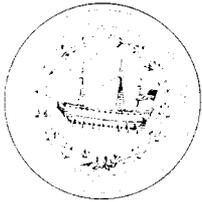


AV 34



**THE STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

21 SOUTH FRUIT STREET SUITE 14
CONCORD, NEW HAMPSHIRE 03301

Roger A. Seigny
Commissioner

Alexander K. Feldvebel
Deputy Commissioner

April 14, 2014

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

REQUESTED ACTION

Authorize the New Hampshire Insurance Department to enter into a contract with Compass Health Analytics ("Compass"), 411 Congress Street, 7th Floor, Portland, Maine 04101, (Vendor #162376) in an amount not to exceed \$80,000, for the provision of statistical claims data analyses and reports related to legislation proposed by representatives of the NH House or Senate . This agreement is to be effective upon Governor & Council approval through June 30, 2016. Source of funds: 100% other funds.

The funding will be available in Account titled: Administration as follows, subject to legislative approval of the next biennial budget:

	FY2014	FY2015	FY2016
02-24-24-240010-25200000-046-500464 Consultants	\$10,000	\$35,000	\$35,000

EXPLANATION

When legislation is introduced to address a perceived issue with how health care services are financed or delivered, the Insurance Department can provide information on the impact to health care costs and health insurance premiums based on possible changes. The opportunity exists because of the New Hampshire Comprehensive Health Information System (NHCHIS) and the analysis of these data. This contract exists to support this function.

These studies are performed when the Department receives a request from any standing legislative committee or upon identification by Department staff of an analysis that may assist with legislative decisions.

After reviewing the bid responses, the Commissioner selected Compass's proposal as the most responsive to the Request for Proposals (RFP). The Request for Proposals was posted on the Department's website August 5, 2013 and sent to past bidders for Department contract work and companies doing work in this field. Nine bids were received. Bids were evaluated by Department staff familiar with the project goals using a scoring system included in the RFP.

The Insurance Department respectfully requests that the Governor and Council authorize the contract with Compass Health Analytics through June 30, 2016. Your consideration of the request is appreciated.

Respectfully submitted,



Roger A. Sevigny

**RFP 2013-DA-1
PROPOSALS EVALUATIONS**

Evaluation Committee members: Tyler Brannen, Alain Couture

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

On October 25, 2013, the Evaluation Committed members met, and as a group assigned points to each bid per the "Specific comparative scoring process" described in each RFP.

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

RFP/VENDOR	CONTRACTOR SKILL (50% or points)	CONTRACTOR EXPERIENCE & QUALIFICATIONS (20% or points)	PLAN OF WORK (10% or points)	BID PRICE- BUDGET AMOUNT	COST (20% or points)	TOTAL SCORE (100% or Points)	Score without \$\$\$	NOTES
RFP 2013-DA-1 Health Insurance Claims Data Analyses								
Milliman	31.00%	21.67%	18.00%	\$80,000	19.84%	90.50%	70.67%	Could not agree with vendor proposed non-standard contract terms
Compass Health Analytics	31.33%	23.33%	13.67%	\$80,000	19.84%	88.17%	68.33%	
Public Consulting Group	28.00%	21.00%	17.00%	\$79,400	19.99%	82.99%	63.00%	
Bolton Health Actuarial	24.33%	20.00%	17.33%	\$80,000	19.84%	81.50%	61.67%	
University of New Hampshire	25.33%	20.67%	13.33%	\$79,350	20.00%	79.33%	59.33%	
The Lewis Group	26.67%	22.33%	14.33%	\$99,960	15.88%	79.21%	63.33%	
Geneia	26.33%	19.00%	10.00%	\$80,000	19.84%	75.17%	55.33%	
Freedman HealthCare, LLC	25.00%	19.33%	14.67%	\$98,750	16.07%	75.07%	59.00%	
Reporting MD	23.33%	16.00%	15.33%	\$79,875	19.87%	74.54%	54.67%	

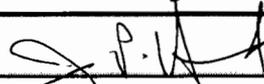
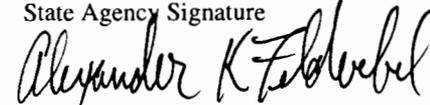
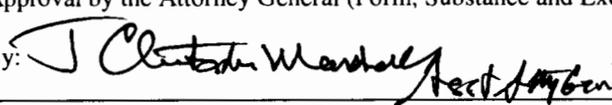
Subject: RFP 2013- DA-1 Health Insurance Claims Data Analyses **FORM NUMBER P-37 (version 1/09)**

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 Street, Suite 14, Concord, NH 03301	
1.3 Contractor Name Compass Health Analytics, Inc.		1.4 Contractor Address 254 Commercial Street, 2nd Floor, Portland, ME 04101	
1.5 Contractor Phone Number (207) 541-4900	1.6 Account Number 62-24-2400-25200800	1.7 Completion Date June 20, 2016	1.8 Price Limitation \$80,000
1.9 Contracting Officer for State Agency Alex Feldvebel		1.10 State Agency Telephone Number (603) 271-7971 Ext. 248	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory James P. Highland, PhD, President	
1.13 Acknowledgement: State of <u>Maine</u> , County of <u>Cumberland</u> On <u>3/27/14</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]		Chanterelle P. Atkins Notary Public, State of Maine My Commission Expires on January 30, 2019	
1.13.2 Name and Title of Notary or Justice of the Peace Chanterelle P. Atkins, Notary Public			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Alexander K. Feldvebel, Deputy Commissioner	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: <u>May 20, 2014</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

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

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

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

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

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

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

Contractor Initials 
Date 3/27/14

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 
Date 12/27/14

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.

Agreement with Compass Health Analytics, Inc.
2013-DA-1
Health Insurance Claims Data Analyses

Exhibit A

Scope of Services

The consultant's primary responsibility will be to perform claims data analyses and issue reports related to legislation proposed by representatives of the NH House or Senate. This entity will be responsible for time sensitive requests the Department receives through June 30, 2016. Compass Health Analytics, Inc. ("Compass") will work closely with New Hampshire Insurance Department staff on as-needed basis to provide the following services:

- 1. Interpret and Define Analysis Requests** – Based on requests from the legislature and/or General Court, Compass will define the issue, scenario, or legislative options being examined, and develop data analysis and study requirements.
- 2. Conduct the Analysis** –Based on the study requirements, Compass will design the data pull and calculations, obtain the data, conduct the analysis, and create the required models or other output.
- 3. Produce the Report** – Working with NHID and other stakeholders, Compass will create a report that describes the study, summarizes the data findings and documents data sources and analytic approaches. These reports may be used internally and/or provided to the public.
- 4. Work set out in the response to the RFP (attached).**

Compass shall have the option to decline to provide services for any request when Compass' expected charges for the request, when added to its charges for all prior requests under this contract, will exceed the \$80,000.00 maximum compensation permitted under this contract. Under such circumstances the Department shall develop and issue an RFP for any such additional referral(s), and shall award the review and evaluation of such referral(s) to Compass or to another consultant, based upon the Department's evaluation of the responses to any such RFP.



August 27, 2013

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

Dear Al:

Attached is our response to Request for Proposals 2013-DA-1 for Health Insurance Claims Data Analyses. We would be pleased to answer follow-up questions. I can be reached at (207) 541-4900.

Thank you for your consideration. We look forward to working with you on this important project.

Sincerely,

A handwritten signature in black ink, appearing to read "JPH", is written over a faint, light-colored grid background.

James P. Highland, PhD
President

Proposal to the
State of New Hampshire Insurance Department
for Consulting Services Related to
Health Insurance Claims Data Analysis

NHID RFP 2013-DA-1

August 27, 2013

Submitted by
Compass Health Analytics, Inc.

254 Commercial St. 2nd floor, Portland, Maine 04101

(p) 207.541.4900 (f) 207.523.8686

www.compass-inc.com

Contact: James Highland, PhD, jh@compass-inc.com



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1. Introduction

Compass Health Analytics, Inc. is pleased to submit this proposal in response to the Request for Proposals from the State of New Hampshire Insurance Department (NHID) to assist the Department with claim data analyses and reports related to legislation proposed by members of the New Hampshire House or Senate.

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

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

2. Experience Related to Claim Data Analysis

Compass specializes in quantitative analysis of health care data, ranging from actuarial and financial analysis to outcomes analysis to economic analysis supporting policy makers. We provide services supporting analysis, including processing and managing health care data and designing and operating decision support environments. Compass also has extensive experience with claim data, in particular with data from all-payer claim databases, including that of New Hampshire. Below we describe specific experience and skill sets relevant to the requirements of this RFP.

Analysis of claim data

At the center of most of Compass's practice is a solid base of experience in working with claim data. Whether working with health care policy makers or regulators using all-payer databases or with non-profit payers, we make daily use of claim data to answer a broad range of financial, clinical, and policy questions.

Economic analysis of health cost drivers

Compass worked with several New Hampshire data sources in writing the first cost-driver report. As part of that project, we developed a carrier questionnaire to supplement data from the 2010 Supplemental Report, New Hampshire Comprehensive Health Care Information System (NHCHIS), and NAIC Annual Statements. We are familiar with, and adept in using, the New Hampshire data sources cited above, and have become familiar with carrier-specific data issues.

Impact of mandated benefits on premiums

Compass has extensive experience estimating the cost to premium payers of mandated health insurance benefits in Massachusetts and New Hampshire. We have completed two cycles, four years apart, of a comprehensive assessment of existing mandates in Massachusetts for the Center for Health Information and Analysis (formerly the Division of Health Care Finance and Policy). Compass has also provided estimates of the impact of more than a dozen proposed mandate bills before the Massachusetts and New Hampshire legislatures since 2003, including current bills before the Massachusetts General Court.

All of these projects required coordination with regulators, carriers, and other constituencies, statutory analysis, clinical analysis drawing on expert opinion, and actuarial analysis, typically using all-payer claim data.

Impact of mandated benefits on EHB benchmark plans

Compass recently assisted NHID with pricing essential health benefit (EHB) benchmark plans, including estimating the effect of mandated benefits thereon. Through this and other projects, Compass has accumulated knowledge of the ACA and other federal requirements for health insurance, ranging from provisions that interact with state benefit mandates to the ACA's impact on state-level rate review standards.

New Hampshire health insurance data sources and laws

Compass's work on several recent, related analyses supporting the NHID, including assisting with the supplemental reporting process and analyzing health insurance cost drivers, has provided experience with the major sources of data available to the NHID, including the supplemental filings and the "raw" claim data available through NHCHIS, and the differences among various sources.

Our experience includes work with the NHID to improve the quality, utility, and efficiency of the New Hampshire-specific data sources.

With work for NHID on the New Hampshire rate review process and data sources, Compass staff have accumulated a solid working knowledge of New Hampshire insurance laws and regulations.

Claim data management infrastructure

Compass has the necessary network support, hardware, software, security procedures, business associate agreements, and skill base in place to accept, process, and analyze NHCHIS data.

3. General Qualifications

Compass employees bring to Compass and its clients wide-ranging and technically-advanced cumulative experience in the healthcare industry. The following subsections illustrate the firm's qualifications and present a summary of our staff credentials.

3.1. Other health care data analysis experience

In addition to experience with New Hampshire data sources, mandate analysis, and the other areas listed above, Compass economic, actuarial, and other staff have experience with analysis related to:

- Health care cost trends
- Administrative loads and carrier profits
- Cross-subsidization of member groups
- Insurer financial condition

We have a practical knowledge of health insurance markets, insurance laws, and insurance regulations, drawn from experience working for commercial insurers as employees and for regulatory agencies as consultants. Below we describe some examples of our relevant recent projects to illustrate the range of our actuarial expertise.

Insurance markets and medical trends

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

Likewise, Compass remains abreast of developments in the health care market. For example, Jim Highland has worked recently on ACO planning efforts in Maine and NH, in the latter developing guidelines for ACO contracting among the largest health systems and insurers in the state. In addition, Compass currently supports a prominent academic medical center health system in negotiating and monitoring the financial condition of Medicare and private sector ACO contracts.

Insurance benefit design/pricing

Serving on a benefits consulting team, Compass provided actuarial pricing analysis for the design of New Hampshire's HealthFirst small employer affordable health insurance plan. Using data from the State's all-payer claim database and from carriers, Compass analyzed base claim data, trend, benefit design, wellness components, and administrative costs and developed a flexible pricing model. Compass helped conduct public meetings including legislators, employers, and carriers.

Rate review

Compass staff have the skills and experience needed to understand health insurance pricing, premium components, and rate evaluation processes from both the carrier's and the regulator's perspectives. This includes experience with all aspects of rate filing analysis: its quantitative components and factors and its review standards, processes, and methodologies.

Compass has developed general expertise in rate review process and data (see below) in several states, but our most recent work directly in the review process itself arose when the Superintendent of the Maine Bureau of Insurance asked us to assist in analyzing in detail the data

and analysis supporting proposed rate increases for health insurance for the individual market. Compass evaluated the data submitted by the market-leading carrier and assisted the Bureau in identifying errors in the data and in requesting corrected and additional data. Compass identified alternative, significantly lower, trend assumptions which the insurer did not appeal. Compass's questioning of the data and calculations underlying the carrier's original proposed rates led to substantial reductions in the rate – by more than a third – approved by the Superintendent.

Experience with New Hampshire supplemental reporting

Compass has analyzed New Hampshire supplemental reporting and assisted the NHID with the production of the supplemental reports for the 2010 and 2011 health insurance market in New Hampshire. In these projects we carried out the following steps:

- Received the carrier submissions, performed preliminary quality assurance testing, documented and communicated data submission issues to carriers resulting in re-submissions to correct errors
- Processed the data into a stacked file to enable analysis of the NH insurance market
- Developed questions unique to each carrier based on comparisons to other carriers and to previous Supplemental Report data, resulting in some carriers correcting erroneous data
- Reviewed previous Supplemental Report and reproduced calculations, charts, and graphs
- Wrote the report, using the previous report as a model, and made modifications as appropriate
- Documented carrier issues and communications for follow-up by NHID on non-compliance and unresolved issues

3.2. Other relevant firm qualifications

The experience of Compass as a firm includes the following.

Experience with carrier data

Compass has experience with administrative and other important elements of carrier data, sourced from a wide variety of raw and summarized sources. Compass also has extensive experience working with claim data in raw and summarized form.

In Maine, Compass assisted the Maine Bureau of Insurance (BOI) with the development and implementation of the Carrier Trend Survey. Compass worked with the BOI to design and build the report, and then wrote instructions and responded to questions raised by the carriers. Compass will assist the BOI with phase two of the project, which will include analyzing carrier trend data and developing summary reports to assist the BOI with fulfilling transparency goals and with rate reviews.

In Vermont, Compass worked as a subcontractor to Onpoint to assist the Vermont Department of Banking, Insurance, Securities and Health Care Administration (BISHCA) in assessing Vermont's multi-payer claim database (VHCURES) to support and enhance insurance rate review activities. The project involved identification of common data elements between rate filings and VHCURES and identification of existing data gaps.

Quantitative/programming skills

We have extensive experience in a wide variety of quantitative analyses serving a broad mix of health care clients, including government regulators and policy advisors, insurers, employer groups, and provider systems.

- We employ a full suite of quantitative techniques, including descriptive and predictive statistics and sophisticated financial and actuarial spreadsheet-based models.
- We have substantial expertise in SAS and other analytical and reporting software.
- We have experience with analyzing data in NHCHIS.
- Our president and founder, Jim Highland, holds a PhD in Health and Insurance Economics from the Wharton School and we employ three actuaries, a master-level economist/statistician, and other staff with education in quantitative fields.

Working with state governments

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

Our actuaries have considerable experience interacting with regulators, and understand the policy objectives that underlie the statutory and regulatory framework for insurance regulation.

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

3.3. Staff credentials

In addition to the experience Compass has as a firm, its staff bring deep and varied industry experience. Summary descriptions of our consultants' experience follow; resumes are contained in Appendix A, and references who can speak to the specific skill sets are listed in Appendix B.

James P. Highland, PhD, MHSA

Dr. Highland has a unique background in healthcare finance, insurance, health economics, and healthcare information systems, combined with direct experience with New Hampshire provider and payer markets. Combining his background with the Compass team's deep expertise in healthcare actuarial methods and sophisticated data management, his work has focused on using complex healthcare data, analysis, and model building to advise state policy makers and executives in community healthcare organizations on issues related to healthcare costs, insurance coverage, strategic planning, pricing, contracting, and investment decisions.

Since founding Compass in 1997, Dr. Highland has assisted public and nonprofit clients in the Northeast and nationwide with economic and financial issues associated with insurance. In the past five years, he has led work for state government clients analyzing costs related to expansion of insurance benefits and coverage in Massachusetts, Maine, and New Hampshire.

Prior to founding Compass, Dr. Highland was a Senior Economist at Abt Associates in Cambridge, Massachusetts, where he established a practice in providing economic and financial consulting to small and mid-sized public payers. He also directed projects related to the design and implementation of provider payment systems for a wide range of clients, including the Health Care Financing Administration (now CMS) and State Medicaid agencies. He has served as Director of Research, Planning, and Evaluation at BlueCross BlueShield of Massachusetts, and as Director of Economic Studies at the American Hospital Association.

Dr. Highland's background includes extensive experience in the issues facing regulators as well as public and non-profit payers, particularly the financial aspects of expanding access to health care. He has done in-depth work on the costs of coverage under new programs and benefit plans, including assessing health reform initiatives targeted at expanding affordable coverage, analyzing health insurance benefit mandates, and projecting the costs of integrating separate public insurance programs. He has also analyzed and advised executive decision makers on payment systems, incentives, and risk bearing, including recent work in ACO planning.

Dr. Highland holds a Ph.D. in applied economics from the Wharton School of the University of Pennsylvania, where he studied health economics and the economics of risk and insurance. In addition, he holds a Master of Health Services Administration from the University of Michigan's School of Public Health, with concentrations in finance and information systems, and a B.A. in economics, with honors, from Northwestern University.

In 2009 Dr. Highland was appointed by the Governor to the State of Maine's Advisory Council for Health System Development, which guides research on the health care system in Maine and makes recommendations to the Legislature for initiatives to improve the health care system and expand access. He has served on its payment reform and health system data infrastructure sub-committees. Dr. Highland also serves as an Adjunct Professor at the University of Maine's Muskie School of Public Service and has taught at the University of Pennsylvania's Wharton School and in the Sloan Program in Health Administration at Cornell University.

Lisa Kennedy, ASA, MAAA

Ms. Kennedy has been with Compass since 2008. In her consulting role at Compass her experience has included the following:

- Review of data and data sources used by state insurance regulators in New Hampshire and Vermont
- Claim liability estimation
- Benefit pricing for a state-mandated small group health insurance product
- Rate development
- Rate filing review
- Budget development and financial monitoring

Ms. Kennedy brought to Compass twenty years of experience with all major health insurance actuarial functions from her tenure at Anthem Blue Cross and Blue Shield of Maine, where her last position was Northeast Director of Valuation with oversight of New Hampshire, Maine, and Connecticut claim liabilities. In her role as Director, she was the primary contact for actuarial liabilities during financial examinations and external audits.

Prior to her service as Northeast Director of Valuation, Ms. Kennedy held other actuarial positions at Anthem Blue Cross and Blue Shield of Maine with responsibility for group and individual health pricing and rate filings. Other responsibilities included medical and prescription drug trend analysis, financial projections, and claim liability estimation.

Ms. Kennedy is an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a B.A. degree in Mathematics from the University of Maine with a concentration in statistics.

Heather Clemens, FSA, MAAA

Ms. Clemens joined Compass in January, 2011. She is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. Ms. Clemens holds a B.S.B.A. degree with a major in Actuarial Science from the University of Nebraska – Lincoln, and a M.A. in Leadership from Bellevue University. She has played a key role in recent projects for the New Hampshire Insurance Department, including the Cost Driver study and the recently completed study of NHID data sources, and is very familiar with New Hampshire insurance data sources.

Before joining Compass, Ms. Clemens accumulated over ten years of health actuarial experience. She worked at WellPoint, Inc. as the Maine valuation lead actuary with responsibility for valuation of claim liabilities, management reporting, and support of GAAP and statutory reporting and internal and external audits. Before taking on this role, she supported valuation functions for Maine, New Hampshire, and Connecticut, standardizing several processes across the states to improve efficiency and accuracy.

Ms. Clemens also has experience in various actuarial roles at Mutual of Omaha in the Group Benefit Services Division. Her work included valuation of claim liabilities for group life, health, and accident products, large and small group health insurance pricing, and provider reimbursement analysis.

In her work at Compass, Ms. Clemens has analyzed insurer reserve levels, assessed the data analysis capacity of a state insurance department, and provided actuarial support for several mandated benefit studies.

Tina Shields, FSA, MAAA, MS

Ms. Shields joined Compass in June 2012. She is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. Ms. Shields holds a M.S. in Statistics from the University of Southern Maine and a B.A. in Secondary Education Mathematics from the University of Maine, Presque Isle. She has assisted in reviewing carrier submissions for the 2011 NHID Supplemental Report.

Before joining Compass, Ms. Shields spent a decade in progressively responsible actuarial positions with Anthem Blue Cross/Blue Shield (a WellPoint subsidiary). She served as the actuarial director and team lead for the experience analysis unit, and as the Maine pricing lead actuary. She also has experience in valuation and with data analysis software. In her most recent position she worked on a national risk-adjustment/risk-scoring team.

Andrea Clark, MS

Ms. Clark is an experienced consultant with expertise in developing and implementing economic, statistical, and financial analyses in the health care field, including extensive experience designing, managing, and analyzing large, complex databases. Prior to joining Compass, she was a consulting economist for a Big Five consulting firm, conducting projects ranging from litigation support for a pharmaceutical suit to assessing treatment effectiveness for the federal Substance Abuse and Mental Health Services Administration. At Compass, she carries out a variety of technical and actuarial data studies, including provider profiling, quality measurement studies, and population-based cost studies. Ms. Clark is a Phi Beta Kappa graduate of Georgetown University in economics, and holds a Master of Science degree in economics from the University of Wisconsin.

Other staff

Other professional staff at Compass are skilled and experienced in health care data issues and analysis and are available to support this project's work as needed.

- Lars Loren – JD Stanford, AB Dartmouth. Widely-experienced consultant with a background in project management, legislative analysis, process analysis, design of information and decision support systems, and quantitative analysis and modeling.
- Amy Raslevich – MBA Duke, MPP Duke, BS Wharton. Consultant with over twenty years of experience in health care administration and consulting in public and private

programs, including analytical and management work for integrated delivery systems and MCOs.

- Devin Anderson – BS Rensselaer Polytechnic Institute. Highly skilled Senior Programmer/Analyst with extensive expertise in commercial claim analysis and risk adjustment methodologies, statistics, SAS, and database systems.

Compass has the technical skill set to allow us to work with any data source, including raw operational system data, and manipulate it to produce analytical databases and computerized decision support models.

3.4. Conflicts of interest

Compass is not aware of any potential, or actual, conflicts of interest with respect to this procurement. Compass has recently been engaged in other consulting projects with the State of New Hampshire Insurance Department. Compass is also engaged in analytical work for a New Hampshire provider system related to monitoring its performance in its Medicare Pioneer contract, and occasional support related to commercial ACO arrangements. Compass has among its clients no insurers in New England, although it does serve some employer groups in Maine.

3.5. References

See Appendix B for references.

4. Problem Statement and Approach

Compass will assist the NHID with claim data analyses and reports related to legislation proposed by members of the New Hampshire House or Senate. The RFP does not address a particular analysis, but instead asks for a proposal to provide up to five analyses. The specific tasks and data necessary to conduct any given analysis can vary significantly. For example, an analysis might center on a financial model operating on a base of data summarized fairly easily from claims. Another might require significant programming effort to isolate specific care events or patient populations. Understanding the precise question the legislator is asking and the data sources and analysis that will answer it requires a solid understanding of health care, health care data, and often insurance coverage and finance.

While the specifics will vary, conducting each analysis will entail the following general steps, performed in coordination with the Department.

Clarify the question to be answered, expectations for deliverables, and limitations on the analysis imposed by the schedule

We expect to draw on the NHID and on other stakeholders as necessary to help define the analytical scope of the analysis. In addition we will review the practical constraints on the scope based on the

required schedule and reach a consensus with the NHID and other stakeholders on the shape of the analysis.

Interpret the language of relevant legislation

Critical to an efficient and accurate analysis will be a careful interpretation of the terms and intent of any relevant proposed or enacted legislation. Advice from NHID staff, and sometimes inquiries to the legislation's sponsors, might prove useful in clarifying these issues.

Perform initial research and plan the analytical strategy

We will perform preliminary research as needed and map out the analytical strategy supporting the analysis. This will drive our data gathering process.

Extract claim data and/or collect other data

The information needed to support a given analysis might be derived from sources other than raw claims, but we expect to use NHCHIS in most cases. Based on the analytical strategy we will extract needed data from NHCHIS and/or gather it from other sources. We have extensive experience working with the raw data and will work with NHID to get the most recent version. If faced with multiple analyses, we will discuss how to distribute the overhead of working with claim data optimally among the projects.

We will perform needed data quality checks, and review with NHID any resulting limitations on the analysis.

Analyze results

We will conduct the analysis according to the analytical plan. Typically we expect to identify the key driving factors underlying the analysis and gauge the sensitivity of the results to those drivers. The ranges of the estimates in our final report will reflect the reasonably foreseeable variations in those drivers and our report will explain how they affect the range of values in the final results.

Complex analytical work always has challenges in an environment of less-than-perfect data and often-contentious policy debate. Depending on the analysis and the nature of any data deficiency, Compass would expect to draw on a mixture of whatever data are available to provide decision makers with a bounded range of costs that realistically account for the underlying unknowns. Compass brings to these projects substantial judgment about how to balance the tradeoffs in precision and effort.

Present results

Compass will plan to present draft and final information to NHID staff in a manner that is technically appropriate for the relevant stakeholder audience. Compass routinely prepares comprehensible summaries of technical issues for decision makers.

Please note that our report will describe the issues framing the analysis and lay out the tradeoffs in balancing social, economic, or medical factors that affect health policy decisions, but we will leave resolving the balance to executive or legislative policymakers.

5. Cost Estimate

The amount of overall effort, and even the proportion of the effort contributed by each Compass staff role, will vary based on the complexity of the analysis. In addition, some “economies of scale” exist in these analyses; for example, two analyses running concurrently can share programming resources and the claim data preparation and quality effort required when extracting data from NHCHIS.

Recognizing these uncertainties, Compass’s consulting fees will reflect actual hours worked billed at Compass’s hourly consulting rates (displayed in Appendix C). The cost of a given analysis will run from \$10,000 to \$25,000 and will not exceed the higher amount. We understand that in total the contract carries an \$80,000 cap.

The distribution of hours to staff persons will depend on the content of the requested reports, but in general we would expect the bulk of the hours ($\frac{1}{2}$ to $\frac{3}{4}$) to be incurred by Andrea Clark and/or Devin Anderson, our claim data SAS programming experts, with most of the remainder for report writing assistance by Amy Raslevich and support by an analyst. Jim Highland will expend a modest amount of time for oversight and quality assurance. Other staff included above may be called when appropriate to the task.

The distribution of the Studies will be completed within timeframes worked out with the Department based on legislative timelines and requirements. Most studies can be produced within 6 weeks of receipt when necessary, or more quickly for studies not requiring significant external consultation or review. For an analysis which the NHID requires within two to four weeks or less, Compass will work with NHID to reach an understanding about acceptable limitations to the analysis and how to present it to stakeholders. Our estimated duration assumes any claim data (detailed or summarized) used in the analysis can be obtained through the Department or the APCD and that we will not need to rely on carriers or other sources for claim data. For studies that rely on those other sources, delays in receiving the data will affect timeframes.

Our rates are all-inclusive except for travel expense and any clearly special expenses (such as purchasing a data file for use in the project) approved by the client. Even if we assume several trips to Concord for the duration of the contract, travel expenses should not exceed \$1,000; typically our out of pocket expenses have been minimal or zero.

Appendix A: Resumes

James P. Highland, PhD, MHSA

Lisa Kennedy, ASA, MAAA

Heather S. Clemens, FSA, MAAA

Tina Shields, FSA, MAAA, MS

Andrea Clark, MS

Lars Loren, JD

Amy Raslevich, MBA, MPP

Devin Anderson

JAMES P.HIGHLAND

Professional Experience

- 1997-present **Compass Health Analytics, Inc., Portland, ME**
President
Provide advice and analytical services to health care policy makers and decision makers on financial, economic, actuarial, and decision support issues.
- 1994-1997 **Abt Associates Inc., Cambridge, MA**
Senior Associate, Health Economics Consulting Group
Directed and conducted research and analysis related to a variety of provider payment and insurance issues, including financial/risk modeling, capitation pricing, risk and incentive arrangements, physician fee schedule development, and managed care strategy. Clients included major insurers, HMOs, major provider organizations, pharmaceutical companies, medical societies, and state and federal agencies.
- 1993-1994 **Blue Cross Blue Shield of Massachusetts, Boston, MA**
Director of Research, Planning, & Evaluation
Directed staff of four in research and evaluation related to hospital and physician contracts, including managed care risk sharing arrangements. Conducted planning for provider network development. Designed and managed project for RBRVS implementation.
- 1990-1993 **American Hospital Association, Chicago, IL**
Director, Division of Economic Studies
Directed staff of five in conduct of impact studies, research studies, and other analyses critical to the association's public policy activities. Provided economic research perspective in key association policy discussions. Primary focus on issues related to federal health reform and hospital payment issues.
Associate Director, Division of Financial Policy
Managed policy development and analysis for over 5,000 member hospitals on physician payment and hospital outpatient payment issues. Supported representation and member education with issue papers, Congressional testimony, regulatory comment letters, and presentation to member and other professional groups. Selected for Federal advisory groups related to outpatient payment issues.
- 1988-1990 **University of Pennsylvania, Philadelphia, PA**
Senior Investigator, Leonard Davis Institute of Health Economics
Proposed successfully for a grant from the Health Care Financing Administration to study physician investment in diagnostic testing equipment. Designed valuation-based model to assess fees for diagnostic tests. Managed research process, staff, and budget.
Instructor, The Wharton School Assisted teaching "Financial Management of Health Institutions" to second-year Health Care M.B.A. students. Customized valuation software for hospital applications and instructed students in its use. Taught "Health Economics" to junior and senior undergraduates.

Professional Experience (cont.)

- 1985-1987 **Andersen Consulting, San Francisco, CA**
Senior Management Consultant
Managed and coordinated over 150 client personnel in successful user testing of large financial information system at a major university teaching hospital. Designed testing approach and automated testing control system. Coordinated and facilitated interaction between client and software vendor in customizing basic software. Led training sessions for hospital personnel.
- 1984-1985 **Sisters of Mercy Health Corporation, Farmington Hills, MI**
Administrative Fellow
Designed and successfully implemented capital budgeting system at 530 bed teaching hospital. Developed and launched corporate structure for hospital-physician joint ventures. Guided the management and budgetary process for the Department of Surgery. Evaluated requirements and wrote proposal for initiating financial planning function at system holding company.
- Summer 1983 **Good Samaritan Hospital, Downers Grove, IL**
Administrative Resident
Developed educational program for clinical personnel on prospective payment system; program recommended for adaptation throughout hospital system.
- Spring 1981 **On Lok Senior Health Services, San Francisco, CA**
Intern
Analyzed cost requirements for innovative alternative to 24-hour nursing home care for frail elders.

Education

Ph.D., The Wharton School, University of Pennsylvania, Health Economics/Health Finance, 1994
M.H.S.A., The University of Michigan, Health Services Administration, Finance, 1984
B.A., Northwestern University, Economics, with Honors, 1982

Honors and Awards

Dean's Fellowship for Distinguished Merit, The Wharton School, University of Pennsylvania 1987-1990
Public Health Traineeship, The University of Michigan, 1982-1984
Departmental Honors, Economics, Northwestern University 1982
Alpha Lambda Delta, Northwestern University, 1978-1982

Memberships

American Economic Association
Association for Health Services Research
Healthcare Financial Management Association
Healthcare Information and Management Systems Society

LISA J. KENNEDY, ASA, MAAA

Professional Experience

2008 – present **Compass Health Analytics, Inc., Portland, ME**
Vice President, Actuarial Consulting

- Price new insurance benefit designs
- Provide valuation and certification of claim liabilities
- Project claims, develop rates and forecasts for managed care clients
- Assist state regulator with review of individual health insurance rate filing
- Project claims for large employer and estimate benefit design changes
- Analyze health insurance cost drivers for state government policy makers
- Assist state regulator with development of carrier trend survey
- Assess value of multi-payer claim database in health insurance rate review

1988 – 2008 **Anthem Blue Cross & Blue Shield of Maine, South Portland, ME**
Director, Northeast Valuation 2006 – 2008

Other positions held: Actuary, Associate Actuary, Project Manager, Actuarial Analyst

Valuation Experience:

- Responsible for valuation of liabilities in ME, NH, and CT, 2005-2008
- Responsible for valuation of liabilities in Maine, 1998-2005
- Actuarial point of contact for state insurance examinations

Pricing Experience:

- Prepared and filed small group community rates and factors with the Maine Bureau of Insurance
- Prepared Medicare supplement rate filings, submitted to the Maine Bureau of Insurance, and testified at public hearing
- Assisted in the preparation of individual rate filings
- Developed large group rating factors including completion factors, merit rating trends, benefit relativity factors, and administrative expense loads
- Priced new products and benefit design, including prescription drug benefits
- Provided actuarial analysis for selection of pharmacy benefit manager
- Analyzed cost impact of legislative mandates
- Analyzed claim trend and leveraging impacts for pricing and forecasting

Forecasting Experience:

Designed and implemented a three-year projection model for premium, claim, and administrative expense to provide a critical link between pricing and financial planning.

Education

B.A., University of Maine at Orono, Mathematics (concentration in Statistics), 1988

Memberships

Associate, Society of Actuaries (ASA)

Member, American Academy of Actuaries (MAAA)

Successful completion of AAA 2008 Life and Health Qualifications Seminar

HEATHER S. CLEMENS

Professional Experience

- 2011 – present **Compass Health Analytics, Inc., Portland, ME**
Consulting Actuary
Assist nonprofit managed care organizations with claim liability analysis, rate development, budget development, and financial monitoring.
Review health insurance rate filings and health insurance data for state insurance regulators.
- 2005 – 2011 **WellPoint, Inc., South Portland, ME**
Associate Actuary, Northeast Valuation & Forecasting Department
Responsible for monthly valuation of liabilities, management reporting, GAAP and Statutory reporting of claim liabilities, and support of internal and external audits, while serving as the valuation lead actuary for Anthem Blue Cross and Blue Shield of Maine in 2010.
Supported valuation of liabilities for Anthem Blue Cross and Blue Shield plans in Maine, New Hampshire, and Connecticut.
Standardized several processes across the Northeast states to improve efficiency and accuracy.
- 1997 – 2005 **Mutual of Omaha, Omaha, NE**
Group Reinsurance & Valuation Department, 2002 - 2005
Established claim reserves for group life, health, and disability insurance products.
Performed in-depth reviews of reserve processes to identify opportunities for improvement.
Created and maintained thorough documentation of team processes and projects.
Group Health Product Support and Analysis Department, 1997 - 2002
Completed annual rate studies, filed updated rates with states, communicated rate changes to Underwriting department, and implemented changes in rating system.
Calculated rates and performed financial analysis for new products and benefits.
Analyzed financial impact of changes to provider contracts.
- 1995 – 1997 **Lincoln Benefit Life, Lincoln, NE**
Actuarial student position with duties in life insurance valuation and actuarial intern position supporting various actuarial functions.

Education

- M.A., Bellevue University, Leadership, 2007
B.S.B.A., University of Nebraska - Lincoln, Actuarial Science, 1996

Memberships

- Fellow, Society of Actuaries (FSA)
Member, American Academy of Actuaries (MAAA)

TINA SHIELDS, FSA, MAAA

Professional Experience

- June 2012 - Present **Compass Health Analytics, Inc., Portland, ME**
Consulting Actuary
Assist nonprofit managed care organizations with claim liability analysis, rate development, budget development, and financial monitoring.
Consult on benefit pricing.
- 2002 – 2012 **Anthem Blue Cross & Blue Shield of Maine, South Portland, ME**
Actuarial Director, Experience Analysis Unit, 2009 – 2012
Team lead for reporting on the morbidity of the entire enterprise using risk scores.
Conducted quarterly presentations to share risk analysis with actuarial leaders.
Conducted analysis of segments with unexplained rising trends.
Developed reports using data access tools.
Associate Actuary, Group and Individual Pricing Units, 2006 – 2009
Maine Pricing Lead – supervised staff and acted as communication link between the actuarial division and Maine executive leadership
Conducted new product pricing and benefit relativity work; recommended adjustments to pricing, product design, and the product portfolio; performed competitive analysis.
Interpreted financial results and variances from forecast; developed forecast parameters.
Prepared and signed Maine rate filings, reviewed annual demographic filings, responded to Bureau of Insurance requests and discovery work.
Actuarial Analyst, Valuation Unit, 2003 – 2006
Maine Valuation Lead – communicated monthly reserve estimates to Actuarial leadership.
Calculated monthly claims liability reserves; estimated large claims for high dollar claimants.
Followed SOX controls and documented procedures; responded to requests from auditors.
Tracked accruals (minimum loss ratio accrual, stop loss accruals, savings offset payment, etc).
Actuarial Student, 2002 – 2003
Extracted and analyzed data, including updating claim triangles and investigating trend drivers.
Prepared rate filings and responded to Bureau of Insurance requests.
- 1994 –2002 **Teaching experience**
Teaching Assistant, University of Southern Maine, Portland, ME, 2000 – 2002
Duties included teaching introductory statistics, business statistics, and business probability.
Teacher, Aroostook High School, Mars Hill, ME, 1994 – 2000
Taught algebra, geometry, pre-calculus, biology, and chemistry; coordinated grant applications.

Education

- M.S., University of Southern Maine, Statistics, May 2002
B.A., The University of Maine – Presque Isle, Secondary Education Mathematics, May 1994

Memberships

- Fellow, Society of Actuaries (FSA)
Member, American Academy of Actuaries (MAAA)

ANDREA L. CLARK

Professional Experience

- 2002-present **Compass Health Analytics, Inc., Portland, ME**
Senior Economist
Conduct quantitative research on various health care topics, with a primary focus on behavioral health in the public sector and topics in health care reform. Oversee preparation of Medicaid managed care capitation rate bids for clients covering over 800,000 combined lives, including coordinating clinical and actuarial input. Perform complex financial and quality assessment analyses on health insurance claims and other client data. Manage programming staff in monthly production of multi-million record data warehouse for a managed care organization and production of inputs to actuarial analysis.
- 1997-2002 **PricewaterhouseCoopers LLP, Washington, DC**
Senior Associate
Developed and implemented economic, statistical, and financial analyses in a variety of fields, including health care and consumer credit. Managed multiple-track analyses of opposing party data. Supervision of staff in implementing complex analyses.
Associate
Responsible for management and analysis of large databases. Developed and implemented econometric analyses of outcomes in employment discrimination, fair lending, and anti-trust matters.
- 1996-1997 **Klemm Analysis Group, Inc., Washington, DC**
Economist
Performed data management and analysis for litigation support and government clients, including analysis of the National Household Survey on Drug Abuse for the Substance Abuse and Mental Health Services Administration (SAMHSA).

Technical Expertise

Advanced SAS applications developer, working comfortably in a variety of platforms.
Experienced database manager; expert in the management and analysis of large databases.
Familiar with SQL and VB.

Education

M.S., The University of Wisconsin, Economics, 1996
B.S.F.S., Georgetown University Economics, *magna cum laude*, Phi Beta Kappa, 1994

LARS E. LOREN

Professional Experience

- 2003-present **Compass Health Analytics, Inc., Portland, ME**
V.P./Consulting Manager
Performed analysis of legislative intent and costs for mandated insurance coverage. Analyzed MCO operational and financial planning business processes. Managed system development projects for MCO and disease management firms and designed related databases. Developed reporting and decision-support system for practice management software.
- 1997-2003 **ISDM, Inc., Dallas, TX / Stamford, CT**
Consultant
Consulting firm focused on IT planning, database development, and process improvement. Created plan for integrated marketing data warehouse for multi-title catalog firm. Developed regression models using SAS to predict response to consumer mailings. Designed data mart to report performance of internet advertising. Evaluated and recommended changes in demand forecasting process. Managed project to implement CRM software for financial services firm.
- 1996-1997 **Advanta Corp, Horsham, PA**
Internal Consultant for Marketing & New Product Development
Managed project planning, justification, and selection to redesign customer acquisition database and process. Facilitated IT planning.
- 1984-1996 **L.L. Bean, Inc., Freeport, ME**
Progressively responsible management and analytical positions in marketing, merchandising, and IT covering: quantitative analysis of marketing productivity, system and database design, analytical algorithm design, large project management, line marketing responsibility, and management of budgets and personnel.
- 1981-1984 **Maine Legislative Finance Office, Augusta, ME**
On staff of committee that reviewed state programs for usefulness, efficiency, and compliance with law. Reviewed healthcare profession regulatory agencies. Performed research. Facilitated deliberations of legislative committees. Drafted legislation.

Education

J.D., Stanford University
A.B., Dartmouth College, *magna cum laude*, majors in physics and philosophy

AMY C. RASLEVICH

Professional Experience

- 2011-present **Compass Health Analytics, Inc., Portland, ME**
Consulting Manager
Responsible for analyzing clinical and financial aspects of health policy issues, including issues related to insurance coverage and benefits. Conduct medical literature reviews and synthesis of most recent findings and conclusions regarding specific treatment approaches for specific benefit coverages. Estimate cost of specific health insurance benefits, including assessment of treatment prevalence, coverage rules, treatment costs, technology change, and cost trends.
- 2005-2009 **Child Watch of Pittsburgh, Inc., Pittsburgh, PA**
Executive Director
Led non-profit community coalition of child advocates in most senior staff position; reported to Board President. Responsible for overall health and daily oversight of agency.
- 2001- 2005 **Community Care Behavioral Health, Pittsburgh, PA**
Progressively responsible management positions providing analytical support to senior management. Managed departments of Strategic Analysis, Compliance, and Communications & Marketing.
- 1998-2001 **Deloitte Consulting Group, Pittsburgh, PA**
Senior Consultant, Healthcare Practice, 2000- 2001
Engagements included: Development of Medical Management design for large health insurer; Creation of analytical software for pharmaceutical manufacturer; Formation of all-inclusive payer-provider system for individuals with developmental disabilities living in community settings.
- 1995-1997 **Inova Fair Oaks Hospital, Budget/Reimbursement Department, Fairfax, VA**
Senior Financial Analyst
Managed hospital decision support and cost accounting systems and staff, and developed budgets for 151-bed community hospital in regional integrated healthcare system.
- 1994-1995 **Principal Behavioral Health Care, Rockville, MD**
Financial Analyst II
Managed budget and financial reporting system for behavioral health subsidiary of national managed care firm, including strategic and variance analysis and re-forecasting.
- 1993-1994 **Eastern Mercy Health System, Planning Department, Radnor, PA**
Planning Analyst
Performed market research and analysis for national not-for-profit healthcare organization, including twelve regional delivery systems, to coordinate and consolidate planning efforts.

Education

- M.B.A., Certificate in Health Sector Management, Duke University, Fuqua School of Business, 2000
M.P.P., Certificate in Health Policy, Duke University, Sanford School of Public Policy, 2000
B.S. Economics, Dual Concentration in Public Policy Management and Health Care Management, University of Pennsylvania, Wharton School of Business, 1993

DEVIN H. ANDERSON

Professional Experience

- 2012-present **Compass Health Analytics, Inc., Portland, ME**
Senior Programmer/Analyst
Perform analysis or data preparation needed to support financial, economic, actuarial, or other ad hoc analyses. Design and prepare algorithms to detect fraud and abuse among behavioral health providers. Build and maintain client data warehouses and develop the ongoing quality assurance procedures needed to ensure their usability. Design and develop complex SAS code that can be used on a monthly basis to meet internal and/or external reporting needs.
- 2005-2012 **Health Dialog, Portland, ME**
Senior Programmer/Analyst, Provider Solutions Department
Served as the statistical analyst within the Provider Solutions department. Responsible for building and maintaining a robust risk-adjustment methodology as part of a provider profiling/evaluation system. Also responsible for complex, multi-stage ad hoc analyses through consulting engagements, including regional variation, financial cost position, and market share analyses.
- Programmer/Analyst, Health Care Data Analytics Department**
Served as the primary analyst for a strategic client. Responsible for building and assessing the accuracy of the client's data warehouse as well as financial, quality, utilization, and other analyses as needed by the client. Responsible for developing standardized cross-client processes related to data quality assurance and assessing disease management program impacts on cost and quality.

Technical Expertise

Programming Languages and Software Expertise: SAS, SQL, MATLAB, C++, Minitab, Microsoft Excel, PowerPoint, and Word

Education

B.S., Rensselaer Polytechnic Institute, major Mathematics, minor Economics, 2005

Appendix B: References

Eric Cioppa
Superintendent
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Massachusetts Division of Health Care Finance and Policy
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Division Chief
Division of Medicaid and Financial Review
Office of Mental Health and Substance Abuse Services
Pennsylvania Department of Public Welfare
PO Box 2675
Harrisburg, PA 17105-2675
717-772-7358
tmardis@state.pa.us

Appendix C: Rates

The following table displays the consulting rates Compass proposes for this contract.

Title	Incumbents	Hourly Rate
PhD Economist	J. Highland	\$275
Actuary	L. Kennedy, H. Clemens, T. Shields	\$275
Senior Economist	A. Clark, A. Raslevich	\$185
Project Manager	L. Loren	\$200
Sr. Programmer/Analyst	D. Anderson	\$185
Programmer/Analyst	Staff	\$125
Data Analyst	Staff	\$60

**Agreement with Compass Health Analytics, Inc.
2013-DA-1
Health Insurance Claims Data Analyses**

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

Total compensation under this contract with Compass Health Analytics, Inc. ("Compass") shall not exceed \$80,000.00.

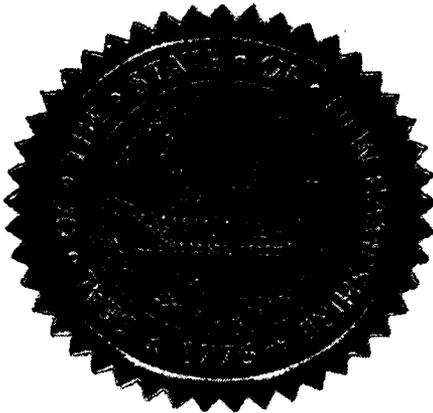
Compass shall be reimbursed for travel costs, if necessary, at the applicable State of NH rates for state employees. Costs for such reimbursement, when added to all referral charges under this contract, shall not exceed the contract limit of \$80,000.00

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

State of New Hampshire Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Compass Health Analytics, Inc. a(n) Maine corporation, is authorized to transact business in New Hampshire and qualified on July 14, 2008. 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 9th day of April, A.D. 2014

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE
(Corporation without Seal)

RECEIVED BY
NH INSURANCE DEPT
MAY 06 2014

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

1. I am a duly elected Clerk of Compass Health Analytics, Inc.
(Corporation Name)

2. The following resolutions were adopted by written consent of the sole director effective March 27, 2014.

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire Insurance Department, for the provision of

Health Insurance Claims Data Analyses services.

RESOLVED: That the President, James P. Highland,
(Title of Contract Signatory)

is hereby authorized on behalf of this Corporation to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 27 day of March, 2014.
(Date Contract Signed)

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

of the Corporation.



Arnold C. Macdonald, Clerk

STATE OF MAINE

County of Cumberland

The forgoing instrument was acknowledged before me this 1st day of May, 2014.

By _____
Arnold C. Macdonald, Clerk


(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: _____

JILL M. HAZLEWOOD
Notary Public, Maine
My Commission Expires March 29, 2020



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

12/12/2013

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 Holden Agency Insurance 1085 Brighton Ave Portland, ME 04102	CONTACT NAME: Diane K. Littlefield, CIC, CPIW PHONE (A/C No, Ext): (207) 775-3793 2432 FAX (A/C, No): (207) 523-2449 E-MAIL: dlittlefield@holdenagency.com ADDRESS:														
INSURED Compass Health Analytics, Inc. 254 Commercial St, 2nd Floor Portland, ME 04101	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : Peerless Indemnity Insurance Co.</td> <td style="text-align: center;">18333</td> </tr> <tr> <td>INSURER B : Liberty Mutual Insurance</td> <td style="text-align: center;">24198</td> </tr> <tr> <td>INSURER C : Hartford Underwriters Insurance Co.</td> <td></td> </tr> <tr> <td>INSURER D : Nautilus Insurance Company</td> <td style="text-align: center;">17370</td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Peerless Indemnity Insurance Co.	18333	INSURER B : Liberty Mutual Insurance	24198	INSURER C : Hartford Underwriters Insurance Co.		INSURER D : Nautilus Insurance Company	17370	INSURER E :		INSURER F :	
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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	ADDC. SUBR. INSR. WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> GENERAL LIABILITY		BOP8953963	8/9/2013	8/9/2014	EACH OCCURRENCE \$ 1,000,000	
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000	
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					MED EXP (Any one person) \$ 5,000	
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY \$ 1,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					GENERAL AGGREGATE \$ 2,000,000	
						PRODUCTS - COMP/OP AGG \$ 2,000,000	
B	<input type="checkbox"/> AUTOMOBILE LIABILITY		BOP8953963	8/9/2013	8/9/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000	
	<input type="checkbox"/> ANY AUTO ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per person) \$
	<input checked="" type="checkbox"/> HIRED AUTOS	<input checked="" type="checkbox"/> NON-OWNED AUTOS					BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE				EACH OCCURRENCE \$	
	<input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$					AGGREGATE \$	
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		04WECCK4323	8/9/2013	8/9/2014	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y / N					E.L. EACH ACCIDENT \$ 100,000
	If yes, describe under DESCRIPTION OF OPERATIONS below	Y				N / A	E.L. DISEASE - EA EMPLOYEE \$ 100,000
							E.L. DISEASE - POLICY LIMIT \$ 500,000
D	Professional Liab		NN361932	8/9/2013	8/9/2014	Each Claim/Agg 2,000,000	

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

 2013 DEC 16 AM 11:11
 NH INSURANCE DEPARTMENT
CERTIFICATE HOLDER**CANCELLATION**

NH Insurance Department Attn: Tyler Brannen, Health Policy Analyst 21 South Fruit Street, Suite 14 Concord, NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Diane Littlefield</i>
---	---

STANDARD EXHIBIT I

The Contractor identified as in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 and those parts of the HITECH Act applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the New Hampshire Insurance Department.

BUSINESS ASSOCIATE AGREEMENT

(1) Definitions.

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

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

(2) Use and Disclosure of Protected Health Information.

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

(3) Obligations and Activities of Business Associate.

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

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

(4) Obligations of Covered Entity

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to standard provision #10 of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the

changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.

- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

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

New Hampshire Insurance Department
The State

Alexander K. Feldebel
Signature of Authorized Representative

Alexander K. Feldebel
Name of Authorized Representative

Deputy Commissioner
Title of Authorized Representative

3/31/14
Date

Compass Health Analytics, Inc.
Name of the Contractor

[Signature]
Signature of Authorized Representative

James P. Highland
Name of Authorized Representative

President
Title of Authorized Representative

3/27/14
Date