



# State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES  
OFFICE OF THE COMMISSIONER  
25 Capitol Street – Room 120  
Concord, New Hampshire 03301

62 Jm

LINDA M. HODGDON  
Commissioner  
(603) 271-3201

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

September 9, 2014

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

### REQUESTED ACTION

Authorize the Department of Administrative Services (DAS), Risk Management Unit (RMU) to enter into a contract with The Segal Company, 116 Huntington Avenue, Boston MA 02116 (Segal) (VC# 164079), for a total amount not to exceed \$1,893,150 for actuarial, claims audit, procurement support and general health benefits consulting services. The term of the contract is for three years set to commence January 1, 2015 and to expire on December 31, 2017. **32% General funds, 18% Federal funds, 3% Enterprise funds, 12% Highway Funds, 34% Other Funds, and 1% Turnpike funds.**

Funding is available in the Employee Benefit Risk Management Fund, contingent upon availability and continued appropriations for all fiscal years with the authority to adjust encumbrances in each of the State fiscal years through the Budget Office if needed and justified:

	<u>SFY 2015</u>	<u>SFY2016</u>	<u>SFY2017</u>	<u>SFY2018</u>
<b>01-14-14-140560-66000000</b>				
046-500638 Consulting – Active	\$221,132	\$365,133	\$345,631	\$201,630
<b>01-14-14-140560-66600000</b>				
046-500638 Consulting - Troopers	8,079	13,340	12,628	7,367
<b>01-14-14-140560-66500000</b>				
046-500638 Consulting -Retirees U65	37,193	65,381	53,305	25,117
046-500659 Consulting - Retirees 065	96,008	168,771	137,599	64,836
<b>01-14-14-140560-67000000</b>				
046-500638 Consulting –Dental	0	17,500	35,000	17,500
<b>FY Total</b>	<b>\$362,412</b>	<b>\$630,125</b>	<b>\$584,163</b>	<b>\$316,450</b>
<b>Grand Total</b>	<b>\$1,893,150</b>			

### **EXPLANATION**

The Commissioner of DAS is authorized pursuant to RSA 21-1: 28, to enter into contracts with "any organization necessary to administer and provide a health plan."

DAS is responsible for the administration of the State Employee and Retiree Health Benefit Program (HBP) and the procurement of all necessary services. The HBP offers employee and retiree medical, pharmacy and dental coverage under a self-funded plan. The HBP also offers flexible spending benefits, voluntary benefits and a benefit that allows co-payment, co-insurance and deductible reimbursement through a Health Reimbursement Arrangement (HRA). Benefits are provided to approximately 9,806 active employees and their families located in New Hampshire and the surrounding New England states and approximately 10,978 retirees, including spouses and dependents, located throughout the United States.

Medical consulting services are essential to the support and delivery of the broad array of functions that State's HBP manages. Among the major services performed by the HBP's medical consultants is the setting of actuarially-determined, biannual budget rates and annual working rates, or premiums. The medical consultants also play an important role in auditing the state's vendors to verify that their financial and operational claims payment processes are accurate and that providers are properly paid. The HBP's medical consultants also provide technical assistance on a wide range of functions ranging from supporting contract procurements for health, prescription drug, dental, and other benefits to assisting the state in determining the programmatic and fiscal impacts of changes in federal and state law. This technical support includes assisting the HBP throughout the Collective Bargaining process by both recommending and evaluating changes in the health benefit plan design as well as financially modeling all proposed plan design changes to determine fiscal impact. Finally, the HBP requires medical consultants to assist in strategically positioning the HBP in an ever-changing health care landscape as well as complying with numerous federal requirements. The contract authorizes the HBP to adjust planned contract services and spending throughout the three-year term of the contract based on HBP priorities and needs. This cost of this three-year agreement represents less than 1% of the total HBP costs for one year.

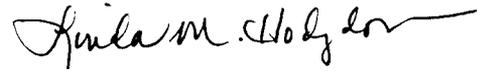
The current contract with Segal for actuarial, claims audit and employee benefits consulting services is set to expire on December 31, 2014. Therefore, DAS issued a Request for Proposal ("RFP") for consulting services on April 11, 2014. Thirteen (13) firms received direct notification of this solicitation, public notice was provided through the Manchester Union Leader and the proposal was posted on the Bureau of Purchase and Property website. On June 3, 2014, DAS received only one bid from Segal, and Segal's bid was subsequently evaluated.

The scoring was based upon the areas of: Financial (60%) and Technical (40%). Based on the foregoing, the proposal submitted by Segal received the highest ranking score and was accepted by unanimous vote by the evaluation members. The evaluation team consisted of the following members: Financial: Catherine Keane, Director of Risk and Benefits (RMU), Sarah Trask, Senior Financial Analyst (RMU) and Robert Stowell, Administrator (Bureau of Purchase & Property); Technical: Catherine Keane, Director of Risk and Benefits (RMU), Kathleen Belanger, Administrator (Commissioner's Office), and Michael O'Mahony, Manager, Privacy and Administration (RMU).

Her Excellency, Governor Margaret Wood Hassan  
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The evaluation scoring sheet and a copy of the public notice are attached.

Respectfully submitted,

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

Linda M. Hodgdon  
Commissioner

STATE OF NEW HAMPSHIRE  
Bureau of Purchase and Property

RFP# 1608-14 at 6/03/14 @ 2:00 PM  
Consulting Services - Actuarial, Claim Audit,  
Procurement & General Health Benefits

Category	Weight	Segal
<b>FINANCIAL</b>		
Section A: Actuarial, Claims Audit & Procurement	<b>35%</b>	<b>35%</b>
Section B: General Health Benefits Consulting	<b>20%</b>	<b>20%</b>
Section C: Performance Guarantees	<b>5%</b>	<b>5%</b>
<b>Total Financial Score</b>	<b>60%</b>	<b>60%</b>
<b>TECHNICAL</b>		
<b>Technical Score</b>	<b>40%</b>	<b>34%</b>
<b>Total Score by Bidder</b>	<b>100%</b>	<b>94%</b>

Category	Weight	SEGAL
<b>Financial</b>	<b>60%</b>	<b>60%</b>
<b>Technical</b>	<b>40%</b>	<b>34%</b>
<b>Total Score</b>	<b>100%</b>	<b>94%</b>
<b>Total Rank</b>		<b>1</b>

**RFP 1608-14 – HEALTH BENEFIT CONSULTING SERVICES**  
Evaluation Committee Members

**KATHLEEN BELANGER**

Current Position: Policy and Procedures Administrator, Commissioner's Office, Department of Administrative Services.

Background: Kathleen Belanger has over 25 years of professional management experience with the State of New Hampshire, including 12 years at the Insurance Department and 13 years with the Banking Department. Ms. Belanger has been with the Department of Administrative Services since January, 2014. At the Banking Department she was responsible for budget and operations, legal affairs, legislation and rulemaking, HR, and licensing and corporate transactions. Her Insurance Department experience includes Director of the Consumer Services and Enforcement Division, Director of External Review of health care and long term care appeals, and Director of Administration, with responsibilities including HR, budget development, business operations, and preparation of RFP's, contracts and Governor and Council filings. At the Department of Administrative Services Ms. Belanger has with joint responsibility for the G&C Manual of Procedures, rulemaking, internal policy and procedure development, responding to information requests, and legislative tracking and monitoring. She earned a Juris Doctor degree from Franklin Pierce Law Center (now UNH Law), and holds a bachelors degree from the University of Maine, Orono.

**CATHERINE KEANE**

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

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

**MICHAEL O'MAHONY**

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

Background: Michael (Mike) has been working in and around the health insurance industry since 1991. His experience includes claims, reimbursement methodologies, data analysis, and contract development and administration. In addition, Mike has been a health benefit program vendor manager since 2008, participating in several procurement cycles including

RFP development, contract negotiations, implementation, and performance management. Mike is currently attending Granite State College and pursuing a B.S. in Health Care Management.

## **ROBERT STOWELL**

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

Background: Robert has worked for the State of New Hampshire for 12 years and is presently the Administrator of the Bureau of Purchase and Property. Additionally, Bob has 30 years of contract experience in the private sector as the Director of Materials, Director of Logistics and Sales Administration. Bob has an MBA from Rivier College.

## **SARAH TRASK**

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

Background: Sarah has been employed with the State for the past four years and is presently the Senior Financial Analyst of Risk Management Unit. As the Senior Financial Analyst, Sarah is responsible for the financial and accounting management of the health and dental program. Previously, Sarah worked as a Fund Accountant for the Risk Management Unit and was responsible for the day to day accounting of the health and dental program. Sarah holds a Masters of Science in Accounting with Southern New Hampshire University and five years of work experience in accounting, auditing, and finance with private sector employers.

RFP 1608-14, Health Benefit Consulting Services

Rev. 4/14/2014

First	Last	Title	Company	Email Address	Address 1	City	State	Zip	Phone
Jeffrey	Chanin	Director of Actuarial Services	Reden & Anders (Ingenix Consulting Practice)	engage@ingenixconsulting.com	1 Penn Plaza, Suite 400	New York	NY	10119	(212)817-6011
James	Christ	Vice President	Aon Consulting	James_Christ@aon.com	270 Davidson Avenue	Somerset	NJ	08873	732.271.2672
Elliot	Cobin		PricewaterhouseCoopers LLP	elliott.i.cobin@us.pwc.com	2001 Market Street	Philadelphia	PA	19103	267.330.2290
David	Discoll	Principal, Consulting Actuary	Buck Consultants	David.Discoll@buckconsultants.com	260 Franklin Street, Suite 810	Boston	MA	02110-3117	617.275.8028
Stephanie	Poe	Health & Benefits Executive	Mercer Health & Benefits LLC	stephanie.poe@mercer.com	200 Clarendon Street	Boston	MA	02116	212-345-4512
Russell	Hill	Director of Contracts	Axiom Resource Management	Axiom-contracts@axiom-rm.com	5203 Leesburg Pike Suite 300	Falls Church	VA	22041	(703) 998-0327 x216
Steve	May	Senior Benefits Consultant	Phoenix Health Systems	info@phoenixhealth.com	910 CLOPPER ROAD, SUITE 165	GAITHERSBURG	MD	20878	
Daniel	Montgomery	Vice President	Milliman, Inc.	steve.may@milliman.com	80 Lambert Road	Windsor	CT	06095	860-687-0124
Nicholas	Paulish	Firm Director	Claim Technologies Incorporated	dmontgomery@claimtechnologies.com	100 Court Avenue, Suite 306	Des Moines	IA	20309	515-244-7322 x 249
Andrew	Sherman	Senior Vice President	Deloitte & Touche LLP	npaulish@deloitte.com	333 Ludlow Street	Stamford	CT	06902-6982	203-708-4000
Dave	Smoragiewicz	Relationship Manager	The Segal Company	asherman@segalco.com	116 Huntington Avenue	Boston	MA	02116-5712	617.424.7337
Andy	Steinharter		Watson Wyatt Worldwide	david.smoragiewicz@watsonwyatt.com	80 William St.	Wellesley	MA	02481	781.283.9201
			Towers Perrin	andrew.steinharter@lowersperrin.com	111 Huntington Avenue	Boston	MA	02199	(617) 638-3804 Boston

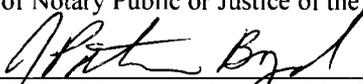
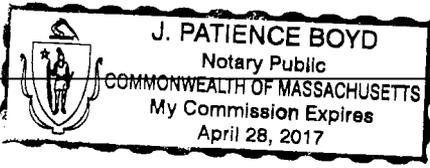
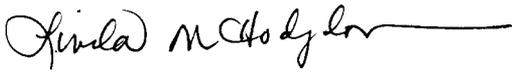
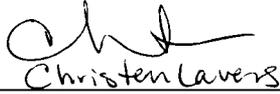
Subject: Consulting Services (Actuarial, Claim Audit, Procurement and General Health Benefits)

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name Department of Administrative Services / Risk Management Unit		1.2 State Agency Address 25 Capitol Street, Concord, NH 03301 Room 412	
1.3 Contractor Name The Segal Company (Eastern States), Inc., on behalf of itself and its subsidiaries and affiliates		1.4 Contractor Address 333 West 34 <sup>th</sup> St. 3 <sup>rd</sup> Floor New York, NY 10001-2402	
1.5 Contractor Phone Number 617-424-7337	1.6 Account Number 60-6600-500638, 60-6660-500638, 60-6650-500638, 60-6650-500659	1.7 Completion Date December 31, 2017	1.8 Price Limitation \$ 1,893,150
1.9 Contracting Officer for State Agency Catherine A. Keane Director of Risk and Benefits		1.10 State Agency Telephone Number (603) 271-2059	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Andrew Sherman, Senior Vice President of Segal	
1.13 Acknowledgement: State of <del>Massachusetts</del> County of <del>Suffolk</del> On <u>September 5, 2014</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] 			
1.13.2 Name and Title of Notary or Justice of the Peace J. Patience Boyd			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Linda M. Hodgdon, Commissioner Department of Administrative Services	
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:  Christen Lavers On: 9/21/14			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

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

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

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

**5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.**

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

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

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

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

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

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

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

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

## **7. PERSONNEL.**

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

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

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

## **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.

**II. 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.

**EXHIBIT A  
SCOPE OF SERVICES**

I. PURPOSE:

The Department of Administrative Services (the "Department"), through the Risk Management Unit (RMU) and in collaboration with the Division of Personnel (DOP) is responsible for the administration of the State Employee and Retiree Health Benefit Program (the "Program") and procurement of all necessary services. The Program offers employee and retiree health, pharmacy, and dental coverage under a self-funded plan and voluntary retiree dental plan. The Program also offers flexible spending (FSA) benefits, a benefit that allows co-payment, co-insurance and deductible reimbursement through a Health Reimbursement Arrangement (HRA), a health rewards incentive program through an HRA or gift card program depending on employee union affiliation, and voluntary benefits (critical illness, disability and accident). Benefits are provided to approximately 10,000 active employees and their families located in New Hampshire and the surrounding New England states and approximately 10,870 retirees located throughout the United States.

The Segal Company (hereinafter referred to as "Contractor") hereby agrees to provide the State of New Hampshire, Department of Administrative Services, through the Risk Management Unit, Consulting Services for Actuarial, Claim Audit, Procurement and General Health Benefits as described herein.

II. TERM:

The term of the contract shall be for a (3) three-year period set to commence upon Governor and Council approval, or on January 1, 2015, whichever is later, and will expire on December 31, 2017. The agreement may be renewed for up to two additional years upon terms and conditions as the parties may mutually agree and upon the approval of the Governor and Executive Council.

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

III. CONSULTING SERVICES:

The consulting services described in this Section, Section III Consulting Services, are the mandatory minimum services to be performed by the Contractor.

A. Actuarial and Underwriting

1. Budget and Working Rates

The State self-funds its health plans and its dental benefits. The State requires, at present, seven sets of working rates for the following groups: HMO/POS Active Employees, HMO/POS Troopers,

POS/PPO Retirees Under 65, and Retirees Over 65. Rate projections are required to inform the State's bi-annual budgeting process, annual working rates and on an as needed basis as administrative contracts change, or as other circumstances require. The Contractor shall provide actuarial services and underwriting review of medical, prescription and dental plans to ensure appropriate working rates, incurred but not reported (IBNR) and reserve levels to include, but not be limited to, the following:

- Review and assess claims and other relevant data provided by both the State and its vendors
- Work with vendors, directly if necessary, to obtain accurate and complete data.
- Develop claims lag analysis based on data provided by the vendors and using appropriate actuarial completion factors.
- Evaluate benefit costs, current and projected, as indicated in accounting and budgeting documentation provided by the State.
- Evaluate enrollment (actual and projected), trend factors (national and local), and vendors' obtainment of guaranteed network discounts, administrative expenses, extraordinary liabilities or recoveries (actual and projected) and any other factors which materially impact appropriate rate projections and rate setting.
- Evaluate medical plan financial position (surplus/deficit) based on revenue and cost projections developed by the vendor and utilizing accounting and budget documentation provided by the State.
- Develop appropriate working rate projections (and actual rate recommendations) on both calendar and fiscal year bases.
- Provide analysis reports and relevant documentation (files) supporting recommendations, and detailing the analyses performed.
- Present and provide explanations of analysis and recommendations to State administrators and representatives from the unions designated by the State.

## 2. Medicare Part D Subsidy Attestations

The State has participated in the Retiree Drug Subsidy Program since it was enacted in 2006. To qualify for the subsidy, the State must show that its coverage is "actuarially equivalent" to, or at least as generous as, the defined standard Medicare Part D coverage. The State's plan years run from July of each year to June of the following year consistent with the State's fiscal cycle. Therefore, the Contractor shall provide an actuary to perform the following services on the State's behalf as part of its requirement to participate in the Retiree Drug Subsidy Program:

- Perform an actuarial evaluation of the State retiree prescription drug program to determine the plan's actuarial equivalence to the Medicare Part D benefit at a minimum on an annual basis in addition to and as needed upon plan design changes; and

- Provide an actuary who can be assigned as a designee on the State's behalf to provide the actuarial attestation to CMS (Medicare) through the online Retiree Drug Subsidy Program as defined by the State's fiscal plan year for the subsidy.

### 3. Governmental Accounting Standards Board/Other Post-Employment Welfare Benefit (GASB/OPEB) Valuations

The State is required to provide bi-annual GASB/OPEB valuations along with updates of any impact on alternating years for inclusion in the State's Comprehensive Annual Financial Report (CAFR). The State will require a GASB/OPEB valuation to disclose the future liability for funding a State paid retiree health benefit for calendar year (CY) 2014 and CY 2016. An updated GASB/OPEB valuation will be required for CY 2015.

The Contractor shall provide actuarial consulting for a bi-annual valuation report, impact updates, as well as ad hoc analyses of its post-employment welfare benefit program. The State's GASB/OPEB updates must reflect changes from collective bargaining, other initiatives to adjust the benefit design of the active and retiree plans, eligibility rules as provided in law or rule and as amended, and other circumstances as required by the State.

The State may supply multiple files from different sources and will require the vendor to accurately merge and process the data.

#### B. Health Benefit Vendor Claims Audits

The following outlines the minimum activities expected to be included in each of the health benefit vendor claims audits as they apply to each respective audit outlined below. The Contractor shall perform audits on claims paid under the third party administrator contracts outlined below and under any subsequent contracts for these services during the period of this contract. The choice not to perform any or all of the following audits shall be made at the State's sole discretion.

The medical, FSA and dental claims will be audited based on the date a claim is processed. In this case, "processed" is the date the claim is processed, irrespective of the date it was incurred or paid.

The State requires a complete claim review of pharmacy drug pricing and plan design audits versus a sampling of claims.

#### 1. Medical Claims Third Party Administrator

The State currently contracts with Anthem for its medical and behavioral health benefits for State employees and retirees. Claims are paid from Anthem's Connecticut claims office. The program is managed and serviced out of Anthem's Manchester, NH branch. The State's contract with Anthem expires on December 31, 2015. The State's expects to audit this contract on an annual basis approximately (3) three to (6) six months following the close of each calendar year to allow for claims run out.

#### 2. Pharmacy Claims Third Party Administrator

The State currently contracts with Express Scripts (ESI) for the State's prescription drug benefits for State employees and retirees. Claims are paid from ESI's claims system. Customer service for

the program is handled at ESI call centers. The Contractor will evaluate performance in meeting the contractual pricing guarantees associated with ingredient cost discounts, dispensing fees and rebates. The Contractor will evaluate performance in administering the pharmacy benefits in accordance with plan design and performance guarantees. The State is contracted with Express Scripts through December 31, 2016.

### 3. Dental Claims Third Party Administrator

The State currently contacts with Northeast Delta Dental (NEDD). Claims are paid from NEDD's Concord, NH claims office. The State's dental program is managed and serviced out of NEDD's Concord, NH office. The State is currently in the process of issuing an RFP for these services for a January 1, 2015 contract effective date. The State shall require the Contractor to perform audit(s) on the existing vendor and any subsequent vendor as a result of the RFP.

### 4. Flexible Spending and Health Reimbursement Arrangement Claims Administrator

The State currently contracts with Employee Benefits Management, Incorporated (EBMI) for its flexible spending (medical and dependent care) accounts (FSA) and health reimbursement arrangements (HRA). EBMI is the broker of record for these services and sub-contracts the claims administration to Combined Services, LLC (CSLLC). EBMI's office is located in Portland, Maine. CSLLC's office is located in Concord, NH. Claims are processed at CSLLC's Concord, NH office. This contract is set to expire December 31, 2014. The State is procuring for FSA and HRA administration for a three year contract effective January 1, 2015. The State shall require the Contractor to perform audit(s) on the existing vendor and any subsequent vendor as a result of the RFB.

### 5. Short Term Disability

The State currently contracts with Managed Medical Review Organization (MMRO) for a limited scope advice to pay short-term disability benefit. The Contractor will provide guidance and support on applicable audits.

## **Health Benefit Claims Audit Requirements**

Audits should include the following evaluations and reviews as applicable with respect to all health benefit services:

- Evaluation of the vendor's performance in accordance with the provisions of the State health plan documents, the contractual agreements between the vendor and the State and the State's benefit booklets and State and Federal law.
- Review of: operations, service, claim adjudication and payment, obtaining of guaranteed provider discounts and the vendors' application of participating provider agreements and all other service and financial agreements in order to maximize savings to the State's health plans.
- Specific to the State's managed behavioral health claims, including substance abuse, and operations: evaluation of the vendor's performance including claims processing accuracy, financial accuracy, time to process claims, management of behavioral health care to maximize savings on both an inpatient and outpatient basis, adequacy of geographic network, access to necessary specialties, utilization

review processes and quality assurance programs, and claim and dispute resolution procedures.

- Review of areas where the vendor is obligated to coordinate with the State's other vendors; evaluate the transfer and reconciliation of enrollment data, claims data, common medical deductible administration, disease management and large case management programs.
- Evaluate all areas for which there are contractual performance guarantees against those guarantees, to determine whether the vendor did or did not meet the guarantee for the applicable time period.
- For claims processing and operations, evaluate the vendors performance in the area of other party liability application and recovery, and whether these applications are maximized and applied consistently in accordance with industry norms, and with the applicable vendor contracts.
- Evaluate vendor's performance in maximizing Coordination of Benefits (COB) savings for the State. Many State employees have working spouses covered by other medical plans. Determine how the vendor investigates for the existence of other coverage, how frequently this information is updated and how it is updated. Determine how the vendor is investigating for Worker's Compensation and other accident liability before paying a claim.
- Specific to the State's prescription drug plan, evaluate the vendors performance in the following areas:
  - a. Dispensing accuracy in prescription fulfillment;
  - b. Financial accuracy;
  - c. Generic substitution efficiency rate;
  - d. Clinical management programs;
  - e. Savings guarantees (retail pharmacy discounts, mail order discounts);
  - f. Rebate guarantees;
  - g. Product switch/intervention efforts;
  - h. Lower of Usual and Customary price guarantee;
  - i. Electronic edit and concurrent DUR savings;
  - j. Retrospective Drug Utilization Review savings; and
  - k. Service guarantees.
- Evaluate the vendor's subrogation investigational procedures, and its subrogation performance on the State's plans.
- Evaluate vendor's performance in all applicable areas, including Medicare, Medicaid, and Workers Compensation.
- As a self-funded plan, the State is interested in aggressive fraud controls. Evaluate the quality of vendor's internal audit procedures and fraud controls, and evaluate vendor's performance on State's plans.
- Specific to the medical benefits administrator, evaluate the vendor's performance, as applicable, in the areas of: preadmission certification, concurrent review,

discharge planning, retrospective claims review; and individual and large case management.

- Evaluate vendor's performance against the discount guarantees in each of the vendor contracts. Determine the extent to which plan savings and discounts are being applied to submitted claims. Based on this information, estimate the expected level of realized plan savings to the State for the contract year.
- Using a statistically valid sampling methodology, determine the financial accuracy and timeliness of claim payments in accordance with the performance measures in the State's contracts with the vendor. Confirm that the sample will be selected in conformity with acceptable scientific random sampling procedures. For the sampling methodology, state the confidence level, tolerance and expected error rate that the sample will test. State the minimum sample size to be surveyed and the methodology to be used in the sample.
- Determine that adequate internal controls are in place and operating effectively to ensure the accurate and timely processing of medical and behavioral health claims.
- Determine the accuracy of claim coding. Review adequacy of vendor's methods for identifying inappropriate coding of procedures by hospitals and providers (upcoding, unbundling etc.). Review vendor's system on-line edits for proficiency in ensuring medical and behavioral health claims processing accuracy, identifying potential ineligible charges, flagging questionable providers and/or charges requiring referral for medical review and prohibiting duplicate payments.
- Evaluate vendor's interpretation and performance of services and payments against state plan's administrative provisions and utilization review requirements.
- Specific to dental benefits administration, evaluate the vendor's performance including claims processing accuracy, financial accuracy and time to process claims, management of dental care to maximize savings on an outpatient basis, adequacy of geographic network, access to necessary specialties, utilization review processes and quality assurance programs and claim and dispute resolution procedures.

### **Health Benefits Claims Audit Reports Requirements**

Upon completion of each of the audits listed above, the Contractor shall provide a comprehensive report of its analysis performed. The report shall be tailored as applicable to the type of audit it entails. At a minimum, each report shall include:

- a. A summary of audit activities performed;
- b. Outline of the specific operational procedures reviewed;
- c. Outline of the claims audit processes and outcomes;
- d. A summary of performance guarantees reviewed including comments and recommendations about the vendor's performance;
- e. A listing of claims errors by type and an explanation of the error as they relate to the performance guarantees and the amounts the State should collect from the vendor if applicable;
- f. A listing and description of all errors, observations and concerns; and

- g. Present claims audit findings at an in-person meeting at State offices.

### C. Health Benefit Vendor Contract Procurements

Periodically, the Department seeks competitive proposals for the key components of the Program. The Department requires technical review and related assistance in the development its Requests for Proposal (RFP), Requests for Information (RFI) and Requests for Bid (RFB). The Department also requires varying levels of underwriting and actuarial analysis of rate quotes and cost proposals. Finally, the Department requires varying levels of review and technical assistance in evaluating the range of services as prescribed in the respective RFPs.

#### **Procurement Component Definitions**

The following section describes and defines the procurement components and the role the State anticipates for the Contractor as it applies to each of the RFPs the State anticipates issuing during the Agreement period.

1. **RFP, RFB and RFI Drafting.** The RMU works with various other departments, as well as bureaus and divisions within the Department to draft the requirements for its RFPs, RFIs and RFBs for the State's health benefit program. These include, but are not limited to, the Bureau of Purchase and Property, Division of Personnel, Financial Data Management and Accounting Services.

The RMU has overall responsibility to generate the requirements language for the various procurements which comprise the services necessary to administer the health benefit program. The Bureau of Purchase and Property works in collaborative partnership with the RMU to ensure the integrity of the procurement process and serves as the Department's front line contact during the procurement process.

The Contractor shall assist the RMU with drafting requirements based on its industry experience and expertise gained from servicing other similarly situated employers.

2. **Scoring Financial Proposal.** The RMU does not employ actuaries or underwriters in its health benefits program. Nor does it have software tools to support analysis of claims based proposals and projected costs. The Contractor shall support the RMU and perform actual financial scoring of proposals for those proposals that have this requirement.

3. **Scoring Technical Proposal.** In certain instances, the RMU may seek industry-based expertise to evaluate and score highly technical or specialized portions of its proposals. Most of the State's proposals include a financial portion and the remainder of the proposal is defined as the technical proposal. The State may defer some or all of certain technical portions of its procurements to the Contractor for scoring.

4. **Proposal Review, Comments and Recommendations without Scoring.** In some instances, the RMU in collaboration with the Bureau of Purchase and Property will seek the input of the Contractor but will not require evaluation and scoring assistance. In these cases, the RMU will provide the Contractor copies of the qualified proposals and solicit advice regarding completeness, integrity, reasonableness or other aspects of the proposals.

5. **Technical Advice/Consulting.** Because the State is self-funded for the majority of its health benefits, the State contracts with third party administrators to handle its claims and other functions of the program administration. From time to time the State may seek

industry based expertise from its Contractor to assist with the evaluation of a bidder's submission. The State seeks to adopt best practices for the types of services it contracts for and may need assistance from its Contractor to determine whether a bidder meets a threshold with respect to its proposed solutions. In addition, the State may seek general guidance regarding solutions for which the State lacks internal expertise.

6. **Contractual Recommendations.** Following the competitive bidding portion of each procurement the RMU, in collaboration with the Bureau of Purchase and Property, negotiates the terms of each of its contracts. From time to time, the State may seek the advice of its Contractor identifying issues for inclusion in an agreement document or may request review of portions of draft documents. In all instances, the State will formally negotiate and execute its agreements with vendors and perform its own legal review of agreement documents.

### Procurements

The following grid identifies the contracts that will expire or need to be issued during the term of this contract:

Service	Contract End Date
Flexible Spending and Health Reimbursement Arrangements Administrator	12/31/2017
Medical Benefits Administration	12/31/2015
Dental Benefits Administration	12/31/2017
Pharmacy Benefits Management	12/31/2016
Life Insurance	12/31/2015
Short Term Disability	6/30/2015

Most contracts include a provision for extension for up to two years which if elected would extend the date accordingly. Therefore any three-year contract period referred to herein also includes a possibility of an extension for up to two years.

The following section outlines the scope of required consulting services for each of the anticipated procurements that the State will be issuing during the Agreement period.

Although each procurement is different, the vendor should be prepared to provide the full scope of services outlined in this section C. Prior to the beginning of the procurement process, the Contractor and State will meet and determine the scope of services.

#### 1. Medical Benefits Administration

The State will be releasing a request for proposal for medical benefits administration as soon as practicable working with the Contractor. The Contractor may be required to assist the State in the following areas:

- RFP, RFB and RFI Drafting
- Scoring Financial Proposal
- Scoring Technical Proposal
- Proposal Review, Comments and Recommendations without Scoring
- Technical Advice/Consulting
- Contractual Recommendations
- Attendance at Governor and Executive Council meetings

## 2. Dental Benefits Administration

The current dental benefits administration contract expires on December 31, 2014 and the State will seek approval of a new contract with an expiration of December 31, 2017. Therefore the State anticipates procuring for a new contract on 2016. The Contractor may be required to assist the State in the following areas:

- RFP, RFB and RFI Drafting
- Scoring Financial Proposal
- Scoring Technical Proposal
- Proposal Review, Comments and Recommendations without Scoring
- Technical Advice/Consulting
- Contractual Recommendations
- Attendance at Governor and Executive Council meetings

## 3. Pharmacy Benefits Management

The State will be releasing an RFP for pharmacy benefits management in the latter part of 2015 or early part of 2016. The current contract expires on December 31, 2016. The Contractor may be required to assist the State in following areas:

- RFP, RFB and RFI Drafting
- Scoring Financial Proposal
- Scoring Technical Proposal
- Proposal Review, Comments and Recommendations without Scoring
- Technical Advice/Consulting
- Contractual Recommendations
- Attendance at Governor and Executive Council meetings

## 4. Flexible Spending Accounts and Health Reimbursement Arrangements

The State has released a request for proposal for FSA and HRA administration services for a three-year contract with an effective date of January 1, 2015 and with an expiration date of December 31, 2017. Therefore the State anticipates procuring for FSA and HRA services in 2016. The Contractor may be required to assist the State in the following areas:

- RFP, RFB and RFI Drafting
- Scoring Financial Proposal
- Scoring Technical Proposal
- Proposal Review, Comments and Recommendations without Scoring
- Technical Advice/Consulting

- Contractual Recommendations
- Attendance at Governor and Executive Council meetings

#### 5. Employee Wellness Program Administrator

Pursuant to current collective bargaining agreements, the State must provide a voluntary employee incentive program that offers taxable cash payments, HRA account deposits, or gift cards to employees who participate in health promotion activities and programs offered by the State.

Although the current program is included in the medical TPA contract, the State reserves the right to undertake a procurement process in the future and to solicit proposals from entities which can supply a component or a more comprehensive and versatile program. Whatever vendor is in place, they will be fully integrated with the State's other benefits enrollment and administrative vendors. The Contractor may be required to assist the State in the following areas:

- RFP, RFB and RFI Drafting
- Scoring Financial Proposal
- Scoring Technical Proposal
- Proposal Review, Comments and Recommendations without Scoring
- Technical Advice/Consulting
- Contractual Recommendations
- Attendance at Governor and Executive Council meetings

#### 6. Short Term Disability

The State may be releasing a RFP for the administration of advice-to-pay services for short-term disability prior to the expiration of the current contract on June 30, 2015. The Contractor may be required to assist the State in the following areas:

- RFP, RFB and RFI Drafting
- Scoring Financial Proposal
- Scoring Technical Proposal
- Proposal Review, Comments and Recommendations without Scoring
- Technical Advice/Consulting
- Contractual Recommendations
- Attendance at Governor and Executive Council meetings

#### 7. Life Insurance

The State provides employer paid term life insurance in the amount of \$25,000 at no cost to employees, and offers employees other buy-up options for additional coverage, at the employee's expense. The Contractor may be required to assist the State in the following areas:

- RFP, RFB and RFI Drafting
- Scoring Financial Proposal
- Scoring Technical Proposal
- Proposal Review, Comments and Recommendations without Scoring
- Technical Advice/Consulting

- Contractual Recommendations
- Attendance at Governor and Executive Council meetings

#### D. General Health Benefits Consulting

The Consultant shall provide general health benefits consulting services on a broad range of topics which arise in the administration of the health benefits program, at a minimum on the following topics:

##### 1. Health Benefits Committee Consulting

The purpose of the Health Benefits Committee (HBC) is to advise the State on issues related to the purchase and administration of health benefit plans and to make recommendations in benefit design, utilization management, and/or provider payment policies regarding the active employee membership. Some members of this group also participate in the bi-annual collective bargaining. Therefore, much of the HBC discussions directly relate to anticipated collective bargaining subjects advanced by the State and/or the unions.

The HBC also has an HBC Wellness workgroup that reports to the HBC which is focused primarily on a 2006 executive order establishing a wellness program and promoting health and wellness programs for State employees and their families. The workgroup in turn supports the Commissioner's appointed wellness coordinators throughout State government in establishing and maintaining a workplace wellness program.

The Department may utilize the services of Contractor to assist the HBC with general health benefits consulting throughout its work before, during and after collective bargaining. The Department anticipates that the Contractor will continue to provide information and assistance to the HBC and the HBC workgroup, including support in analyzing plan-specific data provided by vendors and carriers. The resources to be provided by Contractor shall include, but not be limited to, providing information on health care cost trends, current trends and research on plan design, vendor management, how to obtain better access to health information, quality measures, disease management, and wellness. The Department expects regular attendance at HBC meetings by at least one representative of the general health benefits consulting team who will also assist the Department with meeting preparations.

Given the nature of this relationship, the State requires the same individual continue this role throughout the life of the contract unless a change is requested by the State or otherwise mutually agreed upon by the parties, or the subject matter to be discussed requires other experts within Contractor's organization. The HBC meets monthly, but may meet more frequently as business needs arise.

##### 2. Collective Bargaining Agreement (CBA) Consulting

The current collective bargaining agreements cover the years 2013 through 2015. The State currently negotiates its CBAs on a bi-annual basis for classified state employees. The negotiations include wages, benefits and working conditions. It also includes agency-specific "sub-unit" agreements which are additional negotiated agreements which apply to employees of those agencies. Preparation by the State CBA team for the next cycle of bargaining will likely begin in October 2014. The actual negotiations will not begin until January 2015.

The Contractor shall advise the State negotiation team and provide financial analysis and modeling of recommended benefit design changes proposed by the State, a union, or a vendor.

### 3. Retiree Health Benefits Consulting

The State seeks advice as to the most cost-effective manner to provide coverage for its Medicare-eligible group of retirees in light of the many recent changes to Medicare. In addition, the State seeks advice as to options for continued coverage for all of its retirees, especially in light of retiree health benefit budget cuts in FY14 and FY15. Coverage for both retiree groups is subject to legislative oversight, but is not collectively bargained. Information regarding recent changes and current coverage is available at: [http://www.admin.state.nh.us/hr/retirement\\_benefits.html](http://www.admin.state.nh.us/hr/retirement_benefits.html).

### 4. Department Enrichment

The Department is committed to developing its staff in order to meet the challenges of managing this complex and dynamic self-funded program. The Department requests enrichment including, but is not limited to, the following:

- Health benefit and health policy seminars given either by the vendor or other affiliates for the types of benefits the State offers;
- Vendor monitoring methodology recommendations;
- LEAN enterprise training and/or facilitation;
- Time management, multi-tasking;
- RFP development and scheduling;
- Invoicing best practices;
- HIPAA privacy and security;
- Knowledge transfer on provider reimbursement, care quality strategies and other evolving market features;
- Program review and analysis with recommendations for changes;
- Assist the State with documenting key repetitive processes; and
- Other subjects as requested by the State.

### 5. National Health Care Reform

The State seeks advice on how best to leverage the Affordable Care Act (ACA) to reduce the amount the State spends on employee and retiree health care benefits. As the State procures for administrative services, proposes plan designs and considers other changes, it will look to the Contractor to assist in exploring ACA opportunities to change the delivery system and reduce the rate of growth in health care costs over time. It is the intent of the State to consider its options under the ACA, including the health insurance exchanges, to effectively control costs.

We expect the Contractor to continuously advise us in our on-going administration of the health and dental plans as to strategies and opportunities for cost management and health improvement.

Of particular interest to the State is assistance in analyzing and addressing the Excise Tax on High Cost Coverage, or "Cadillac Tax". Additionally the State requires consulting services to assist it with assessing and evaluating employer responsibilities under the ACA.

#### 6. Marketing for Employee Engagement

The State seeks advice on enhancing its existing communication methods to achieve greater employee engagement in:

- a. Wellness and health promotion;
- b. Health care consumerism;
- c. Cost implications of health care decisions; and
- d. General health care literacy and competence.

The State will look to the Contractor to provide assistance in creating a strategy to effectively inform, engage and motivate employees and retirees. The desired assistance will complement existing communications resources and should provide tools, programs and messaging to motivate health plan enrollees to think differently and act differently. In essence, the State seeks assistance in developing a marketing campaign to change enrollee behavior.

#### 7. HIPAA Consultation

The State may seek advice and consultation to support its HIPAA privacy and security rule compliance on the part of its health benefit program, which constitutes a "health plan" under those rules. The State plans a full security assessment in 2015 or as soon thereafter as practicable and bidders should be prepared to directly perform, or subcontract for, a Security Assessment.

#### 8. Guidance on Data Analysis

The Contractor shall engage with the State and its vendors to assist the State in identifying key indicators in its healthcare data that are driving costs. The Contractor shall provide guidance on the development of steps the State can take to lower health care costs or improve quality.

#### 9. Other General Health Benefits Consulting

Because the State cannot anticipate and provide detail around all other general health benefits consulting the State may require during the Agreement period, the State may need to look to the Contractor for unanticipated health benefits program consulting. The scope of these services shall be at a minimum additional consulting within the required services already outlined in this Agreement but may also require further health benefit contracting expertise not already contemplated within this Agreement with respect to the staff the Contractor may already anticipate given the required services already outlined within this Agreement. This includes an expectation that Contractor will provide analysis and compliance recommendations as relates to federal/state proposals, laws or regulations affecting the current benefit plans. Therefore, the

Contractor shall work with the State to assign the appropriate staff based upon the State's needs, as mutually agreed.

#### IV. Provisional Timeline

The following outline is a provisional timeline with respect to the State's anticipated needs for the Agreement period. This timeline is meant to illustrate the State's needs and is not meant to be exact and is subject to change based on the State's business needs. Notwithstanding this provisional timeline, any service may be performed, and paid for, in any year of the Agreement.

Based on a January 1, 2015 implementation date, the following services will be performed in Year 1 of the contract:

- Working rate development for CY 2016 health and dental plans
- Medicare Part D actuarial equivalency determination for state retiree drug plan for Drug Subsidy plan year beginning July 1, 2015
- Evaluation of EGWP as an alternative to RDS and implementation support if appropriate
- GASB/OPEB valuation for the period ending 12/31/2014, taking into consideration changes to retiree health eligibility laws over the last several years
- Vendor Claims Audit reviews of:
  - Medical claims (to include Behavioral Health) for CY 2014;
  - Prescription drug claims for CY 2014;
  - Short Term Disability if warranted;
  - Life Insurance if warranted;
  - Dental claims for CY 2014 and:
  - FSA/HRA claims for CY 2013 and CY 2014.
- Vendor RFP for medical benefit administrator
- Vendor RFP for employee wellness incentive vendor
- Vendor RFP for life insurance
- Vendor RFP for Short Term Disability
- General benefits consulting

Year 2 (2016) of the contract will include the following services:

- Budget rate development for State operating budget FY18/19
- Working rate development for CY 2017 medical and dental plans
- Medicare Part D actuarial equivalency determination for state retiree drug plan for Drug Subsidy plan year beginning July 1, 2016
- Evaluation of EGWP as an alternative to RDS and implementation support if appropriate
- GASB/OPEB valuation update
- Vendor Claims Audit reviews of:
  - Medical claims (to include Behavioral Health) for CY 2015;
  - Prescription drug claims for CY 2015;
  - Dental claims for CY 2015;
  - FSA/HRA claims for CY 2015; and
  - Short Term Disability if warranted.

- Vendor RFP for the prescription drug benefit administrator
- Vendor RFP for the FSA/HRA benefits administrator
- General benefits consulting

Year 3 (2017) of the contract will include the following services:

- Working rate development for CY 2018 medical and dental plans
- Medicare Part D actuarial equivalency determination for state retiree drug plan for Drug Subsidy plan year beginning July 1, 2017. If a transition to EGWP occurs, RDS attestation will no longer be necessary. EGWP services may then be necessary.
- GASB/OPEB valuation for the period ending 12/31/2016 Vendor Claims Audit reviews of :
  - Medical claims (to include Behavioral Health) for CY 2016;
  - Prescription drug claims for CY 2016;
  - Dental claims for CY 2016;
  - Short Term Disability if warranted; and
  - FSA/HRA claims for CY 2016.
- Vendor RFP for medical benefit administrator
- Vendor RFP for dental benefits administrator
- General benefits consulting

V. Order of Precedence of Contract Documents

This contract consists of the following documents in order of precedence:

- A. State of NH Terms and Conditions, General Provisions, Form P-37
- B. Exhibits A, B, and C
- C. Appendices A – Business Associate Agreement and B – Change Order Request form

**EXHIBIT B - FINANCIAL SECTION**

**1. Contract Price.** The Contractor hereby agrees to provide the services in complete compliance with the terms and conditions specified in Exhibit A at the fees below for the term of the contract ("contract price"). The contract price limitation is \$1,893,150; this figure shall not be considered a guaranteed or minimum figure, however it shall be considered a maximum figure from the effective date of January 1, 2015 through the expiration date of December 31, 2017.

**A. ACTUARIAL, CLAIMS AUDIT, AND PROCUREMENT**

The following schedule provides the Contractor's guaranteed flat fee based price for each service as detailed in Exhibit A for each year of the contract. The fees provided herein shall equal the total maximum amount the State shall be invoiced on an annual basis for each service provided. The State shall not pay any expenses or additional fees presented by the Contractor over and above the fees outlined herein.

Notwithstanding the above, the State reserves the right to re-allocate fees associated with the specific services as necessary during the contract term by a written change order (see Appendix B). A Change Order shall be defined as the document used to propose and accept changes to the scope of work of a project. Upon receipt of a Change Order, the Contractor shall advise the State, in detail, of any impact to cost (e.g. increase or decrease). Change Order(s) shall be requested and approved in advance by the Director of Risk and Benefits of the Department of Administrative Services. No oral order or conduct by the State shall constitute a change order unless confirmed in writing by the State.

Service	Year One 2015	Year Two 2016	Year Three 2017
<b>Actuarial and Underwriting</b>			
Budget Rate Development		\$20,000	
Working Rate Development	\$56,000	\$57,500	\$59,000
Medicare Part D Subsidy Attestations	\$2,500	****	****
GASB/OPEB Valuation	\$48,000		\$50,000
GASB/OPEB Valuation Updates		\$5,000	
<b>Vendor Claims Audits *</b>			
Medical Claims Audit (to include Behavioral Health claims)	\$47,325	\$49,425	\$51,400
Pharmacy Claims Audit **	\$26,000	\$27,000	\$28,000
Dental Claims Audit	****	\$35,000	****
Flexible Spending/Health Reimbursement Claims Audit	\$34,000	****	\$35,000
<b>Procurements</b>			
Medical Benefits Administration	\$90,000		****
Medical Benefits Admin – Preparing for Procurement	****		\$50,000
Dental Benefits Administration	****		\$35,000
Pharmacy Benefits Management		\$85,000	
FSA/HRA Benefit Administration		****	\$30,000

Employee Wellness Incentive Administrator	\$45,000		
Life Insurance – RFB***	\$25,000		
Short Term Disability – RFB***	\$25,000		
<b>Assessments</b>			
HIPAA Security Assessment	\$39,000		
<b>Annual Totals</b>	<b>\$437,825</b>	<b>\$278,925</b>	<b>\$338,400</b>

**Footnotes to A. Actuarial, Claims Audit, and Procurement**

- \* Vendor Claims Audits - Segal Consulting fees for procurement include the presentation of claims audit findings at in-person meeting at the State offices. The quoted fees assume one (1) meeting per year, where the separate audit findings for all of the audits performed in that year would be presented in person at that meeting by audit staff. If more than one (1) meeting is required, per year, with auditing staff present in Concord, each additional meeting would increase our guaranteed fee by \$1,500. If more than one (1) meeting per year is not required or if it is acceptable to have Segal auditing staff available by phone or video conference with other Segal staff present in Concord for the additional meetings, the added \$1,500 does not apply and the fees are as quoted in the table.
- \*\* Pharmacy Claims Audit is based on the electronic audit approach and reports provided to the State of New Hampshire in the past. For auditing criteria that would require clinical review with a pharmacist on-site, our guaranteed quoted fee would increase by up to \$45,000 depending upon specific scope. We are also willing to discuss alternative options.  
  
Also for Pharmacy Audit, Segal recommends that the State include a Prescription Drug Potential Fraud and Abuse Review every other or every third year. Such a review is a critical tool for any plan sponsor concerned about rising prescription drug costs and the utilization of high abuse-potential drugs in their population. The additional cost would be \$10,000 per review.
- \*\*\* The guaranteed flat fees assume a Request for Bids (financial analysis only) and not a full RFP.
- \*\*\*\* Removed from Scope of Services

**B. GENERAL HEALTH BENEFITS CONSULTING**

The following rate schedule provides the Contractor's rates for each project area for each year of the contract. Prior to the commencement of any consulting services for the project areas listed, the State shall provide the Contractor with a detailed scope of work. Upon receipt, the Contractor shall submit a price quote to the State for the project(s) detailing the total amount of staff hours and hourly rate (in accordance with the rate schedule below) including a not to exceed dollar amount. The price quote(s) shall be submitted to the Contracting Officer, as set forth in Section 1.9 of the Form P-37, for approval by the State.

Notwithstanding the above, the State reserves the right to request changes or revisions to the scope of the projects at any time during the contract by a written Change Order (see Appendix B). A Change Order shall be defined as the document used to propose and accept changes to the scope of work of projects. Upon receipt of the Change Order, the Contractor shall advise

the State, in detail, the hours and total price based upon the rates detailed below (e.g. increase or decrease). Change Order(s) shall be requested and approved in advance by the Director of Risk and Benefits of the Department of Administrative Services. No oral order or conduct by the State shall constitute a Change Order unless confirmed in writing by the State.

<b>General Health Benefits Consulting</b>	<b>Estimated Hours Required</b>	<b>Year One 2015</b>	<b>Estimated Hours Required</b>	<b>Year Two 2016</b>	<b>Estimated Hours Required</b>	<b>Year Three 2017</b>
HBC Support	50	\$15,500	50	\$16,000	50	\$16,500
Collective Bargaining	200	\$53,000	75	\$20,500	200	\$56,500
Retiree Health Benefits	150	\$46,500	150	\$48,000	150	\$49,500
EGWP	100	\$18,500	75	\$14,000	50	\$9,500
Department Enrichment	100	\$28,500	100	\$29,000	100	\$29,500
National Healthcare Reform	50	\$15,000	50	\$15,500	50	\$16,000
Marketing for Employee Engagement	100	\$28,500	100	\$29,000	100	\$29,500
HIPAA Privacy and Security	40	\$9,500	40	\$10,000	40	\$10,500
Other General Health Benefits Consulting	200	\$63,000	200	\$65,000	200	\$67,000
Data Analysis Consulting (not specific to the above)	30	\$9,000	30	\$9,500	30	\$10,000
<b>Annual Total</b>		\$287,000		\$256,500		\$294,500

**HOURLY RATES  
Year One 2015**

<b>Staff Position</b>	<b>Rate Per Hour</b>
Senior Vice President Level	\$415
Vice President Level	\$380
Compliance Consultant	\$380
Associate Compliance Analyst	\$220
Vice President Communications	\$380
Communications Consultant	\$375

Administrative/Technology Consultant	\$375
Claims Audit Manager	\$410
Claims Auditor	\$260
Senior Health Analyst	\$350
Health Analyst	\$300
Associate Health Analyst	\$220

**Year Two 2016**

<b>Staff Position</b>	<b>Rate Per Hour</b>
Senior Vice President Level	\$425
Vice President Level	\$390
Compliance Consultant	\$390
Associate Compliance Analyst	\$230
Vice President Communications	\$390
Communications Consultant	\$385
Administrative/Technology Consultant	\$385
Claims Audit Manager	\$420
Claims Auditor	\$265
Senior Health Analyst	\$360
Health Analyst	\$310
Associate Health Analyst	\$230

**Year Three 2017**

<b>Staff Position</b>	<b>Rate Per Hour</b>
Senior Vice President Level	\$440
Vice President Level	\$400
Compliance Consultant	\$400
Associate Compliance Analyst	\$235
Vice President Communications	\$400
Communications Consultant	\$400
Administrative/Technology Consultant	\$400
Claims Audit Manager	\$435
Claims Auditor	\$275
Senior Health Analyst	\$370
Health Analyst	\$320
Associate Health Analyst	\$235

## Exhibit C – Special Provisions

The following will replace and/or amend the corresponding provisions in the P-37, General Terms and Conditions:

1. Replace Section 4 in its entirety with the following:

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 limitation of appropriated funds, the State shall notify the Contractor in writing and have the right to withhold payments until such funds become available if ever, and the State and the Contractor shall have the right to terminate the Agreement immediately upon giving 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.

2. Replace Section 8 in its entirety with the following:

8. Event of Default/Remedies:

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

8.1.1 material failure by Contractor to perform Services satisfactorily or on schedule;

8.1.2 failure by Contractor to submit any material report required hereunder;

8.1.3 failure by either party to perform any other material covenant, term or condition of this Agreement; and/or

8.1.4 failure by the State to pay any material amount due hereunder.

8.2 Upon the occurrence of any Event of Default, the non-defaulting Party may take any one, or more, or all, of the following actions in addition to Section 8.6 below and subject to Section 8.5 below:

8.2.1 give the other Party 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 defaulting Party notice of termination;

8.2.2 give the other Party written notice specifying the Event of Default and suspending all payments or services, as applicable, to be made under this Agreement and, as applicable, 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, if any, the non-defaulting Party may owe to the defaulting Party any damages the non-defaulting Party 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.

3. Replace Section 9.2 in its entirety with the following:

On or after the Effective Date, and subject to any limitations and restrictions contained herein, all data provided to the State by the Contractor 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. The Contractor shall have the right to retain one copy of each report for archival purposes evidencing Contractor's services rendered on behalf of the State, as may be required by law, regulation, professional standards or as per Contractor's reasonable and customary business practices. For avoidance of doubt, nothing herein shall prohibit the Contractor from employing the Contractor's proprietary software, tools, know-how, techniques, methodologies and report formats (collectively, "Contractor's Proprietary Information") in connection with the Contractor's work on behalf of other clients.

4. Amend Section 12. Assignment/Delegation/Subcontracts, by adding immediately after the final sentence:

In the event the Contractor should change ownership for any reason whatsoever, the State shall have the option of continuing under the Agreement with the Contractor or its successors or assigns for the full remaining term of the Agreement; continuing under the Agreement with the Contractor or its successors for such period of time as determine necessary by the State; or immediately terminating the Agreement.

5. Replace Section 13 in its entirety with the following:

13. Indemnification. The Contractor shall 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 claims, liabilities or penalties asserted against the State, its officers or employees, by or on behalf of any person ("Claims") to the extent resulting from the negligent acts or omissions of the Contractor. In addition, the Contractor shall defend the State against Claims alleged to arise out of the negligent acts or omissions of 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 shall survive the termination of this Agreement.

6. Replace Section 14 in its entirety with the following:

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 aggregate, and no less than \$5,000,000 in excess/umbrella liability coverage.

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 on or before 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.

7. There are no other special provisions.

## APPENDIX A

The Segal Company (Eastern States), Inc., on behalf of itself and its subsidiaries and affiliates, agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 and those parts of the HITECH Act applicable to business associates. As defined herein, "Business Associate" shall generally have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the party to this Agreement, shall mean Segal Consulting. "Covered Entity" shall generally have the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this Agreement shall mean the State of New Hampshire Department of Administrative Services Employee and Retiree Health Benefit Program. "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

### **BUSINESS ASSOCIATE AGREEMENT**

#### 1. Definitions

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

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

- a. Business Associate shall not use, disclose, maintain or transmit PHI except as reasonably necessary to provide the services set forth in this Agreement or as otherwise permitted or required by law.
- b. Business Associate agrees to make uses and disclosures and requests for PHI consistent with Covered Entity's minimum necessary policies and procedures.
- c. Business Associate may not use or disclose protected health information in a manner that would violate Subpart E of 45 CFR Part 164 if done by Covered Entity, except for the specific uses and disclosures set forth below.
- d. Business Associate may use protected health information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of Business Associate. To the extent Business Associate discloses PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (a) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (b) an agreement from such third party to notify Business Associate of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- e. Business Associate may provide data aggregation services relating to the health care operations of Covered Entity.
- f. Business Associate is authorized to use PHI to de-identify the information in accordance with 45 CFR 164.514(a)-(c). Business Associate shall de-identify the PHI in a manner agreed upon by Business Associate and Covered Entity. Once de-identified, the information ceases to be PHI.
- g. Business Associate shall not, unless such disclosure is reasonably necessary to provide services outlined in the Agreement, disclose any PHI in response to a

request for disclosure on the basis it is required by law without first notifying Covered Entity, unless such notification is prohibited by law. In the event Covered Entity objects to the disclosure it shall seek the appropriate relief and the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- h. Covered Entity may from time to time agree, pursuant to 45 CFR 164.522, to be bound by additional restrictions over and above those uses, disclosures and security safeguards of PHI outlined in the HIPAA Rules. Covered Entity shall notify Business Associate, in writing, of any such agreements. Business Associate agrees to be bound by any such additional restrictions.

### 3. Obligations and Activities of Business Associate

- a. Business Associate shall use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information, to prevent use or disclosure of protected health information other than as provided for by the Agreement.
- b. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving PHI, ePHI, or Unsecured PHI as required by 45 CFR 164.410. For purposes of reporting under this section, the definition of Security Incident shall be limited to the successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system, or any other incident that, after a breach analysis, might result in a reportable breach under 45 CFR § 164.402.
- c. Business Associate shall report a breach of Unsecured PHI to Covered Entity as soon as practicable upon discovery of any such incident. Business Associate will handle breach notifications to individuals, the United States Department of Health and Human Services Office for Civil Rights, and, where applicable, the media. Should it be necessary to notify the media of any such breach, Business Associate will ensure that Covered Entity will receive notice of the breach prior to such incident being reported to the media.
- d. Business Associate shall, in accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure, as evidenced in writing, that any subcontractors that create, receive, maintain or transmit PHI on behalf of Business Associate agree to equivalent restrictions, conditions and requirements that apply to Business Associate with respect to such information, including the duty to return or destroy PHI.
- e. To the extent Business Associate is to carry out one or more of Covered Entity's obligations under Subpart E of 45 CFR Part 164, Business Associate shall comply with the requirements of Subpart E that apply to Covered Entity in the performance of such obligation(s).
- f. Business Associate shall make available all of its internal practices, policies and procedures, books and records to the Secretary for the purpose of determining Covered Entity's compliance with the HIPAA Rules.
- g. Within five (5) business days of receiving a written request from Covered Entity, Business Associate shall make available to the Covered Entity during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI for the purpose of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

Individual Rights and PHI

- h. Access
  - i. Business Associate shall respond to an individual's request for access to his or her PHI as part of Business Associate's normal customer service function, if the request is communicated to Business Associate directly by the individual or the individual's personal representative. Business Associate shall respond to the request with regard to PHI that Business Associate and/or its subcontractors maintain in a manner and time frame consistent with requirements specified in the HIPAA Privacy Regulation.
  - ii. In addition, Business Associate shall assist Covered Entity in responding to requests made to Covered Entity by individuals to invoke a right of access under the HIPAA Privacy Regulation by performing the following functions:
    - 1. Upon receipt of written notice (including fax and email) from Covered Entity, Business Associate shall make available to Covered Entity, or at Covered Entity's direction to the individual (or the individual's personal representative), any PHI about the individual created or received for or from Covered Entity in Business Associate's custody or control (and/or the custody or control of its subcontractors), for inspection and obtaining copies so that Covered Entity may meet its access obligations under 45 CFR 164.524, and, where applicable, the HITECH Act. Business Associate shall make such information available in an electronic format where required by the HITECH Act.
- i. Amendment
  - i. Business Associate shall respond to an individual's request to amend his or her PHI as part of Business Associate's normal customer service functions, if the request is communicated to Business Associate directly by the individual or the individual's personal representative. Business Associate shall respond to the request with respect to the PHI Business Associate and its subcontractors maintain in a manner and time frame consistent with requirements specified in the HIPAA Privacy Regulation.
  - ii. In addition, Business Associate shall assist Covered Entity in responding to requests made to Covered Entity to invoke a right to amend under the HIPAA Privacy Regulation by performing the following functions:
    - 1. Upon receipt of written notice (including fax and email) from Covered Entity, Business Associate shall amend any portion of the PHI created or received for or from Covered Entity in Business Associate's custody or control (and/or the custody or control of its subcontractors), so that Covered Entity may meet its amendment obligations under 45 CFR 164.526.
- j. Disclosure Accounting
  - i. Business Associate shall respond to an individual's request for an accounting of disclosures of his or her PHI as part of Business Associate's normal customer service function, if the request is communicated to the Business Associate directly by the individual or the individual's personal representative. Business Associate shall respond to a request with respect to the PHI Business Associate and its subcontractors maintain in a manner and time frame consistent with requirements specified in the HIPAA Privacy Regulation.
  - ii. In addition, Business Associate shall assist Covered Entity in responding to requests made to Covered Entity by individuals or their personal representatives to invoke a right to an accounting of disclosures under the HIPAA Privacy Regulation by performing the following functions so that

Covered Entity may meet its disclosure accounting obligation under 45 CFR 164.528:

- iii. Disclosure Tracking
  1. Business Associate shall record each disclosure that Business Associate makes of individuals' PHI, which is not excepted from disclosure accounting under Section II.C.2.b.
  2. The information about each disclosure that Business Associate must record ("Disclosure Information") is (a) the disclosure date, (b) the name and (if known) address of the person or entity to whom Business Associate made the disclosure, (c) a brief description of the PHI disclosed, and (d) a brief statement of the purpose of the disclosure or a copy of any written request for disclosure under 45 Code of Federal Regulations § 164.502(a)(2)(ii) or § 164.512. Disclosure Information also includes any information required to be provided by the HITECH Act.
  3. For repetitive disclosures of individuals' PHI that Business Associate makes for a single purpose to the same person or entity (including to Covered Entity or Employer), Business Associate may record (a) the Disclosure Information for the first of these repetitive disclosures, (b) the frequency, periodicity or number of these repetitive disclosures, and (c) the date of the last of these repetitive disclosures.
- iv. Exceptions from Disclosure Tracking
  1. Business Associate shall not be required to record Disclosure Information or otherwise account for disclosures of individuals' PHI (a) for Treatment, Payment or Health Care Operations, (except where required by the HITECH Act, as of the effective dates of such requirements) (b) to the individual who is the subject of the PHI, to that individual's personal representative, or to another person or entity authorized by the individual (c) to persons involved in that individual's health care or payment for health care as provided by 45 Code of Federal Regulations § 164.510, (d) for notification for disaster relief purposes as provided by 45 Code of Federal Regulations § 164.510, (e) for national security or intelligence purposes, (f) to law enforcement officials or correctional institutions regarding inmates, (g) that are incident to a use or disclosure that is permitted by this Agreement or the ASO Agreement, (h) as part of a limited data set in accordance with 45 CFR § 164.514(e), or (i) that occurred prior to Covered Entity's compliance date.
- v. Disclosure Tracking Time Periods
  1. Unless otherwise provided by the HITECH Act and/or any accompanying regulations, Business Associate shall have available for Covered Entity the Disclosure Information required by Section 3.j.iii.2 above for the six (6) years immediately preceding the date of Covered Entity's request for the Disclosure Information.
- vi. Provision of Disclosure Accounting
  1. Upon receipt of written notice (including fax and email) from Covered Entity, Business Associate will make available to Covered Entity, or at Covered Entity's direction to the individual (or the individual's personal representative), the Disclosure Information regarding the Individual, so Covered Entity may meet its disclosure

accounting obligations under 45 CFR § 164.528 and the HITECH Act.

- vii. In the event that the requirements with regard to Disclosure Accounting found at 45 CFR 164.528 are modified, it shall not be considered a violation of this Appendix A for Business Associate to comply with such modified regulation regardless of whether this Section 3.j. is amended.

k. Confidential Communications

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

l. Restrictions

- i. Business Associate shall respond to an individual's request for a restriction as part of Business Associate's normal customer service function, if the request is communicated to Business Associate directly by the individual (or the individual's personal representative). Business Associate shall respond to the request with respect to the PHI Business Associate and its subcontractors maintain in a manner and time frame consistent with requirements specified in the HIPAA Privacy Regulation.
- ii. In addition, Business Associate shall promptly, upon receipt of notice from Covered Entity, restrict the use or disclosure of individuals' PHI, provided the Business Associate has agreed to such a restriction. Covered Entity agrees that it will not commit Business Associate to any restriction on the use or disclosure of individuals' PHI for treatment, payment or health care operations without Business Associate's prior written approval.

4. Obligations of Covered Entity

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

disclose his or her PHI to the extent that such changes may affect Business Associate's use or disclosure of PHI.

- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.
- d. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by Covered Entity, except to the extent that such use or disclosure is for the purposes set forth above in Sections 2.d. and 2.e.

5. Term and Termination

- a. The term of this Agreement shall be effective upon approval by Governor and Executive Council, and shall terminate on December 31, 2017 or on the date covered entity terminates for cause as authorized in paragraph (b) of this Section, whichever is sooner.
- b. In addition to standard provision #10 of this Agreement, either party may immediately terminate the Agreement upon its knowledge of a material breach by the other of the Business Associate Agreement set forth herein as Appendix A. The non-breaching party may either immediately terminate the Agreement or provide an opportunity for the breaching party to cure the alleged breach within a timeframe specified by the non-breaching party. If the non-breaching party determines that neither termination nor cure is feasible, the non-breaching party shall report the violation to the Secretary.
- c. Upon termination of this Agreement for any reason, Business Associate, with respect to PHI received from Covered Entity, or created, maintained or received by Business Associate on behalf of Covered Entity, shall:
  - i. Retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities. Covered Entity understands that Business Associate's proper management and administration requires the retention of portions of the protected health information in records of actuarial determinations and for other archival purposes related to memorializing advice provided in compliance with its document retention and disaster recovery programs.
  - ii. Return to Covered Entity [or, if agreed to by Covered Entity, destroy] the remaining PHI that Business Associate still maintains in any form;
  - iii. Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI to prevent use or disclosure of the PHI, other than as provided for in this Section, for as long as Business Associate retains the PHI;
  - iv. Not use or disclose the PHI retained by Business Associate other than for the purposes for which such PHI was retained and subject to the same conditions set out in this Agreement which applied prior to termination; and
  - v. Return to Covered Entity [or, if agreed to by Covered Entity, destroy] the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.
- d. The obligations of Business Associate under this Section shall survive the termination of this Agreement.

6. Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the HIPAA Rules as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for compliance with the requirements of the HIPAA Rules and any other applicable law. Any amendment shall be in a writing duly executed by both parties.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be interpreted to permit compliance with the HIPAA Rules.
- e. Segregation. If any term or condition of this Appendix A or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Appendix A are declared severable.
- f. Survival. Provisions in this Appendix A regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3d, and the defense and indemnification provision #13 of the standard contract P-37, shall survive the termination of the Agreement.
- g. Counterparts. This Appendix A may be executed in any number of counterparts, each of which shall be deemed an original. Facsimile or Portable Document Format (PDF) copies thereof shall be deemed to be originals.
- h. Informal Resolution. If any controversy, dispute, or claim arises between the parties with respect to this Appendix A, the parties shall make good faith efforts to resolve such matters informally.
- i. Notices. All notices to be given pursuant to the terms of this Appendix A shall be in writing and shall be sent certified mail, return receipt requested, postage prepaid or by courier service. If to Covered Entity, the notice shall be sent to such address as Covered Entity notifies Business Associate of in writing. If to Business Associate, the notice shall be sent to the Privacy Official, c/o General Counsel, The Segal Group, 333 West 34th Street, New York, NY 10001.

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

\_\_\_\_\_  
The State of New Hampshire Employee  
and Retiree Health Benefit Program

Linda M. Hodgdon  
Signature of Authorized Representative

Linda M. Hodgdon  
Name of Authorized Representative

Commissioner  
Title of Authorized Representative

9/19/14  
Date

\_\_\_\_\_  
The Segal Company (Eastern States), Inc.

Andrew D. Sherman  
Signature of Authorized Representative

Andrew D. Sherman  
Name of Authorized Representative

Senior Vice President  
Title of Authorized Representative

9/5/2014  
Date

**Appendix B**

**Change Order No. \_\_\_\_\_  
Contract for Consulting Services**

State of New Hampshire  
Contract for Medical Consulting Services

**CHANGE ORDER REQUEST FORM**

**1. Requesting Party:**

Name: State of NH  
Company:  
Telephone #:  
Fax #:

Date Submitted:  
Date Resubmitted:

**2. Description of Change Order Request:**

**3. Completion Criteria:**

**4. Business Justification:**

**5. Deliverables:**

**6. Financial Impact (if any):**

**7. Impact of Request on Schedule (if any):**

**8. Payment Required (if any):**

The State will be invoiced under the customary procedures.

\_\_\_\_\_  
Authorized Signor for Contractor  
The Segal Company

Date: \_\_\_\_\_

I have reviewed the change order request and make the following recommendation:

Accept  Reject  Explanation:

\_\_\_\_\_  
Catherine Keane, Director of Risk and Benefits  
Contracting Officer for State Agency

Date: \_\_\_\_\_

8/20/14

# 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 THE SEGAL COMPANY (EASTERN STATES), INC. a(n) New York corporation, is authorized to transact business in New Hampshire and qualified on August 10, 2004. 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 15<sup>th</sup> day of August, A.D. 2014

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

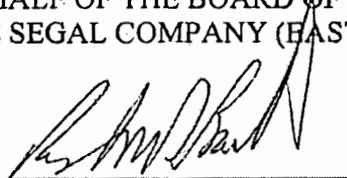
William M. Gardner  
Secretary of State

## CORPORATE RESOLUTION CERTIFICATION

As Treasurer of The Segal Company (Eastern States), Inc. ("Segal"), acting on behalf of the Board of Directors of Segal pursuant to a Unanimous Written Consent dated November 29, 2006 by the Board of Directors, which authorized the Corporate Secretary or the Treasurer to act on behalf of the Board of Directors to certify and/or authorize certain individuals to execute proposals and legal documents, I hereby certify that Andrew Sherman, Senior Vice President of Segal, is authorized by the Board of Directors of Segal to execute agreements and other instruments and legal documents on behalf of Segal to provide consulting services to the State of New Hampshire.

This certification is hereby effective on November 9, 2011 and will remain in effect until revoked in writing.

ON BEHALF OF THE BOARD OF DIRECTORS  
OF THE SEGAL COMPANY (EASTERN STATES), INC.

By: 

Ricardo M. DiBartolo  
Treasurer, SVP and Chief Financial Officer



## Summary of Insurance Contract

**Sent to:** To whom it may concern

We, the undersigned Insurance Brokers, hereby verify that Greenwich Insurance Company and National Casualty Company have issued the following described insurance, each for their own part and not one for the other, and which is in force as of the date hereof:

**Type of Insurance:** Professional Indemnity Insurance  
**Name of Assured:** THE SEGAL COMPANY (EASTERN STATES), INC., and others, as more fully described in the Policy.  
**Policy No.:** MPP 0022143 08  
**Insurer(s):** Greenwich Insurance Company and National Casualty Company  
**Period:** 12:01 a.m. January 30, 2014 to 12:01 a.m. January 30, 2015  
**Limit:** Not less than US\$13,500,000

Subject to the terms, conditions, exclusions and limitations of the Policy(ies).

This document is furnished as a matter of information only. The limits shown are as requested. The issuance of this document does not make the person or organization to whom it is issued an additional Assured, nor does it modify in any manner the contract of insurance between the Assured and the Insurers. Any amendment, change or extension of such contract can only be effected by specific endorsement attached thereto.

**Date:** January 29, 2014

*Aon Risk Services Northeast Inc*

ACORD™

Client#: 3912 SEGACOMP  
**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)  
 2/24/2014

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 <b>BWD Group LLC</b> 45 Executive Drive Plainview, NY 11803	CONTACT NAME: <b>Jordan Graubard</b> PHONE (A/C, No, Ext): <b>516 327-2700</b> FAX (A/C, No): <b>516-327-2800</b> E-MAIL ADDRESS: <b>jgraubard@bwd.us</b>														
INSURED <b>The Segal Company (Eastern States), Inc.</b> c/o Segal Company, Inc. 333 West 34th St., 3rd Floor New York, NY 10001-2402	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: left;">NAIC #</th> </tr> <tr> <td>INSURER A: <b>Natl Fire Ins Co. of Hartford</b></td> <td><b>20478</b></td> </tr> <tr> <td>INSURER B: <b>Continental Casualty Company</b></td> <td><b>20443</b></td> </tr> <tr> <td>INSURER C: <b>Pacific Indemnity Company</b></td> <td><b>20346</b></td> </tr> <tr> <td>INSURER D: <b>Westchester Fire Insurance Co</b></td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: <b>Natl Fire Ins Co. of Hartford</b>	<b>20478</b>	INSURER B: <b>Continental Casualty Company</b>	<b>20443</b>	INSURER C: <b>Pacific Indemnity Company</b>	<b>20346</b>	INSURER D: <b>Westchester Fire Insurance Co</b>		INSURER E:		INSURER F:	
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INSURER D: <b>Westchester Fire Insurance Co</b>															
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	ADDRESS (St, Rte, Box, City, State, Zip)	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  GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC		5099474699	02/28/2014	02/28/2015	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 \$
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		5099474704	02/28/2014	02/28/2015	COMBINED SINGLE LIMIT (Ea accident)    \$1,000,000 BODILY INJURY (Per person)    \$ BODILY INJURY (Per accident)    \$ PROPERTY DAMAGE (Per accident)    \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$10,000		5099474685	02/28/2014	02/28/2015	EACH OCCURRENCE    \$20,000,000 AGGREGATE    \$20,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	71738381	02/28/2014	02/28/2015	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT    \$500,000 E.L. DISEASE - EA EMPLOYEE    \$500,000 E.L. DISEASE - POLICY LIMIT    \$500,000
D	Crime Emp. Dishonesty		G25081663002	02/28/2014	02/28/2015	Limit: \$5,000,000 Ded: \$50,000

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

<b>CERTIFICATE HOLDER</b> Evidence of Insurance	<b>CANCELLATION</b> 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 
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# CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)  
09/09/2014

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).

<b>PRODUCER</b> Aon Risk Services Northeast, Inc. New York NY Office 199 Water Street New York NY 10038-3551 USA	<b>CONTACT NAME:</b> PHONE (A/C. No. Ext): (866) 283-7122      FAX (A/C. No.): 800-363-0105		
	<b>E-MAIL ADDRESS:</b>		
<b>INSURED</b> The Sequal Company (Eastern States), Inc. 116 Huntington Avenue Boston MA 02116 USA	<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
	<b>INSURER A:</b> Greenwich Insurance Company		22322
	<b>INSURER B:</b>		
	<b>INSURER C:</b>		
	<b>INSURER D:</b>		
	<b>INSURER E:</b>		

**COVERAGES**      **CERTIFICATE NUMBER:** 570055084738      **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. **Limits shown are as requested**

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG
	<b>AUTOMOBILE LIABILITY</b>  <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION						EACH OCCURRENCE AGGREGATE
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT E.L. DISEASE-EA EMPLOYEE E.L. DISEASE-POLICY LIMIT
A	Consultant Liab			MPP 0022143 08	01/30/2014	01/30/2015	Limit (1)      \$13,500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 Limit (1) \$13,500,000 per claim / \$13,500,000 Aggregate.  
 "Consultant Liab" line item represents Professional Indemnity insurance.  
 LIMITS include excess insurers (MYO0000001).

<b>CERTIFICATE HOLDER</b>  State of New Hampshire Dept of Administrative Services Commissioner of Admin. Services 25 Capital Street Concord NH 03301 USA	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE  <i>Aon Risk Services Northeast, Inc.</i>
--	--

Holder Identifier :

Certificate No : 570055084738



State 59720

no later than April 28, 2014. Following consideration of any comments and request for hearing received, the Commission may further extend the effective date of its approval. The Commission's approval of PEU's financing shall become final and effective on April 30, 2014, unless the Commission orders otherwise. (UL - Apr. 18)

you will be considered in default and the Court may issue orders that affect you without your input.

Send copies to:  
George H. Thompson, Jr., ESQ.  
Wells White & Fontaine PC  
PO Box 507  
Nashua, NH 03061-0507

BY ORDER OF THE COURT  
April 11, 2014

Marshall A. Buttrick  
Clerk of Court

(UL - April 18, 25; May 2)

### Legal Notice

#### NOTICE OF MORTGAGEE'S SALE

For breach of the conditions set forth in a certain mortgage dated November 29, 2006 given by **Sheila A. Sheehan-Evans and Ronald A. Evans** to CitiFinancial Consumer Services recorded in the Carroll County Registry of Deeds at Book 2484, Page 959, the undersigned being the present holder of said mortgage by assignment to CitiFinancial Servicing LLC recorded in said Registry at Book 3133, Page 192, the original of which mortgage is located at CitiFinancial Servicing LLC, 300 St. Paul Place, Baltimore, MD 21202 and may be examined there during normal business hours, by virtue of Power of Sale contained in said mortgage, CitiFinancial Servicing LLC for the purpose of foreclosing said mortgage, default having been made in the conditions thereof, will sell on the mortgaged premises which are situated at:

**1 Blueberry Road, Center Ossipee  
Carroll County, New Hampshire**

all of said holder's right, title and interest in and to the real estate described in said mortgage, at **PUBLIC AUCTION on Friday, the 16th day of May, 2014, at 2:00 P.M., local time.** For mortgagors' title see deed recorded with said Registry at Book 2005, Page 166.

Terms of Sale: Ten Thousand Dollars (\$10,000.00) cash, bank draft or other form acceptable to the said holder, to be paid at the time of the sale, and the balance of the purchase price to be paid within thirty (30) days of the date of sale at the firm of Cunningham, Machanic, Ceflin, Johnson, Harney & Tenney, LLP, Attorneys for said holder, 220 North Main Street, Suite 301, Natick, Massachusetts.

The above-described premises shall be so sold subject to all easements, restrictions, municipal or other public taxes, assessments, liens or claims in the nature of liens, outstanding tax titles, building, zoning and other land use laws and all permits and approvals issued pursuant thereto, and existing encumbrances of record created prior to said Mortgage, if there be any. Said premises are to be sold subject to the right of redemption of the United States of America, if any there be. The successful bidder shall be required to sign a Memorandum of Terms of Sale. Other terms, if any, to be announced at the time and place of sale. The description of the premises contained in said mortgage shall control in the event of error in publication.

The Mortgagee may amend or alter the terms of sale by oral or written notice before or at the auction sale. The Mortgagee may reject and accept bids at its discretion. The auction sale may be canceled or continued to another date or time on notice by the Mortgagee.

NOTICE PURSUANT TO NEW HAMPSHIRE RSA 479:25, YOU ARE HEREBY NOTIFIED THAT YOU HAVE THE RIGHT TO PETITION THE SUPERIOR COURT FOR THE COUNTY IN WHICH THE MORTGAGE

### Legal Notice

#### NOTICE OF MORTGAGEE'S SALE

For breach of the conditions set forth in a certain Mortgage dated 10/06/2006 by **John J. Riordan and Elaine B. Roy n/k/a Elaine Riordan** to CitiFinancial Consumer Services recorded with the Strafford County Registry of Deeds at Book 3444, Page 986, the undersigned being the present holder of said mortgage by Assignment of Mortgage to CitiFinancial Servicing LLC recorded Book 4200, Page 865, the original of which Mortgage is located at CitiFinancial Servicing LLC, 300 St. Paul Place, Baltimore, MD 21202 and may be examined there during normal business hours, by virtue of Power of Sale contained in said Mortgage, CitiFinancial Servicing LLC for the purpose of foreclosing said Mortgage, default having been made in the conditions thereof, will sell the premises which are situated at:

**25 Isabelle Lane, Rochester  
Strafford County, New Hampshire**

and described in said Mortgage, at **PUBLIC AUCTION on Thursday, the 1st of May 2014, at 11:00 AM** on the premises described in said Mortgage and also hereinafter described, in the **City of Rochester, Strafford County, New Hampshire.** Terms: Ten Thousand Dollars (\$10,000.00) cash, bank draft or other form acceptable to the said holder, to be paid at the time of the sale, and the balance of the purchase price to be paid within thirty (30) days of the date of sale at the firm of Cunningham, Machanic, Ceflin, Johnson, Harney & Tenney, LLP, Attorneys for said holder, 220 North Main Street, Suite 301, Natick, Massachusetts; the premises being described as follows:

The following: A certain lot or parcel of land with the buildings thereon on the southerly side of Isabelle Lane in Rochester, County of Strafford, State of New Hampshire, being more particularly shown as Lot 42 on a plan of land entitled, Gallagher-Mace Lot, in Rochester, NH by D.R. Poppema, R.L.S., dated August 1979 and duly recorded at the Strafford County Registry of Deeds as Plan 19A-59, said lot being more particularly bounded and described as follows:

Beginning at the Northeasterly corner of Lot 42 herein conveyed on the westerly sideline of a cul de sac of Isabelle Lane at the northwesterly corner of Lot 41 as shown on said plan; thence running S. 50 Deg. 39 Min 10 Sec. W along the northerly sideline of said Lot 41 a distance of 510.5 feet to a stone wall at land now or formerly of Thing; thence turning and running N 39 Deg. 38 Min. 12 Sec. W a distance of 290.0 feet along land of said Thing and a stone wall and a barbed wire fence to a point at other land now or formerly of John J.

### Legal Notice

The State of New Hampshire, Department of Administrative Services, is seeking proposals from qualified vendors to provide consulting services for the State's health benefit program. Specifications may be obtained at <http://www.admin.state.nh.us/purchasing>, RFP1608-14. To qualify, proposals must be submitted to the Bureau of Purchase and Property no later than 2:00 p.m. on June 3, 2014.

Tammy Nelson  
Administrative Services

(UL - April 16, 17, 18)

### Legal Notice

#### THE STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION DT14-102

#### WILLIAM G. WHALEN Complaint Against FairPoint Communications, Inc. Rate Increase Hearing ORDER OF NOTICE

On March 24, 2014, William G. Whalen (Whalen) filed a complaint with the Commission against FairPoint Communications, Inc. (FairPoint) regarding rate increases reflected in bills received from FairPoint with respect to two landline services provided in his residence, one of which is on FairPoint's Measured Service and the other on FairPoint's Unlimited Local Service. Whalen claims that the Measured Service rate was \$6.06 last year and has increased to \$10.35, reflecting an increase of 70%, and that the Unlimited Local Service rate was \$14.39 last year and has increased to \$18.68, reflecting an increase of 30%. In each case, the FairPoint rate increase exceeds the 10% annual cap applicable to telephone "basic service" under RSA 374:22-p.VII (b). Whalen's complaint was forwarded to FairPoint by the Commission's Consumer Affairs Division, with a request that FairPoint respond to the allegations in the complaint.

On April 2, 2014, a member of FairPoint's escalation group provided a response by electronic mail to Whalen's complaint. FairPoint maintained that neither of the lines serving Whalen's residence provide basic service because, with two landlines serving the home, Whalen does not have "single party, single line voice service," a necessary element of "basic service" as defined in RSA 374:22-p. I (b). According to the FairPoint response, FairPoint "treats qualifying single lines as basic service," and Whalen has two lines and therefore no longer has single line service at this location. As such, each of the two lines is considered "nonbasic," and the annual rate caps set forth in RSA 374:22-p. VIII (b) are not applicable to Whalen's services.

The Commission will set this matter for hearing on May 7, 2014 at 10:00 a.m. In preparation for the hearing, FairPoint is directed to file within 10 business days a written statement of its position regarding Whalen's complaint, addressing the following specific questions:

In the event Mr. Whalen discontinued either one of the two lines to his home, would FairPoint consider the remaining