has substantial experience working with state-specific insurance laws. We worked in Arkansas and Delaware to identify any state coverage mandates above the essential health benefits minimum standards as well as to establish the Insurance Department's authority to regulate health carriers.

Patient Protection and Affordable Care Act

PCG is the nation's leading Health Care Marketplace policy and operations consulting firm. We have worked in California, Nevada, Idaho, New Mexico, Hawaii, Mississippi, Tennessee, Delaware, Arkansas, Massachusetts and New Hampshire to address Marketplace integrated eligibility, health information technology, and Medicaid program integration. We are the most

experienced Affordable Care Act planning consultant in the country, with about one-half of all states engaging PCG to help implement provisions of this legislation.

Health insurance marketplaces are an important part, but only one part, of the ACA. A reason to choose PCG is that our consultants are active in a wide variety of ACA implementation issues, including Medicaid expansion operational requirements and health homes. Ultimately, these disparate ACA sections are interrelated. More and more, states are looking at how the Marketplace and Medicaid will interact and how state health and insurance departments will work together to shape the goals and objectives of state health policy. PCG is particularly adept at "connecting the dots" across state health programs and seeing opportunities to streamline efforts and build on strengths. The QHP plan certification process is ultimately another state health policy variable that is important for New Hampshire to leverage. PCG can help New Hampshire optimize that effort.

Health Insurance Benefit Designs

PCG has a long track record of working on health insurance benefit design issues in our capacity as managed care and Medicaid consultants. In our work with state partnership exchanges, we have applied those skills to help states establish their essential health benefits (EHB) base benchmark plans.

PCG provided the analytical framework for the selection of the EHB package in Arkansas and Delaware. This involved completing a detailed comparison of the ten plans that were eligible to become the benchmark. PCG identified benefit variations and areas in which a selected benchmark would require supplementation because it did not meet federal standards. We separately looked at state coverage mandates to determine if any exceeded EHB requirements and to assess the resulting cost impacts to the state.

Under the Affordable Care Act, health insurance benefit designs vary by tiers referred to as "metal levels." One role of an insurance department in a partnership is to verify the accuracy of the metal tier to which a plan is assigned. PCG is working with insurance department staff in other states to assure they understand the role of the federal "actuarial value calculator" in validating these tiers.

The content of these benefit packages is a policy focal point for continuity of care reasons, too. More recently, PCG has begun to help insurance departments assess how QHP benefits align with Medicaid. This has been particularly true of our work in Arkansas, which has employed QHPs to be the Medicaid delivery system via the "Private Option" waiver. PCG expects continuity of care issues will continue to be a focal point of QHP benefits administration in the years ahead.

B.3.b Knowledge and Experience with SERFF System

PCG worked first-hand with our state partners on plan filings in the SERFF system throughout 2013. We are fluent in SERFF. We helped train states on how to download plan information from SERFF to the CMS review tools. As SERFF commenced its QHP Plan Management functions in 2013, we helped states accomplish the final plan upload and submission functions as

deadlines approached. We continue to participate in SERFF technical update forums and to maintain the most up to date knowledge of the system.

PCG has guided our state partners not only in the functionality of SERFF, but in its limitations. In some areas of plan certification, issuer attestations are the basis of compliance reviews. With key certification requirements such as assuring the adequacy of a carrier's provider network, states may have an interest in supplementing the collection and review of additional data.

Moving into 2014, PCG employees remain SERFF subject matter experts. We can be relied on to work shoulder to shoulder with New Hampshire compliance staff to actively work the SERFF review and certification process this year, just as we successfully did last year.

B.3.c Good Communication Skills

As with any process that involves outreach to the public, developing communications should be an iterative process, working toward a final product that is accurate, audience appropriate, and speaks to the needs of targeted segments. PCG has and will continue employ the following four step approach to expeditiously produce effective communications for the public.

Identify Core Messaging
PCG will work with the Department to identify specific goals and concerns in communicating to the public. This process will involve identifying problem areas and addressing them directly. This will be critical to gaining public support and promoting transparency of the process.

Develop draft communications
During the past three years, PCG has developed public presentations and issue briefs, and facilitated Marketplace-related committee meetings, public forums, focus groups, and individual interviews with stakeholders throughout the country. From this vast experience, PCG brings a substantial portfolio of stakeholder-tested materials to New Hampshire. Our parallel work as New Hampshire's consumer assistance vendor has given us a very specific perspective on how to develop draft communications to make them relevant to New Hampshire consumers.

Seek input from key stakeholders
Patient navigators, community health workers, and consumer advocates have all proven important resources in understanding how best to guide and communicate with individuals regarding Marketplace utilization and health insurance decision making. Similarly, brokers, trade associations, and other organizations that currently serve small business needs have provided key insights into effective outreach and communication with small business owners.

PCG has been a regular presence at the monthly meetings of the New Hampshire Health Exchange Advisory Board. We have provided updates and presentations, listened to stakeholder feedback, built relationships and incorporated feedback into program goals. During the past year, PCG has grown to become part of New Hampshire's health care reform community. We are better positioned than any other vendor to succeed as a communicator based on these relationships.

Finalize communications for distribution
A reason to choose PCG is that we have accrued nationwide experience helping states communicate Marketplace goals, objectives and information to the public. Our experience will continue to help the New Hampshire Insurance Department clearly inform carriers, agents, brokers and consumers of the latest Marketplace developments.

Demonstrated ability to work with both industry and regulatory personnel to achieve appropriate and adequate insurance industry regulation in New Hampshire
PCG has routinely accompanied NHID compliance staff to meetings and phone calls with carrier staff. We have served as a regulatory resource in these settings, helping to answer questions and complete research in areas where federal and state guidance is not immediately clear.

In Arkansas, PCG has facilitated the Plan Management Advisory Committee (PMAC). This is a subcommittee whose recommendations are forwarded to the Steering Committee before final submission for Insurance Commissioner consideration. Executives of the major insurance carriers are members of the PMAC. One of them co-chairs the committee.

Despite the broad representation of industry, regulatory and consumer interests at PMAC, the committee's productivity has been significant. All state-specific plan management policy options were recommended by September 2012, giving the Insurance Department the necessary time to convert these recommendations into policies and procedures. PCG's ability to work in this context with both industry and regulatory leadership has been important to meeting Arkansas' exchange goals. We believe in the past year we have achieved the same success in New Hampshire.

B.4. Cost

4. Derivation of Cost

Cost Proposal
Public Consulting Group

Total bid: $525,920
Detailed costs are as follows:

Staffing Hours and Travel Expenses

Staff Name/Title	*Hourly Rate*	*Hours*	*Cost*
Rich Albertoni, Engagement Manager	$270	80	$ 21,600
Margot Thistle, Senior Consultant	$250	944	$ 236,000
Aaron Holman, Senior Consultant	$250	80	$ 20,000
Charlie Punches, Business Analyst	$155	944	$ 146,320
Ben Janelli, Business Analyst	$155	400	$ 62,000
	Staff Subtotal	2,448	**$ 485,920**
Travel			$ 40,000
		Total Cost	**$ 525,920**

Note: This cost proposal covers the time period of March 1, 2014 through December 31, 2014. As we have throughout the past year, PCG anticipates providing a weekly onsite presence at the Insurance Department. Onsite coverage will be provided 3-5 days per week during the busiest time of the plan review cycle and 1-3 days per week during less busy times.

C. Conflict of Interest

C. Conflicts of Interest

PCG is not aware of any actual or perceived conflicts of interest nor are we aware of any financial or other relationships with stakeholders that may constitute a conflict of interest or pose any foreseeable threat to PCG's ability to perform the scope outlined within this proposal.

D. Other Information

D.1. Company References
D.2. Staff Information/Skills

D.1. Company References

D. Other Information

2. Company References

Proposal must include a listing of references of recent engagements of the Contractor that reflect the skills appropriate for work on this project, including telephone numbers and specific persons to contact.

Client References:

State/Department	New Hampshire Health Plan
Reference Name	Michael Degnan
Business Address	1 Pillsbury Street, Suite 200 Concord, NH 03301
Telephone Number	(603) 225-6633
E-mail Address	jmdegnan@helmsco.com

State/Department	Arkansas Insurance Department
Reference Name	Cynthia Crone
Business Address	1200 W. Third Street Little Rock, AR 72201
Telephone Number	(501) 683-3634
E-mail Address	Cynthia.crone@arkansas.gov

State/Department	Delaware Department of Insurance
Reference Name	Linda Nemes
Business Address	841 Silver Lake Blvd Dover, DE 19904
Telephone Number	(302) 674-7373
E-mail Address	Linda.nemes@state.de.us

D.2. Staff Information/Skills

2. Staff Information & Skills

PCG staff directing the project management, compliance examination and market analysis will work under the supervision of Rich Albertoni, whose resume documents his ten years of insurance industry experience he has accrued working with health plans.

In addition to Mr. Albertoni, the PCG New Hampshire team includes Margot Thistle, a Senior Consultant who previously led the QHP plan management process for the State of Vermont. Our lead business analyst, Charlie Punches, has been on the ground working in Concord since our work began there in March 2013. Mr. Punches has developed a deep understanding of NHID processes and works seamlessly with compliance staff.

RICHARD S. ALBERTONI
Public Consulting Group, Inc.
Associate Manager

RELEVANT PROJECT EXPERIENCE

State of Delaware
Department of Health and Human Services
April 2012 – present
Health Benefit Exchange Planning:
Serve as the lead project manager in PCG's efforts to assist the State of Delaware with all planning activities for the establishment of a federal partnership health benefits exchange. Supervise the work of staff leading efforts to organize plan management and consumer assistance functions, managing the development of the Level 1 establishment grant and the Implementation Advanced Planning Document (IAPD). Provide policy and operational consulting to both the Health and Insurance Departments. Analyze current benefit offerings and state mandates in comparison to the expected essential health benefits package. Identify options for establishing plan and navigator certification criteria. Identify critical timelines for Exchange policy and operational planning.

New Hampshire Insurance Department
March 2013 - Present
Qualified Health Plan Specialist:
Supervise PCG's work providing Plan Management consulting services for New Hampshire's Federal Partnership Exchange. This includes technical support of compliance examination and market analysis functions for Qualified Health Plan (QHP) certification. Work with staff from Compliance, Market Conduct, Rate Review and Legal to develop internal operational procedures and checklists for QHP certification process.

New Hampshire Insurance Department
March 2013 - Present
Qualified Health Plan Specialist:
Supervise PCG's work providing Plan Management consulting services for New Hampshire's Federal Partnership Exchange. This includes technical support of compliance examination and market analysis functions for Qualified Health Plan (QHP) certification. Work with staff from Compliance, Market Conduct, Rate Review and Legal to develop internal operational procedures and checklists for QHP certification process.

Arkansas Insurance Department
April 2012 - Present
Qualified Health Plan Specialist:
Manage project to assist the Insurance Department with the design, development and implementation of a process to certify the qualified health plans that will be participating in Arkansas' federal partnership exchange. Deliverables include providing issue briefs to frame key policy considerations, facilitating the Plan Management Advisory Committee and Federal Partnership Steering Committee meetings, and mapping plan management business process flows. Support Arkansas at federal gate and design review meetings, as well as with completion of the plan management section of Exchange Blueprint.

Kentucky Cabinet for Health and Family Services
July 2012 – June 2013
Managed Care Compliance Consulting:
Provide overall leadership and direction for review of current Medicaid managed care compliance practices performed by the Cabinet and comparison of those to national best practices. Review Medicaid agency staffing and organizational structure to assure consistency with managed care

compliance goals and duties. Provide implementation consulting to the Cabinet to support action items identified during the compliance review.

Nevada Silver State Exchange
November 2012 – Present
Health Benefit Exchange Policy Consulting:
Supervised development of issue briefs providing background and options related to Exchange policy considerations. Provide analysis of new federal regulations to assess their impact on the Exchange and prepare comments for the State. Draft model notices and other Exchange reference documents.

Hawaii Health Insurance Connector
December 2012 – Present
Health Benefit Exchange Planning:
Provide business analysis related to implementation of Plan Management functions. Assist Hawaii with development of processes necessary to complete certification of qualified health plans. Assure system requirements related to Plan Management are consistent with Affordable Care Act provisions.

Minnesota Department of Human Services
December 2012 – Present
Managed Care Evaluation:
Lead a study evaluating the value of managed care services for Minnesota public health care programs as compared to a fee-for-service delivery system. Drafted report for submission to the Legislature summarizing study findings.

University Medical Center of Southern Nevada
July 2012 – Present
Hospital Waiver and Policy Consulting:
Provide consulting services to this safety net provider related to 1115 waivers and Affordable Care Act (ACA) policy guidance. Like many public hospitals, University Medical Center faces declining disproportionate share hospital funding as more individuals become insured under the ACA. However, funding is expected to decline more than rates of uninsured patients. PCG is working with UMCSN to assess policy and funding opportunities that might be realized under an 1115 waiver of other policy changes. The goal is to sustain the hospital during a time of significant program transition.

STATE-BASED PROJECT EXPERIENCE

State of Wisconsin
Division of Health Care Access and Accountability
September 2003 – December 2011
Health Exchange Screening and Eligibility
Directed the Health Insurance Exchange workgroup responsible for business requirement development related to integrated Medicaid and Wisconsin Health Benefits Exchange eligibility. The workgroup consisted of State subject matter experts and vendor systems staff. Business requirements addressed process flow for public-facing online application as well as back-end processes for connecting to external databases and the federal hub to determine eligibility and calculate tax credit amounts.

Medicaid HMO Plan Management
Served as a key member of the state management team that administered and monitored contracts with fourteen managed care plans. This involved identification and implementation of quality benchmarks, review of provider network requirements, development of capitation rates, oversight of provider and member appeals, and supervision of the

HMO enrollment process. During this time, Wisconsin rapidly expanded participation rates in Medicaid managed care and modernized plan selection for greater consistency with commercial insurance enrollment processes.

Southeast Wisconsin HMO Enrollment

Directed the eligibility functions related to Wisconsin's first competitive procurement for managed care services, which focused on the Southeastern part of the state, inclusive of Milwaukee. The procurement process required 250,000 members to re-choose a health plan in coordinated phases over a 90-day period. While a goal of the project was to maximize member choice, this initiative also required establishing an auto-enrollment process that assigned market-share targets to HMOs based on their proposal cost scores. The initiative was successful in saving an estimated $50 million in the biennium without continuity of care disruptions for members.

Income Maintenance Regionalization

Helped lead the state's effort to regionalize the county-based organizations that process and determine eligibility for Medicaid, the Supplemental Nutrition Assistance Program (SNAP), TANF and child care subsidies. The 72 county organizations successfully joined ten regional consortia which were certified in October 2011

CHIPRA Bonus Award

As the state's CHIP Director, successfully led an effort to bring the state into compliance with the program requirements of the bonus award authorized in the Children's Health Insurance Plan Reauthorization Act (CHIPRA). This resulted in a $21 million award that was issued to the state in December 2010.

Hospital Assessment

Served as the state project manager for development and implementation of a hospital assessment that successfully yielded more than $100 million revenue for the state while increasing reimbursement revenue to high volume Medicaid hospital providers. Revenue generated through the hospital assessment became the cornerstone for funding the state's Medicaid expansion waiver to childless adults. Duties included development of fee-for-service and managed care supplemental payments to hospitals using assessment revenue, facilitating CMS approval of state plan amendments and reimbursement methods and working with hospitals to maintain support of the initiative.

Medicaid Childless Adults Waiver

Assisted with the development of the state's 1115 waiver to expand Medicaid eligibility to low-income childless adults. Directed the strategy to maximize and use disproportionate share hospital (DSH) funding as the basis of the state's budget neutrality demonstration. Helped develop the waiver terms and conditions. CMS approved the waiver in December 2008. By October 2009, the state had enrolled 65,000 uninsured individuals into the waiver.

Hospital Pay for Performance

Led the effort to implement the state's first performance-based payments to hospitals. Facilitated the approval of state plan amendments necessary to implement the payments, which allocated $5 million in segregated revenue generated through the hospital assessment.

Adult Basic Health Plan

Directed the development of a state-administered member-funded, non-Medicaid health benefit plan for childless adults who remained on the waiver waitlist after enrollment in the childless adults waiver was capped due to federal budget neutrality limitations. Worked with staff to develop the limited benefit plan offered under Basic. Coordinated CMS approval to allow Basic members with acute medical needs to bypass the waiver waitlist and enroll in the waiver. BadgerCare Basic had enrolled 6,500 members by December 2010. The experience of directing Basic provided many insights related to management of adverse selection of a low-cost coverage product. In March 2011, the state moved to no longer allow Basic members with acute medical needs to transition to the waiver. This required several premium adjustments for Basic members in 2011 to maintain program solvency.

Public Provider Claiming
Directed efforts to improve the process under which the state completed cost settlements for state hospitals. Independently determined that the state had overlooked making settlement claims for its university hospital for past years. This finding resulted in a successful $30 million federal funding settlement claim.

Pharmacy Benefit Carve-Out
Directed the design and development of a state budget initiative to carve the pharmacy benefit out of managed care in order to maximize manufacturer rebate revenue. This effort required close coordination with the managed care organizations during the benefit transition. The initiative was successfully implemented in February 2008 and saved $25 million through June 2009 while maintaining continuity of care for members. The change was embraced by the state's pharmacy mental health advisors, which included consumers, because it provided transparency and uniformity to the state formulary.

Pharmacy Preferred Drug List
Coordinated an initiative that enrolled Wisconsin into a pool of states that collaborated to negotiate supplemental rebates from drug manufacturers. Directed staff efforts to complete the twice-annual class reviews by the state's prior authorization advisory committee, which made recommendations for inclusion of products on the state's preferred drug list. The initiative became the primary method of state cost containment related to pharmacy benefits.

Pharmacy Feedback Project
Led a state effort to send utilization review letters to prescribers who were deviating from recommended standards of care related to pediatric mental health medications.

SeniorCare Waiver Renewal
Helped lead the effort to gain approval for renewal of the SeniorCare pharmacy-only benefit waiver in 2007. SeniorCare leverages Medicaid pricing discounts, manufacturer rebates, member cost-sharing and state and federal revenue to provide pharmacy benefits to seniors as an alternative to Medicare Part D. The program was initiated before the passage of Part D, but continues to provide benefits today.

PUBLIC SECTOR EXPERIENCE

State of Wisconsin
Division of Health Care Access and Accountability

Director, Bureau of Enrollment Policy and Systems (January 2010 – December 2011)
Supervised a staff of 55 employees who maintained responsibility for advising Department management on eligibility policy issues, maintaining the eligibility information technology (IT) system, developing and publishing eligibility handbooks, policy memos to counties and member correspondence. The bureau was also responsible for quality control reviews to assure cases were being accurately determined for eligibility for both Medicaid and SNAP benefits. The eligibility bureau director incorporates a number of other position titles and functions, including the state SNAP Director, CHIP Director and contract administrator to the vendor who maintained our eligibility system. Chaired the monthly Income Maintenance Advisory Committee (IMAC) meetings. IMAC was comprised of county representatives who administered local eligibility agencies.

Deputy Director, Bureau of Fiscal Management (November 2007 – January 2010)
Provided management direction to twenty employees responsible for hospital and managed care rate setting as well as general budget monitoring and compliance. Fiscal management staff provided leadership on many key Medicaid initiatives because issues of funding were critical to all major initiatives and program activities.

Pharmacy and Hospital Section Chief (September 2006 – November 2007)
Directed a staff of ten analysts responsible for hospital rate setting and all benefit policy analysis related to pharmacy and hospital.

Pharmacy Budget and Policy Analyst (September 2003 – September 2006)
Responsible for developing and maintaining quarterly pharmacy utilization reports and provided guidance to claims systems staff on pharmacy reimbursement changes. Provided lead on several pharmacy projects, including the Preferred Drug List and utilization reviews.

Madison Metropolitan School District
Budget Analyst (January 2002 – September 2003)
Provided leadership in compiling key components of the annual district budget presented for approval to the Board of Education. Developed staffing models and personnel tracking tools to the Vice President for Business Services.

Wisconsin Historical Society
Finance Director, Historic Sites Division (March 2000 – January 2002)
Provided annual budget development and monitoring for each of the Society's eight historic sites. Worked with site directors to develop a revenue and seasonal staffing plan. Developed models to cross-reference revenue and staffing for profitability analysis. Reported site revenues to Society management and at Society board meetings.

Wisconsin Division of Public Health
Director, AIDS Drug Assistance Program (October 1994 – March 2000)
Provided administrative coordination of this federally funded program that provided pharmacy assistance specific to antiretroviral and related AIDS medications to individuals living with HIV infection. Generated Ryan White grant funding reports that were submitted to the Health Resource Services Administration (HRSA). Provided state leadership regarding policy analysis and biennial budget initiatives having an impact on the ADAP program. Worked with non-profit AIDS Service Organizations to

assist them in enrolling eligible individuals into the program.

Wisconsin Department of Health Services
Budget and Policy Analyst, Office of Policy and Budget (August 1992 – October 1994)
Worked as part of the Department's budget team and advised the Secretary on budget and policy issues related to economic support programs such as Aid to Families with Dependent Children (AFDC) and Supplemental Security Income (SSI). Developed budget neutrality analysis for welfare reform waivers.

New York Division of Budget
Budget Examiner (August 1990 – August 1992)
Selected to participate in two-year state budget fellowship program in New York state government. Served as budget staff in the Public Protection unit of the Division of Budget. Maintained responsibility for analyzing and recommending the annual budget of the State Judiciary. Developed court workload measures to support efficiency initiatives the Governor promoted for the state court system.

EDUCATION

Santa Clara University
Bachelor of Arts in English, 1986

University of Washington at Seattle
Master of Public Administration, 1990

MARGOT THISTLE, ESQ.
Public Consulting Group, Inc.
Senior Consultant

RELEVANT PROJECT EXPERIENCE
New Hampshire Insurance Department
Plan Management Specialist-Manage PCG's Plan Management consulting work with the NHID and the required State Partnership Health Insurance Marketplace functions. PCG is currently working with the Division of Compliance and Consumer Services to evaluate existing workflows, provide policy recommendations on regulation of QHPs, train and augment staff when needed to complete certification of QHP's.

STATE BASED PROJECT EXPERIENCE
State of Vermont
May 2012-November 2013
Health Benefit Exchange Project Director, Department of Financial Regulation

For close to two years, served as the liaison between the Department of Financial Regulation and Vermont Health Connect for state based exchange plan management functionality, and commercial insurance integration.

Health Policy Experience
Provided policy, legal, and technical support for all Exchange requirements as a member of the Vermont Health Connect policy team. Served as the lead presenter to CMS for all plan management requirements and functionality.

Legal Research and Writing
Served as the legal lead for RFP's and contracts, including Electronic Trading Partner Agreements, necessary to bind carriers to Exchange requirements and policies. Lead the negotiation process with the three carriers qualified to offer plan on Vermont Health Connect.

Legal Research Experience gained through review and summary of all proposed regulations related to SBE Blueprint requirements, as well as public comment to the federal government on behalf of the state of Vermont. Provided policy briefs to director level members of state agencies, as well as the legislature and the independent board tasked with oversight of Vermont Health Connect. Provided summaries, and presentations to the Medicaid and Exchange Advisory Board of proposed exchange policies, as well as requirements necessary to effectuate policies and procedures.

EDUCATION

New England School of Law
Boston, Ma
Juris Doctor, 2010

Tufts University
Medford, MA
Bachelors of Arts, 2004

CHARLES W. PUNCHES
Business Analyst
Public Consulting Group, Inc.

RELEVANT PROJECT EXPERIENCE

New Hampshire Health Plan
Health Insurance Marketplace Consumer Assistance:
Assist the New Hampshire Health Plan with execution of a multi-faceted consumer assistance campaign consisting of in-person assistance and outreach and education efforts targeting consumers eligible for Marketplace plans. In-person assistance involves providing direct assistance to consumers with the application and enrollment process, while outreach and education involves distribution of information through various channels, including web, direct mail, phone, in-person panels, radio and television.

State of New Hampshire
New Hampshire Insurance Department
Health Insurance Marketplace Plan Management:
Assist the NHID with developing processes to establish the state's Federally-Facilitated Partnership Marketplace. Responsibilities include policy and operational consulting to assist review and certification of qualified health plans (QHP) to be offered on the Marketplace. Provided assessment of current work flows, tools, and standards into which PCG incorporated plan management responsibilities, and documented updated processes within a Policies and Procedures manual. Coordinated with NHID to enhance review capacity during plan review period, including provision of regulatory clarifications and legal citations for communications with issuers. Developed project management and progress tracking tools for regular reporting to NHID leadership.

State of Minnesota
Department of Human Services
Managed Care Program Evaluation:
Selected to evaluate the value provided by managed care to the state, as determined by a series of value metrics proposed by the Minnesota legislature. Specifically, the evaluation compares the value obtained from these managed care products with the value obtained under a fee-for-service delivery system.

State of Nevada
Silver State Health Insurance Exchange
Exchange Navigator Heuristics Development:
Supplied the Nevada Exchange with a report containing heuristics used by experienced health insurance industry professionals to assist consumers with plan selection. The report findings are to be used to direct and train Navigators and other Exchange team members to provide guidance that informs and empowers consumers to select a health plan that meets their needs.

State of Arkansas
Arkansas Insurance Department
Health Insurance Marketplace Plan Management:
Assist the AID to develop efficient QHP certification and other plan management processes as needed for a Federally-Facilitated Partnership Marketplace; analysis of existing business processes and support systems and integration with the Exchange plan management processes; developing the plan management blueprint for submission to CCIIO and policies and procedures manuals; drafting inter-agency agreements; writing policy reports and issue briefs; coordinating with multiple agencies and the Navigator (In-Person Assister) program.

State of Delaware
Department of Health and Human Services
Health Benefit Exchange Planning:
Assist the State of Delaware with all planning activities for the establishment of a federal partnership Health Insurance Marketplace, in compliance with the Patient Protection and Affordable Care Act. Activities include directing and supervising the work of PCG consultants who are leading efforts to organize plan management and consumer assistance functions, managing the development of the Level 1 establishment grant and the Implementation Advanced Planning Document (IAPD). Provide policy and operational consulting to both the Health and Insurance Departments that involves analyzing current benefit offerings and state mandates in comparison to the expected essential health benefits package, identifying options for marketplace structures, establishing criteria for plan and navigator certification and identifying critical timelines for Exchange policy and operational planning.

Commonwealth of Kentucky
Cabinet for Health and Family Services
Managed Care Compliance Consulting:
Provide overall leadership and direction for review of current Medicaid managed care compliance practices performed by the Cabinet and comparison of those to national best practices. Review agency staffing and organizational structure to assure consistency with managed care compliance goals and duties. Generated three technical reports containing research findings and recommendations related to program oversight, necessary staffing levels, and alternate organizational models.

State of Wisconsin
Department of Health Services
Statewide Revenue Maximization:
Performed desk reviews of Wisconsin Medicaid cost reports for compliance with historical benchmark ranges. This cost reporting initiative has successfully generated millions of dollars in revenues to the State of Wisconsin.

EDUCATION

St. Edward's University
Austin, Texas
Bachelor of Business Administration, Finance

BENJAMIN S. JANELLI
Business Analyst
Public Consulting Group, Inc.

PUBLIC SECTOR WORK EXPERIENCE

MASSACHUSETTS STATE SENATE
Boston, MA
Legislative Director for Senator Richard J. Ross
2013 Legislative Accomplishments:

Drafted and passed a veteran amendment to S.3, *An Act making appropriations for the fiscal year 2014 for the maintenance of the departments, boards, commissions, institutions and certain activities of the Commonwealth, for interest, sinking fund and serial bond requirements and for certain permanent improvements* (signed by the Governor on July 12, 2013 as Chapter 38 of the Acts of 2013).
This amendment provides a benefit for servicemen and women by creating a plan to provide them with free or reduced admission to facilities, such as public forests and beaches.

Drafted S.1165, *An Act relative to removing pepper spray from firearms identification*
This legislation will make Massachusetts more in line with nearly every other state by allowing pepper spray to be sold without a firearms identification card. Currently, the bill has been reported out favorably of the Joint Committee on Public Safety and is in the House Committee on Ways and Means.

MASSACHUSETTS HOUSE OF REPRESENTATIVES
Boston, MA
Legislative Aide for Representative Geraldine M. Creedon
Legislation Accomplishments:

Drafted an amendment to H4127, *An Act improving the quality of health care and reducing costs through increased transparency, efficiency and innovation* (signed by the Governor on August 8, 2012 as Chapter 224 of the Acts of 2012).
Lowers healthcare costs for small businesses by excluding employees who are already covered through a spouse or other means from the calculation determining the Fair Share Contribution (a quota penalty paid by small businesses for failing to cover at least 25% of an employee's healthcare).

Drafted House Bill 50, *An Act requiring school bus operators and monitors to be mandated reporters of suspected child abuse or neglect.*
Amends Section 21 of chapter 119 of the General Laws, as appearing in the 2010 Official Edition by inserting the words: "school bus operator, driver or monitor." These occupations would be added to the list of professions that are required to report child abuse and neglect.

Sponsored House Bill 1913, *An Act providing for an investigation and study by a special commission relative to reimbursement of certain school busing costs* and supported line-item 7035-0005 in the FY13 budget.
Reimburses cities, towns, and regional school districts for the cost of transportation of nonresident pupils as required by the federal McKinney-Vento act for the total of $11,300,000.

EDUCATION
University of Massachusetts
Boston, MA
Bachelor of Arts, Political Science

Agreement with Public Consulting Group, Inc.

2014-PM-01 Plan Management Consultant Services

Exhibit B

Contract Price, Price Limitations and Payment

The services will be billed at the hourly rates set forth in the Contractors Proposal, dated February 13, 2014. Including any out-of-pocket expenses for travel, the total reimbursable amount shall not exceed the total contract price of $525,920. The services and out-of-pocket expenses shall be billed electronically at least monthly and the invoice for the services shall identify the person or persons providing the service. Payment shall be made within 30 days of the date the invoiced is received.

Agreement with Public Consulting Group, Inc.

2014-PM-01 Plan Management Consultant Services

Exhibit C

Special Provisions – Modifications, Additions, and/or Deletions to Form P-37

Section 9 of the General Provisions of the Agreement requires that Contractor maintain the confidentiality of, among other things, data and data systems to which it has access in order to perform the tasks specified in the Agreement.

As part of its work under the Agreement, Contractor may be required to use the System for Electronic Rate and Form Filing (SERFF), State Based System (SBS) and/or I-SITE to review carrier filings, annual reports and other data stored in National Association of Insurance Commissioners ("NAIC") data systems.

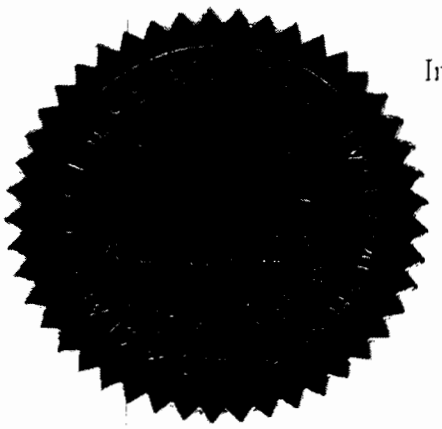
The NHID's access to and use of NAIC data systems is governed generally by a Master Information Sharing and Confidentiality Agreement (executed November 12, 2003) and by a Certificate of Confidentiality to the NAIC (executed May 13, 2008) certifying that the NHID has the ability under New Hampshire law to maintain the confidentiality of data available through NAIC proprietary systems and applications, including I-SITE.

Contractor acknowledges that under Section 9 of the General Provisions of the Agreement, it, and/or its subcontractors, are bound to maintain the confidentiality of all data sources, and specifically agrees that it is bound by the confidentiality provisions of the Master Agreement and the Certificate of Confidentiality with respect to any NAIC data or data systems to which it is given access.

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 PUBLIC CONSULTING GROUP, INC. a(n) Massachusetts corporation, is authorized to transact business in New Hampshire and qualified on January 30, 1987. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 5th day of November, A.D. 2013

William M. Gardner
Secretary of State

PUBLIC CONSULTING GROUP

Public Focus. Proven Results.™

CORPORATE RESOLUTION
SECRETARY CERTIFICATE OF AUTHORITY

The undersigned Stuart Kaufman, Assistant Secretary of Public Consulting Group, Inc., a Massachusetts corporation, does hereby certify that the following is a true and complete resolution that was UNANIMOUSLY ADOPTED at a duly held meeting of the Board of Directors of Public Consulting Group, Inc. on the 24th day of May, 2013, and that such resolution has not been amended or modified and continues to be in full force and effect as of this date:

RESOLVED: That William Mosakowski, President of Public Consulting Group, Inc., is hereby authorized and directed to execute, on behalf of the corporation, a contract with the State of New Hampshire Insurance Department, together with all related documents.

IN WITNESS WHEREOF, the undersigned has executed this Certificate on this 5th day of November, 2013.

Stuart A. Kaufman
Assistant Secretary

148 State Street, 10th Floor, Boston, Massachusetts 02109 | Telephone: (617) 426-2026

PUBLI-1 OP ID: M1

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 02/20/14

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

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

PRODUCER TGA Cross Insurance, Inc. 401 Edgewater Place, Suite 220 Wakefield, MA 01880 John Scanlon 781-914-1000	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:
INSURED Public Consulting Group, Inc. Stuart Kaufman 148 State St., 10th fl. Boston, MA 02109	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A : Federal Insurance Company — 20281 INSURER B : Great Northern Insurance Co. — 20303 INSURER C : INSURER D : INSURER E : INSURER F :

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 INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
B	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC			35855036	02/18/14	02/18/15	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG Emp Ben.	$ 1,000,000 $ 1,000,000 $ 10,000 $ 1,000,000 $ 2,000,000 $ Included $ 1,000,000
A	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS			73540440	02/18/14	02/18/15	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
A	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED X RETENTION $ N/A			79852604	02/18/14	02/18/15	EACH OCCURRENCE AGGREGATE	$ 10,000,000 $ 10,000,000 $
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		71724811	02/18/14	02/18/15	WC STATU-TORY LIMITS X OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 1,000,000 $ 1,000,000 $ 1,000,000

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

RE: 2014-PM-01 Plan Management Consultant Services

Proof of Insurance

CERTIFICATE HOLDER

NHDEPT0

New Hampshire Insurance Dept
21 South Fruit St. Ste 14
Concord, NH 03301

CANCELLATION

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

STANDARD EXHIBIT I

The Contractor identified as "Public Consulting Group, Inc" in Section A 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, TitleXIII, 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.

NH Insurance Dept.	Public Consulting Group, Inc.
The State	Name of the Contractor
Alexander K Feldvebel	William S Mosakowski
Signature of Authorized Representative	Signature of Authorized Representative
Alexander Feldvebel	William S. Mosakowski
Name of Authorized Representative	Name of Authorized Representative
Deputy Commissioner	President & CEO
Title of Authorized Representative	Title of Authorized Representative
2/20/14	2-20-2014
Date	Date