



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF MEDICAID BUSINESS AND POLICY

Nicholas A. Toumpas
 Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857
 603-271-9422 1-800-852-3345 Ext. 9422
 Fax: 603-271-8431 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

Kathleen A. Dunn
 Associate Commissioner
 Medicaid Director

March 26, 2015

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

Sole Source

Requested Action

Authorize the Department of Health and Human Services, Office of Medicaid Business and Policy to enter into a **sole source** amendment to extend an existing contract with Milliman, Inc., (Vendor #173344) 1301 Fifth Avenue, Suite 3800, Seattle, Washington, 98101, for the provision of Comprehensive Healthcare Information System data by increasing the price limitation by \$733,040 from \$1,385,135 to \$2,118,175 and extending the completion date from June 30, 2015 to June 30, 2017, effective upon Governor and Executive Council approval. The Governor and Executive Council approved the original Contract on June 6, 2012 (Item #39) and subsequent amendment on June 5, 2013 (Item #89). 99%Federal Funds and 1%General Funds.

Funds to support this request are anticipated to be available in State Fiscal Years 2016 and 2017 budgets with the authority to adjust encumbrances between state fiscal years through the Budget Office without further approval of the Governor and Executive Council, if necessary and justified.

05-095-095-956010-6126 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: COMMISSIONER, OFF MEDICAID & BUSINESS POLICY, MEDICAID ADMINISTRATION.

SFY	CLASS/ ACCOUNT	CLASS TITLE	CURRENT MODIFIED BUDGET	INCREASE/ (DECREASE)	REVISED MODIFIED BUDGET
2012	102-500731	Contracts for Program Services	\$39,870	\$0	\$39,870
2013	102-500731	Contracts for Program Services	\$622,225	\$0	\$622,225
SFY 2012 & 2013 SubTotal:			\$662,095	\$0	\$662,095

**05-00095-047-470010-7937 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS
 DEPT OF, HHS: OFC OF MEDICAID & BUS PLCY, OFF. OF MEDICAID & BUS. POLICY,
 MEDICAID ADMINISTRATION**

SFY	CLASS/ ACCOUNT	CLASS TITLE	CURRENT MODIFIED BUDGET	INCREASE/ (DECREASE)	REVISED MODIFIED BUDGET
2014	102-500731	Contracts for Program Services	\$366,520	\$0	\$366,520
2015	102-500731	Contracts for Program Services	\$356,520	\$0	\$356,520
SFY 2014 & 2015 SubTotal:			\$723,040	\$0	\$723,040

**05-00095-047-470010-7937 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS
 DEPT OF, HHS: OFC OF MEDICAID & BUS PLCY, OFF. OF MEDICAID & BUS. POLICY,
 MEDICAID ADMINISTRATION**

SFY	CLASS/ ACCOUNT	CLASS TITLE	CURRENT MODIFIED BUDGET	INCREASE/ (DECREASE)	REVISED MODIFIED BUDGET
2016	102-500731	Contracts for Program Services	\$0	\$366,520	\$366,520
2017	102-500731	Contracts for Program Services	\$0	\$366,520	\$366,520
SFY 2016 & 2017 SubTotal:			\$0	\$733,040	\$733,040
Contract Total:			\$1,385,135	\$733,040	\$2,118,175

EXPLANATION

This purpose of this **sole source** amendment is to fulfill the obligation to operate and maintain the Comprehensive Healthcare Information System as well as the integration of Medicaid and Medicare data for New Hampshire residents, as required by RSA 420-G: 11, II. This sole source amendment extends the contract end date and increases the contract price limitation. Although the original Governor and Executive Council request had renewal language in it, the original contract did not have that renewal language. Therefore, the Department must seek a sole source amendment for this contract, which was originally competitively bid.

RSA 420-G: 11, II requires all private health insurance carriers to electronically provide their encrypted claims data to the Department of Health and Human Services in accordance with Administrative Rule Ins 4000 adopted by the Insurance Department.

The contract with Milliman, Inc. allows the Department of Health and Human Services and the Insurance Department to successfully accept submissions of data from carriers and third party administrators as specified by RSA 420-G:11, II and fulfill the obligation to operate and maintain the Comprehensive Healthcare Information System as well as the integration of Medicaid and Medicare data for New Hampshire residents.

The health care data collected provides important comparative information to enhance efficiencies in the State's Medicaid program and is used to review health care utilization, expenditures and performance in New Hampshire in order to enhance the ability of New Hampshire consumers and

employers to make informed and cost-effective healthcare choices. The health insurance carriers electronically provide their encrypted claims data to the Department in accordance with Insurance Department Administrative Rule Ins 4000, Uniform Reporting System for Health Care Claims Data Sets. The data collected does not permit direct identification of individual patients. The contract includes numerous performance benchmarks used to measure the contractor's effectiveness and are tied to contractor payment. The contract also includes liquidated damage payments for failure to comply with key aspects of the contract. Both sets of performance requirements are provided as an attachment.

Milliman, Inc. was selected through a competitive bid process to provide services for the de-identification of direct identifiers, collection, quality assurance, consolidation, secure storage, and access and online queries of all payer health insurance claims data. The Department is satisfied with the vendor's performance of providing these services as part of the New Hampshire Comprehensive Healthcare Information System, which is a joint project of the Department and the New Hampshire Insurance Department.

Should the Governor and Executive Council not approve this request, the Department would have no ability to fulfill the requirements of NH RSA 420-G:11, II and NH RSA 420G:11-a. Not meeting these legal requirements would result in the State losing a valuable resource for understanding and making aspects of the healthcare system transparent. Furthermore, Medicaid program operations would suffer without the comparative information provided by the system.

Area Served: the services provided under this agreement are applicable to statewide collection of health care insurance claims data.

Source of Funds: 99% Federal Funds and 1% State General Funds.

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

Respectfully submitted,



Kathleen A. Dunn, MPH
Associate Commissioner
Medicaid Director

Approved by:



Nicholas A. Toumpas
Commissioner

Performance Measures Attachment for Milliman, Inc. Contract for CHIS Project

The following performance measures are contract deliverables that are used to monitor contractor performance. The deliverables are tied to payments made to the contractor.

Milestone	Date	Resources
Project Kick-Off Meeting in Concord, NH	6/6/2012	Milliman, State
Finalized and accepted initial Plan of Operations	6/25/2012	Milliman, State (approval)
Progress reports		
Biweekly reports start	6/14/2012	Milliman
Monthly reports start	9/10/2012	Milliman
Finalized and accepted Carrier communication plan and materials	6/15/2012	Milliman, State (approval)
Annual Carrier meeting in Concord, NH	Annually in July	Milliman, State
Quarterly project management meetings in Concord, NH	Quarterly starting in June 2012	Milliman, State
Finalized and accepted Requirements Analysis Report	11/19/2012	Milliman, State (approval)
Information Architecture Plan	6/11/2012	Milliman
De-identification Plan	6/27/2012	Milliman, State (approval)
Finalized and accepted Consolidation Design Plan	6/27/2012	Milliman, State (approval)
Finalized and accepted System Test plan	11/12/2012	Milliman, State (approval)
Finalized and accepted Quality Assurance Design Plan for validating Carrier submissions	9/18/2012	Milliman
Implementation of web-based Carrier registration and tracking process	7/17/2012	Milliman
Implementation of all Project website components	12/24/2012	Milliman
Initial Data Dictionary	6/20/2012	Milliman
Initial Data Submission Manual	6/20/2012	Milliman
Vendor system available for vendor testing and State acceptance	12/21/2012	Milliman
Vendor System available for de-identification, Carrier submission and data validation	7/4/2012	Milliman
Data Consolidation and Value Added data elements implemented in Vendor system	11/15/2012	Milliman
Annual security assessment	6/3/2013	Milliman
Regular data set extracts prepared, validated, and delivered to DHHS and NHID	Quarterly starting 3/31/2013	Milliman

Milestone	Date	Resources
Quarterly Public Use data set package prepared and validated	Quarterly starting 3/31/2013	Milliman
Delivery of consolidated historical data extract to DHHS and NHID	5/31/2013	Milliman
Ad hoc data set extracts prepared, validated, and delivered to researchers, DHHS, and NHID	As required	Milliman

In addition to the above performance measures, the contract also includes liquidated damages penalties if the contractor, as determined by DHHS, fails to meet the service described below.

Service Performance	Standard	Penalties
1. Reporting Requirements	Contractor will provide all reports and deliverables specified in Exhibit A in an acceptable condition within the stated time period.	Liquidated damages in the amount of a 5% reduction in payments for the month in which the Contractor fails to provide the required report in an acceptable form.
2. Systems Noncompliance	The Contractor will maintain its computer system and necessary data management, transmission and support systems in a manner that assures continued compliance with the contract provisions.	Liquidated damages in the amount of a 5% reduction in payments for the month in which the Contractor fails to meet the standard.
3. Plan of Operations Noncompliance	The Plan of Operations will reflect the policies, procedures and processes used in the execution of the contract. Any deviation, including from timelines, will require the prior approval of DHHS and amendment of the Plan of Operations.	Liquidated damages of a 5% reduction in payments for the month in which the Contractor fails to maintain the Plan of Operations, to follow its provisions, or initiates any action not covered and/or not approved by DHHS.
4. Prompt Implementation	Implementation shall occur within one week of contract approval by Governor and Council.	Failure of the successful Contractor to meet this standard will result in liquidated damages of \$1,000 per day starting the seven days after contract approval by Governor and Council and each day thereafter until implementation occurs.



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY
27 Hazen Dr., Concord, NH 03301
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doit

Denis Goulet
Commissioner

April 7, 2015

Nicholas Toumpas, Commissioner
State of New Hampshire
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301-3857

Dear Commissioner Toumpas:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a contract amendment with Milliman, Inc. of Seattle WA, for a Comprehensive Healthcare Information System (NH CHIS), as described below and referenced as DoIT No. 2012-103B.

This amendment enables Milliman to continue operations, support, and maintenance of the system that encrypts, collects, tests/verifies/edits, consolidates, enhances, and provides access to all payer health insurance claims data. The service is required so that the Department of Health and Human Services (DHHS) and the New Hampshire Insurance Department (NHID) comply with State of New Hampshire law RSA 420-G: 11, II that requires all health carriers to electronically provide their encrypted claims data to NHID and DHHS for inclusion in the New Hampshire Comprehensive Healthcare Information System. The contract funding is increased by \$733,040, from \$1,385,135 to \$2,118,175. The expiration date is extended from June 30, 2015 to June 30, 2017.

A copy of this letter should accompany the Department of Health and Human Services' submission to Governor and Executive Council.

Sincerely,

A handwritten signature in black ink, appearing to read "Denis Goulet", with a long horizontal flourish extending to the right.

Denis Goulet

DG/ltn
RFP 2012-103

cc: Leslie Mason, DoIT



**State of New Hampshire
Department of Health and Human Services
Amendment #2 to the Comprehensive Healthcare Information System Contract**

This 2nd Amendment to the Actuarial Consultant Services contract (hereinafter referred to as "Amendment #2") dated this 24th day of December 2014, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Milliman, Inc. (hereinafter referred to as "the Contractor"), a Washington corporation with a place of business at 15800 Bluemound Road, Suite 100, Brookfield, Wisconsin.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 6, 2012, (Item #39), and amended by an agreement (Amendment #1 to the Contract) approved on June 5, 2013 (Item #89), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, the State and the Contractor have agreed to make changes to the scope of work, payment schedules and terms and conditions of the contract; and

WHEREAS, pursuant to the General Provisions, Paragraph, the parties may modify the Contract upon written agreement of the parties and approval of the Governor and Executive Council; and

WHEREAS the parties agree to increase the price limitation and extend the Contract end date; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree as follows:

To amend as follows:

1. Form P-37, General Provisions, Block1.7, to read:
June 30, 2017
2. Form P-37, General Provisions, Block 1.8, to read:
\$2,118,175
3. Exhibit A, Scope of Services, Section C, Facilitate Data Collection and Collaboration with Carriers, by adding:
C.3.6 Maintaining an electronic Field File Quality System to allow submitters to submit files and exception requests.
4. Exhibit A, Scope of Services, Section C, Facilitate Data Collection and Collaboration with Carriers, Paragraph C7 to read:

The Contactor shall establish two primary stakeholder teams, one comprised of representatives from the Carriers and the other representing the State data users for the purpose of facilitating communication and collaboration throughout the implementation process and for the life of the contract with the goal of sharing best practices and for addressing any issues or concerns that may arise. The data user team feedback to the Contractor implementation team shall increase the Contractor consultants' understanding of client data needs so the data warehouse and related analytics and methodologies shall meet and exceed the data analysis needs of the users. DHHS and NHID methodologies shall be part of with both teams, and will have input on team membership and meeting requirements.

**New Hampshire Department of Health & Human Services
Comprehensive Healthcare Information System Contract**



5. Exhibit A, Scope of Services, Section M. Data Set Extracts and MedInsight Web Portal, Subparagraph M.4.1, to read:

For budgeting purposes, assume ten (10) custom requests per year. Any of the ten (10) custom requests not supplied in a year will be rolled over and shall accumulate through the life of the contract.

6. Add subparagraph M.6.1, to read:

In the instance where the department determines the data provided requires replacement due to an error by the contractor; it will not count toward the ten (10) customized requests allotted annually.

7. Exhibit A, Scope of Services, Section N. Process Requirements, Paragraph N.3, to read:

The Contractor shall submit an updated/new finalized Plan of Operations within ten (10) days after the Contract award and approval by the Governor and Executive Council. The Plan of Operations shall include, without limitation, a detailed description of the Schedule, Tasks, Deliverables, Critical Events, Task Dependencies, Contractor and State Resources Required, and Payment Schedule. The plan shall be updated no less than monthly.

8. Delete Exhibit B, Methods and Conditions Precedent to Payment and replace with Exhibit B – Amendment #2, Methods and Conditions Precedent to Payment

9. Delete Standard Exhibit G, Certification Regarding the Americans with Disabilities Act Compliance and replace with Exhibit G, Certification of Compliance with Requirements Pertaining to Federal Nondiscrimination Equal Treatment of Faith-Based Organizations and Whistleblower Protections.

RN
3/23/15

**New Hampshire Department of Health & Human Services
Comprehensive Healthcare Information System Contract**



This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

3/27/15
Date

Kathleen Dunn
Kathleen Dunn, Associate Commissioner
Medicaid Director

Milliman, Inc.

3/23/15
Date

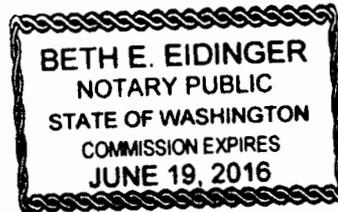
Rich Mayer
NAME Rich Mayer
TITLE Principal

Acknowledgement:

State of Washington, County of King on 3/23/15, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Beth E. Eiding
Name and Title of Notary or Justice of the Peace



RM
3/23/15

**New Hampshire Department of Health & Human Services
Comprehensive Healthcare Information System Contract**



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

4/20/15
Date

[Signature]
Name: Megan A. Yapple
Title: Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

[Signature]
3/23/15



Exhibit B – Amendment #2

Methods and Conditions Precedent to Payment

1. Payment shall be made to the Contractor on a monthly basis, up to the amount in Form P-37, General Provisions, Block 1.8, Price Limitation.
2. Invoices shall be submitted monthly, on Contractor letterhead, to:

Mary Fields
Office of Medicaid Business and Policy
129 Pleasant Street – Brown Building
Concord, NH 03301-3857
mary.j.fields@dhhs.state.nh.us
3. The monthly invoice shall identify charges for deliverables and support on an item basis, aggregated to a total amount for the month.
4. The Contractor shall request and receive prior written approval from the State to engage any subcontractors under this Agreement, and further agrees to pay the expenses of any subcontractors awarded under this Agreement in accordance with Exhibit A, Scope of Services.
5. The Contractor shall request and receive prior written approval from the State for any modifications to the project budget, which change any expenditure levels from the levels projected in the budget of this Agreement.
6. The Contractor shall use and apply all payments made by the State for direct and indirect costs and expenses associated with the execution of this Agreement. The Contractor's expenses for administration of any subcontractors shall not exceed the amounts identified in the project budget. Allowable costs and expenses shall be determined by the State in accordance with the project budget and applicable state and federal laws and regulations.
7. The Contractor shall not use or apply such payments for capital additions or improvements, dues to societies and organizations, entertainment costs, or any other costs not prior approved in writing by the State.
8. Payment for contracted services shall be made through the Activities/Deliverables/Milestones Pricing Worksheet for the duration of the contract. Payments shall be made upon receipt of Contractor invoices that identify the contract components delivered, which shall be consistent with the negotiated payment schedule. The total contract payment from DHHS shall not exceed the agreed upon contract price. Estimated deliverable dates are included for reference. Monthly invoices should include only those deliverables that occurred during the month to which the billing applies.



Exhibit B – Amendment #2

a. State Fiscal Year 2016

Deliverable Date	Deliverable Description	For Time Period:	Amount Paid/ Contracted
7/31/2015	Monthly System Support	For Month of July 2015	\$10,000
8/31/2015	Monthly System Support	For Month of August 2015	\$10,000
9/30/2015	Monthly System Support	For Month of September 2015	\$10,000
9/30/2015	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	Paid Data Up Through June 2015	\$36,915
9/30/2015	Quarterly Public Use data set package prepared and validated	Paid Data Up Through June 2015	\$24,715
10/30/2015	Monthly System Support	For Month of October 2015	\$10,000
11/30/2015	Monthly System Support	For Month of November 2015	\$10,000
12/31/2015	Monthly System Support	For Month of December 2015	\$10,000
12/31/2015	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	Paid Data Up Through September 2015	\$36,915
12/31/2015	Quarterly Public Use data set package prepared and validated	Paid Data Up Through September 2015	\$24,715
1/31/2016	Monthly System Support	For Month of January 2016	\$10,000
2/29/2016	Monthly System Support	For Month of February 2016	\$10,000
3/31/2016	Monthly System Support	For Month of March 2016	\$10,000
3/31/2016	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	Paid Data Up Through December 2015	\$36,915
3/31/2016	Quarterly Public Use data set package prepared and validated	Paid Data Up Through December 2015	\$24,715
4/30/2016	Monthly System Support	For Month of April 2016	\$10,000
5/31/2016	Monthly System Support	For Month of May 2016	\$10,000
6/30/2016	Monthly System Support	For Month of June 2016	\$10,000
6/30/2016	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	Paid Data Up Through March 2016	\$36,915
6/30/2016	Quarterly Public Use data set package prepared and validated	Paid Data Up Through March 2016	\$24,715
	Total for SFY 2016		\$366,520



Exhibit B – Amendment #2

b. State Fiscal Year 2017

Deliverable Date	Deliverable Description	For Time Period:	Amount Paid/ Contracted
7/31/2016	Monthly System Support	For Month of July 2016	\$10,000
8/31/2016	Monthly System Support	For Month of August 2016	\$10,000
9/30/2016	Monthly System Support	For Month of September 2016	\$10,000
9/30/2016	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	Paid Data Up Through June 2016	\$36,915
9/30/2016	Quarterly Public Use data set package prepared and validated	Paid Data Up Through June 2016	\$24,715
10/30/2016	Monthly System Support	For Month of October 2016	\$10,000
11/30/2016	Monthly System Support	For Month of November 2016	\$10,000
12/31/2016	Monthly System Support	For Month of December 2016	\$10,000
12/31/2016	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	Paid Data Up Through September 2016	\$36,915
12/31/2016	Quarterly Public Use data set package prepared and validated	Paid Data Up Through September 2016	\$24,715
1/31/2017	Monthly System Support	For Month of January 2017	\$10,000
2/28/2017	Monthly System Support	For Month of February 2017	\$10,000
3/31/2017	Monthly System Support	For Month of March 2017	\$10,000
3/31/2017	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	Paid Data Up Through December 2016	\$36,915
3/31/2017	Quarterly Public Use data set package prepared and validated	Paid Data Up Through December 2016	\$24,715
4/30/2017	Monthly System Support	For Month of April 2017	\$10,000
5/31/2017	Monthly System Support	For Month of May 2017	\$10,000
6/30/2017	Monthly System Support	For month of June 2017	\$10,000
6/30/2017	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	Paid Data Up Through March 2017	\$36,915
6/30/2017	Quarterly Public Use data set package prepared and validated	Paid Data Up Through March 2017	\$24,715
	Total for SFY 2017		\$366,520



**CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO
FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND
WHISTLEBLOWER PROTECTIONS**

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Contractor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;
- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;
- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);
- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;
- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;
- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;
- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;
- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;
- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

Exhibit G

Contractor Initials

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections



In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to comply with the provisions indicated above.

Contractor Name:

3/23/15
Date

Rich Moyer
Name: Rich Moyer
Title: Principal

Exhibit G

Contractor Initials

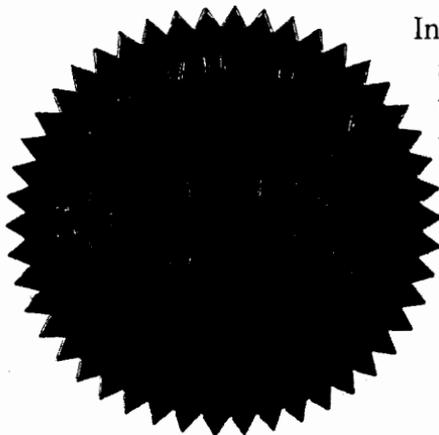
RM

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

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 MILLIMAN, INC. a(n) Washington corporation, is authorized to transact business in New Hampshire and qualified on September 15, 1988. 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 25th day of March, A.D. 2015

Handwritten signature of William M. Gardner in cursive script.

William M. Gardner
Secretary of State



Certification of Corporate Secretary

State of Washington)

ss.

County of King)

Brian S. Pollack, being first duly sworn upon oath, deposes and says:

- 1. I am the duly qualified and acting Corporate Secretary of Milliman, Inc.
- 2. On December 3, 2002, the following resolution was duly adopted by the Board of Directors of the corporation and remains in effect.

BE IT HEREBY RESOLVED, that each Principal of the firm and any consultant meeting requirements established by the Board of Directors are hereby granted the authority to individually negotiate and enter into proposals, engagement letters, contracts, letters of intent, and other documents on behalf of the corporation for the purpose of providing consulting, actuarial, and other professional services.

3. Richard Moyer

is a duly elected and acting Principal of the firm

is a consultant of the firm who meets the requirements established by the Board of Directors

DATED this 23rd day of March 2015



Brian S. Pollack
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 23rd day of March 2015



Notary Public in and for the State of Washington,
residing at Shoreline, Washington.
My commission expires 9 February 2019.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/30/2014

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 Parker, Smith & Feek, Inc. 2233 112th Avenue NE Bellevue, WA 98004	CONTACT NAME: PHONE (A/C, No, Ext): 425-709-3600 FAX (A/C, No): 425-709-7460 E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE NAIC #	
INSURED Milliman, Inc. 1301 Fifth Ave., Suite 3800 Seattle, WA 98101	INSURER A : National Fire Ins. Hartford	
	INSURER B : Valley Forge Insurance Company	
	INSURER C :	
	INSURER D :	
	INSURER E :	
INSURER F :		

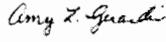
COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC			6012743223	6/30/2014	6/30/2015	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ Included
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			6012743237	6/30/2014	6/30/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ EACH OCCURRENCE \$ AGGREGATE \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N N/A	6012743240 ** WA, OH, ND, WY	6/30/2014	6/30/2015	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

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

Notice of Cancellation applies to the General Liability, Auto Liability and Workers' Compensation per the attached form CNA68021XX 02 13.

CERTIFICATE HOLDER State of New Hampshire Department of Health and Human Services Attn: Kathleen Dunn, Medicaid Director 129 Pleasant Street Concord, NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
--	--

© 1988-2010 ACORD CORPORATION. All rights reserved.



NOTICE OF CANCELLATION TO CERTIFICATEHOLDERS

It is understood and agreed that:

If you have agreed under written contract to provide notice of cancellation to a party to whom the Agent of Record has issued a Certificate of Insurance, and if we cancel a policy term described on that Certificate of Insurance for any reason other than nonpayment of premium, then notice of cancellation will be provided to such Certificateholders at least 30 days in advance of the date cancellation is effective.

If notice is mailed, then proof of mailing to the last known mailing address of the Certificateholder on file with the Agent of Record will be sufficient to prove notice.

Any failure by us to notify such persons or organizations will not extend or invalidate such cancellation, or impose any liability or obligation upon us or the Agent of Record.



89 98

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF MEDICAID BUSINESS AND POLICY

Nicholas A. Toumpas
 Commissioner

Kathleen A. Dunn
 Associate Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857
 603-271-9422 1-800-852-3345 Ext. 9422
 Fax: 603-271-8431 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

6-5-13
 #89

May 10, 2013

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

50% federal
 50% general

REQUESTED ACTION

Authorize the Department of Health and Human Services, Office of Medicaid Business and Policy to enter into a Contract amendment (Amendment 1) of an existing Contract Number 1023474, with Milliman Incorporated, Vendor Code 173344, Seattle, Washington, by replacing the Pricing Worksheets in Exhibit B to reallocate dollars to one more appropriate deliverable and one new deliverable in SFY 2013. No new dollars have been added to the contract amendment and no extension has been made to the period of performance. This Amendment 1 is effective on June 1, 2013 or date of Governor and Executive Council approval, whichever is later, through June 30, 2015. Governor and Executive Council approved the original Contract on June 6, 2012, Item #39. Funds are available in SFY 2013 in the following account with authority to adjust amounts between fiscal years if needed and justified.

**05-95-95-956010-6126 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS:
 COMMISSIONER, OFF MEDICAID & BUSINESS POLICY, MEDICAID ADMINISTRATION**

<u>State Fiscal</u> <u>Year</u>	<u>Class/Account</u>	<u>Class Title</u>	<u>Amount</u>
SFY 2012	102/500731	Contracts for Program Services	\$39,870.00
SFY 2013	102/500731	Contracts for Program Services	\$622,225.00
Sub-total			\$662,095.00

**05-00095-047-470010-7937 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS:
 OFC OF MEDICAID & BUS PLCY, OFF. OF MEDICAID & BUS. POLICY, MEDICAID ADMINISTRATION**

<u>State Fiscal</u> <u>Year</u>	<u>Class/Account</u>	<u>Class Title</u>	<u>Amount</u>
SFY 2014	102/500731	Contracts for Program Services	\$366,520.00
SFY 2015	102/500731	Contracts for Program Services	\$356,520.00
Sub-total			\$723,040.00
Total			\$1,385,135.00

EXPLANATION

This Amendment (Amendment 1) clarifies and reallocates payments to deliverables payable in SFY 2013. It also specifies requirements related to additional functionality that will provide benefit to both DHHS and NHID. It does not extend the project period or change the total price.

The Department, through a competitive procurement, contracted with Milliman to provide services for the de-identification of direct identifiers, collection, quality assurance, consolidation, secure storage, and access, via development of analytic-ready data sets and online queries, of all payer health insurance claims data as part of the New Hampshire Comprehensive Healthcare Information System (NH CHIS), a joint project of DHHS and the New Hampshire Insurance Department (NHID).

Amendment 1 Modifications to Exhibit A: Scope of Services

In addition to continuing the current scope of work related to the NHCHIS database and contractually stipulated operations, we are adding Requirement M.14.8 as follows:

M.14.8: Truven Medical Episode Groups (MEGs): Milliman will license for one year and implement Truven Medical Episode Groups on the NH CHIS data and make the resulting information available to users of the data via MedInsight and data extracts as permitted by the license.

Amendment 1 Modifications to Exhibit B: Pricing Worksheets

Replace Pricing Worksheets with AMENDMENT 1, APPENDIX B-1: Deliverable and Related Payment Schedule. The new schedule reflects two reallocations of dollars representing no dollar increase in the overall contract.

Geographic Area Served

The geographic area to be served is statewide.

Source of Funds

The source of funds for SFY 2012 and SFY 2013, is 05-95-95-956010-61260000-102-500731, funds are 50% Federal Funds and 50%% General Funds.

In the event that federal funds become no longer available, general funds will not be requested to support this program.

Respectfully submitted,



Kathleen A. Dunn, MPH
Associate Commissioner
Medicaid Director

Approved by:



Nicholas A. Toumpas
Commissioner



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY
27 Hazen Dr., Concord, NH 03301
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doiit

Peter C. Hastings
Acting Commissioner

May 14, 2013

Nicholas Toumpas, Commissioner
State of New Hampshire
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301-3857

Dear Commissioner Toumpas:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a contract amendment with Milliman, Inc. of Seattle WA, for a Comprehensive Healthcare Information System (NH CHIS), as described below and referenced as DoIT No. 2012-103A.

This amendment reallocates funding and updates the project deliverables in the Milliman contract, which provides services to encrypt, collect, test/verify/edit, consolidate, enhance, and provide access to all payer health insurance claims data. The service is required so that the Department of Health and Human Services (DHHS) and the New Hampshire Insurance Department (NHID) comply with State of New Hampshire law RSA 420-G: 11, II that requires all health carriers to electronically provide their encrypted claims data to NHID and DHHS for inclusion in the New Hampshire Comprehensive Healthcare Information System. No additional fund is added to the contract and DHHS is not requesting a change to the current expiration date of June 30, 2015.

A copy of this letter should accompany the Department of Health and Human Services' submission to Governor and Executive Council.

Sincerely,

Handwritten signature of Peter C. Hastings in black ink.
Peter C. Hastings

PCH/ltn
RFP 2012-103

cc: Valerie Brown, DHHS
Leslie Mason, DoIT

**State of New Hampshire
Department of Health and Human Services
Amendment 1 to the
Milliman, Inc. Contract**

This 1st Amendment to the Milliman, Inc. Contract (hereinafter referred to as "Amendment 1") dated this 15th day of May, 2013 is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Milliman, Incorporated, (hereinafter "Milliman" and/or "the Contractor") with a place of business at 1301 Fifth Avenue, Suite 3800, Seattle, Washington, 98101.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 6, 2012, Item 39, Contract # 1023474, the Contractor agrees to perform certain services based upon the terms and conditions specified in the Contract, and in consideration of certain sums specified; and

WHEREAS, pursuant to paragraph 18 of the General Provisions, form P-37, the Contract may be modified or amended only by a written instrument executed by the parties thereto, and only after approval of such modification by the Governor and Executive Council;

WHEREAS, the State and the Contractor have agreed to amend the Contract in certain respects;

and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and as set forth herein, the parties hereto agree as follows:

**EXHIBIT A
SCOPE OF SERVICES**

Scope of Amendment

1. Except as specifically amended and modified by the terms and conditions in this Amendment, the obligations of the parties shall remain in full force and effect in accordance with the terms and conditions set forth in the Contract referenced above.

Exhibit A Scope of Services

2. Effective Date: All exhibits and attachments to the original Contract remain in effect unless otherwise specified; Amendment 1 and exhibits and attachments to Amendment 1 are effective as of date of June 5, 2013 or upon approval by the State of New Hampshire Governor and Executive Council.
3. Add Requirement M.14.8 as follows: Truven Medical Episode Groups (MEGs): Milliman will license for one year and implement Truven Medical Episode Groups on the NH CHIS data and make the resulting information available to users of the data via MedInsight and data extracts as permitted by the license.

Contractor Initials: 

Date: 5/15/2013

Exhibit B Methods and Conditions Precedent to Payment

4. The Pricing Worksheets section is deleted and replaced with APPENDIX B-1: Deliverable and Related Payment Schedule.

IN WITNESS WHEREOF, the parties have set their hands as of the date written.

State of New Hampshire

Department of Health and Human Services

Date: 5/17/13

Kathleen A. Dunn
Kathleen A. Dunn

Associate Commissioner and Medicaid Director

Milliman, Incorporated

Date: 5/15/2013

Rich Moyer
Rich Moyer

Principal

STATE OF Washington

County of King

The foregoing instrument was acknowledged before me, the undersigned notary, this 15th day of May, 2013, by Rich Moyer, Principal of Milliman, Incorporated, a Washington corporation, on behalf of the corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Carolyn G. Crossen
Notary Public

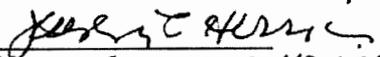
My commissioner expires:
2/9/2015
(Date)



Contractor Initials: RM
Date: 5/15/2013

Amendment 1
Milliman, Incorporated
Page 3 of 7

Approved by the New Hampshire Attorney General's Office by


Name: Jeanne P. Heirick
Title: Attorney
17 May 2013

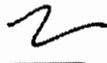
I hereby certify that the foregoing instrument was approved by the Governor and Executive Council of the State of New Hampshire at the meeting on: _____.

OFFICE OF THE SECRETARY OF State of NH

By: _____

Title: _____

Remainder of Page Intentionally Left Blank

Contractor Initials: 
Date: 5/15/2013

AMENDMENT 1, APPENDIX B-1: Deliverable and Related Payment Schedule

State Fiscal Year 2012

Deliverable Date	Deliverable Description	For Month of	Amount to be Committed
6/6/2012	Project Kick-off		\$6,960.00
6/11/2012	Finalized & Accepted Info Architecture Plan		\$5,120.00
6/15/2012	Finalized & Accepted Carrier Communication Plan & Materials		\$9,250.00
6/20/2012	Initial Data Submission Manual		\$4,180.00
6/25/2012	Finalized and Accepted Plan of Operation		\$7,680.00
6/27/2012	De-identification Plan		\$3,470.00
6/27/2012	Finalized and Accepted Consolidation Design Plan		\$3,210.00
	Total for SFY 2012		\$39,870.00

State Fiscal Year 2013

Deliverable Date	Deliverable Description	For Month of	Amount to be Committed
9/30/2012	Implementation of web-based carrier registration and tracking		\$25,200.00
9/30/2012	Vendor System Available for de-identification		\$30,750.00
12/31/2012	Monthly System Support	For Month of December 2013	\$10,000.00
1/31/2013	Monthly System Support	For Month of January 2013	\$10,000.00
2/28/2013	Monthly System Support	For Month of February 2013	\$10,000.00
3/31/2013	Finalized and Accepted Quality Assurance Design Plan for validating carrier submissions		\$27,250.00
3/31/2013	Finalized and Accepted Quality Assurance Design Plan for validating Carrier submissions Data Dictionary		\$28,610.00
3/31/2013	Finalized and Accepted Quality Assurance Design Plan for validating data set extracts		\$20,915.00
3/31/2013	Monthly System Support	For Month of March 2013	\$10,000.00
4/30/2013	Finalized and Accepted Requirements Analysis Report		\$21,840.00
4/30/2013	Finalized and Accepted System Test Plan		\$24,370.00
4/30/2013	Monthly System Support	For Month of April 2013	\$10,000.00

Contractor Initials: 
 Date: 5/15/2013

Deliverable Date	Deliverable Description	For Time Period	Amount Paid/Contracted
5/31/2013	Data Consolidation and Value Added data elements implemented in Vendor System		\$26,420.00
5/31/2013	Delivery of reconsolidated historical data extract to DHHS and NHID		\$22,480.00
5/31/2013	Implementation of all project website components		\$13,210.00
5/31/2013	Monthly System Support	For Month of May 2013	\$10,000.00
5/31/2013	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	Paid Data Up Through December 2012	\$36,915.00
5/31/2013	Quarterly Public Use data set package prepared and validated	Paid Data Up Through December 2012	\$24,715.00
5/31/2013	Vendor system available for vendor testing and State acceptance		\$126,290.00
6/30/2013	Monthly System Support	For Month of June 2013	\$10,000.00
6/30/2013	One Year License for Truven Medical Episode Group (MEGS) (discounted)	For State Fiscal Year 2014	\$61,630.00
6/30/2013	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	Paid Data Up Through March 2013	\$24,715.00
6/30/2013	Quarterly Public Use data set package prepared and validated	Paid Data Up Through March 2013	\$36,915.00
	Total for SFY 2013		\$622,225.00

State Fiscal Year 2014

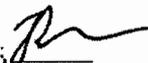
Deliverable Date	Deliverable Description	For Time Period	Amount Paid/Contracted
7/31/2013	Monthly System Support	For Month of July 2013	\$10,000.00
8/31/2013	Monthly System Support	For Month of August 2013	\$10,000.00
9/30/2013	Monthly System Support	For Month of September 2013	\$10,000.00
9/30/2013	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	Paid Data Up Through June 2013	\$36,915.00
9/30/2013	Quarterly Public Use data set package prepared and validated	For Paid Data Up Through June 2013	\$24,715.00
10/31/2013	Monthly System Support	For Month of October 2013	\$10,000.00
11/30/2013	Monthly System Support	For Month of November 2013	\$10,000.00
12/31/2013	Monthly System Support	For Month of December 2013	\$10,000.00

Contractor Initials: 
 Date: 5/15/2013

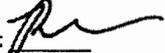
Deliverable Date	Deliverable Description	For What Period	Amount Paid/Contracted
12/31/2013	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	Paid Data Up Through September 2013	\$36,915.00
12/31/2013	Quarterly Public Use data set package prepared and validated	Paid Data Up Through September 2013	\$24,715.00
1/31/2014	Monthly System Support	For Month of January 2014	\$10,000.00
2/28/2014	Monthly System Support	For Month of February 2014	\$10,000.00
3/31/2014	Monthly System Support	For Month of March 2014	\$10,000.00
3/31/2014	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	Paid Data Up Through December 2013	\$36,915.00
3/31/2014	Quarterly Public Use data set package prepared and validated	Paid Data Up Through December 2013	\$24,715.00
4/30/2014	Monthly System Support	For Month of April 2014	\$10,000.00
5/31/2014	Monthly System Support	For Month of May 2014	\$10,000.00
6/30/2014	Monthly System Support	For Month of June 2014	\$10,000.00
6/30/2014	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	Paid Data Up Through March 2014	\$36,915.00
6/30/2014	Quarterly Public Use data set package prepared and validated	Paid Data Up Through March 2014	\$24,715.00
	Total for SFY 2014		\$366,520.00

State Fiscal Year 2015

Deliverable Date	Deliverable Description	For What Period	Amount Paid/Contracted
7/31/2014	Monthly System Support	For Month of July 2014	\$10,000.00
8/31/2014	Monthly System Support	For Month of August 2014	\$10,000.00
9/30/2014	Monthly System Support	For Month of September 2014	\$10,000.00
9/30/2014	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	Paid Data Up Through June 2014	\$36,915.00
9/30/2014	Quarterly Public Use data set package prepared and validated	Paid Data Up Through June 2014	\$24,715.00
10/30/2014	Monthly System Support	For Month of October 2014	\$10,000.00
11/30/2014	Monthly System Support	For Month of November 2014	\$10,000.00
12/31/2014	Monthly System Support	For Month of December 2014	\$10,000.00

Contractor Initials: 
 Date: 5/15/2013

Deliverable Date	Deliverable Description	Pay Time Period	Amount Paid/ Contract Value
12/31/2014	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	Paid Data Up Through September 2014	\$36,915.00
12/31/2014	Quarterly Public Use data set package prepared and validated	Paid Data Up Through September 2014	\$24,715.00
1/31/2015	Monthly System Support	For Month of January 2015	\$10,000.00
2/28/2015	Monthly System Support	For Month of February 2015	\$10,000.00
3/31/2015	Monthly System Support	For Month of March 2015	\$10,000.00
3/31/2015	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	Paid Data Up Through December 2014	\$36,915.00
3/31/2015	Quarterly Public Use data set package prepared and validated	Paid Data Up Through December 2014	\$24,715.00
4/30/2015	Monthly System Support	For Month of April 2015	\$10,000.00
5/31/2015	Monthly System Support	For Month of May 2015	\$10,000.00
6/30/2015	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	Paid Data Up Through March 2015	\$36,915.00
6/30/2015	Quarterly Public Use data set package prepared and validated	Paid Data Up Through March 2015	\$24,715.00
	Total for SFY 2015		\$356,520.00
	Contract Total		\$1,385,135.00

Contractor Initials: 
 Date: 5/15/2013

NH Department of Health and Human Services

STANDARD EXHIBIT J

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND
TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than \$25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of \$25,000 or more. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

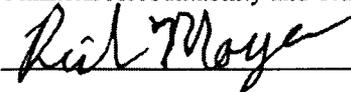
In accordance with 2 CFR Part 170 (*Reporting Subaward and Executive Compensation Information*), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

- 1) Name of entity
- 2) Amount of award
- 3) Funding agency
- 4) NAICS code for contracts / CFDA program number for grants
- 5) Program source
- 6) Award title descriptive of the purpose of the funding action
- 7) Location of the entity
- 8) Principle place of performance
- 9) Unique identifier of the entity (DUNS #)
- 10) Total compensation and names of the top five executives if:
 - a. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
 - b. Compensation information is not already available through reporting to the SEC.

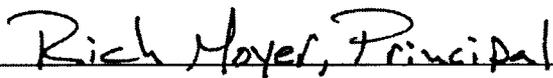
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (*Reporting Subaward and Executive Compensation Information*), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

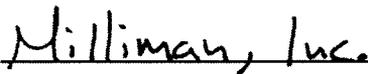
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.



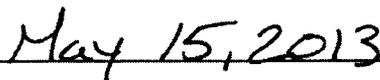
(Contractor Representative Signature)



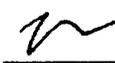
(Authorized Contractor Representative Name & Title)



(Contractor Name)



(Date)

Contractor initials: 
Date: 5/15/2013
Page # 1 of Page # 2

NH Department of Health and Human Services

STANDARD EXHIBIT J

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 02-183-5995

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO YES

If the answer to #2 above is NO, stop here

If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

NO YES

If the answer to #3 above is YES, stop here

If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

Name: _____	Amount: _____

Contractor initials: RH
Date: 5/15/2013
Page # 1 of Page # 2



STATE OF NEW HAMPSHIRE
 DEPARTMENT OF HEALTH AND HUMAN SERVICES
 OFFICE OF MEDICAID BUSINESS AND POLICY

Nicholas A. Toumpas
 Commissioner

Kathleen A. Dunn
 Director

129 PLEASANT STREET, CONCORD, NH 03301-3857
 603-271-9422 1-800-852-3345 Ext. 9422
 Fax: 603-271-4727 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

May 15, 2012

*June 6, 2012
 # 39*

His Excellency, Governor John H. Lynch
 and the Honorable Executive Council
 State House
 Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Office of Medicaid Business and Policy to enter into an agreement with Milliman, Inc. 1301 Fifth Avenue, Suite 3800, Seattle, WA 98101, Vendor Code 173344, to provide services for collection, quality assurance testing, consolidation, and extracts of health care insurance claims and quality data as part of the Comprehensive Healthcare Information System pursuant to the provisions of NH RSA 420-G: 11,II, 420-G: 11-a, and resulting Memorandum of Understanding between the Insurance Department and the Department of Health and Human Services, in an amount not to exceed \$1,385,135 effective June 6, 2012, or date of Governor and Executive Council approval, whichever is later, through June 30, 2015 Funds are available in the following account:

**05-95-95-956010-6126 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS:
 COMMISSIONER, OFF MEDICAID & BUSINESS POLICY, MEDICAID ADMINISTRATION**

<u>State Fiscal</u> <u>Year</u>	<u>Class/Object</u>	<u>Class Title</u>	<u>Amount</u>
SFY 2012	102/500731	Contracts for Program Services	\$39,870.00
SFY 2013	102/500731	Contracts for Program Services	\$622,225.00
SFY 2014	102/500731	Contracts for Program Services	\$366,520.00
SFY 2015	102/500731	Contracts for Program Services	<u>\$356,520.00</u>
		Total	\$1,385,135.00

EXPLANATION

The purpose of this agreement is to enable Milliman, Inc. to assist the Department of Health and Human Services in fulfilling its obligations under a Memorandum of Understanding with the Insurance Department to implement NH RSA 420-G: 11, II, which requires licensed health insurance carriers to submit their encrypted claims data to the two Departments, and NH RSA 420-G: 11-a, which mandates the Comprehensive Healthcare Information System. The system has been in operation since 2005. The health care data collected, provides important comparative information to enhance efficiencies in the State's Medicaid program and is used to review

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
May 15, 2012
Page 2 of 2

health care utilization, expenditures, and performance in New Hampshire and to enhance the ability of New Hampshire consumers and employers to make informed and cost-effective health care choices. The health insurance carriers electronically provide their encrypted claims data to the Department of Health and Human Services in accordance with Insurance Department Administrative Rule Ins 4000, Uniform Reporting System for Health Care Claims Data Sets. The data collected does not permit direct identification of individual patients.

The contract with Milliman, Inc. allows the Department of Health and Human Services and the Insurance Department to successfully accept submissions of data from insurance carriers and third party administrators as specified by NH RSA 420-G: 11, II, which fulfills the obligation to operate and maintain the Comprehensive Healthcare Information System, as well as integrate Medicaid and Medicare data for New Hampshire residents. Under this contract, Milliman, Inc., at the direction of the Department of Health and Human Services and the Insurance Department will develop a collection and consolidation process for healthcare data tailored to New Hampshire administrative rules. Using Milliman's MedInsight data warehouse and enterprise management software platform, they will perform data aggregation tasks, as well as prepare the data extracts for the State. MedInsight is an established, integrated data warehousing and reporting tool that was specifically developed for the healthcare marketplace. This system provides purchasers of care and those delivering care a comprehensive understanding of the health care system to help them make informed and cost-effective health care choices.

The contract includes numerous performance benchmarks that will be used to measure the contractor's effectiveness. These benchmarks are tied to contractor payment. The contract also includes liquidated damage payments for failure to comply with key aspects of the contract. Both sets of performance requirements are provided as an attachment.

Competitive Bidding

Milliman, Inc. was selected to perform the data collection services through a competitive bid process. The Request for Proposals was emailed to the Department of Information Technology's bidders list of several hundred potential bidders and a list of potential bidders known to the Department of Health and Human Services (attached) to have the capacity to perform the project and was also posted on the Department and Administrative Service's web site. Twelve potential bidders participated in the online bidder's conference. Eight bidders submitted proposals and participated in a proposal question period. One bidder was disqualified as a result of an incomplete bid.

A team of four individuals, two employees from Department of Health and Human Services, one from the Insurance Department, and an expert from the University of New Hampshire Institute for Health Policy and Practice (a contractor of both Departments) reviewed and evaluated the proposals based on the four sets of evaluation criteria specified in the request for proposal.

Milliman, Inc. scored the highest with a total score of 85 out of 100 possible points. The bid-scoring sheet is attached. Milliman, Inc. has a successful track record at developing, implementing, and operating data collection and aggregation functions for similar projects, including state-based All Payer Claims Database projects like New Hampshire's. In late 2010, Milliman was awarded a contract with The Oregon Health Authority for the development and implementation of its All Payer All Claims Reporting Program. For this initiative, Milliman receives aggregates and performs extensive auditing and validation on data from 40 data suppliers, including Medicaid fee-for-service claims. Milliman worked collaboratively with the Oregon Health Authority and its data suppliers to develop formatting and coding for data submissions, as well as developing a protocol for the secure transmission of data.

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
May 15, 2012
Page 3 of 3

Should the Governor and Executive Council not approve this request, the Department would have no ability to fulfill the requirements of NH RSA 420-G: 11,II, 420-G: 11-a and the State would lose a valuable resource for understanding and making transparent aspects of the health care system. Furthermore, Medicaid program operations would suffer without the comparative information provided by the system. .

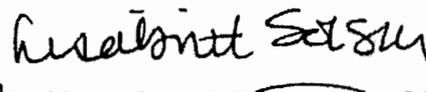
The contract terms may be extended up to two (2) years "Extended Term" at the sole option of the State, subject to the parties' prior written agreement on applicable fees for each extended term, up to but not beyond June 30, 2017 and upon satisfactory performance of the contractor and approval by the Governor and Executive Council.

Area Served: statewide.

Source of Funds: 14% State General funds and 86% Federal funds.

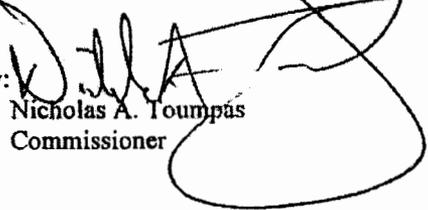
In the event Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



for: Kathleen A. Dunn, MPH
Medicaid Director

Approved by:



Nicholas A. Toumpas
Commissioner

Performance Measures Attachment for Milliman, Inc. Contract for CHIS Project

The following performance measures are contract deliverables that are used to monitor contractor performance. The deliverables are tied to payments made to the contractor.

Milestone	Date	Resources
Project Kick-Off Meeting in Concord, NH	6/6/2012	Milliman, State
Finalized and accepted initial Plan of Operations	6/25/2012	Milliman, State (approval)
Progress reports		
Biweekly reports start	6/14/2012	Milliman
Monthly reports start	9/10/2012	Milliman
Finalized and accepted Carrier communication plan and materials	6/15/2012	Milliman, State (approval)
Annual Carrier meeting in Concord, NH	Annually in July	Milliman, State
Quarterly project management meetings in Concord, NH	Quarterly starting in June 2012	Milliman, State
Finalized and accepted Requirements Analysis Report	11/19/2012	Milliman, State (approval)
Information Architecture Plan	6/11/2012	Milliman
De-identification Plan	6/27/2012	Milliman, State (approval)
Finalized and accepted Consolidation Design Plan	6/27/2012	Milliman, State (approval)
Finalized and accepted System Test plan	11/12/2012	Milliman, State (approval)
Finalized and accepted Quality Assurance Design Plan for validating Carrier submissions	9/18/2012	Milliman
Implementation of web-based Carrier registration and tracking process	7/17/2012	Milliman
Implementation of all Project website components	12/24/2012	Milliman
Initial Data Dictionary	6/20/2012	Milliman
Initial Data Submission Manual	6/20/2012	Milliman
Vendor system available for vendor testing and State acceptance	12/21/2012	Milliman
Vendor System available for de-identification, Carrier submission and data validation	7/4/2012	Milliman
Data Consolidation and Value Added data elements implemented in Vendor system	11/15/2012	Milliman
Annual security assessment	6/3/2013	Milliman
Regular data set extracts prepared, validated, and delivered to DHHS and NHID	Quarterly starting 12/19/2012	Milliman
Quarterly Public Use data set package prepared and validated	Quarterly starting 12/19/2012	Milliman
Delivery of reconsolidated historical data extract to DHHS and NHID	12/30/2012	Milliman
Ad hoc data set extracts prepared, validated, and delivered to researchers, DHHS, and NHID	As required	Milliman

In addition to the above performance measures, the contract also includes liquidated damages penalties if the contractor, as determined by the Department of Health and Human Services, fails to meet the service described below.

Service Performance	Standard	Liquidated Damage Penalties
Systems Noncompliance	Contractor will maintain its computer system and necessary data management, transmission and support systems in a manner that assures continued compliance with the contract provisions.	5% reduction in payments for the month in which the contractor fails to meet the standard.
Plan of Operations Noncompliance	Deviation from the Plan of Operations in the Scope of Services without prior approval of DHHS.	5% reduction in payments for the month in which the contractor fails to maintain the Plan of Operations.
Prompt Implementation	Implementation shall occur within one week of contract approval by Governor and Executive Council.	\$1,000 per day starting the seven days after contracts approval by Governor and Executive Council and each day thereafter until implementation occurs.

Bid Summary

Scoring Criteria	Points	Description	Axway Score	Consilience Score	Deerwalk Score	Government Works Score	Milliman Score	Onpoint Score	Treo Score
5.4.1 Scoring of the Proposed Technical and Services Solution	40	communication strategy de-identification strategy data submission manual plans for data validation and consolidation information security and privacy project infrastructure, provider and patient common identifiers timeliness, efficiency, and performance of proposed solution	24	20	25	19	38	30	34
5.4.2 Scoring of Vendor Technical, Service, and Project Management Expertise	20	efficient, accurate, and timely processing, manipulation, and use of electronic health care claims data working with integration and management of large data sets quality assurance; data encryption health care data privacy; data security management of complex projects involving data collection from multiple organizations web services reporting collaborative relationship with external data submitters	5	5	14	5	18	15	16
5.4.3 Scoring of Vendor Company and Staffing Qualifications	20	corporate qualifications; organization and size of the Vendor's proposed Project Team qualifications of the proposed Project Manager qualifications of proposed key Vendor staff	5	5	5	10	17	16	18
5.4.4 Scoring the Solution Cost		The State will consider three year total costs, provided in the tables in Appendix F. Cost information required in a Proposal is intended to provide a sound basis for comparing costs.							
	15	Weight decision 75% on Pricing Worksheet Totals	10	5	5	15	10	10	10
	5	Weight decision 25% on overall feasibility/completeness	1	1	3	2	2	4	5
Total Score	100		45	36	52	51	85	75	83

Bidder	Proposed Cost	Proposed Cost as a Percentage of Total Bid	Points
Government Works	\$950,556	1.00%	15
Axway	\$1,381,495	1.45%	10
Milliman	\$1,385,135	1.46%	10
Onpoint	\$1,400,000	1.47%	10
Treo Solutions	\$1,429,005	1.50%	10
Deerwalk	\$2,954,500	3.11%	5
Consilience	\$2,990,000	3.15%	5

Employee Name	Proposed Title	Organization
Andrew Chalsma	Administrator	NH DHHS OMBP
Andrea Stewart	Business Systems Analyst	NH DHHS OMBP
Tyler Brannen	Health Policy Analyst	NH NHID
Chris White	Health Data Analyst	NH Institute for Health Policy and Practice

Listing Potential Qualified Bidders Notified About the Request For Proposal for the Comprehensive Health Information System Project

Vendor Name
Care Advantage
Compass Analytics
Deloitte
Econometrica
HDMS
Health Dialog
IHS Global Insight
Information Builders
JEN Associates
KMG
Mathmatica Policy Research
MedAssurant
Milliman Inc
ONPOINT Health Data
OptumInsight (formally known as Ingenix)
SAIC
Social & Scientific Systems, Inc.
Thompson Reuters
VIPS
Zirned

Companies on the State of NH DoIT Vendor List as of 2/13/2012 were also notified.

Subject: _____

AGREEMENT

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

1. GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name Milliman, Inc.		1.4 Contractor Address 1301 Fifth Avenue Seattle, Washington 98101	
1.5 Contractor Phone Number 801-277-3054	1.6 Account Number	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$1,385,135
1.9 Contracting Officer for State Agency Kathleen Dunn, Medicaid Director		1.10 State Agency Telephone Number 603-271-9421	
1.11 Contractor Signature <i>Rich Moyer</i>		1.12 Name and Title of Contractor Signatory Rich Moyer Principal	
1.13 Acknowledgment: State of <u>1.1</u> County of <u>King</u> On <u>May 17, 2012</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 she executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] <i>Carolyn G. Crossen</i>			
1.13.2 Name and Title of Notary or Justice of the Peace <i>Carolyn G. Crossen, Notary</i>			
1.14 State Agency Signature <i>Wesley Solsberg</i> for: Kathleen Dunn		1.15 Name and Title of State Agency Signatory Kathleen A. Dunn Medicaid Director	
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: <i>Jeanne P. Herrick</i> <i>Jeanne P. Herrick, Attorney</i> On: <i>22 May 2012</i>			
1.18 Approval by the Governor and Executive Council By: <i>[Signature]</i> DEPUTY SECRETARY OF STATE JUN 06 2012			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

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

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

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

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

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

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

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

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

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor

nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

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

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

14. INSURANCE.

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

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

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

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

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

15. WORKERS' COMPENSATION.

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

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

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

Remainder of page intentionally left blank



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY

27 Hazen Dr., Concord, NH 03301
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doit

S. William Rogers
Commissioner

May 22, 2012

Nicholas Toumpas, Commissioner
State of New Hampshire
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301-3857

Dear Commissioner Toumpas:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a contract with Milliman, Inc. of Seattle Wa., for a Comprehensive Healthcare Information System (CHIS), as described below and referenced as DoIT No. 2012-103.

This contract authorizes the Department of Health and Human Services to provide services for collection, quality assurance testing, consolidation, and extracts of healthcare insurance claims and quality data as part of the Comprehensive Healthcare Information system. The service is required so that the Department of Health and Human Services (DHHS) and the New Hampshire Insurance Department (NHID) comply with State of New Hampshire law RSA 420-G: 11, II that requires all health carriers to electronically provide their encrypted claims data to NHID and DHHS for inclusion in the New Hampshire Comprehensive Healthcare Information System. The amount of the contract is \$1,385,135.40, and it shall be effective upon Governor and Executive Council approval through June 30, 2015.

A copy of this letter should accompany the Department of Health and Human Services' submission to Governor and Executive Council.

Sincerely,

S. William Rogers

SWR/ltn
RFP 2012-103 (OMBP 12-OMBP-CHIS-01)

cc: Valerie Brown, DHHS
Leslie Mason, DoIT

Exhibit A

Comprehensive Health Care Information System Claims Data Collection, Validation and Consolidation Contract

SCOPE OF SERVICES

Section A. Introduction

The State of New Hampshire, acting through the Department of Health and Human Services (DHHS), Office of Medicaid Business and Policy (OMBP) is contracting with Milliman, Inc. to provide services for the de-identification of direct identifiers, collection, quality assurance, consolidation, secure storage, and access, via development of analytic-ready data sets and online queries, of all payer health insurance claims data as part of the New Hampshire Comprehensive Healthcare Information System (NH CHIS), a joint project of DHHS and the New Hampshire Insurance Department (NHID).

State of New Hampshire law RSA 420-G: 11, II, enacted in 2004 requires that all health Carriers electronically provide their claims data to DHHS and NHID. The NH CHIS has been in operation since 2005 and currently contains de-identified medical, behavioral health, and pharmacy claims and member data from January 1, 2005 to the present and dental care claims and member data from January 1, 2009 to the present. NHID's data collection rules (see gencourt.state.nh.us/rules/ins4000.html.) specify that third party payers that write less than \$250,000 in accident and health insurance premiums in New Hampshire on an annual basis or cover fewer than two hundred (200) lives total shall not be required to submit their healthcare claims data set. RSA 420-G: 11-a, enacted at the same time as the data collection statute, calls for the development of a Comprehensive Healthcare Information System (CHIS). The information system incorporates the data collection and maintenance efforts mentioned above. The CHIS statute also states that "the data shall be available as a resource for insurers, employers, providers, purchasers of health care, and state agencies to continuously review health care utilization, expenditures, and performance in New Hampshire and to enhance the ability of New Hampshire consumers and employers to make informed and cost-effective health care choices."

Goals and Objectives for the Comprehensive Healthcare Information System (CHIS)

Contractor shall provide services for the de-identification of direct identifiers, collection, quality assurance, consolidation, secure storage, and access to health insurance claims data that:

- Are robust, extensible, and forward looking in design;
- Use modern technologies that can migrate to the technologies and data submission methods of tomorrow;
- Have flexibility to handle future person and provider related linkage and shared services with other health data systems;
- Are efficient and effective;
- Provide quality, consistency, and accessibility of information;
- Are protective of patient privacy;
- Comply with state and federal laws; and
- Perform in a collaborative relationship with insurance Carriers to maximize the quality, completeness, and timeliness of submissions.

High Level Statement of Work

Below is a brief, high-level listing of key system requirements. Detailed requirements that provide more information, as well as additional requirements, are contained in later sections of the contract.

Using Milliman MedInsight, and other tools as need, the Contractor will be responsible for all aspects of the project, including, but not limited to:

- On an ongoing basis, interact with health insurance carriers, third party administrators, pharmacy benefit managers, dental carriers, and other entities managing medical, behavioral health, dental, and pharmacy claims, on regulations and submittal process (communications materials, website, FAQs, annual meetings, semi-annual newsletter, etc);
- Perform annual and update registration of Carriers;
- Ensure consistent de-identification of personal identifiers by the Carriers by supplying de-identification software or appliance (for such time as law and rules require de-identification);
- Collect and process data from Carriers:
 - According to specifics of statute and rule, with an on-line tool, securely collect, quality assurance test, accept or reject, ensure compliance with reporting specifications, and give feedback on required data submissions;
 - Identify the need for, accept, and process replacement submissions;
 - Maintain a system to allow test submissions from Carriers;
 - Maintain and update annually Carrier/data element specific quality assurance thresholds;
- Track and communicate to DHHS and NHID overdue and otherwise non-compliant Carriers, provide insight to NHID on whether enforcement actions are warranted; include this information, as specified by DHHS, on a publicly available website;
- Follow up with Carriers on data issues and respond to questions and comments from Carriers;
- Maintain on-line quality assurance reports for use by DHHS, NHID, and the public;
- Consolidate and enhance data for analytic use;
- Link providers and members across Carriers;
- Supply dimension tables to allow for labeling of coded data elements;
- Quarterly and as needed, provide data sets to DHHS and NHID in agreed upon format, including replacements of any prior time periods for data that has changed;
- Provide secure on-line access to MedInsight including system reports and query functionality;
- Provide custom data sets to researchers and other parties, within 10 business days, upon request of DHHS, including communicating to all prior recipients regarding possible need for replacement files for custom data sets;
- According to the statute and rule, on a quarterly basis create public use data sets;
- Provide public use data sets, within 5 business days of receipt of a properly complete request form (supplied by DHHS); and
- Publicly maintain on website the results of all quality assurance edits by Carrier.
- Produce, maintain, and publish on website complete documentation of the data sets including logic used transform data and create derived data elements.

The services described in the sections below will be conducted by Milliman, Inc., in accordance with the Plan of Operations, which must be kept current and inclusive of policies and procedures used by Milliman in providing the required services through the course of the contract.

Throughout this contract, the term "carrier" means "carrier or health care claims processor".

Section B. Glossary of Terms and Abbreviations

Term/Abbreviation	Definition
Action Items / Issues / Risk Log	A document for tracking relevant information regarding tasks or concerns throughout a project implementation.

Term/Abbreviation	Definition
Active Directory	An application from Microsoft used for password authentication.
Administrative Rule	The State's formal regulations that have force of law.
ASP	Application Service Provider
BAA	Business Associates Agreement
Carrier	A health insurance company or third party administrator that pays health insurance claims and submits record of the claim to the State for the CHIS.
CHIS	Comprehensive Healthcare Information System
Clinical Classification Software	A diagnosis grouping methodology to facilitate data analysis developed by the Agency for Healthcare Research and Quality.
DHHS	New Hampshire Department of Health and Human Services
HIPAA	Health Insurance Portability and Accountability Act of 1996
HITECH	Health Information Technology for Economic and Clinical Health Act
Incurred But Not Reported (IBNR)	Calculations for data reporting that ensure the completeness of claims data.
Mbps	Megabits per second
MedInsight	Milliman's data warehousing and decision support tool. MedInsight is an established, integrated data warehousing, decision support system and reporting tool that was specifically developed for the healthcare marketplace.
MedInsight Chronic Condition Hierarchical Groups (CCHGs)	A Milliman analytic methodology for analyzing healthcare utilization and costs. CCHGs assign patients to unique categories using a clinically relevant hierarchy that groups similar patients in the same group based on how doctors make treatment decisions.
MediSpan Pharmacy Reference	A methodology for grouping of drug data into therapeutic classes developed by Wolters Kluwer Health.
Milliman Health Cost Guidelines™ (HCGs)	Milliman-developed methodology which categorizes cost and utilization into over 60 meaningful benefit and service delivery categories.
NHID	New Hampshire Insurance Department
NPI	National Practitioner Identifier
OLAP Cube	Online Analytical Processing (OLAP) Cube – a multi-dimensional data analysis tool.
Plan of Operations	The Plan of Operations includes a description of the schedule, tasks, deliverables, major milestones, task dependencies, risk points, and a payment schedule. Also referred to as Work Plan.
PMBOK	Project Management Body of Knowledge published by the Project Management Instituted.
PMPM	Per Member Per Month
RFP (Request for Proposal)	The New Hampshire Department of Health and Human Services Request for Proposal for Comprehensive Healthcare Information System (CHIS): Claims Data Collection, Validation, and Consolidation.
Salesforce	Customer relationship management system software used by Milliman.
SANS	SysAdmin, Audit, Network, Security Institute, the authoritative body on network security
SSL	Secure Socket Layer
State	All entities referenced in Part 1, Section 1. Introduction and Background of the RFP.
UPS	Uninterruptible Power Supply
Work Plan	The Work Plan includes a description of the schedule, tasks, deliverables, major milestones, task dependencies, risk points, and a payment schedule. Also referred to as Plan of Operations.

Section C. Facilitate Data Collection and Collaboration with Carriers

- C.1. The Contractor shall contact Carriers and be prepared to accept submittals from Carriers as soon as encryption methods are in place to ensure continued receipt of Carrier data while the Contractor implements the remainder of the system.
- C.2. The Contractor shall develop a communication plan and materials to introduce Carriers to the reporting law and its requirements and the Contractor's role. Materials shall include: a letter of introduction from DHHS on departmental letterhead explaining the law and the Contractor's role in carrying the requirements out; a clearly presented copy of the complete law and rules regarding data submission; a guide to requirements and methods for submission of the data; and other materials deemed helpful by the Contractor and DHHS. The information packet shall be approved by DHHS prior to sending to Carriers. The Contractor shall provide the packet to existing submitting Carriers within two (2) weeks of Contract execution. The Contractor shall provide the information to any new Carriers that enter the New Hampshire market or increase their business above the submittal thresholds.
- C.3. The Contractor shall facilitate collection of data with Carriers via, but not limited to:
 - C.3.1 Providing a semi-annual newsletter, approved in advance by DHHS, to Carriers describing project activities, areas of success and need for improvement, impending regulatory or systems changes, and other information deemed important by the Contractor or DHHS;
 - C.3.2 Holding annual meetings to be held in the Concord, NH area in NHID or DHHS meeting space (i.e., assume no cost to the Contractor for meeting space), the first of which to be held within six weeks of the Contract start date;
 - C.3.3 Assisting DHHS and NHID, as necessary, with communicating to Carriers regarding the requirements of state statute and administrative rules; and
 - C.3.4 Working with Carrier information management and other staff to ensure timely compliance and submission of data.
 - C.3.5 Identify problems with submission on a timely basis and work with Carriers to develop remedies, which may include historical resubmissions
- C.4. The Contractor shall host a public project website (www.nhchis.org) for use by the Contractor, Carriers, the public, and the NHID and DHHS. The website shall contain all relevant informational materials regarding the CHIS requirements, submission and validation, and quality of data, transformation of data, data dictionary, and other information as required by DHHS. The website shall clearly indicate that the CHIS project is a State of New Hampshire project. The website shall be updated as warranted by changes or developments in the project and upon request by DHHS.
- C.5. On a second secure website, the Contractor shall make available to Carriers secure Carrier-specific web content that shows the status of submissions from that Carrier and copies of Quality Assurance (QA) reports submitted to Carriers. The Contractor shall provide similar access to DHHS and NHID, and their designees, which contains information on the status of all Carrier submissions as well as resulting Carrier specific QA reports. Communications with Carriers resultant from findings in QA reports are also to be tracked and included. The Contractor shall create user accounts and manage access in accordance with the requirements of this RFP. This secure website may be co-located with the website used for carrier submissions.

- C.6. The Contractor shall undertake, with the approval, and as needed, participation of DHHS, the routine education of insurers about the role of the Contractor.
- C.7. The Contractor shall establish two primary stakeholder teams, one comprised of representatives from the Carriers and the other representing the State data users for the purpose of facilitating communication and collaboration throughout the implementation process and with the goal of sharing best practices and for addressing any issues or concerns that may arise. The data user team feedback to the Contractor implementation team shall increase the Contractor consultants' understanding of client data needs so the data warehouse and related analytics and methodologies shall meet and exceed the data analysis needs of the users. DHHS and NHID shall be part of with both teams, and will have input on team membership and meeting requirements.
- C.8. The Contractor shall establish a single point of contact within the Contractor's MedInsight Practice to provide communication and technical assistance to each Carrier.
- C.8.1 The Contractor shall establish an email address dedicated to this initiative to facilitate communication and provide daily access to technical support.
- C.8.2 The Contractor shall collect communication submitted to the dedicated email address each morning, and shall respond within 1 business day. If necessary, the Contractor shall provide guidance by way of telephone, but most troubleshooting shall be done via e-mail in order to better document the entire episode.
- C.8.3 The Contractor shall log all communication in their Salesforce application with the initial date of contact, and sequential documentation describing each instance of contact and steps taken to resolve issues.
- C.8.4 The Contractor shall generate a list of all Carriers with outstanding issues subsequent to the validation process, and will review this list daily to track the status of each Carrier.
- C.8.5 The point-of-contact shall act as a liaison between all functional areas at the Contractor and the Carriers for instances when a Carrier may have an issue that require multiple functional areas at the Contractor to perform research.
- C.8.6 The Contractor shall perform all Carrier training, registration and data submission-related activities at no cost to the Carriers.
- C.9. The Contractor shall house all documentation pertaining to requests and responses for corrections and resubmission of data in Salesforce. This shall serve as a repository, or communication log, for all communication between the Contractor and the Carriers including, but not limited to:
- C.9.1 Initial correspondence;
- C.9.2 Communication between the Contractor and the Carriers if an issue is identified; and
- C.9.3 Resubmissions of any and all data files subsequent to issue being fixed.
- C.10. The Contractor shall perform an extensive data testing process during the initial rounds of data submissions utilizing a tightly prescribed format, but shall also be open to the refining of processes and edits to address inevitable issues and ambiguities. The Contractor expects concerns to be fewer and easier to resolve as the project progresses through subsequent submissions.
- C.11. The Contractor shall provide clear and consistent communication with DHHS throughout the project, including the data submission testing process. The oversight process facilitated by the Contractor is detailed below.
- C.11.1 Data files are received from the Carriers;
- C.11.2 Data validation process is performed on each data file and results are generated within five days;

- C.11.3 Each Carrier is sent an e-mail notification informing them that they can access the results of the validation results on the files they submitted;
- C.11.4 The e-mail notification shall include instructions on how to access the results of the validation results on-line.
- C.11.5 If a Carrier needs to address issues with the data file(s) they submitted, these issues are expected to be resolved within two weeks' time;
- C.11.6 The Contractor's point of contact shall be available to assist each Carrier in complying with the data validation requirements; and
- C.11.7 If the issues with the data files are not remediated by the two-week timeframe, the Contractor shall notify DHHS.

Section D. Initial Carrier Registration and Annual Review

- D.1. The Contractor shall provide a secure Carrier registration application, as required by the Administrative Rule, via the project website that allows for the collection of registration information as specified in the regulations. Upon approval of DHHS, the application may be updated to facilitate the collection of additional information from Carriers deemed useful by the Contractor for the project or later interpretation of the data. This information shall include, but not be limited to: the method used by the Carrier to perform claim adjustments and how that method is reflected in the submitted data; whether the Carrier has any service carve outs, the nature of those carve outs, and how they are reflected in the data; and the extent to which required data elements are not captured in the Carriers' systems. This collected information shall be publicly available on the CHIS website.
- D.2. The Contractor shall consult with DHHS to establish the required registration information and shall annually, or upon legislative or rules changes, review the requirements for relevance and completeness.
 - D.2.1 When legislative or rules changes require the collection of additional registration information from the Carriers, the Contractor shall update the Carrier registration form on the project website and shall inform the Carriers of the new requirements via email.
 - D.2.2 Carriers who have not provided the additional information within two weeks shall be sent a reminder email, and then again one week later, as necessary.
 - D.2.3 All correspondence shall be tracked, and updates shall be provided to the State regarding which Carriers have, or have not provided the additional information.
 - D.2.4 A similar process shall be followed annually requesting Carriers to review their registration information for currency and accuracy.
 - D.2.5 In addition to email communication, the Contractor shall use the Carrier newsletter as a vehicle to inform Carriers of the need to update and/or review their registration information.
- D.3. Upon any addition to the content of the registration form the Contractor shall collect the newly required information from Carriers within one (1) month or if specified by DHHS, historically. Otherwise, the Contractor shall coordinate with Carriers to perform an annual review of the registration information for currency and accuracy.
- D.4. The Contractor shall maintain in a database table or tables a historical record of the information collected through registration for each Carrier and provide access to the information for the life of the Contract.
 - D.4.1 All registration data gathered, including changes made, shall be maintained in database table(s) and available for access.

- D.4.2 When a Carrier's information is updated, the updated information shall be captured in the Carrier's file, along with a new record time stamp indicating when the change was made.
- D.4.3 Carriers shall be able to access and update their registration information at any time via the project website.
- D.5. Upon notification of any changes by Carriers, the Contractor shall update the information in the registration database and alert NHID and DHHS to changes via e-mail.
- D.6. The Contractor shall provide all collected registration information, including revision history, to DHHS, NHID and to the public via the project website via reports developed by the Contractor and approved by DHHS. Upon request of DHHS, the Contractor shall provide the full contents of the database tables.
 - D.6.1 Carrier registration reports shall be available on the project website covering most current information, as well as revision history.
 - D.6.2 The Contractor shall generate regular reports of any changes made and provide to DHHS and NHID. The Contractor recommends this report be generated monthly; however, the frequency of the report is at the discretion DHHS and NHID.

Section E. Protect Data Element De-Identification

- E.1. The Contractor shall supply data element level de-identification software, or other methodology as required by State or Federal law or regulation, to allow each Carrier to de-identify individual data elements, as specified in the NHID rules, within the Carrier prepared data files prior to submission. De-identification method must encrypt identical strings the same way each time to allow for consistent tracking of the de-identified elements over time and across Carriers when appropriate. De-identification service is part of the system and shall be provided to carriers at no charge.
- E.2. The Contractor shall work with Onpoint Health Data to ensure that the method is compatible with previously collected data and shall ensure that at the end of the Contract they transition the method to any new Contract.
- E.3. The Contractor shall improve upon the existing method by employing strategies to increase de-identified linkage precision by collecting versions of generic spellings or other techniques as agreed to by DHHS. This information is in addition to the straight de-identified information (i.e., current methodology)
- E.4. De-identification software shall be reviewed and approved for use by DHHS and NHID prior to implementation.
- E.5. The Contractor shall ensure proper use of the de-identification method by the Carriers through training of Carrier staff and shall test data file submission prior to acceptance of actual submissions containing protected data elements.
- E.6. The Contractor shall continually monitor use of the de-identification method and ensure Carriers are applying it correctly to their data files by ensuring the submission process incorporates the data element de-identification.
- E.7. The Contractor shall notify DHHS and NHID of any issues related to de-identification with individual Carriers or the de-identification method used.
- E.8. Until such time as the law or rules change, the Contractor shall be strictly prohibited from collecting or storing any direct identifiers obtained from the Carriers.

- E.9. If at such time, laws and regulations change to require Carrier submittal of identified versions of elements previously de-identified, the Contractor shall make the necessary software and system modifications to allow for the submission of data files adhering to the new regulations.
- E.10. If at such time, a statewide or national system of de-identification for the purpose of linkage between related healthcare data sets is established, the Contractor shall make the necessary software and system modifications at no additional cost to allow for the resubmission and submission of data files to adhere to the new standard.
- E.11. After receipt of carrier-submitted data, the Contractor shall perform an additional encryption of the individual de-identified data elements. The Contractor's de-identification method must encrypt identical strings the same way each time to allow for consistent tracking of the identified elements over time and across Carriers when appropriate.

Section F. Data Collection and Validation Services

- F.1. The Contractor shall collect, validate, and consolidate data files from all Carriers required to submit data under RSA 420-G:11, II and resulting Administrative Rules (gencourt.state.nh.us/rules/state_agencies/ins4000.html). The rules outline submission requirements including timeframes, data files, data elements, element types, values, etc. An acceptable Plan of Operations (work plan) shall require a thorough review and assessment of the rules. The Contractor is responsible for amending their collection and consolidation system to keep current with any changes made to the statute or rules and any changes made to industry standard coding systems for the life of the Contract, including the adoption of National Council for Prescription Drug Programs (NCPDP) and ASC X12N standards, at no additional cost. The Contractor shall have four (4) months from the adoption of any statute or rule change to incorporate needed modifications in their system. Changes to industry standard coding systems must be accommodated for in accordance with their national implementation date.
- F.2. In addition to collecting the data elements required under the Administrative Rules, at the direction of DHHS the Contractor shall collect up to ten data elements per file structure voluntarily submitted by Carriers. These voluntary data elements may change throughout the life of the Contract and may not all be utilized, at no additional cost.
- F.3. The Contractor shall produce, and provide to Carriers, a data submission manual that would supplement the Administrative Rules, as needed, to ensure the correct submission of the data. The data submission manual shall be approved by DHHS and provided on the Contractor hosted project website. The data submission manual shall be updated and redistributed to reflect changes in statute, rules or other changes to submission methods, as needed.
- F.3.1 The data submission manual shall include, but not be limited to:
- Updates and clarifications of data file layouts
 - Updates and clarifications of file submission procedures
 - Technical support contact information
 - Test file submission protocol
 - Data file naming conventions
 - Listing of compatible file compression methods
 - Data file layout and data dictionary
 - Reference (lookup) tables

- Control totals layout and dictionary

- F.4. In addition to the data from Carriers that must report under RSA 420-G:11, the Contractor shall collect, validate, and consolidate New Hampshire Medicaid member and claims data files provided by DHHS in the same format as the Carrier submitted data (note: Medicaid managed care organizations would submit data under the RSA as licensed Carriers in the state). Medicaid specific data elements will either be incorporated into existing CHIS elements or will be incorporated into the voluntary data elements. Contractor shall optionally propose enhancements or other methods to DHHS. In addition to Medicaid data, Medicare claims and member data on New Hampshire residents shall also be incorporated into the system. Medicare data will be supplied to the Contractor in the standard formats provided by the Centers for Medicaid and Medicare Services (CMS) and its contractors.
- F.5. The Contractor shall ensure acceptance and processing of data files from Carriers that may be submitted to the Contractor utilizing secure FTP or SSL web upload interface or as agreed to by DHHS and NHID to accommodate methods available to Carriers or improved standards. For Carrier convenience, a solution that combines the de-identification process mentioned above with data file submission is preferred.
- F.5.1 The Contractor shall provide a consistent encryption methodology to all Carriers submitting data to the CHIS so that they may encrypt their entire data file prior to submitting to the Contractor.
- F.5.2 Once the Contractor receives the encrypted data, the Contractor shall unencrypt all data, with the exception of social security number (or certificate or contract number when social security number is not collected by the Carrier) and member name.
- F.6. The Contractor's system shall be capable of receiving and distinguishing test submissions from Carriers and must supply a standard test file for use by Carriers to assist them with developing their submissions.
- F.7. The Contractor shall contact Carriers who have not submitted their data files by the required submittal date at 30 and 60 days past the required date, with copy notification to DHHS and NHID. At 75 days past the required date, the Contractor shall notify and coordinate with DHHS and NHID to provide a letter from NHID to request compliance by the Carrier (NHID has authority to fine Carriers out of compliance). The Contractor shall provide consultation to NHID regarding the appropriateness of sanctioning the overdue Carriers.
- F.8. The Contractor shall provide e-mail and phone Help Desk business support for Carriers, DHHS, and NHID Monday through Friday, 8am to 5pm, as needed to support their correct submission of the data to the Contractor. The Contractor shall respond to all Carrier, DHHS, and NHID E-mails and voice mail messages within one (1) business day.
- F.9. The Contractor shall provide processes for validation of the submitted data files, acceptance of replacement/resubmitted files and consolidation of the accepted data, and, in particular, shall:
- F.9.1 Validate all submitted data files. General areas of validation include: verification of data element formats and lengths, verification of the population of required elements, verification of element values against those allowed, identification of duplicate records, identification of records failing primary or foreign key constraints, and conformance with any other NHID rules not specifically stated. Additional rules shall be required for cross-element validation, individual file volume validation, cross-file volume ratio validation, and historical consistency.
- F.9.2 Provide the validation rules to Carriers via the project website.

- F.9.3 Allow Carrier specific validation rules to account for data availability variations across Carriers as agreed upon by NHID and DHHS.
- F.9.4 Provide each Carrier with a notification and report detailing the results of the validation process against their submitted data files within five (5) days of submittal through the secure project website. The notification to indicate specifically that either all files passed the validation process or at least one (1) file failed validation. The report shall indicate the validation status of each data file and data element and specifically provide the failure reason(s) when appropriate. Information provided shall be sufficient and clear enough for Carriers to easily reconcile their submitted data to the data processed by the Contractor. Identify remedies for failures, when appropriate.
- F.9.5 Process test files and provide feedback through the same QA checks as actual submissions.
- F.9.6 Contact all Carriers with data files that failed validation at thirty (30) and sixty (60) days past the date of the original notification where a Carrier response to the original notification has not been received. For each such notification, provide a copy of the original notification and validation report to DHHS. At seventy five (75) days past the date of the original notification, notify and coordinate with DHHS and NHID to provide a letter from NHID to request compliance by the Carrier. (NHID has authority to fine Carriers out of compliance)
- F.9.7 Reject submission of data files and accept resubmission in accordance with NHID rules and thresholds for rejection established in consultation with DHHS and NHID.
- F.9.8 Accept and consolidate additional or corrected records from periods previously submitted that are resubmitted by the Carrier, replacing and/or deleting records as needed.
- F.10. The Contractor shall provide DHHS or NHID with any information, data, or technical assistance as might be requested by DHHS or NHID in order to improve future collection efforts.
- F.11. The Contractor shall provide consultation to DHHS and NHID on proposed changes to the collection rules.
- F.12. The Contractor shall use a rigorous actuarial method to peer review the data that has been through the process utilizing senior Contractor management actuaries and consultants with experience in healthcare data analysis that have not been involved in the production of the data.
- F.12.1 The Contractor shall employ a validation process to ensure common formatting errors are identified and resolved early in the data loading process. Any exceptions shall be automatically captured and stored in detail and summary tables.
- F.12.2 A series of reconciliation workbooks shall be run to fully reconcile costs and member month counts with the accounting period's general ledger amounts. These workbooks and other reports shall be supplied to DHHS during implementation and monthly data loads.
- F.12.3 Reasonableness checks shall be made of completion factors, Per Member Per Month (PMPM) calculations, and utilization rates.
- F.13. Level 1 validation (L1) is the stage where The Contractor shall aggregate and validate the data once all data have been submitted. During this stage, the Contractor shall apply data checkpoints to ascertain any major discrepancies in the data.
- F.14. The Contractor shall establish a two-way "content acknowledgement" (control totals for claim line volume, membership volume, dollar totals), for any data submission received to confirm

whether the appropriate and correct amount of data was received for the corresponding membership volume.

- F.15. The Contractor shall meet with each Carrier to discuss data collection issues. Examples of common data issues the Contractor expects to encounter are as follows:
- F.15.1 Inability to tie data from different data sources, such as inability to tie enrollment data to claims data.
 - F.15.2 Data files format change from previous extracts. For example, a data field is added, taken away or a change in the field order.
 - F.15.3 Data files not formatted in a way that is "safe". For example, if one of the fields contains a comma when a comma-delimited file is sent (without text identifiers), the system shall think there are extra fields on that line.
- F.16. The Contractor shall utilize data content and quality analysis tools to validate initial Carrier data submissions and any subsequent submissions after data is received and basic volume reasonableness benchmarks have been validated.
- F.16.1 The Contractor shall use a series of over 45 different data checks as data audits to ensure the integrity of the data before it is used in reporting.
 - F.16.2 The data quality analysis tool:
 - Analyzes content and quality of key elements,
 - Assesses data volume trends over time,
 - Tests referential quality (a key component that assesses data consistency over time), and
 - Benchmarks reasonableness for key CPT codes.
 - F.16.3 The Contractor shall work with the Carriers to remediate data deficiencies or gaps when they are found them.
 - The Contractor shall accept iterative rounds of remediation and re-submission with the Carriers until submissions conform to the intended format and content.
 - The Contractor shall provide status reports to DHHS including measures of timeliness, completeness, and error rate on a regular basis, as well as post Carrier status reports to the public project website and/or the second secure website for Carrier-specific content, as required.
- F.17. The Contractor shall aggregate the data into the common database after the data from each of the suppliers has successfully completed the testing process. The Contractor performs additional testing on the aggregated data once the data is loaded.
- F.18. The Contractor shall produce quality and/or cost and utilization measures upon completion of the data validation process.
- F.19. Level 2 validation (L2) is the vetting of the initial draft results with the Carriers and other key stakeholders for comparative analysis. This step shall assume that the Carriers have internal metrics in place that mirror or are similar to the Contractor's results and methodologies.
- F.19.1 The Contractor shall vet the initial results internally prior to distribution to test reliability against any previous experience or benchmarks. Once the results have been sent to the Carriers, the Contractor shall allow them a reasonable period of time to review and provide any comments.
 - F.19.2 The Contractor shall undertake this exercise with each Carrier prior to aggregation of the entire data set and may require iterative rounds of review and remediation with the Carriers over the results.
 - F.19.3 The Contractor shall utilize methodology involving several validation and testing points. This methodology shall begin with basic reconciliation to ensure the Contractor has

accounted for all of the data submitted by the Carriers. Once the Contractor has completed this step, they shall run a series of data audits to ensure the data submitted will sufficiently populate the MedInsight data model and will represent meaningful information. The Contractor shall summarize these audit findings into a formal document and present to DHHS for review and discussion. The summary provides the findings, the impact of the data issue and the recommendation for resolution. A sample data audit summary report may be found in Appendix 4.

F.19.4 The Contractor shall then run the data grouper engines, such as the Health Cost Guidelines (HCGs), and review the results of these groupers to ensure the integrity of the detailed data is intact or if new issues present.

Section G. Data Consolidation Services

- G.1. The Contractor shall coordinate with each Carrier to identify the appropriate method(s) for determining the current adjudication status of all service records contained in the Carriers claims data file submissions. The Contractor shall develop and execute a 'claims consolidation' process that utilizes these methods to identify or generate, if necessary, a single record that accurately reflects and designates the current disposition and costs associated with the original rendered service. It is desired that the process design be premised around the concept of a Carrier specific key that is used to identify groups of records requiring consolidation and that any individual record with a key value that is unique across all records does not require consolidation. Additionally, all keys shall contain, at a minimum, the Carrier Id, Business Line (Medical/Behavioral, Pharmacy, or Dental at this time) and Service Date. This requirement shall allow the consolidation process to be executed against a subset of data to minimize the impact of overdue data file submissions on the master-processing schedule.
- G.1.1 The Contractor shall on a quarterly basis review the deployed method(s) with each Carrier to determine if any changes are required.
- G.1.2 The Contractor shall maintain documentation detailing the consolidation methods by Carrier and how the method shall be deployed in the system by Carrier. The documentation shall be provided to DHHS and NHID at least 2 weeks prior to the initial execution of the consolidation process and then routinely whenever new Carriers are added and/or new methods are deployed.
- G.1.3 The Contractor shall make any system modifications required to accommodate changes to Carrier methods.
- G.2. Consolidated service date claims and eligibility files shall be created at least quarterly from the entirety of the submitted data for all years of data submitted based on the most current Carrier submitted data. The method of consolidation shall allow for mid-quarter consolidations to account for late submission of data deemed relevant by DHHS and NHID. Alternatively consolidations may be performed on a per-file submitted basis.
- G.3. Carrier files must be consolidated within one month of submission for accepted submissions.
- G.4. Consolidated files shall contain all submitted records that have not been subsequently replaced or deleted by a Carrier resubmission of an entire time period (i.e., entire files replaced by a later submission shall not be included). However, the consolidated files shall include and specifically indicate those specific claim service records that do not reflect the current disposition of the original rendered service and all duplicate claim service and eligibility records.
- G.5. Consolidation shall be performed in accordance the claims consolidation method or methods specific to each Carrier.

- G.6. The Contractor shall reconsolidate data resubmitted by Carriers to address concerns of the Carrier, Contractor, DHHS, or NHID.
- G.7. The Contractor shall store consolidated data in a relational database in a star schema or similar data warehouse format that is efficiently designed for querying. The Database shall be designed to allow for time specific dimensions where the descriptive meanings of codes change over time. Data shall be provided to DHHS and NHID in this same format; design shall be approved by DHHS and NHID.
- G.8. The Contractor shall support up to ten (10) years of consolidated data. Available data sets will include:
- G.8.1 All versions of each claim
 - G.8.2 Last adjusted version (i.e. final state) of each claim
- G.9. The Contractor shall provide DHHS or NHID with any information, data, or technical assistance as might be requested by DHHS or NHID in order to improve future consolidation efforts.
- G.10. The Contractor shall acquire, from the State or from Onpoint Health Data, and if needed, all data previously submitted by Carriers to Onpoint Health Data within three (3) months of Contract initiation. The Contractor shall process the historical data including consolidation, and maintain the data in the same databases as the more current Contractor collected data.
- G.11. The Contractor shall run the following checks for each dataset generated off the consolidated database:
- G.11.1 Frequency of individual field values – Examples of this include running the percent of the procedure code field that is populated and comparing it to existing consolidated database experience. The Contractor shall also test whether the values are valid by joining it to the reference table.
 - G.11.2 Volume reconciliation – The Contractor shall reconcile the volumes in the datasets to volumes from the consolidated database and shall include such measures as member months for medical coverage and claims amount paid by incurred date.
 - G.11.3 Cost and Utilization Reasonableness – The Contractor shall check the dataset's cost and utilization for reasonableness using value added fields which store the Contractor Health Cost Guidelines (HCG) categories and utilization. The Contractor has information to compare these to, to check on the reasonableness for the data populated in the dataset.
 - G.11.4 PHI check – The Contractor shall determine if PHI data has made it in the dataset by doing a manual check of fields and comparing it to the file specs.
- G.12. The Contractor's process includes audits completed by staff, and final peer review by a Contractor senior manager not involved in compiling the information.

Section H. Value Added Data Elements

- H.1. The Contractor shall create and add to the consolidated data "value-added" data elements, including, but not limited to:
- H.1.1 Inpatient hospital service indicator;
 - H.1.2 Emergency Department (ED)—service indicator, for ED visits not resulting in a subsequent hospital admission;

- H.1.3 "Common Use" indicator for selecting claims and/or eligibility records that meet criteria for common use by most New Hampshire data users based on rules developed in conjunction with DHHS and NHID;
- H.1.4 Standard Type of Service (TOS) assignment to be developed in conjunction with DHHS and NHID;
- H.1.5 Standard Therapeutic Class assignment for Pharmacy services, to be developed in conjunction with DHHS and NHID; the Contractor shall use the Wolters Kluwer Health MediSpan Pharmacy Reference to make this assignment.
- H.1.6 Standard Provider Type/Specialty assignment for providers, to be developed in conjunction with DHHS and NHID.
- H.1.7 Calculated patient age, facility length of stay, and total allowed amount (sum of payment data elements), and other data elements developed in conjunction with DHHS and NHID;
- H.2. The Contractor shall use consolidated data with appropriate year grouping software tools obtained by the Contractor and link the results of the group as appropriate to the claims and member files as well as providing labeling tables, as applicable:
 - H.2.1 3M All Patient Refined Diagnosis Related Group (APR-DRG) and Medicare Severity Diagnosis Related Group (MS DRG) for inpatient hospital claims;
 - H.2.2 Medicare Ambulatory Patient Classifications (APC) and 3M Enhanced Ambulatory Patient Group (EAPG) for outpatient hospital claims; and
 - H.2.3 3M Clinical Risk Group (CRG) to classify patient risk over the year.
 - H.2.4 Note: because this is a state project, 3M in the past has allowed Contractors to use their products for no charge.
- H.3. The Contractor shall execute and include in the consolidated data a process that assigns a common provider identifier across all instances of a single provider entity, regardless of Carrier or practice affiliation, while also maintaining in the consolidated data the data as submitted by the Carrier.
- H.4. The Contractor shall execute and include in the consolidated data a process that assigns a common provider (group) practice identifier across all instances of a single provider practice entity, regardless of Carrier.
- H.5. The Contractor shall execute and include in the consolidated data a process that assigns a common person identifier across all instances of a single person, regardless of Carrier, business line or relationship to the contract holder (subscriber).
- H.6. The Contractor shall execute and include the following standard MedInsight methodologies:
 - H.6.1 *Health Cost Guidelines (HCGs)* - The Health Cost Guidelines™ (HCGs) is a widely-used, Contractor-developed methodology which categorizes cost and utilization into over 60 meaningful benefit and service delivery categories. No other Contractor is allowed to use HCGs.
 - H.6.2 *MedInsight Chronic Condition Hierarchical Groups* - Chronic Condition Hierarchical Groups (CCHGs) analyze healthcare utilization and costs. CCHGs assign patients to unique categories using a clinically relevant hierarchy that groups similar patients in the same group based on how doctors make treatment decisions. The tool uses primary diagnosis codes to assign all patients to mutually exclusive categories. The number of categories is manageable, 43 discrete categories including 24 for specific chronic

conditions, 1 for "all other" (chronic conditions) and 18 for "healthy" individuals. CCHGs capture 100% of costs and resource utilization.

H.6.3 The Contractor shall execute and include the following third-party Methodologies

- *AHRQ: Clinical Classification Software (CCS)* – A diagnosis grouping methodology to facilitate data analysis.
- *Wolters Kluwer Health: MediSpan Pharmacy Reference* – For grouping of drug data into Therapeutic Classes.

H.6.4 Analytic Calculations - The Contractor shall calculate a wide variety of standard metrics on the consolidated data, including, but not limited to those listed below. Note that these metrics shall be provided both with and without IBNR.

- Admits/Cases
- Admits/Cases per 1000
- Days/Procedures
- Days/Procedures per 1000
- Scripts per 1000
- Average Length of Stay
- Paid per Service
- Paid PMPM
- Paid per Admit/Case
- Paid per Day
- Member Months

H.7. Common provider identifier: The Contractor shall develop a provider crosswalk and single provider identifiers to track provider-patient relationships over time and between carriers. This crosswalk shall take into account National Practitioner Identifier (NPI), Health Plan Practitioner Identifier, Provider Name, and Provider Address to allow the Contractor to unify claims history. The Contractor shall unify the provider history and determine the most current information, including unifying providers with name changes, where possible.

H.7.1 The Contractor shall perform the initial setup for the automated process used to accomplish provider crosswalking during system implementation.

- The Contractor may request support from DHHS to include coordination with the Carriers and with medical groups or associations.
- The Contractor shall assist with the development of a master provider file standard for use across all data suppliers, or shall alternatively work with an existing master provider file standard if one is already established.

H.7.2 The Contractor shall develop a provider crosswalk utilizing methodologies to employ a multi-faceted matching process using a points-based ranking system and pre-defined match thresholds to determine if two provider identifiers from different data suppliers or the same plan are the same provider.

H.7.3 The Contractor shall use any elements available, including name, birth date, TIN, UPIN, NPI, state license number, address, zip code proximity, and other custom identifiers.

This methodology shall have three basic phases with multiple iterations and incremental validation within each phase. The Contractor shall apply the following methodology, or subject to the approval of DHHS may propose an alternate methodology:

- Within each source, review and compare the content and quality of key data fields and scrub the data to decrease mismatches based on simple data quality issues (change Bill to William, for example). This shall include review and resolution of discrepancies including misspellings, punctuation issues, and flagging the absence of identifiers or conflicting identifiers.
- Within each source, utilize a scoring methodology and conduct iterative processing to filter through the "cleansed" data and assign numeric scores based upon the data elements that match. This will automatically generate all "high likelihood" matches, from highest precision to lowest, establishing a specific cutoff below which a match shall not be considered likely, or at least ambiguous enough that it could as likely be a false match as a legitimate match.
- Within each source, evaluate the scoring results, assuming the scoring reflects data matches to the best provider; select the preferred ID based upon the scoring and join them into a single unique ID.

H.7.4 As needed the contractor shall manually intervene in the process.

H.7.5 The Contractor shall make crosswalked provider data fields available for reporting through the MedInsight data model using the star schema architecture.

H.7.6 The process for creating a common provider identifier shall be approved by DHHS prior to final implementation.

H.8. Common provider practice identifier: The Contractor shall generate a common provider practice identifier using the same process described for generating common provider identifiers.

H.8.1 The Contractor shall work with DHHS to develop and refine this process.

H.8.2 As needed the contractor shall manually intervene in the process.

H.8.3 The Contractor shall consider the accuracy of the rendering and billing provider data when generating a common provider practice.

H.8.4 The Contractor shall explore the use of third party data for provider practice grouping to the extent it can improve up the existing methodology.

H.9. Common encrypted person identifier: The Contractor shall develop a patient crosswalk and single patient identifiers to track patient-carrier relationships over time and between carriers. This crosswalk shall take into account prior identities at carriers and membership in multiple carriers to allow the Contractor to unify their claims and enrollment history. The Contractor shall unify the patient history and determine the most current information, including unifying persons with name changes, where possible.

H.9.1 The contractor shall apply the following methodology:

- Within each source, the most recent name and birth date information for each member id is considered.
- Within each source, link all known prior names and date of birth versions for each person to their most recent information.
- Across sources, link all persons together who match names/birth dates and permutations of same identified in step 2 (previous bullet).
- Roll all source records for linked people together, using the most recent plan, identifier, and name versions as the common identifier.

H.9.2 The Contractor shall apply specific scrubbing techniques to individuals' first and last names in the matching preparation process to lessen the likelihood that a mismatch will occur due to formatting, spaces, punctuation, or simple name translation.

- The Contractor shall translate commonly abbreviated names to full versions prior to matching. For example, Bob will become Robert.
- In the case of the CHIS data the Contractor shall achieve this level of scrubbing by providing Contractor-developed scrubbing software to Carriers along with the encryption process for scrubbing of the name data prior to encryption and submission. This shall be achieved without violating the requirement to not collect or store unencrypted identifiers.

H.9.3 Once the crosswalking process is complete, the Contractor shall apply an additional encryption to the Social Security number and name data elements so the data may not be traced back to the original. Such encryption shall be applied consistently for tracking over time and across the Carriers.

H.9.4 The process for creating a common person identifier shall be approved by DHHS prior to final implementation.

Section I. Data Security and Privacy Specific to CHIS

- I.1. The Contractor shall be strictly prohibited from releasing or using data or information obtained in its capacity as a collector and processor of the data for any purposes other than those specifically authorized by DHHS. Failure to comply could be a violation of NH laws and rules and may lead to voiding of the Contract.
- I.2. The Contractor shall conduct an annual security assessment, performed by an independent third-party security Contractor, to verify that the Contractor's environment containing the projects data is secure. Broader Contractor-wide assessments that include the project's systems are acceptable. The Contractor shall provide assessment to DHHS.
- I.3. The Contractor must comply with the requirements of the Health Insurance Portability & Accountability Act (HIPAA) and DHHS's standard business associate agreement.

- I.4. As a business associate of DHHS, the Contractor shall be bound by applicable State and federal laws regarding health care information.
- I.4.1 The Contractor's HIPAA Compliance Officer has overall responsibility to see that the Contractor takes steps to comply with HIPAA by controlling the disclosure and use of such Protected Health Information, and establishing and maintaining guidance and educational material to assist Contractor employees in that effort.
- I.5. Security Review and Testing
- I.5.1 IT Security involves all functions pertaining to the securing of State Data and Systems through the creation and definition of security policies, procedures and controls covering such areas as identification, authentication and non-repudiation.
- I.5.2 The Contractor shall review and test all components of the data and Software to ensure they protect the State's hardware, software and its related Data assets.
- I.5.3 Contractor testing shall focus on the technical, administrative and physical security controls that have been designed to provide the necessary confidentiality, integrity and availability. Tests shall, at a minimum, cover each of the service components. Test procedures may include Penetration Tests (pen test) or code analysis and review.

Service Component	Defines the set of capabilities that:
Identification and Authentication	Supports obtaining information about those parties attempting to log onto a system or application for security purposes and the validation of users
Access Control	Supports the management of permissions for logging onto a computer or network
Encryption	Supports the encoding of data for security purposes
Intrusion Detection	Supports the detection of illegal entrance into a computer system
Verification	Supports the confirmation of authority to enter a computer system, application or network
Digital Signature	Guarantees the unaltered state of a file
User Management	Supports the administration of computer, application and network accounts within an organization.
Role/Privilege Management	Supports the granting of abilities to users or groups of users of a computer, application or network
Audit Trail Capture and Analysis	Supports the identification and monitoring of activities within an application or system
Input Validation	Ensures the application is protected from buffer overflow, cross-site scripting, SQL injection, and unauthorized access of files and/or directories on the server.

- I.5.4 Prior to the data being moved into production the Contractor shall provide results of all security testing to DHHS and NHID for review and acceptance. All Software and hardware shall be free of malicious code (malware).

Section J. Data Dictionary

- J.1. The Contractor shall produce and keep current on the website a Data Dictionary containing detailed specifications and documentation for the consolidated data sets, including description of files, tables, data elements, codes, and completeness of elements that shall be in a format

appropriate for public release and make this available upon request and shall provide with data set extracts provided to researchers. Entity relationship diagrams shall also be included with the Data Dictionary. The Data Dictionary shall include version control information to allow for tracking of all changes made over time.

Section K. Data Quality and Completeness Summary and Assessment Report

- K.1. In addition to the Quality Assurance reports specified above, the Contractor shall provide on an annual basis a single overview report that summarizes and assesses the quality and completeness of the data in regards to its use for analytic tasks. The report shall include assessments of quality of data elements and records collected, any inconsistencies in quality and completeness among Carriers, and potential solutions to improve the data. The report shall be in a format appropriate for public release. After approval by DHHS it shall be posted by the Contractor on the public website in the same location as a companion to the Data Dictionary.

Section L. Oversight/Auditing

- L.1. The Contractor shall, upon request, provide DHHS, or its designee, with any pre-consolidated or consolidated data and documentation DHHS deems necessary for oversight of the project requirements.
- L.2. The Contractor shall provide DHHS, or its designee, with five (5) days notice, access to the Contractor's facility for onsite audit of any and all aspects of the system including information about its development, testing, and operations. Twenty-one (21) business days after the audit DHHS shall issue a findings report. The Contractor shall respond fourteen (14) business days. Depending on response, the State would have the option to invoke the Termination clause.

Section M. Data Set Extracts and MedInsight Web Portal

- M.1. The Contractor shall provide DHHS or its designee, and NHID (and any other contracted agent of NHID) secure updated data extract files as follows:
- M.1.1 Upon request, and no less frequently than quarterly, the Contractor shall provide updates to the consolidated data files in a compressed and encrypted format on DVD media (passwords for encryption must contain no fewer than 10 characters and shall contain a mix of upper and lower case letters, numbers, and special characters and must not be reused). Files shall be supplied in a delimited format or other standard format as later specified by DHHS. Export shall be accompanied by the load script necessary for import into DHHS's Enterprise Data Warehouse Oracle environment. Data shall be sent overnight mail with signature required. At the option of DHHS, the method of transmittal of the datasets can be changed, and file format changed, to utilize secure VPN/FTP/web transmittal to NH DHHS servers or media other than DVD;
- M.1.2 Along with extracts the Contractor shall supply, in addition to the Data Dictionary, the necessary technical documentation to allow for DHHS and NHID staff or designees to successfully load the data into their own repositories.
- M.1.3 Each Data Submission shall be accompanied by a Transmittal Report that specifies the content of the data, the record counts of each data table, Carrier specific frequency counts of submitted data, and the data and any issues with the data, including missing Carrier information;
- M.1.4 If after submission of consolidated data-sets, either DHHS or NHID identifies errors that have not been identified by the Contractor that are within the scope of the required QA testing, the files shall be rejected and must be corrected by the Contractor. If errors are

discovered outside the bounds of the required QA testing, the Contractor shall make a reasonable effort with Carriers to address errors and shall incorporate additional QA testing into the required procedures to account for any new type of error discovered;

- M.1.5 Upon request in writing, the Contractor shall supply files covering custom periods and contents;
 - M.1.6 Only DHHS shall receive the complete data set including public payer data, unless specified by DHHS;
 - M.1.7 The Contractor shall provide a refresh of all historical data collected by the State's prior contractor, as processed through the Contractor's new system, within six (6) months of Contract initiation.
- M.2. The Contractor shall provide assistance to DHHS, its designee, and NHID in use of the consolidated data sets as follows:
- M.2.1 The Contractor shall provide data tables to allow for labeling of coded data elements.
 - M.2.2 The Contractor shall provide updated specific definitions and logic of all value added data elements and include them in the file specifications;
 - M.2.3 The Contractor shall provide ad hoc assistance on interpretation of all tables and data elements supplied within one week of request; and
 - M.2.4 The Contractor shall supply to DHHS two (2) sets of printed manuals for the grouper software employed on the project and five (5) sets of commercially available comprehensive manuals to DHHS for ICD and HCPCS I (i.e., CPT) and HCPCS II for each year of release of the coding systems at the time of release.
- M.3. The Contractor shall create, maintain, and distribute annual calendar year Public Use Data Set versions of the consolidated data sets, excluding public payer data.
- M.3.1 Quarterly, the Contractor shall produce Public Use Data Set versions of the verified consolidated data sets (see claims data release rule He-W 950 for specification. Scroll to 950 at www.gencourt.state.nh.us/rules/he-w900.html, (note: specifications for dental data, while not listed, are similar). The Contractor shall produce file documentation for the data sets, including description of files, data elements, codes used, and an error report. The Contractor shall quarterly supply copies of the files and documentation to DHHS for review prior to public release.
 - M.3.2 The Contractor shall supply Unencrypted Public Use files on CD or DVD media. Data files shall be supplied as compressed delimited files with documentation sufficient to allow third parties receiving the data to load the data into their systems.
 - M.3.3 The Contractor shall supply Public Use Data Set to outside parties upon request.
 - M.3.4 The Contractor shall post updated versions of public use provider files to the project website on a quarterly basis.
 - M.3.5 The Contractor shall maintain a list of all interested parties, including those who have received the data in the past, and notify those parties by e-mail each quarter when a new data file is available or as needed if a replacement of a previous data set has been produced.
 - M.3.6 The Contractor shall post a list of all recipients on a publicly accessible website.
- M.4. Upon notification in writing by DHHS, the Contractor shall supply custom data file extracts to approved outside parties for research purposes.

- M.4.1 For budgeting purposes, assume 10 custom requests per year.
- M.4.2 File extracts shall include subsets of records and subsets of data elements, and recoding of elements. For budgeting purposes, assume recoding would be simple grouping of elements into larger categories (e.g., recoding ages into age groups).
- M.4.3 Specifics of extracts from outside researchers shall be provided to the Contractor by DHHS via copies of standard application form submitted by the researcher to DHHS.
- M.4.4 Files shall be accompanied by sufficient documentation for use by the recipient including customized file naming standard, format, file record layouts including data element name, element description and type as well as inclusion of the complete file documentation as supplied to DHHS.
- M.4.5 The Contractor shall post a list of all recipients on a publicly accessible website including a summary of the intended research.
- M.5. For all data extracts the Contractor shall have in place a written quality assurance process to verify that the data extracted conforms to the extract specifications. The written process shall be made available to DHHS upon request. Any issues with the quality of data extracts discovered by extract recipients that the Contractor, DHHS, or NHID is made aware of shall be addressed in updates to the quality assurance process documentation.
- M.6. The Contractor shall be responsible for notifying all data recipients of any extract, created for either public use or research purposes that was later identified to have issues, either due to Contractor or Carrier error, that significantly affects its usefulness and/or completeness, regardless of the cause of the issues. The notice shall include a description of the issues and their potential impact and an offer to send replacement data. The Contractor shall provide notices to DHHS before release for review and approval.
- M.7. The Contractor shall be strictly prohibited from releasing or granting access to any data, unless expressly authorized by DHHS in writing, for any purposes other than those specifically authorized by the agreement.
- M.8. For researchers who have been granted ongoing access to data, the Contractor shall maintain a tracking system to insure those researchers receive timely notification and provision of new periods of data that are available or replacements of prior periods.
- M.9. The Contractor shall provide to DHHS any additional information, data, or technical assistance as may be needed in order to improve the future resources involved in efforts to provide access to the data.
- M.10. The Contractor shall, if directed by DHHS at the conclusion of the Contract, supply DHHS with copies of all consolidated and unconsolidated data from Carriers in a comprehensive and organized manner including written documentation of the contents of the data files. End of Contract data shall be supplied on DVDs as well as a USB interface external hard drive that shall become the property of DHHS.
- M.11. The Contractor shall maintain a secure website or other system accessible through the Internet to allow for ad hoc secure transmission of data files between the Contractor and DHHS.
- M.12. The Contractor shall provide fifteen (15) limited use licenses to MedInsight, the Contractor's integrated data warehousing, decision support system and reporting tool designed for the healthcare marketplace. These limited use licenses are included in the overall costs of the contract.
- M.13. Additional limited licenses shall be available at a rate of \$35 per month per license

M.14. The following MedInsight functions at a minimum shall be included as part of the scope of this contract:

M.14.1 Analytics and Grouper Methodologies:

- Milliman's Health Cost Guidelines (HCG) –a method to group medical and pharmacy claims into service and benefit categories used to understand the components of cost trends, understand the types of cost and utilization for populations of patients and to understand insurance benefits and coverage.
- Code Clustering Methods – roll up methodologies used with detailed codes such as diagnosis, procedure and NDC codes. Methods include AHRQ Clinical Classification System and Contractor-developed methods. This enables public reporting of incidence rates of broader categories of these codes.

M.14.2 Ability to link Race and Ethnicity data (when it becomes available in the system).

M.14.3 MedInsight Portal - front-end portal interface and security framework.

- DHHS shall have their own dedicated physical server with its own installation of SQL Server and rigid access rights customized to their needs, ensuring that only necessary access is given to DHHS data.
- This front-end portal shall allow usage by named user authorized by the state requiring access to the data and reports.

M.14.4 Standard Parameter Driven Reports –

- Users shall have access at a minimum to only those reports for the analytic groupers that shall be run and included in the limited use license (i.e. HCGs, enrollment, cost, utilization, etc.).
- Reports shall be available via a secure web portal connection with the option to view online, print to a local printer, or convert into a PDF.
- Reports shall be parameter driven to choose a limited number of parameters (i.e. data groupings and the time periods reported on). These reports shall be optimized to usually run within 15 seconds to a minute.
- DHHS shall be able to schedule reports and analysis to run automatically at any pre-determined frequency with the option to select a distribution format (i.e. Excel, RPT, and PDF).

M.14.5 Dashboards - MedInsight's user interface utilizes a third party tool from Dimensional Insight, which includes a web-based portal interface for the creation and delivery of dashboard views that are customized by the users' access (user role) and security settings.

- Users shall have access to a dashboard containing high-level indicators customized to DHHS and NHID requirements.
- The Contractor shall work with DHHS and NHID during implementation to create a customized set of dashboard metrics.
- Users shall access the dashboard through the web, allowing drill down within the dashboard metrics and images.

- Users shall be able to create dashboard views from existing reports and charts, or may utilize dashboard-graphing elements provided within the Diver solution interface.
- Users shall have access to filtering capabilities to refine the data being viewed.
- Users with the necessary level of administrative rights shall be able to modify the dashboard.

M.14.6 Online Analytical Processing (OLAP) Cubes – Users shall have access to cubes that can be used to dynamically view dimensions to filter the data, produce dynamic reports or graphs.

- MedInsight OLAP cubes are generated using an integrated third party analysis tool from Dimensional Insight (DI), which shall provide users the capability to exercise navigational freedom without knowledge of underlying data structure or relationships.
- Users shall be able to save their analysis, share the results with other users and even recall a previous analysis populated with current data at any time while navigating through the data.
- Users shall be able to perform with any data dimension, predefined calculation, or user defined calculation.
- Additional Reporting Queries and Tools – more advanced users shall be able to use SQL queries to directly query the data along with other reporting tools such as powerpivot. These querying and reporting methods provide the maximum amount of flexibility, and are available by direct access to the server through the web.

M.14.7 The following MedInsight functions will not be included as part of the scope for DHHS and NHID:

- Episode Grouping
- Dartmouth Atlas
- Health Risk Adjustment Tools
- Avoidable Admits and Emergency Room Visits
- Claims Repricing Capabilities
- Benchmarking Capabilities
- Evidence Based Measures (EBMs)
- Chronic Condition Hierarchal Grouper (CCHGs)
- IBNR (incurred-but-not-reported)

Section N. Process Requirements

N.1. The Contractor shall participate in an initial kick-off meeting to initiate the Project.

N.1.1 During the project's kick-off meeting, the Contractor Project Manager shall encourage team members, management, and stakeholders to be open about informing the team of potential risks and shall reinforce that all project team members are in a position to identify and bring forth risks which may impact this project. They shall share the expectation that, if a risk is identified, it should be discussed with project team lead or

project leadership. The ownership of the solution to the risk ultimately resides with the project leadership; however, a specific owner shall be identified to gather more information and/or to develop or act upon mitigation plans.

- N.2. The Contractor's draft Plan of Operations appears in Exhibit A - Appendix 1 of this contract.
- N.3. The Contractor shall submit a finalized Plan of Operations within ten (10) days after Contract award and approval by Governor and Executive Council. The Plan of Operations shall include, without limitation, a detailed description of the Schedule, Tasks, Deliverables, Critical Events, Task Dependencies, Contractor and State Resources Required, and Payment Schedule. The plan shall be updated no less than monthly.
- N.3.1 The Contractor shall hold strategy meetings with DHHS and NHID key participants to solicit feedback on the Contractor's proposed Plan of Operations and finalize the project deliverables to include establishment of specific tasks and assembly of a final project plan. On-going project management shall include regularly scheduled update and issue resolution meetings.
- N.4. For the first three (3) months of the Contract, the Contractor shall provide written progress reports, to be submitted to DHHS every two (2) weeks. The reports shall be keyed to the implementation portion of the Plan of Operations and include, at a minimum, an assessment of progress made, difficulties encountered, recommendations for addressing the problems, and changes needed to the Plan of Operations.
- N.5. For the fourth through eighth month of the Contract, the Contractor shall provide a bi-monthly report of the status of progress; it must be received by the tenth business day of the following month. This report must be tied to the performance section of the Plan of Operations and contain at least the following information:
- N.5.1 A narrative review of progress made during the reporting period. This shall include the status of relationships with Carriers for the receipt of data and a summary of new/updated data received, as well as an outline of problems encountered and whether and how they were solved, and deliverables scheduled and delivered.
- N.5.2 A specific discussion on systems issues as they relate to data transfers with DHHS, including problems encountered and recommendations for resolution.
- N.5.3 A summary of the problems that the Contractor encountered or might reasonably expect to encounter, and recommended solutions.
- N.5.4 For services required but not rendered, or actions described in the Plan of Operations but not taken or completed, there must be an explanation of the failure to meet the schedule and detailed plans to overcome the failure as well as to prevent its recurrence.
- N.5.5 An update of the Plan of Operations showing work completed, impact of schedules missed, and, if needed, desired changes to the Plan of Operations for the balance of the project. All changes to the Plan of Operations are subject to the prior approval of DHHS.
- N.6. The Contractor shall provide an annual report on the last day of the month following the end of each year of the Contract, and with the final request for reimbursement that provides, at a minimum, a detailed review of the operations under this Contract, including a discussion of problems encountered and resolved or outstanding, and recommendations for change.
- N.7. The Contractor shall provide ad hoc progress reports, data, or information as requested by DHHS.

- N.8. All user, technical, and System Documentation as well as Project Schedules, plans, status reports, and correspondence must be maintained as project documentation in Microsoft Word and Excel as appropriate.
- N.9. By unconditionally accepting a Deliverable, the State reserves the right to reject any and all Deliverables in the event the State detects any Deficiency in the System, in whole or in part, through completion of all Acceptance Testing, including but not limited to, Software/System Acceptance Testing, and any extensions thereof.
- N.10. The Contractor shall forward to DHHS any fees inadvertently paid to the Contractor for Public Use or other data supplied to third parties. The Contractor shall not charge for supplying data to third parties except where waived in writing by DHHS.
- N.11. Upon request the Contractor shall provide detailed documentation on any and all aspects of the project to ensure complete transparency of the processes used for collection, quality assurance testing, consolidation, and release of the data, including results of Contractor's testing of their solution.
- N.12. The Contractor shall, on at least a bi-weekly basis, hold teleconferences, at the Contractor's expense, with DHHS staff, NHID staff, and other parties invited by the State, as relevant, to discuss project progress, concerns, and next steps (as project needs change, and upon agreement of the DHHS the frequency of meetings may be reduced).
- N.13. The Contractor Project Manager, and relevant key staff, shall every three (3) months, beginning in the first month of the Contract, travel to Concord, NH to meet with project representatives from DHHS to review past quarter performance and upcoming quarter Plan of Operations.
- N.14. The Contractor shall ensure that key Contractor staff shall be readily available telephonically to spend time in consultation with DHHS staff.
- N.15. The Contractor shall turn over, at the conclusion of the Contract, all data provided by Carriers to DHHS and NHID and electronic versions of all final application source code and documentation developed for the project.
- N.16. The Contractor shall by the conclusion of the Contract, develop a transition plan that upon expiration of the Contract shall assist DHHS in continuing collection of the data. The Contractor shall cooperate with any new Contractor or with State of New Hampshire staff to ensure all existing data is supplied and any code and documentation needed to provide continuity of the project is supplied to staff of the new Contractor and de-identification and consolidation methods are fully transferred.
- N.17. All work product provided to DHHS by the Contractor shall be in file types and versions specified by DHHS.
- N.18. The Contractor shall be responsible for all computer hardware, software, data communications, network equipment, and other technology required to complete the work of the Contract.
- N.19. Data, information, and reports collected or prepared by the Contractor as part of the project shall be deemed to be owned by DHHS.
- N.20. All project meetings shall take place at State Offices in Concord, NH, unless agreed to by DHHS (i.e., the Contractor does not need to budget for Concord meeting space for events).
- N.21. The Contractor shall provide access to the State with a secure FTP or web site to be used by the State for uploading and downloading files.
- N.21.1 The Contractor uses https encryption on all traffic to ensure data integrity.

N.22. The Contractor shall follow a traditional project management approach based on the principles promoted by the Project Management Institute and the Fourth Edition of the PMBOK. The Contractor's approach shall include: (1) use of a Project Manager; (2) a kick-off meeting and initial working session; (3) formal management of a project plan and work breakdown structure; (4) periodic project management meetings, (5) status reporting, and (6) issue and risk logs.

N.23. The Contractor shall assign a team of consultants with extensive backgrounds in healthcare data analysis to be responsible for:

N.23.1 Assisting DHHS in setting up and facilitating a data warehouse stewardship team comprised of users, data experts and technical people who assist in the project.

N.23.2 Specific project deliverables.

N.23.3 The Contractor shall utilize senior Contractor consultants to perform a thorough peer review process.

N.24. The Contractor shall develop a standard methodology for the implementation and management of MedInsight to ensure that primary goals, to maintain compliance with scope, time and budget by coordinating resources effectively, managing project risk and issues, developing and tracking timelines, promoting effective communication between various parties and applying Contractor knowledge of healthcare information systems to good effect, are adhered to.

N.25. The Contractor shall utilize a standard implementation document that incorporates the key aspects of the Plan of Operations and ensures the formal documentation of key steps and quality control of the implementation processes.

N.26. In developing the staffing plan, the Contractor shall:

N.26.1 Examine DHHS and NHID's needs and contract specifications to identify the mix of skills and experience required both of the Contractor team and that of DHHS and NHID.

N.26.2 Translate those requirements to the roles and positions needed.

N.26.3 Identify internal team members best suited to serve DHHS's needs and meet contractual specifications.

N.26.4 Assign a senior level project manager who shall be responsible for the entire project during the MedInsight implementation.

N.26.5 Assign a senior level consultant who shall act as the Account Manager, dealing with ongoing client management once the project moves to production.

N.26.6 Use senior and technical consultants available during the solution build process to help guide the implementation to completion, including transition to production. Many of the same resources shall be in place after the implementation is completed to direct on-going client relations. These resources shall be intimately familiar with the project and ready to interface with DHHS immediately.

N.26.7 Provide consultants with the following skill sets: (partial list):

- Project management and leadership
- Oversight for the data collection, data set design, development and testing
- Tasks and process documentation
- Quality assurance
- Plan participants' management updates and reports

- Project plan documentation and updates, milestones, action items and activities list

N.27. Throughout the scope of the project, the Contractor shall provide quality assurance measures to ensure the data and all other supporting processes to accomplish daily operation tasks adhere to a set of quality checks to assist in proactively identifying potential risk associated with the project and any project lags.

N.28. The Contractor shall collaborate with DHHS and NHID to develop and agree upon custom solution acceptance criteria for this initiative. In order to perform acceptance testing prior to Carrier submission, The Contractor shall utilize test data for all acceptance testing. Potential acceptance criteria shall include, but shall not be limited to:

N.28.1 Run time – time required to process data

N.28.2 Performance of patient and provider matching algorithms

N.28.3 Query response time

N.28.4 Other major component

N.28.5 Performance and output validation of various analytic engines

N.28.6 Successful completion of data audits and audit report production

N.29. The Contractor proposes the following options to address points of risk associated with the project plan. It is the Contractor's experience that timelines deviate when scope changes continuously throughout initial implementation, when client (or data supplier) personnel fail to meet, or delay completion of, key tasks and if the client tries to include a substantial amount of customization into the initial phase of implementation. The Contractor identifies the following as some of the obstacles that can potentially impact project timelines:

N.29.1 *Data Quality Issues* – The Contractor has extensive experience identifying data quality issues and working with data sources to correct those problems and will be to create creative workarounds to solve the data quality issues.

N.29.2 *Issues with provider directories* – The Contractor often find issues with provider directories and has a variety of tools and techniques to improve these directories.

N.29.3 *System Uses* – States and Coalitions have unique and developing needs, therefore flexibility is needed in meeting them. The Contractor has a large number of consultants with expertise in public policy analytic needs.

N.29.4 When there are multiple data suppliers involved, the timing of the load is highly dependent on timing of the receipt of data from each of the suppliers both during implementation and on an ongoing basis. DHHS shall have a number of options regarding how to address timing, including:

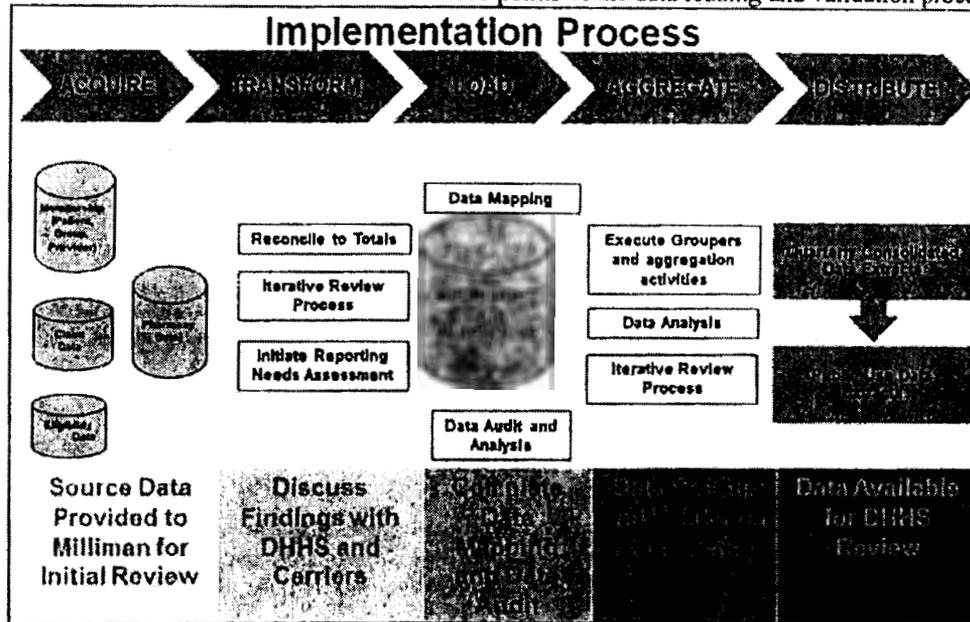
- *Load data according to a hard deadline* – The data received as of a specific date is loaded and processed. Data received after the deadline is loaded at the time of the next regular load, or in the case of less frequent annual loads, data received later than the initial deadline can be loaded at a secondary deadline date.
- *Load data as received* – Data from each data supplier is loaded and processed into the State's MedInsight data warehouse upon receipt.

N.30. The Contractor project manager shall establish a risk log during the planning phase of the project. Throughout implementation, the Contractor project manager shall:

N.30.1 Record risks into the risk log when they become known. The risk logs shall facilitate the development of associated mitigation plans.

N.30.2 Ensure that all Contractor and the DHHS and NHID stakeholders are informed and included in developing and approving the risk mitigation plans or risk disposition.

N.31. The Contractor shall involve DHHS at various points of the data loading and validation process.



N.32. The Contractor shall perform development testing as they add new functionality to MedInsight. As part of the development process, the Contractor shall employ various unit testing and regression testing to support functional testing of the software.

N.33. The Contractor shall perform ticket based development work. Each Contractor developer shall unit test the specific component or sub-component they are working on before changing the ticket status to review. The person who conducts the review on each ticket must be able to see evidence in the ticket that reasonable unit testing was conducted.

N.33.1 The Contractor shall auto-deploy the entire project to a testing server where a number of pre-defined integration testing workloads shall be executed against the product when a logical batch of work towards a release milestone has been completed.

N.33.2 Each new piece of functionality shall have a series of tests designed to ensure that the functionality works as designed. Once new functionality has been verified working, all of the tests intended to test that functionality shall be added to the regression test plan.

N.33.3 When the milestone release is feature complete, all regression tests are performed and verified working. Data based tests are necessary for most functionality testing. Input test workloads are processed and outputs are verified against expected results before a test can be verified as passing.

N.34. The Contractor shall perform data validation testing, create a set of validation scenarios to provide DHHS and NHID with a means to evaluate the data and ensure it appears reasonable and is made available to the users in a meaningful way.

N.35. The Contractor shall use Contractor-created methodology as well as VMWare and Compellent provided resource-monitoring tools to isolate performance problems.

N.36. The Contractor project manager shall document the suspected defects on the Action Items/Issues/Risk Log. It is also entered into the Contractor's internal development tracking database, Trac from Edgwall Software. This development tool assigns a priority and a timeline for the resolution of the suspected defects. The Contractor Development team shall manage the tool and the defects.

N.37. The Contractor project manager shall review the items for prioritization with the State based upon the feedback from the development team's assessment of the issue and the resolution options.

N.38. The Contractor does not charge for maintenance fees until implementation is complete and the project is ready to move out of the implementation phase and into production. Our Cost Proposal in Section VII is consistent with this approach.

Section O. Security Requirements for All Systems Containing CHIS Data

O.1. Verify the identity or authenticate all of the system client applications before allowing use of the system to prevent access to inappropriate or confidential data or services.

O.1.1 The authorization methods used to ensure users and client applications can only access data and services for which they have been properly authorized.

- Each user's unique ID is assigned particular role and privileges to ensure that access is limited to system areas for which the user is authorized.
- The Contractor uses a roles-based protocol to standardize rights management. DHHS and NHID users and other authorized system users can access only those systems, databases, reports and functions authorized by the access rights assigned to their user ID.

O.2. Verify the identity or authenticate all of the system's human users before allowing them to use its capabilities to prevent access to inappropriate or confidential data or services.

O.2.1 The identification and authentication methods used to ensure users and any interfacing applications are identified and their identities are properly verified.

- Each user signs onto the network via an Internet connection with a user ID and password that must be authenticated by Microsoft active directory.
- The credentials are then passed to database and application security. This is done either by a SSL web connection or a Microsoft terminal services connection, both of which are 128-bit encrypted.
- Each of MedInsight's applicable interfacing applications are tied to the active directory of the data center and as such, user authentication is maintained throughout the session.

O.3. Enforce unique user names.

O.4. Enforce complex non-reusable passwords of ten (10) characters or more that contain at least one upper case, one lower case, one numeric, and one symbol with no dictionary words longer than one (1) letter in length.

O.5. User accounts shall be locked out for 30 minutes after three (3) failed attempts. If five consecutive failed access attempts are made from one account within 30 minutes, Contractor administrators shall be automatically notified. Contractor staff shall also review the log

information collected on a very regular basis for unauthorized access to any device or service within the network, suspicious network scans or other anomalies.

- O.6. Encrypt passwords in transmission and at rest within the database.
- O.7. Expire passwords after forty-five (45) days.
- O.8. Authorize users and client applications to prevent access to inappropriate or confidential data or services.
 - O.8.1 The Contractor shall utilize a system which offers state-of-the-art encryption and security technologies and protocols to ensure that patient data remains uncompromised yet is accessible to authorized users. The Contractor stores sensitive data in an encrypted state (128-bit) and only authorized users have the ability to decrypt this data for viewing.
- O.9. Provide the ability to limit the number of people that can grant or change authorizations
- O.10. Provide the ability to enforce session timeouts during State-defined periods of inactivity.
- O.11. The Contractor shall ensure the application has been tested and hardened to prevent critical application security flaws via a third party and shall provide the completed testing plan to DHHS for approval prior to the system going live.
- O.12. The application shall not store authentication credentials or Sensitive Data in its code.
- O.13. Audit all attempted accesses that fail or succeed identification, authentication, and authorization requirements
- O.14. The application shall log all activities to a central server to prevent parties to application transactions from denying that they have taken place. The logs must be kept for six (6) months
 - O.14.1 The Contractor shall store all server, web service and database access logs indefinitely to ensure that full audit trails are available and can be followed if necessary. The Contractor shall accomplish this with three separate, automated processes that collect logs from all servers, databases and network devices within the MedInsight domain on a nightly basis and store them on a secure, centralized database server where further logic and reporting shall be performed.
 - O.14.2 The Contractor shall capture the following data elements in all types of logs:
 - Access date and time
 - Username attempting access
 - Success or failure of access
 - IP address of attempted access
 - Target of successful accesses
 - Additionally, all other available data elements shall be captured and stored.
 - O.14.3 The contractor shall generate two standard reports on a monthly basis, for DHHS. In addition to the data captured in these reports, the Contractor's system shall retain additional detailed information that shall be provided to DHHS upon request. The two standard report descriptions follow:
 - *Active Directory Usage* – Listing of all the client users with the last time the user accessed the system. Users who have not accessed the system in over 90 days appear in red.

- *Portal Page Usage* - A report identifying what portal pages accessed over the past 12 months. Three levels of reporting shall be found on this report:
 - Over-all client use of the portal> -Total number of times any user opened a page by year month
 - User use of the portal. Number of times a specific user viewed any page on the portal by user and year month.
 - Number of times a specific portal page has been opened by year month.
- O.15. The application must allow a user to explicitly terminate a session. No remnants of the prior session shall then remain.
- O.16. Use only the Software and System Services designed for use on the project
- O.17. The Application Data shall be protected from unauthorized use when at rest
- O.18. Keep any Sensitive Data or communications private from unauthorized individuals and programs.
- O.19. Subsequent application enhancements or upgrades shall not remove or degrade security requirements
- O.20. Conform to all State and Federal laws and regulations regarding data security
- O.21. Create change management documentation and procedures
- O.22. The Contractor consultants shall review the latest industry standards to ensure data security methodologies are at or beyond the highest industry standards. The Contractor shall receive weekly updates from the SANS (SysAdmin, Audit, Network, Security) Institute, the authoritative body on network security.
- O.23. The Contractor shall establish four security objectives, including:
- O.23.1 The Contractor shall prevent and detect unauthorized electronic use or access. Technical and administrative safeguards shall be in place to prevent, detect, and monitor access to electronic information. These safeguards shall be a mix of administrative policies, user training, and electronic mechanisms such as use of user-ids, passwords, firewalls, and access logs.
 - O.23.2 The Contractor shall protect against loss of use or destruction of key data and critical systems. Key electronic data shall be regularly backed-up and maintained off-site. Recovery procedures for mission-critical data, in the event of a business interruption or disaster, shall be implemented and maintained.
 - O.23.3 The Contractor shall prevent unauthorized physical access and use. Appropriate physical security shall be in place to protect hardware, software, storage medium and other equipment from unauthorized access or use.
 - O.23.4 The Contractor shall monitor, report and resolve data security issues. Safeguards, controls, procedures, and logs shall be regularly reviewed. Security concerns and issues shall be reported to appropriate management for resolution.
- O.24. The Contractor shall use system maintenance methods to ensure unauthorized system maintenance shall not unintentionally disrupt the security mechanisms of the application or supporting hardware.
- O.24.1 The Contractor shall perform all system maintenance work in a test environment first, then tested, then released into the production environment.

O.24.2 System upgrades or patches shall be coordinated with DHHS to limit system downtime and are scheduled during an after-hours maintenance window. During this time, all access is shut down.

O.24.3 During the maintenance window, all MedInsight security protections and protocols remain active.

O.25. The Contractor shall conduct load and stress testing for DHHS through a specific set of protocols geared towards DHHS's data and probable use of the system to ensure their firewall system shall protect against denial of service attacks.

Section P. Infrastructure Requirements

- P.1. The Contractor shall provide the hardware, software, communications, and other infrastructure necessary to meet the requirements of the project at no additional cost to the State or Carriers including any licenses that must be maintained by the Carriers, NHID, or DHHS. The MedInsight application is a web-based system that is wholly contained within the Contractor's servers and facilities. DHHS, NHID and / or the Carriers are responsible for any hardware (PCs) to access the system, as well as any software licenses to access and utilize the datasets, such as Oracle, SQL or Microsoft Excel.
- P.2. The Contractor shall provide an ASP hosting environment that supports access from anyplace and anytime. DHHS shall have at least two dedicated servers, one for processing data and one for production. Data or enhancements are not transferred to the production server until they are fully peer reviewed. This also results in nearly no downtime on the production server. DHHS shall have its own dedicated servers with its own installation of SQL Server and rigid access rights customized to DHHS's needs to ensure that only necessary access is given to DHHS's data and reports.
- P.3. The hardware that the Contractor shall purchase for DHHS consists of an HP ProLiant DL385 G7 or equivalent, with dual, multiple-core AMD 64-bit processors with 8+ GB of RAM, with a RAID 1 set up for the Windows operating system, a separate RAID 1 for Contractor paging files, a large RAID 5 for all DHHS data and a larger RAID 1 for the SQL logs. The hard drives are enterprise-class 15K SAS drives.
- P.4. The Contractor shall install the following software: Windows 2003, SQL server 2008, Apache Tomcat and IIS on the front-end server.
- P.5. MedInsight is built on the SQL Server 2008 platform. The database structure of MedInsight is based on a star schema design with integrated facts and dimension tables. In MedInsight's star schema database design an eligibility common key, usually a member identifier, is established and linked through fact tables that are common across several dimensions, including enrollment and claims.
- P.6. The MedInsight data model includes over 450 data elements in the base tables. The data model is flexible and includes a number of user-defined fields for the inclusion of additional data that may be unique to DHHS's data needs.
- P.7. The Contractor shall accept encrypted data from the Carriers through secure FTP. The Contractor shall host an FTP site (secure web folder) to receive data submissions.
- P.8. The Contractor shall have a committed bandwidth of 10 Mbps, burst-able to 100 Mbps, over a multipath, carrier-neutral OC3 connection, providing multiple fiber backbones with different paths for redundancy.
- P.9. The NHCHIS web portal shall be built using Visual Studio 2010.

Section Q. Hosting Requirements

- Q.1. The Contractor shall maintain a secure hosting environment providing all necessary hardware, software, and Internet bandwidth to manage the system and data submitters and the State with permission based logins.
- Q.1.1 Access shall be via Internet Explorer Version 7, or as otherwise agreed to by DHHS.
- Q.2. At the State's option, authorized third parties may be given limited access by the Contractor to certain levels of the system through the VPN or through a separate network connection that meets the Contractor's specifications.
- Q.3. The Contractor shall not be responsible for network connection issues, problems or conditions arising from or related to circumstances outside the control of the Contractor, ex: bandwidth, network outages and /or any other conditions arising on the data submitters internal network or, more generally, outside the Contractor's firewall or any issues that are the responsibility of the data submitters Internet Service Provider.
- Q.4. The Contractor shall provide a secure Class A Data Center providing equipment, an on-site 24/7 system operator, managed firewall services, and managed backup Services.
- Q.5. Data Center Air Conditioning – used to control the temperature and humidity in the Data Center. Temperature ranges shall be between 68 and 75 °F.
- Q.6. Data Center Humidity shall be non-condensing and be maintained between 40-55% with a maximum dew point of 62 °F.
- Q.7. Data Center Backup Power – uninterruptible power supplies shall be sized to sustain computer systems and associated components for, at a minimum, the amount of time it takes for a backup generator to take over providing power. Where possible, servers shall contain redundant power supplies connected to commercial power via separate feeds.
- Q.8. Data Center Generator – shall be sufficient to sustain computer systems and associated components for, at a minimum, the amount of time it takes for commercial power to return. Fuel tanks shall be large enough to support the generator at full load for a period not less than 1 ½ days of operation.
- Q.9. Data Center Floor – A raised floor is required for more uniform air circulation in the form of a plenum for cold air as well as to provide space for power cabling and wetness monitoring.
- Q.10. Data Center Fire Protection System – fire detectors in conjunction with suppression gaseous systems must be installed to reduce the risk of loss due to fire.
- Q.11. The Data Center must be physically secured – restricted access to the site to personnel with controls such as biometric, badge, and others security solutions. Policies for granting access must be in place and followed. Access shall only be granted to those with a need to perform tasks in the Data Center.
- Q.12. The Contractor must monitor the application and all servers.
- Q.13. The Contractor shall manage the databases and services on all servers located at the Contractor's facility.
- Q.14. The Contractor shall install and update all server patches, updates, and other utilities within 60 days of release from the manufacturer.
- Q.15. The Contractor shall monitor System, security, and application logs.
- Q.16. The Contractor shall manage the sharing of data resources.

- Q.17. The Contractor shall manage daily backups, off-site data storage, and restore operations.
- Q.18. The Contractor shall monitor physical hardware.
- Q.19. The Contractor shall immediately report any breach in security to the State of New Hampshire.
- Q.20. The Contractor shall conform to adequate disaster recovery procedures as defined by the State of New Hampshire.
- Q.21. The Contractor shall have documented disaster recovery plans that address the recovery of lost State data as well as their own. Systems shall be architected to meet the defined recovery needs.
- Q.22. The disaster recovery plan shall identify appropriate methods for procuring additional hardware in the event of a component failure. In most instances, systems shall offer a level of redundancy so the loss of a drive or power supply shall not be sufficient to terminate services however, these failed components shall have to be replaced.
- Q.22.1 The Contractor shall maintain DHHS specific redundant database servers, one for monthly processing and one for data access and reporting. If one of the servers goes down, the second server can be used as a replacement.
- Q.23. The Contractor shall adhere to a defined and documented back-up schedule and procedure.
- Q.23.1 The Contractor shall design specific backup procedures for DHHS. All backup procedures are designed in a way that does not affect the operation of the system during typical business hours.
- Q.24. Back-up copies of data are made for the purpose of facilitating a restore of the data in the event of data loss or System failure.
- Q.25. Scheduled backups of all servers must be completed weekly.
- Q.25.1 The Contractor's backup operations shall include taking full backups monthly, and incremental backups, including all scripts and other objects, nightly.
- Q.26. The minimum acceptable frequency is differential backup daily, and complete backup weekly.
- Q.27. Tapes or other back-up media tapes must be securely transferred from the site to another secure location to avoid complete data loss with the loss of a facility.
- Q.27.1 The Contractor shall securely transfer all backups off-site via a private MetroE circuit on a weekly basis.
- Q.28. If State data is personally identifiable, data must be encrypted in the operation environment and on back up tapes.
- Q.29. The Contractor shall demonstrate proficiency in the operations of a data center.
- Q.29.1 The Contractor shall house DHHS ASP production servers in a secured, off-site co-location facility in Seattle, Washington that utilizes a three-tiered redundant power system that consists of UPS protection and diesel generator backup and contains state-of-the-art cooling systems and climate control, redundant network connectivity to an Internet backbone and stringent security guidelines that include 24-hour guards on-site and monitoring of all areas with closed-circuit television.
- Q.29.2 The Contractor shall utilize a co-location facility with a list of approved employees (provided by Contractor management) with access to secured cages containing the Contractor's servers. To gain access, an individual must provide government-issued

identification prior to receiving access keys to the necessary cage(s). All areas are also monitored with closed-circuit television.

Q.29.3 The Contractor network shall be protected by a pair of redundant firewalls with automated health-monitoring and intrusion detection. The Contractor shall utilize a centralized set of servers to deploy anti-virus and anti-spyware throughout the Contractor's network. The Contractor shall utilize automated tools that contain rules that automatically monitor the health of the network and all Contractor servers.

Q.30. The Contractor shall outline their capacities, redundancies, disaster recovery plans, and safeguards for data center equipment and telecommunications.

Q.30.1 In addition to the data center safeguards described above, the MedInsight Data Center has several processes in place to ensure business continuity.

- The Contractor's Data Center shall have Uninterruptible Power Supplies (UPS) in place to ensure continued operation in the event of a power loss. The UPS grid shall be backed-up by a redundant diesel generator, with adequate fuel supplies to run all servers for 17 days. The Contractor shall also have arrangements in place to obtain additional fuel in the event of a major power outage.
- The Contractor shall have a redundant production server in place so backups can be loaded in the event that the main production server fails.

Q.31. The Contractor shall have a Disaster Recovery Plan that contains procedures to follow in the event that it is not possible to run from the primary site. If this plan is called into effect, it is the Contractor's goal to be operational in its standby facility within five working days.

Section R. Hosting Requirements – Network Architecture

R.1. The Contractor must operate hosting Services on a network offering adequate performance to meet the business requirements for the State application. For the purpose of this RFP, adequate performance is defined as 99.9% uptime, exclusive of the regularly scheduled maintenance window.

R.1.1 The Contractor shall commit to a 99.9% uptime Service Level Agreement for any website applications hosted in the Contractor MedInsight data center.

R.2. The Contractor shall provide network redundancy deemed adequate by the State by assuring redundant connections provided by multiple Internet Contractors, so that a failure of one Internet connection shall not interrupt access to the State application.

R.2.1 The Contractor shall achieve redundancy through the use of a dual-server system for DHHS. A test server shall be used for load processing and testing enhancements. Data or enhancements shall not be transferred to the production server until they are fully peer reviewed, resulting in nearly no downtime on the production server. If necessary, the processing server can be promoted to front-end status very quickly. Further, The Contractor uses virtual servers and SAN technology which allows physical servers to no longer be a point of failure and additional redundancy is achieved.

R.3. Where redundant connections are not provided, the Internet Contractor who provides the Internet service to the Contractor must have their service supplied by a provider(s) that has multiple feeds to ensure that a failure in one of the larger Carriers shall not cause a failure of the State's Service.

R.4. The Contractor' network architecture must include redundancy of routers and switches in the Data Center.

- R.5. Remote access shall be customized to the State's business application. In instances where the State requires access to the application or server -resources not in the DMZ, the Contractor shall provide remote desktop connection to the server through secure protocols such as a Virtual Private Network (VPN).

Section S. Hosting Requirements - Security

- S.1. The Contractor shall employ security measures that ensure the State's application and data is protected.
- S.2. If State data is hosted on multiple servers, data exchanges between and among servers must be encrypted.
- S.3. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a whole, shall have aggressive intrusion-detection and firewall protection.
- S.3.1 The Contractor shall utilize the following immunity methods to ensure unauthorized malicious programs (e.g., viruses, worms, and trojan horses) do not infect the application.
- The Contractor shall protect the network with a pair of redundant firewalls with automated health-monitoring and intrusion detection, in addition to a centralized set of servers that deploy anti-virus and anti-spyware throughout the Contractor's network.
 - The Contractor shall use automated tools that contain rules that automatically monitor the health of the network and all our servers.
- S.4. All components of the infrastructure shall be reviewed and tested to ensure they protect the State's hardware, software, and its related data assets. Tests shall focus on the technical, administrative, and physical security controls that have been designed into the System architecture in order to provide confidentiality, integrity, and availability.
- S.5. In the development or maintenance of any code, the Contractor shall ensure that the Software is independently verified and validated using a methodology determined appropriate by the State. All software and hardware shall be free of malicious code.
- S.6. The Contractor shall notify the State's Project Manager of any security breaches within two (2) hours of the time that the Contractor learns of the occurrence.
- S.7. The Contractor shall ensure its complete cooperation with the State of New Hampshire's Chief Information Officer in the detection of any security vulnerability of the Contractor' hosting infrastructure and/or the application.
- S.8. The Contractor shall be solely liable for costs associated with any breach of State data housed at their location(s) including but not limited to notification and any damages assessed by the courts.
- S.9. The Contractor shall provide fire detection and suppression system, physical security of and infrastructure security of the proposed hosting facility. The environmental support equipment of the Contractor website hosting facility: power conditioning; HVAC; UPS; generator must be acceptable to the State.

Section T. Hosting Requirements - Service Level Agreement

- T.1. The Contractor's System support and maintenance shall commence upon the Effective Date and extend through the end of the Contract term, and any extensions thereof.

- T.2. Maintain the hardware and Software in accordance with the Specifications, terms, and requirements of the Contract, including providing, upgrades and fixes as required.
- T.3. Repair or replace the hardware or Software, or any portion thereof, so that the System operates in accordance with the Specifications, terms, and requirements of the Contract.
- T.4. The DHHS, NHID, and Carriers shall have unlimited access, via phone or Email, to the Contractor Help Desk technical support staff between the hours of 8:00am to 5:00pm- Monday thru Friday EST.
- T.5. The Contractor telephone or e-mail response time for technical support shall be no more than twenty-four (24) hours.
- T.6. The hosting server for the State shall be available twenty-four (24) hours a day, seven (7) days a week except for during scheduled maintenance. Unless agreed to by DHHS, the Contractor shall perform system maintenance that results in system downtime only on weekends. All maintenance shall be scheduled and Carriers and DHHS shall be notified seventy-two (72) hours in advance of any downtime.
- T.7. The Contractor shall guide the State with possible solutions to resolve issues to maintain a fully functioning, hosted System.
- T.8. A regularly scheduled maintenance window shall be identified (such as weekly, monthly, or quarterly) at which time all relevant server patches and application upgrades shall be applied.
- T.9. The Contractor shall give two (2) business days prior notification to the State Project Manager and data submitters of all changes/updates and provide the State with training due to the upgrades and changes.
- T.10. The Contractor shall guarantee 99.9% uptime, exclusive of the regularly scheduled maintenance window
- T.11. If The Contractor is unable to meet the 99.9% uptime requirement, the Contractor shall credit the State's account in an amount based upon the following formula: (Total Contract Item Price/365) x Number of Days Contract Item Not Provided. The State must request this credit in writing.
- T.12. The Contractor shall use a change management policy for notification and tracking of change requests as well as critical outages.
- T.13. A critical outage shall be designated when a business function cannot be met by a nonperforming application and there is no work around to the problem.
- T.14. All hardware and software components of the Contractor hosting infrastructure shall be fully supported by their respective manufacturers at all times. All critical patches for operating systems, databases, web services, etc, shall be applied within sixty (60) days of release by their respective manufacturers.
- T.15. The Contractor shall maintain a record of the activities related to repair or maintenance activities performed for the State and shall report quarterly on the following:
- T.15.1 Server up-time
- T.15.2 All change requests implemented, including operating system patches
- T.15.3 All critical outages reported including actual issue and resolution
- T.15.4 Number of deficiencies reported by class with initial response time as well as time to close.

T.15.5 The Contractor shall generate performance reports on a monthly basis, including system uptime and downtime. The tracking/reporting feature shall operate 24 hours per day, 7 days per week. When a small footprint of downtime or no response shows on the report, it is generally due to scheduled maintenance or during non-traditional business hours.

Remainder of page intentionally left blank

Exhibit B
Methods and Conditions Precedent to Payment
Comprehensive Health Care Information System: Health Care Insurance Data Collection
Contract

Payment shall be made to the Contractor on a monthly basis, up to a total maximum of \$1,385,135 as specified in Section 1.8, Price Limitation, of the General Provisions. Reimbursement in year one shall start in June 2012, or date of approval of contract by Governor and Executive Council, whichever is later.

Invoices shall be submitted monthly, on Contractor letterhead, to:

Andrea Stewart
Office of Medicaid Business and Policy
129 Pleasant Street – Brown Building
Concord, NH 03301-3857

The monthly invoice shall identify charges for deliverables and support on an item basis, aggregated to a total amount for the month.

The Contractor agrees to request and receive prior written approval from the State to engage any subcontractors under this Agreement, and further agrees to pay the expenses of any subcontractors awarded under this Agreement in accordance with Exhibit A, Scope of Services.

The Contractor agrees to request and receive prior written approval from the State for any modifications to the project budget, which change any expenditure levels from the levels projected in the budget of this Agreement.

The Contractor agrees to use and apply all payments made by the State for direct and indirect costs and expenses associated with the execution of this Agreement. The Contractor's expenses for administration of any subcontractors shall not exceed the amounts identified in the project budget. Allowable costs and expenses shall be determined by the State in accordance with the project budget and applicable state and federal laws and regulations.

The Contractor agrees to not use or apply such payments for capital additions or improvements, dues to societies and organizations, entertainment costs, or any other costs not prior approved in writing by the State.

Payment for contracted services will be made through the Activities/Deliverables/Milestones Pricing Worksheet for three years. Payments will be made upon receipt of Contractor invoices that identify the contract components delivered and are consistent with the negotiated payment schedule. The total contract payment from DHHS will not exceed the agreed upon contract price. Estimated deliverable dates are included for reference. Monthly invoices should include only those deliverables that occurred during the month being billed for.

PRICING WORKSHEETS

2. Activities/Deliverables/Milestones Pricing Worksheet – Deliverables List

SFY 2012

Deliverable Date	Description	Amount
06/06/12	Project Kick-off	\$6,960.00
06/11/12	Finalized & Accepted Info Architecture Plan	\$5,120.00
06/15/12	Finalized & Accepted Carrier Communication Plan & Materials	\$9,250.00
06/20/12	Initial Data Submission Manual	\$4,180.00
06/25/12	Finalized and Accepted Plan of Operation	\$7,680.00
06/27/12	De-identification Plan	\$3,470.00
06/27/12	Finalized and Accepted Consolidation Design Plan	\$3,210.00
		\$39,870.00

SFY 2013

Description	Amount
Vendor System Available for de-identification	\$30,750.00
Implementation of web-based carrier registration and tracking	\$25,200.00
Finalized and Accepted Quality Assurance Design Plan for validating data set extracts	\$20,915.00
Finalized and Accepted Quality Assurance Design Plan for validating carrier submissions	\$27,250.00
Finalized and Accepted Quality Assurance Design Plan for validating Carrier submissions Data Dictionary	\$28,610.00
Quarterly Public Use data set package prepared and validated	\$24,715.00
Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	\$36,915.00
Finalized and Accepted System Test Plan	\$24,370.00
Data Consolidation and Value Added data elements implemented in Vendor System	\$26,420.00
Finalized and Accepted Requirements Analysis Report	\$21,840.00
Vendor system available for vendor testing and State acceptance	\$64,660.00
Implementation of all project website components	\$13,210.00
Delivery of reconsolidated historical data extract to DHHS and NHID	\$22,480.00
Quarterly Public Use data set package prepared and validated	\$24,715.00
Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	\$36,915.00
Monthly System Support	\$10,000.00
Quarterly Public Use data set package prepared and validated	\$24,715.00
Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	\$36,915.00
Monthly System Support	\$10,000.00
Monthly System Support	\$10,000.00

Quarterly Public Use data set package prepared and validated	\$24,715.00
Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	\$36,915.00
Monthly System Support	\$10,000.00
	\$622,225.00

SFY 2014

Description	Amount
Monthly System Support	\$10,000.00
Monthly System Support	\$10,000.00
Monthly System Support	\$10,000.00
Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	\$36,915.00
Quarterly Public Use data set package prepared and validated	\$24,715.00
Monthly System Support	\$10,000.00
Monthly System Support	\$10,000.00
Monthly System Support	\$10,000.00
Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	\$36,915.00
Quarterly Public Use data set package prepared and validated	\$24,715.00
Monthly System Support	\$10,000.00
Monthly System Support	\$10,000.00
Monthly System Support	\$10,000.00
Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	\$36,915.00
Quarterly Public Use data set package prepared and validated	\$24,715.00
Monthly System Support	\$10,000.00
Monthly System Support	\$10,000.00
Monthly System Support	\$10,000.00
Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	\$36,915.00
Quarterly Public Use data set package prepared and validated	\$24,715.00

SFY 2015

Deliverable Date	Description	Amount
07/31/14	Monthly System Support	\$10,000.00
08/31/14	Monthly System Support	\$10,000.00
09/30/14	Monthly System Support	\$10,000.00
09/30/14	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	\$36,915.00
09/30/14	Quarterly Public Use data set package prepared and validated	\$24,715.00
10/30/14	Monthly System Support	\$10,000.00
11/30/14	Monthly System Support	\$10,000.00
12/31/14	Monthly System Support	\$10,000.00
12/31/14	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	\$36,915.00
12/31/14	Quarterly Public Use data set package prepared and validated	\$24,715.00
01/31/15	Monthly System Support	\$10,000.00
02/28/15	Monthly System Support	\$10,000.00
03/31/15	Monthly System Support	\$10,000.00
03/31/15	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	\$36,915.00

03/31/15	Quarterly Public Use data set package prepared and validated	\$24,715.00
04/30/15	Monthly System Support	\$10,000.00
05/31/15	Monthly System Support	\$10,000.00
06/30/15	Quarterly data set extracts prepared, validated, and delivered to DHHS and NHID	\$36,915.00
06/30/15	Quarterly Public Use data set package prepared and validated	\$24,715.00
		\$356,520.00
Grand Total		\$1,385,135.00

Remainder of page intentionally left blank

NH Department of Health and Human Services

STANDARD EXHIBIT C

SPECIAL PROVISIONS

1. Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

2. Compliance with Federal and State Laws: If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

3. Time and Manner of Determination: Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.

4. Documentation: In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.

5. Fair Hearings: The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.

6. Gratuities or Kickbacks: The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

7. Retroactive Payments: Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

8. Conditions of Purchase: Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party fundors for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to

reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party fundors, the Department may elect to:

8.1 Renegotiate the rates for payment hereunder, in which event new rates shall be established;

8.2 Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

8.3 Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

9. Maintenance of Records: In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:

9.1 Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

9.2 Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

9.3 Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

10. Audit: Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.

10.1 Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.

10.2 Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

11. Confidentiality of Records: All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and

shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

12. Reports: Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.

12.1 Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.

12.2 Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

13. Completion of Services: Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

14. Credits: All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:

14.1 The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, Office of Medicaid Business and Policy, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

15. Operation of Facilities: Compliance with Laws and Regulations: In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

SPECIAL PROVISIONS – DEFINITIONS

As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

Remainder of page intentionally left blank

NH Department of Health and Human Services

STANDARD EXHIBIT C-1

ADDITIONAL SPECIAL PROVISIONS

C-1.1 Contractor Responsibilities

The Contractor shall be solely responsible for meeting all requirements, and terms and conditions specified in this contract, regardless of whether or not it makes use of a Subcontractor.

The Contractor may subcontract Services subject to the provisions of this contract, including but not limited to, the terms and conditions in set forth in this contract. The Contractor shall remain wholly responsible for performance of the entire Contract regardless of whether a Subcontractor is used. The State will consider the Contractor to be the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from any Contract.

C-1.2 Contractor Staff

The Contractor shall assign and identify a Project Manager and key Contractor staff, in accordance with the Requirements and Deliverables of Exhibit A.

The Contractor's selection of a Project Manager shall be subject to the prior approval of the State. The State's approval process may include, without limitation, at the State's discretion, review of the proposed Project Manager's resume, qualifications, references and background checks, and an interview. The Contractor's Project Manager must be qualified to perform the obligations required of the position under the Contract, have full authority to make binding decisions, and shall function as the Contractor's representative for all administrative and management matters. The Project Manager must be available to promptly respond during Normal Working Hours within two (2) hours to inquiries from the State, and be at the site as needed. The Contractor must use his or her best efforts on the Project.

The Contractor shall not change key Contractor staff and Project Manager commitments (collectively referred to as "Project Staff") unless such replacement is necessary due to sickness, death, termination of employment, or unpaid leave of absence. Any such changes to the Contractor's Project Staff shall require the prior written approval of the State. Replacement Project Staff shall have comparable or greater skills with regard to performance of the Project as the staff being replaced and be subject to the provisions of this RFP and any resulting Contract.

The State, at its sole expense, may conduct reference and background checks on the Contractor's Project Staff. The State shall maintain the confidentiality of reference and background screening results. The State reserves the right to reject the Contractor's Project Staff as a result of such reference and background checks. The State also reserves the right to require removal or reassignment of the Contractor's key Project Staff found unacceptable to the State.

The Contractor shall agree to conduct reference and background checks via a third party on the Contractor's Project Staff at the request of DHHS and NHID and shall submit the results back to the DHHS and NHID on who has passed. The Contractor utilizes the following third party to perform background investigations: STERLING TESTING SYSTEMS, INC., whose address and telephone number are 249 West 17th Street, New York, NY 10011/ Telephone: (800) 899-2272.

The Contractor's background investigation involves (a): a social security trace to confirm present and past addresses as well as listing any names that have been used with that social security number, and (b) criminal background check (going back seven years) conducted in the counties the person has lived in over that time. All investigations shall comply with applicable state and federal regulations.

The State shall maintain the confidentiality of reference and background screening results received from the Contractor. The State reserves the right to reject the Contractor's Project Staff as a result of such reference and background checks. The State also reserves the right to require removal or reassignment of the Contractor's key Project Staff found unacceptable to the State.

Notwithstanding anything to the contrary, the State shall have the option to terminate the Contract, at its discretion, if it is dissatisfied with the Contractor's replacement Project Staff.

C-1.3 Work Plan

The Contractor submitted a proposed workplan in its Proposal (see Exhibit A, Section N). The Work Plan includes, without limitation, a detailed description of the Schedule, tasks, Deliverables, major milestones, task dependencies, and payment schedule. A final Work Plan shall be due ten (10) business days after Contract award upon approval by Governor and Executive Council.

The Contractor shall update the Work Plan specified by the contract to accurately reflect the status of the Project, including without limitation, the Schedule, tasks, Deliverables, major milestones, task dependencies, and payment schedule. Any updates to the Work Plan shall require the written approval of the State prior to final incorporation into the Contract.

Unless otherwise agreed in writing by the State, changes to the Work Plan shall not relieve the Contractor from liability to the State for any damages resulting from the Contractor's failure to perform its obligations under the Contract, including without limitation, performance in accordance with the Schedule.

In the event of a delay in the Schedule, the Contractor must immediately notify the State in writing. The written notification shall identify the nature of the delay, i.e., specific actions or inactions of the Contractor or State causing the problem; its estimated duration period to reconciliation; specific actions that need to be taken to correct the problem; and the expected Schedule affect the Project.

In the event the Contractor requires additional time to correct Deficiencies, the Schedule shall not change unless previously agreed in writing by the State, except that the Schedule shall automatically extend on a day-to-day basis to the extent that the delay does not result from Contractor's failure to fulfill its obligations under the Contract. To the extent that the State's execution of its major tasks takes longer than described in the Work Plan, the Schedule shall automatically extend on a day-to-day basis.

Notwithstanding anything to the contrary, the State shall have the option to terminate the Contract for default, at its discretion, if it is dissatisfied with the Contractor's Work Plan or elements within the Work Plan.

C-1.4 Change Orders

The State may make changes or revisions at any time by written Change Order. Within five (5) business days of a Contractor's receipt of a Change Order, the Contractor shall advise the State, in detail, of any impact on cost (e.g., increase or decrease), the Schedule, or the Work Plan.

A Contractor may request a change within the scope of the Contract by written Change Order, identifying any impact on cost, the Schedule, or the Work Plan. The State shall attempt to respond to a Contractor's requested Change Order within five (5) business days. The State, which includes the requesting Agency and the Department of Information Technology must approve all change orders in writing. The State shall be deemed to have rejected the Change Order if the parties are unable to reach an agreement in writing.

All Change Order requests from a Contractor to the State, and the State acceptance of a Contractor's estimate for a State requested change, will be acknowledged and responded to, either acceptance or rejection, in writing. If accepted, the Change Order(s) shall be subject to the Contract amendment process, as determined to apply by the State.

C-1.5 Deliverables

The Contractor shall provide the State with the Deliverables and Services in accordance with the time frames in the Work Plan. All Deliverables shall be subject to the State's Acceptance as set forth in Section C-1.7: Testing and Acceptance herein.

Upon its submission of a Deliverable, the Contractor represents that it has performed its obligations under the Contract associated with the Deliverable.

By unconditionally accepting a Deliverable, the State reserves the right to reject any and all Deliverables in the event the State detects any Deficiency in the System, in whole or in part, through completion of all Acceptance Testing, including but not limited to, Software/System Acceptance Testing, and any extensions thereof.

For each denial of Acceptance, the Acceptance Period may be extended, at the option of the State, by the corresponding time required to correct the Deficiency, retest or Review.

C-1.5.1 Written Deliverables Review

The State will Review the Written Deliverables for an Acceptance Period of five (5) business days after receiving written Certification from the Contractor that the Written Deliverable is final, complete, and ready for Review. The State will notify the Contractor in writing of its Acceptance or Non-Acceptance of a Deliverable by the end of the five (5) day Review Period. If any Deficiencies exist, the State will notify the Contractor in writing of the Deficiency and the Contractor must correct the Deficiency within five (5) business days of receiving notice from the State at no charge to the State. Upon receipt of the corrected Deliverable, the State will have five (5) business days to Review the corrected Written Deliverable and notify the Contractor in writing of its Acceptance or rejection thereof.

C-1.5.2 Software Deliverables Review

Described in Section C-1.7: Testing and Acceptance.

C-1.5.3 Non-Software Deliverables Review

The State shall Review Non-Software Deliverables to determine whether any Deficiency exists and shall notify the Contractor in writing of its Acceptance or non-acceptance of

the Non-Software Deliverable. The Contractor must correct the Deficiencies within five (5) business days, or within the period identified in the Work Plan, as applicable. Following correction of the Deficiency, the State will notify the Contractor in writing of its Acceptance or rejection of the Deliverable.

C-1.6 Licenses

The State has defined the Software license grant rights, terms and conditions, and has documented the evaluation criteria.

C-1.6.1 Software License Grant

The Software License shall grant the State a worldwide, perpetual, irrevocable, non-exclusive, non-transferable, limited license to use the Software and its associated Documentation, subject to the terms of the Contract.

The State may allow its agents and Contractors to access and use the Software, and in such event, the State shall first obtain written agreement from such agents and Contractors that each shall abide by the terms and conditions set forth herein.

C-1.6.2 Software and Documentation Copies

The Contractor shall provide the State with a sufficient number of hard copy versions of the Software's associated Documentation and one (1) electronic version in Microsoft WORD and PDF format. The State shall have the right to copy the Software and its associated Documentation for its internal business needs. The State agrees to include copyright and proprietary notices provided to the State by the Contractor on such copies.

C-1.6.3 Restrictions

Except as otherwise permitted under the Contract, the State agrees not to:

- a. Remove or modify any program markings or any notice of Contractor's proprietary rights;
- b. Make the programs or materials available in any manner to any third party for use in the third party's business operations, except as permitted herein; or
- c. Cause or permit reverse engineering, disassembly or recompilation of the programs.

C-1.6.4 Title

The Contractor must hold the right to allow the State to use the Software or hold all title, right, and interest (including all ownership and intellectual property rights) in the Software and its associated Documentation.

C-1.6.5 Third Party

The Contractor shall require that all third party contracts be consistent with this Contract, including, but not limited to State of New Hampshire Terms and Conditions General Provisions Form P-37.

C-1.7 Testing and Acceptance

The Contractor shall provide an integrated and coherent approach to complete System testing, Security Review and Testing, Deficiency correction, Acceptance, and training, and that Warranty Services shall be provided to ensure a successful Project.

The Contractor shall customize its Test Plan methodology to reflect the needs of the Project and include the details of its Test Plan methodology in the detailed Work Plan (the first Project

Deliverable). A separate Test Plan and set of test materials shall be prepared for each Software function or module.

The Contractor shall provide a mechanism for reporting actual test results vs. expected results and for the resolution and tracking of all errors and problems identified during test execution. The Contractor shall also provide training as necessary to the State staff responsible for test activities.

C-1.7.1 Remedies

If the Contractor fails to correct a Deficiency within the period of time allotted by the State, the Contractor shall be deemed to have committed an Event of Default, C-1.16, and the State Shall have the right, at its option, to pursue the remedies in Section C-1.16.1 as well as to return the Contractor's product and receive a refund for all amounts paid to the Contractor, including but not limited to, applicable license fees, within ninety (90) days of notification to the Contractor of the State's refund request.

Notwithstanding any provision of the Contract, the State's option to terminate the Contract and pursue the stated remedies shall remain in effect until the Contractor completes the Contract to the satisfaction of the State.

C-1.7.2 System Acceptance

Upon completion of the Warranty Period, the State will issue a Letter of Final System Acceptance.

C-1.8 Warranty

C-1.8.1 Warranty Period

The Warranty Period shall initially commence upon the State issuance of a Letter of Acceptance for UAT and shall continue for ninety (90) days.

If within the last thirty (30) calendar days of the Warranty Period, the System Software fails to operate as specified, the Warranty Period will cease, the Contractor shall correct the Deficiency, and a thirty (30) calendar day Warranty Period shall begin. Any further Deficiencies with the Software must be corrected and run fault free for thirty (30) days.

C-1.8.2 Warranties

C-1.8.2.1 System

The Contractor shall warrant that the System must operate to conform to the Specifications, terms, and requirements of the Contract.

C-1.8.2.2H-25.10.2.2 Software

The Contractor shall warrant that the Software is properly functioning within the System, compliant with the requirements of the Contract, and shall operate in accordance with the Specifications.

Software shall be archived and or version controlled through the use of Trac from Edgwall Software and TortoiseSVN.

C-1.8.2.3H-25.10.2.3 Non-Infringement

The Contractor shall warrant that it has good title to, or the right to allow the State to use all Services, equipment, and Software provided under this Contract in accordance with the terms and conditions herein, and that such Services, equipment, and Software ("Material") do not violate or infringe any patent, trademark, copyright, trade name or other intellectual property rights or misappropriate a trade secret of any third party.

C-1.8.2.4H-25.10.2.4 Viruses; Destructive Programming

The Contractor shall warrant that the Software shall not contain any viruses, destructive programming, or mechanisms designed to disrupt the performance of the Software in accordance with the Specifications.

C-1.8.2.5H-25.10.2.5 Compatibility

The Contractor shall warrant that all System components, including any replacement or upgraded System Software components provided by the Contractor to correct Deficiencies or as an Enhancement, shall operate with the rest of the System without loss of any functionality.

C-1.8.2.6H-25.10.2.6 Professional Services

The Contractor shall warrant that all Services provided under the Contract shall be provided in a professional manner in accordance with applicable industry standards and that Services shall comply with performance standards.

C-1.8.3 Warranty Services

The Contractor shall agree to maintain, repair, and correct Deficiencies in the System Software, including but not limited to the individual modules or functions, during the Warranty Period at no additional cost to the State, in accordance with the Specifications and terms and requirements of the Contract, including without limitation, correcting all errors, and Defects and Deficiencies; eliminating viruses or destructive programming; and replacing incorrect, Defective or Deficient Software and Documentation.

Warranty Services shall include, without limitation, the following:

- a. Maintain the System Software in accordance with the Specifications, terms, and requirements of the Contract;
- b. Repair or replace the System Software or any portion thereof so that the System operates in accordance with the Specifications, terms, and requirements of the Contract;
- c. The Contractor shall have available to the State on-call telephone assistance, with issue tracking available to the State, between 8:00 am and 5pm EST from Monday – Friday, with a response time of no more than two (2) hours of request and, for assistance requests made outside the above described time frame, during weekends or on holidays, Contractor shall respond to such request by 12pm on the next business day, with assistance response dependent upon issue severity;
- d. On-site additional Services within four (4) business hours of a request;
- e. Maintain a record of the activities related to Warranty Repair or maintenance activities performed for the State;
- f. For all Warranty Services calls, the Contractor shall ensure the following information shall be collected and maintained:

- 1) nature of the Deficiency;
 - 2) current status of the Deficiency;
 - 3) action plans, dates, and times;
 - 4) expected and actual completion time;
 - 5) Deficiency resolution information;
 - 6) Resolved by;
 - 7) Identifying number i.e. work order number;
 - 8) Issue identified by;
- g. The Contractor must work with the State to identify and troubleshoot potentially large-scale Software failures or Deficiencies by collecting the following information:
- 1) mean time between reported Deficiencies with the Software;
 - 2) diagnosis of the root cause of the problem; and
 - 3) identification of repeat calls or repeat Software problems; and
- h. All Deficiencies found during the Warranty Period and all Deficiencies found with the Warranty Releases shall be corrected by the Contractor no later than five (5) business days, unless specifically extended in writing by the State, at no additional cost to the State.

If in the Event of Default, the Contractor fails to correct the Deficiency within the allotted period of time (see above), the State shall have the right, at its option: 1) declare the Contractor in default, terminate the Contract, in whole or in part, without penalty or liability to the State; 2) return the Contractor's product and receive a refund for all amounts paid to the Contractor, including but not limited to, applicable license fees within ninety (90) days of notification to the Contractor of the State's intent to request a refund; 3) and to pursue its remedies available at law or in equity.

Notwithstanding any provision of the Contract, the State's option to terminate the Contract and pursue the remedies above shall remain in effect until satisfactory completion of the full Warranty Period.

C-1.9 Ongoing Software Maintenance and Support Levels

The Contractor shall maintain and support the system in all material respects as described in the applicable program documentation for the life of the contract and the warranty period of ninety (90) days

The Contractor shall not be responsible for maintenance or support for Software developed or modified by the State.

C-1.9.1 Maintenance Releases

The Contractor shall make available to the State the latest program updates, general maintenance releases, selected functionality releases, patches, and documentation that are generally offered to its customers, at no additional cost.

C-1.9.2 Contractor Responsibility

The Contractor shall be responsible for performing on-site or remote technical support in accordance with the Contract Documents, including without limitation the requirements, terms, and conditions contained herein.

As part of the Software maintenance agreement, ongoing software maintenance and support levels, including all new Software releases, shall be responded to according to the following:

a. **Class A Deficiencies** - The Contractor shall have available to the State on-call telephone assistance, with issue tracking available to the State, eight (8) hours per day and five (5) days a week with an email / telephone response within two (2) hours of request; or the Contractor shall provide support on-site or with remote diagnostic Services, within four (4) business hours of a request;

b. **Class B & C Deficiencies** -The State shall notify the Contractor of such Deficiencies during regular business hours and the Contractor shall respond back within one (1) business day of notification of planned corrective action;

The Contractor shall repair or replace Software, and provide maintenance of the Software in accordance with the Specifications, Terms and Requirements of the Contract;

The Contractor shall maintain a record of the activities related to warranty repair or maintenance activities performed for the State;

For all maintenance Services calls, the Contractor shall ensure the following information shall be collected and maintained: 1) nature of the Deficiency; 2) current status of the Deficiency; 3) action plans, dates, and times; 4) expected and actual completion time; 5) Deficiency resolution information, 6) Resolved by, 7) Identifying number i.e. work order number, 8) Issue identified by; and

The Contractor must work with the State to identify and troubleshoot potentially large-scale System failures or Deficiencies by collecting the following information: 1) mean time between reported Deficiencies with the Software; 2) diagnosis of the root cause of the problem; and 3) identification of repeat calls or repeat Software problems.

If the Contractor fails to correct a Deficiency within the allotted period of time Stated above, the Contractor shall be deemed to have committed an Event of Default, pursuant to Section C-1.16, and the State shall have the right, at its option, to pursue the remedies in C-1.16, as well as to return the Contractor's product and receive a refund for all amounts paid to the Contractor, including but not limited to, applicable license fees, within ninety (90) days of notification to the Contractor of the State's refund request

If the Contractor fails to correct a Deficiency within the allotted period of time Stated above, the Contractor shall be deemed to have committed an Event of Default, pursuant to Section C-1.16, and the State shall have the right, at its option, to pursue the remedies in Section C-1.16.

C-1.10 Administrative Specifications

C-1.10.1 Travel Expenses

The State shall not be responsible for any travel including, but not limited to: meals, hotel/housing, airfare, car rentals, car mileage, and out of pocket expenses incurred in the performance of the contract.

C-1.10.2 Shipping and Delivery Fees

The Contractor shall pay for any shipping or delivery fees unless specifically itemized in the Contract.

C-1.10.3 Access/Cooperation

As applicable, and reasonably necessary, and subject to the applicable State and federal laws and regulations and restrictions imposed by third parties upon the State, the State shall provide the Contractor with access to all program files, libraries, personal computer-based systems, software packages, network systems, security systems, and hardware as required to complete the contracted Services.

The State shall use reasonable efforts to provide approvals, authorizations, and decisions reasonably necessary to allow the Contractor to perform its obligations under the Contract.

C-1.10.4 State-Owned Documents and Data

The Contractor shall provide the State access to all Documents, State Data, materials, reports, and other work in progress relating to the Contract ("State Owned Documents"). Upon expiration or termination of the Contract with the State, Contractor shall turn over all State-owned Documents, State Data, material, reports, and work in progress relating to this Contract to the State at no additional cost to the State. State-Owned Documents must be provided in both printed and electronic format.

C-1.10.5 Intellectual Property

The State shall hold all ownership, title, and rights in any Custom Software developed in connection with performance of obligations under the Contract relative to the de-identification of personal identifiers. The State shall have sole right to produce, publish, or otherwise use such Software, modifications, and Documentation developed under the Contract and to authorize others to do so.

In no event shall the Contractor be precluded from developing for itself, or for others, materials that are competitive with, or similar to Custom Software, modifications developed in connection with performance of obligations under the Contract. In addition, the Contractor shall be free to use its general knowledge, skills, experience, and any other ideas, concepts, know-how, and techniques that are acquired or used in the course of its performance under this agreement.

C-1.10.6 IT Required Work Procedures

All work done must conform to standards and procedures established by the Department of Information Technology and the State.

C-1.10.7 Computer Use

In consideration for receiving access to and use of the computer facilities, network, licensed or developed software, software maintained or operated by any of the State entities, systems, equipment, Documentation, information, reports, or data of any kind (hereinafter "Information"), Contractor understands and agrees to the following rules:

- a. Every Authorized User has the responsibility to assure the protection of information from unauthorized access, misuse, theft, damage, destruction, modification, or disclosure.
- b. That information shall be used solely for conducting official State business, and all other use or access is strictly forbidden including, but not limited to, personal, or

other private and non-State use and that at no time shall Contractor access or attempt to access any information without having the express authority to do so.

- c. That at no time shall Contractor access or attempt to access any information in a manner inconsistent with the approved policies, procedures, and /or agreements relating to system entry/access.
- d. That all software licensed, developed, or being evaluated by the State cannot be copied, shared, distributed, sub-licensed, modified, reverse engineered, rented, or sold, and that at all times Contractor must use utmost care to protect and keep such software strictly confidential in accordance with the license or any other Agreement executed by the State. Only equipment or software owned, licensed, or being evaluated by the State, can be used by the Contractor. Personal software (including but not limited to palmtop sync software) shall not be installed on any equipment.
- e. That if the Contractor is found to be in violation of any of the above-stated rules, the User may face removal from the State Contract, and/or criminal or civil prosecution, if the act constitutes a violation of law.

C-1.10.8 Email Use

State mail and other electronic communication messaging systems are State of New Hampshire property and are to be used for business purposes only. Email is defined as "internal email systems" or "State-funded email systems." Contractors understand and agree that use of email shall follow State standard policy (available upon request).

C-1.10.9 Internet/Intranet Use

State Internet/Intranet is to be used for access to and distribution of information in direct support of the business of the State of New Hampshire according to State standard policy (available upon request).

C-1.10.10 Force Majeure

Neither Contractor nor the State shall be responsible for delays or failures in performance resulting from events beyond the control of such party and without fault or negligence of such party. Such events shall include, but not be limited to, acts of God, strikes, lock outs, riots, and acts of War, epidemics, acts of Government, fire, power failures, nuclear accidents, earthquakes, and unusually severe weather.

Except in the event of the foregoing, Force Majeure events shall not include Contractor's inability to hire or provide personnel needed for the Contractor's performance under the Contract.

C-1.10.11 Confidential Information

In performing its obligations under the Contract, the Contractor may gain access to information of the State, including Confidential Information. "State Confidential Information" shall include, but not be limited to, information exempted from public disclosure under New Hampshire RSA Chapter 91-A: Access to Public Records and Meetings (see e.g. RSA Chapter 91-A: 5 Exemptions). The Contractor shall not use the State Confidential Information developed or obtained during the performance of, or acquired, or developed by reason of the Contract, except as is directly connected to and necessary for the Contractor's performance under the Contract.

The Contractor agrees to maintain the confidentiality of and to protect from unauthorized use, disclosure, publication, and reproduction (collectively "release"), all State Confidential Information of the State that becomes available to the Contractor in connection with its performance under the Contract, regardless of its form.

Subject to applicable federal or State laws and regulations, Confidential Information shall not include information which: (i) shall have otherwise become publicly available other than as a result of disclosure by the receiving party in breach hereof; (ii) was disclosed to the receiving party on a non-confidential basis from a source other than the disclosing party, which the receiving party believes is not prohibited from disclosing such information as a result of an obligation in favor of the disclosing party; (iii) is developed by the receiving party independently of, or was known by the receiving party prior to, any disclosure of such information made by the disclosing party; or (iv) is disclosed with the written consent of the disclosing party. A receiving party also may disclose Confidential Information to the extent required by an order of a court of competent jurisdiction.

Any disclosure of the State's information shall require prior written approval of the State. The Contractor shall immediately notify the State if any request, subpoena or other legal process is served upon the Contractor regarding the State's Confidential Information, and the Contractor shall cooperate with the State in any effort it undertakes to contest the request, the subpoena or other legal process, at no additional cost to the State.

In the event of unauthorized use or disclosure of the State's Confidential Information, the Contractor shall immediately notify the State, and the State shall immediately be entitled to pursue any remedy at law and in equity, including, but not limited to injunctive relief.

Insofar as the Contractor seeks to maintain the confidentiality of its confidential or proprietary information, the Contractor must clearly identify in writing the information it claims to be confidential or proprietary. The Contractor acknowledges that the State is subject to the Right to Know Law, RSA Chapter 91-A. The State shall maintain the confidentiality of the identified Confidential Information insofar as it is consistent with applicable State or federal laws or regulations, including but not limited to, RSA Chapter 91-A. In the event the State receives a request for the information identified by the Contractor as confidential, the State shall notify the Contractor and specify the date the State will be releasing the requested information. At the request of the State, the Contractor shall cooperate and assist the State with the collection and review of the Contractor's information, at no additional expense to the State. Any effort to prohibit or enjoin the release of the information shall be the Contractor's sole responsibility and at the Contractor's sole expense. If the Contractor fails to obtain a court order enjoining the disclosure, the State shall release the information on the date specified in the State's notice to the Contractor without any State liability to the Contractor.

This Contract Agreement, Section C-1.10.11 Confidential Information shall survive the termination or conclusion of a Contract.

C-1.11 Invoicing

The Contractor shall submit correct invoices to the State for all amounts to be paid by the State. All invoices submitted shall be subject to the State's written approval, which shall not be unreasonably withheld. The Contractor shall only submit invoices for Services or Deliverables as permitted by the Contract. Invoices must be in a format as determined by the State and contain detailed information, including without limitation: itemization of each Deliverable and identification of the Deliverable for which payment is sought, and the Acceptance date triggering such payment; date of delivery and/or installation; monthly maintenance charges; any other Project costs or retention amounts if applicable.

C-1.12 Overpayments to the Contractor

The Contractor shall promptly, but no later than fifteen (15) business days, pay the State the full amount of any overpayment or erroneous payment upon discovery or notice from the State.

C-1.13 Credits

The State may apply credits due to the State, arising out of this Contract, against the Contractor's invoices with appropriate information attached.

C-1.14 Records Retention and Access Requirements

The Contractor shall agree to the conditions of all applicable State and federal laws and regulations, which are incorporated herein by this reference, regarding retention and access requirements, including without limitation, retention policies consistent with the Federal Acquisition Regulations (FAR) Subpart 4.7 Contractor Records Retention.

The Contractor and its Subcontractors shall maintain books, records, documents, and other evidence of accounting procedures and practices, which properly and sufficiently reflect all direct and indirect costs, invoiced in the performance of their respective obligations under the Contract. The Contractor and its Subcontractors shall retain all such records for three (3) years following termination of the Contract, including any extensions. Records relating to any litigation matters regarding the Contract shall be kept for one (1) year following the termination of all litigation, including the termination of all appeals or the expiration of the appeals period.

Upon prior notice and subject to reasonable time frames, all such records shall be subject to inspection, examination, audit and copying by personnel so authorized by the State and federal officials so authorized by law, rule, regulation or Contract, as applicable. Access to these items shall be provided within Merrimack County of the State of New Hampshire, unless otherwise agreed by the State. Delivery of and access to such records shall be at no cost to the State during the three (3) year period following termination of the Contract and one (1) year term following litigation relating to the Contract, including all appeals or the expiration of the appeal period. The Contractor shall include the record retention and review requirements of this section in any of its subcontracts.

The State agrees that books, records, documents, and other evidence of accounting procedures and practices related to the Contractor's cost structure and profit factors shall be excluded from the State's review unless the cost or any other Services or Deliverables provided under the Contract is calculated or derived from the cost structure or profit factors.

C-1.15 Accounting Requirements

The Contractor shall maintain an accounting system in accordance with generally accepted accounting principles. The costs applicable to the Contract shall be ascertainable from the accounting system and the Contractor shall maintain records pertaining to the Services and all other costs and expenditures.

C-1.16 Termination

This section C-1.16 shall survive termination or Contract conclusion.

C-1.16.1 Termination for Default

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

- a. Failure to perform the Services satisfactorily or on schedule;
- b. Failure to submit any report required; and/or
- c. To perform any other covenant, term or condition of the Contract

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

- a) Unless otherwise provided in the Contract, the State shall provide the Contractor written notice of default and require it to be remedied within, in the absence of a greater or lesser specification of time, within thirty (30) days from the date of notice, unless otherwise indicated within by the State ("Cure Period"). If the Contractor fails to cure the default within the Cure Period, the State may terminate the Contract effective two (2) days after giving the Contractor notice of termination, at its sole discretion, treat the Contract as breached and pursue its remedies at law or in equity or both.
- b) Give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under the Contract 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.
- c) 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;
- d) Treat the Contract as breached and pursue any of its remedies at law or in equity, or both.
- e) Procure Services that are the subject of the Contract from another source and the Contractor shall be liable for reimbursing the State for the replacement Services, and all administrative costs directly related to the replacement of the Contract and procuring the Services from another source, such as costs of competitive bidding, mailing, advertising, applicable fees, charges or penalties, and staff time costs; all of which shall be subject to the limitations of liability set forth in the Contract.

In the event of default by the State, the Contractor shall provide the State with written notice of default, and the State shall cure the default within thirty (30) days.

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 shall survive termination or Contract Conclusion.

C-1.16.2 Termination for Convenience

The State may, at its sole discretion, terminate the Contract for convenience, in whole or in part, by thirty (30) days written notice to the Contractor. In the event of such termination for convenience, the State shall pay the Contractor the agreed upon price, if separately stated, for Deliverables for which Acceptance has been given by the State. Amounts for Services or Deliverables provided prior to the date of termination for which no separate price is stated will be paid, in whole or in part, generally in accordance with Exhibit B Methods and Conditions Precedent to Payment.

During the thirty (30) day period, the Contractor shall wind down and cease its Services as quickly and efficiently as reasonably possible, without performing unnecessary Services or activities and by minimizing negative effects on the State from such winding down and cessation of Services.

C-1.16.3 Termination for Conflict of Interest

The State may terminate the Contract by written notice if it determines that a conflict of interest exists, including but not limited to, a violation by any of the parties hereto of applicable laws regarding ethics in public acquisitions and procurement and performance of Contracts.

In such case, the State shall be entitled to a pro-rated refund of any current development, support and maintenance costs. The State shall pay all other contracted payments that would have become due and payable if the Contractor did not know, or reasonably did not know, of the conflict of interest.

In the event the Contract is terminated as provided above pursuant to a violation by the Contractor, the State shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of a default of the Contract by the Contractor.

C-1.16.4 Termination Procedure

Upon termination of the Contract, the State, in addition to any other rights provided in the Contract, may require the Contractor to deliver to the State any property, including without limitation, Software and Written Deliverables, for such part of the Contract as has been terminated.

After receipt of a notice of termination, and except as otherwise directed by the State, Contractor shall:

Stop work under the Contract on the date, and to the extent specified, in the notice;

Promptly, but in no event longer than thirty (30) days after termination, terminate its orders and subcontracts related to the work which has been terminated and settle all outstanding liabilities and all claims arising out of such termination of orders and

subcontracts, with the approval or ratification of the State to the extent required, which approval or ratification shall be final for the purpose of this Section;

Take such action as the State directs, or as necessary to preserve and protect the property related to the Contract which is in the possession of Contractor and in which State has an interest;

Transfer title to the State and deliver in the manner, at the times, and to the extent directed by the State, any property which is required to be furnished to State and which has been accepted or requested by the State; and

Provide written certification to the State that Contractor has surrendered to the State all said property.

C-1.17 Limitation of Liability

C-1.17.1 State

Subject to applicable laws and regulations, in no event shall the State be liable for any consequential, special, indirect, incidental, punitive, or exemplary damages. Subject to applicable laws and regulations, the State's liability to the Contractor shall not exceed the total Contract price set forth in Contract Agreement, P-37, State of New Hampshire General Provisions.

Notwithstanding the foregoing and any provision of this Contract to the contrary, in no event does the State waive its sovereign immunity or any applicable defenses or immunities.

C-1.17.2 The Contractor

Subject to applicable laws and regulations, in no event shall the Contractor be liable for any consequential, special, indirect, incidental, punitive or exemplary damages and the Contractor's liability to the State shall not exceed two times (2X) the total Contract price set forth in the Contract Agreement, P-37, State of New Hampshire General Provisions. Notwithstanding the foregoing, the limitation of liability shall not apply to the Contractor's indemnification obligations set forth in the P-37, State of New Hampshire General Provisions Section 13: Indemnification and confidentiality obligations in C-1.10.11 : Confidential Information, which shall be unlimited.

C-1.17.3 State's Immunity

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 shall survive termination or Contract conclusion.

C-1.17.4 Survival

This Contract Agreement, Section C-1.17: Limitation of Liability shall survive termination or Contract conclusion.

C-1.18 Change of Ownership

In the event that the Contractor should change ownership for any reason whatsoever, the State shall have the option of continuing under the Contract with the Contractor, its successors or assigns for the full remaining term of the Contract; continuing under the Contract with the Contractor, its successors or assigns for such period of time as determined necessary by the State; or immediately terminate the Contract without liability to the Contractor, its successors or assigns.

C-1.19 Assignment, Delegation and Subcontracts

The Contractor shall not assign, delegate, subcontract, or otherwise transfer any of its interest, rights, or duties under the Contract without the prior written consent of the State. Such consent shall not be unreasonably withheld. Any attempted transfer, assignment, delegation, or other transfer made without the State's prior written consent shall be null and void and may constitute an event of default at the sole discretion of the State.

The Contractor shall remain wholly responsible for performance of the entire Contract regardless of whether assignees, delegates, Subcontractors or other transferees ("Assigns") are used, unless otherwise agreed to in writing by the State and the Assigns fully assumes in writing any and all obligations and liabilities under the Contract from the Effective Date. In the absence of a written assumption of full obligations and liabilities of the Contract, any permitted assignment, delegation, subcontract or other transfer shall neither relieve the Contractor of any of its obligations under the Contract nor shall it affect any remedies available to the State against the Contractor that may arise from any event of default of the provisions of the Contract. The State shall consider the Contractor to be the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the Contract.

C-1.20 Dispute Resolution

Prior to the filing of any formal proceedings with respect to a dispute (other than an action seeking injunctive relief with respect to intellectual property rights or Confidential Information), the party believing itself aggrieved (the "Invoking Party") shall call for progressive management involvement in the dispute negotiation by written notice to the other party. Such notice shall be without prejudice to the Invoking Party's right to any other remedy permitted by this Agreement.

C-1.21 Venue and Jurisdiction

Any action on the Contract may only be brought in the State of New Hampshire Merrimack County Superior Court.

C-1.22 Project Holdback

The State shall withhold 10% of the agreed Deliverables pricing tendered by the Contractor in this engagement until successful completion of the Warranty Period as defined in C-1.8.1: Warranty Period.

C-1.23 Liquidated Damages

The State and the Contractor agree that it will be extremely impracticable and difficult to determine actual damages that the State will sustain in the event the Contractor fails to maintain the required performance standards identified below throughout the life of the contract. Any breach by the Contractor will delay and disrupt the State's operations and obligations leading to significant damages. Therefore, the parties agree that the liquidated damages as specified below are reasonable.

Assessment of liquidated damages will be in addition to, and not in lieu of, such other remedies as may be available to the State. Except and to the extent expressly provided herein, the State will be entitled to recover assessment of liquidated damages under each section applicable to any given incident.

The State will make all assessments of liquidated damages. Upon determination that liquidated damages are to be or may be assessed, the State will notify the Contractor of the potential assessment in writing.

The Contractor agrees that as determined by the State, failure to provide services meeting the performance standards described below will result in assessment of liquidated damages as specified in the following table.

Service Performance	Standard	Assessments
1. Reporting Requirements	Contractor shall provide all reports and deliverables specified in Exhibit A in an acceptable condition within the stated time period.	Liquidated damages in the amount of a 5% reduction in payments for the month in which the Contractor fails to provide the required report in an acceptable form.
2. Systems Noncompliance	The Contractor shall maintain its computer system and necessary data management, transmission and support systems in a manner that assures continued compliance with the contract provisions.	Liquidated damages in the amount of a 5% reduction in payments for the month in which the Contractor fails to meet the standard.
3. Plan of Operations Noncompliance	The Plan of Operations shall reflect the policies, procedures and processes used in the execution of the contract. Any deviation, including from timelines, shall require the prior approval of DHHS and amendment of the Plan of Operations.	Liquidated damages of a 5% reduction in payments for the month in which the Contractor fails to maintain the Plan of Operations, to follow its provisions, or initiates any action not covered and/or not approved by DHHS.
4. Prompt Implementation	Implementation shall occur within one week of contract approval by Governor and Council.	Failure of the successful Contractor to meet this standard shall result in liquidated damages of \$1,000 per day starting the seven days after contract approval by Governor and Council and each day thereafter until implementation occurs.

C-1.24 Escrow of Code

Contractor shall enter into a source and configuration code escrow agreement, with a State approved escrow agent. The proposed escrow agreement shall be submitted with the Contractor's

Proposal for review by the State. The escrow agreement requires the Contractor to put the Contractor Software source and configuration code in escrow. The source code shall be released to the State if one of the following events has occurred:

- a. the Contractor has made an assignment for the benefit of creditors;
- b. the Contractor institutes or becomes subject to a liquidation or bankruptcy proceeding of any kind;
- c. a receiver or similar officer has been appointed to take charge of all or part of the Contractor's assets; or
- d. the Contractor or its Subcontractor terminates its maintenance and operations support Services for the State for the Software or has ceased supporting and maintaining the Software for the State, whether due to its ceasing to conduct business generally or otherwise, except in cases where the termination or cessation is a result of the non-payment or other fault of the State;
- e. Contractor defaults under the Contract; or
- f. Contractor ceases its on-going business operations or that portion of its business operations relating to the licensing and maintenance of the Software.

C-1.25 HIPAA BUSINESS ASSOCIATES AGREEMENT

Contract terms will include the Department of Health and Human Services standard Health Insurance Portability and Accountability Act Business Associates Agreement (Standard Exhibit I). The terms in the agreement are not negotiable.

Remainder of page intentionally left blank

NH Department of Health and Human Services

STANDARD EXHIBIT D

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS

US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

- (A) The grantee certifies that it will or will continue to provide a drug-free workplace by:
- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - (b) Establishing an ongoing drug-free awareness program to inform employees about
 - (1) The dangers of drug abuse in the workplace;
 - (2) The grantee's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted
 - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

(B) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

1301 Fifth Avenue, Suite 3800, Seattle, WA 98101

Check if there are workplaces on file that are not identified here.

Milliman, Inc. From: 6/6/12 To: 6/30/15
 (Contractor Name) (Period Covered by this Certification)

Rich Mayer, Principal
 (Name & Title of Authorized Contractor Representative)

Rich Mayer 5/17/12
 (Contractor Representative Signature) (Date)

NH Department of Health and Human Services

STANDARD EXHIBIT E

CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

Contract Period: _____ through _____

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-1.)
- (3) The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under

grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Rich Moyer
(Contractor Representative Signature)

Rich Moyer, Principal
(Authorized Contractor Representative Name & Title)

Milliman, Inc.
(Contractor Name)

May 17, 2012
(Date)

Remainder of page intentionally left blank

NH Department of Health and Human Services

STANDARD EXHIBIT F

CERTIFICATION REGARDING DEBARMENT, SUSPENSION
AND OTHER RESPONSIBILITY MATTERS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (b) have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery,

bribery, falsification or destruction of records, making false statements, or receiving stolen property;

- (c) are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (l)(b) of this certification; and
 - (d) have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:

- (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
- (b) where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Rich May
(Contractor Representative Signature)
Title

Rich Mayer, Principal
(Authorized Contractor Representative Name & Title)

Milliman, Inc.
(Contractor Name)

May 17, 2012
(Date)

NH Department of Health and Human Services

STANDARD EXHIBIT G

**CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE**

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to make reasonable efforts to comply with all applicable provisions of the Americans with Disabilities Act of 1990.

Rich Moyer
(Contractor Representative Signature)

Rich Moyer, Principal
(Authorized Contractor Representative Name & Title)

Milliman, Inc.
(Contractor Name)

May 17, 2012
(Date)

Remainder of page intentionally left blank