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**THE STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

21 SOUTH FRUIT STREET SUITE 14
CONCORD, NEW HAMPSHIRE 03301

Roger A. Sevigny
Commissioner

Alexander K. Feldvebel
Deputy Commissioner

April 3, 2013

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

100% Insurance Assessment Funds

REQUESTED ACTION

Authorize the New Hampshire Insurance Department to enter into a contract in the amount of \$97,500.00 with Compass Health Analytics, Inc. of Portland, Maine (Vendor # 162376), to assist the Department in preparing data for and producing an annual supplemental report on health insurance markets in New Hampshire. This contract is to be effective upon Governor & Council approval through November 30, 2013. Source of funds: 100% other funds.

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

Other Funds
02-24-24-2400-25200000

<u>Object Class</u>	<u>Description</u>	FY2013	FY2014
046-500464	Consultants	\$35,000	\$62,500

EXPLANATION

Health insurance carriers are subject to an annual supplemental reporting requirement intended to help the Department and the public understand the characteristics of New Hampshire's insurance markets. Based on the information submitted by the carriers, the Department prepares an annual report detailing the number of people covered by the large group, small group and individual insurance markets, the total and average premiums for each market, the characteristics of insurance plans in each market (copayments, deductibles, etc.) and the changes in markets and plans over time.

Compiling this information is time-consuming for the Department. In addition, some carriers submit information that is incomplete or incorrectly formatted, which diminishes the usefulness and accuracy of the supplemental report. In order to ensure that the report is timely and accurate, the Commissioner prepared a Request for Proposals for consulting services to organize carrier submissions and communicate with carriers about irregularities, perform initial quality assurance testing of the data, process and consolidate the final data, prepare the initial draft of the supplemental report, and make recommendations to improve the process and ensure its accuracy. After reviewing the bid responses, the Commissioner selected the Compass Health Analytics proposal as the most responsive to the Request for Proposals.

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

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Sevigny', written in a cursive style.

Roger A. Sevigny

EXCHANGE PROPOSALS EVALUATIONS

Evaluation Committee members: Tyler Brannen, Alain Couture, David Sky, Martha McLeod, Jennifer Patterson

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

On March 3, 2013 the Evaluation Committed members met, and as a group assigned points to each bid per the "Specific comparative scoring process" described in each RFP.

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

RFP/VENDOR	SPECIFIC SKILLS (25% or points)	GENERAL QUALIFICATIONS & RELATED EXPERIENCE (30% or points)	Bid Price	COST (30% or points)	TIMEFRAME and DELIVERABLES(15% or points)	TOTAL SCORE (100% or Points)	Score without \$\$\$	NOTES
RFP 2013-RRG-1 Supplemental Reporting								
Compass Health Analytics, Inc.	23.40%	27.20%	\$97,500	21.46%	13.80%	85.86%	64.40%	
Gorman Actuarial, LLC	19.80%	23.00%	\$69,760	30.00%	12.40%	85.20%	55.20%	
Reporting MD	15.40%	16.60%	\$102,693	20.38%	10.20%	62.58%	42.20%	

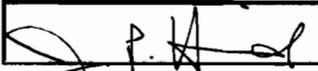
Subject: RFP-2013-SR-1 for Supplemental Report Services **FORM NUMBER P-37 (version 1/09)**

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Insurance Department		1.2 State Agency Address 21 South Fruit Street, Suite 14, Concord, NH 03301	
1.3 Contractor Name Compass Health Analytics, Inc.		1.4 Contractor Address 254 Commercial Street, 2nd Floor, Portland, ME 04101	
1.5 Contractor Phone Number (207) 541-4900	1.6 Account Number 	1.7 Completion Date November 30, 2013	1.8 Price Limitation \$97,500
1.9 Contracting Officer for State Agency Alex Feldvebel		1.10 State Agency Telephone Number (603) 271-7973	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory James P. Highland, PhD, President	
1.13 Acknowledgement: State of Maine , County of Cumberland On March 11, 2013 , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] Chanterelle P. Atkins		Chanterelle P. Atkins Notary Public, State of Maine My Commission Expires on January 30, 2019	
1.13.2 Name and Title of Notary Public or Justice of the Peace Chanterelle P. Atkins			
1.14 State Agency Signature Alexander K. Feldvebel		1.15 Name and Title of State Agency Signatory Alexander K. Feldvebel, Deputy Commissioner	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: J Christopher Marshall <i>Asst. A.G.</i> On: 3/20/13			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

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

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

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

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

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

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

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

Contractor Initials 
Date 3-11-13

8. EVENT OF DEFAULT/REMEDIES.

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

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

- 8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
 - 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
 - 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
 - 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
 - 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

- 9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
- 9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
- 9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

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

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

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

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

14. INSURANCE.

- 14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
 - 14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and
 - 14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.
- 14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.
- 14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be

Contractor Initials JH
Date 3-11-13

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.

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**Agreement with Compass Health Analytics, Inc.
2013-SR-1 Supplemental Report Services**

Exhibit A

Scope of Services

The consultant's primary responsibility will be

1. Draft NHID bulletin updating the reporting instructions;
2. Receive, organize and document carrier and TPA submissions, identify and communicate with carriers and TPAs that did not submit reports;
3. Perform initial quality assurance testing
 - Test submissions for invalid codes and other issues,
 - Communicate with carriers to resolve issues and/or obtain corrected submissions;
4. Insure calculations, programs, etc. are consistent with previous NHID-prepared report calculations or that NHID has approved changes;
5. Process data
 - Calculate statistics,
 - Compare results to previous year's statistics,
 - Send summary verification to carriers; send questions on apparent issues;
6. If needed, re-process using re-submitted data and re-verify with carriers;
7. Consolidate submissions into a single data file, with unresolved data inconsistencies cataloged, so that the NHID can analyze the data on an ad hoc basis;
8. Prepare exhibits supporting the analysis (using automated support developed in the last round);
9. Draft a supplemental report consistent with the format and layout of the prior version, review it with the NHID, and make appropriate changes;
10. Document carrier communications and issues;
11. Recommend improvements to the process;
12. Recommend remedies and/or enforcement actions when carrier submissions are non-compliant, overdue, or potentially erroneous; and
13. Work set out in the response to the RFP (attached).

Proposal to the
State of New Hampshire Insurance Department
for Consulting Services Related to
Supplemental Report Submissions
NHID RFP 2013-SR-1
February 1, 2013

Submitted by
Compass Health Analytics, Inc.

254 Commercial St. 2nd floor, Portland, Maine 04101
(p) 207.541.4900 (f) 207.523.8686
www.compass-inc.com
Contact: James Highland, PhD, jh@compass-inc.com



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1. Introduction

Compass Health Analytics, Inc. is pleased to submit this proposal in response to the Request for Proposals from the State of New Hampshire Insurance Department (NHID) to provide consulting assistance with updating the Supplemental Report reporting instructions, evaluating and processing supplemental report submissions, consolidating the data, and producing the supplemental report.

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

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

2. Experience Related to Insurer Reporting

Compass specializes in quantitative analysis of health care data, ranging from actuarial and financial analysis to outcomes analysis to economic analysis supporting policy makers. We provide services supporting analysis, including processing and managing health care data and designing and operating decision support environments. Compass also has extensive experience with state insurance regulation and related reporting from both the carrier's and regulator's perspective. Below we describe specific experience and skill sets relevant to the requirements of this RFP.

2.1. Direct experience with New Hampshire supplemental reporting

Compass has analyzed New Hampshire supplemental reporting and created reports, assisting the NHID with the production of the Supplemental Report of the 2010 and 2011 Health Insurance Markets in New Hampshire. For these projects we carried out the following steps:

- Received carrier submissions, performed preliminary quality assurance testing to ensure consistency with the Supplemental Reporting Bulletin instructions, documented and communicated data submission issues to carriers resulting in re-submissions to correct errors
- Processed the data into a stacked file to enable analysis of the NH insurance market

- Developed questions unique to each carrier based on comparisons to other carriers and to previous Supplemental Report data, resulting in some carriers correcting erroneous data
- Reviewed previous Supplemental Report and reproduced calculations, charts, and graphs
- Wrote the report, using the previous report as a model, and made modifications as appropriate
- Documented carrier issues and communications for follow-up by NHID on non-compliance and unresolved issues

We are familiar with the relevant procedures and working with the carriers.

2.2. New Hampshire and federal health insurance laws

With recent work on the New Hampshire rate review process and data sources, on mandated health benefits, and on the HealthFirst insurance product, Compass staff have accumulated a solid working knowledge of New Hampshire insurance laws and regulations related to the data requirements for rate review.

Across its practice, Compass has accumulated knowledge of the ACA and other federal requirements for health insurance, ranging from provisions that interact with state health insurance benefit mandates (for example, new federal requirements for minimum coverage for preventative care) to the impact of the ACA on state-level rate review standards. Compass assisted NHID with pricing essential health benefit (EHB) benchmark plans, including estimating the effect of mandated benefits. We assisted the Maine Bureau of Insurance in reviewing filings insurers made to conform to new ACA requirements.

2.3. New Hampshire data sources

Compass has worked on several recent, related analyses supporting the NHID, including its work with the NHID to improve the quality, utility, and efficiency of the New Hampshire-specific data sources. That project involved an in-depth study of the data collected by the NHID, including the Supplemental Report, and an understanding of how the data from various sources (Supplemental Report, NHCHIS, NAIC Supplemental Health Care Exhibit, Line of Business Report) relate to each other. The report summarizing our findings included recommendations targeted at improving the data quality, which should result in greater efficiency in the production of the Supplemental Report and improve the accuracy of the data included in the published report. This work is directly related to the bulletin revision tasks described in this RFP. Revised instructions should point out more explicitly how Supplemental Report submissions should be consistent with other data carriers submit to the Department.

Compass also worked with several New Hampshire data sources in writing the first cost-driver report. As part of that project, we developed a carrier questionnaire to supplement data from the

2010 Supplemental Report, New Hampshire Comprehensive Health Care Information System (NHCHIS), and NAIC Annual Statements. We are familiar with, and adept in using, the New Hampshire data sources cited above, and have become familiar with carrier-specific data issues that will affect the analysis.

This mirrors work Compass has performed in other states, for example in Vermont, where Compass assisted with a study to evaluate the potential for using all-payer claim data to assist the regulating agency in rate review and other functions.

2.4. Experience with carrier data

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

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

2.5. Technical reporting

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

2.6. Quantitative/programming skills

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

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

3. General Qualifications

Compass employees bring to Compass and its clients wide-ranging and technically-advanced cumulative experience in the healthcare industry. In the sub-sections below we discuss related actuarial experience and present a summary of our staff credentials.

Compass often finds itself working on projects collaboratively with clients and other consultants. Compass brings to its engagements solid communication and teamwork skills, a focus on client needs, and a demonstrated ability to work with both industry and regulatory personnel.

3.1. Other actuarial experience

In addition to experience with rate review data and processes and the other areas listed above, Compass actuarial and other staff have experience with analysis related to:

- Health care cost trends
- The effect of benefit mandates on premiums
- Administrative loads
- Carrier profits
- Cross-subsidization of member groups
- Insurer financial condition

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

Support of employer group premium pricing negotiation

Compass works with large employer groups (union- and association-based) in negotiations with health insurers to challenge insurer's pricing assumptions. In that work, Compass staff:

- Reviews carrier trend experience and its credibility
- Evaluates the impact of large claims and pharmacy rebates
- Uses public information to critique pricing assumptions (e.g., ratio of incurred to paid claims, pharmacy rebates)
- Evaluates administrative expense loads
- Evaluates explicit profits and implicit margins (trend margin, affiliated pharmacy management profits, affiliated mental health services vendor margins)

Determination of Dirigo Health Plan savings offset payment

The Dirigo Health Plan provided subsidized health insurance to Maine income-eligible individuals and small groups. Primary funding for the subsidies came from a savings offset payment (SOP) levied against insurance claims, determined based on an estimate of savings to the health care system attributed to the operations of the Plan. Compass supported, for each year it existed, the statutorily-required annual review of the Dirigo Health Agency's proposed SOP conducted by the Superintendent of the Bureau of Insurance, reviewing relevant law and DHA analysis, providing additional analysis and commentary, and drafting most of the analysis in the Decision and Order document.

Estimation of the cost of mandated insurance benefits

Compass has extensive experience estimating the cost to premium payers of mandated health insurance benefits. Compass has completed two cycles, four years apart, of a comprehensive assessment of existing mandates in Massachusetts for the Center for Health Information and Analysis (formerly the Division of Health Care Finance and Policy). Compass has also provided estimates of the impact of many proposed mandate bills before the Massachusetts and New Hampshire legislatures since 2003, including current bills. All of these projects required coordination with regulators, carriers, and other constituencies, statutory analysis, clinical analysis drawing on expert opinion, and actuarial analysis, often using all-payer claim data. Compass has also assisted NHID with pricing essential health benefit (EHB) benchmark plans, including estimating the effect of mandated benefits thereon.

In some of these projects, Compass served as a member of a team of consultants, the other members of which provided clinical analysis. Compass performed the actuarial analysis of the proposed mandates; through the discipline required to perform a thorough quantitative analysis, Compass contributed significantly to the overall rigor of the effort.

Insurance benefit design/pricing

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

Rate review

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

Compass has developed general expertise in rate review process and data (see below) in several states, but our most recent work directly in the review process itself arose when the

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

Insurance markets and medical trends

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

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

3.2. Working with state governments

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

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

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

3.3. Staff credentials

Compass actuaries, under the direction of Jim Highland, PhD, will provide the primary services outlined in this proposal. Other Compass staff will provide additional analytical, data processing, and general project support as needed.

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

James P. Highland, PhD, MHSA

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

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

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

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

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

In 2009 Dr. Highland was appointed by the Governor to the State of Maine's Advisory Council for Health System Development, which guides research on the health care system in Maine and makes recommendations to the Legislature for initiatives to improve the health care system and expand access. He has served on its payment reform and health system data infrastructure sub-

committees. Dr. Highland also serves as an Adjunct Professor at the University of Maine's Muskie School of Public Service and has taught at the University of Pennsylvania's Wharton School and in the Sloan Program in Health Administration at Cornell University.

Lisa Kennedy, ASA, MAAA

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

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

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

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

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

Heather Clemens, FSA, MAAA

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

Before joining Compass, Ms. Clemens accumulated over ten years of health actuarial experience. She worked at WellPoint, Inc. as the Maine valuation lead actuary with responsibility for valuation of claim liabilities, management reporting, and support of GAAP and statutory reporting and

internal and external audits. Before taking on this role, she supported valuation functions for Maine, New Hampshire, and Connecticut, standardizing several processes across the states to improve efficiency and accuracy.

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

Tina Shields, FSA, MAAA, MS

Ms. Shields joined Compass in June 2012. She is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. Ms. Shields holds a M.S. in Statistics from the University of Southern Maine and a B.A. in Secondary Education Mathematics from the University of Maine, Presque Isle. Her work at Compass has included work on NHID's supplemental reporting process and on the impact of mandated benefits on EHB benchmark plans. She assisted in reviewing carrier submissions for the 2011 NHID Supplemental Report.

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

Andrea Clark, MS

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

Other staff

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

- Amy Raslevich – MBA Duke, MPP Duke, BS Wharton. Consultant with over twenty years of experience in health care administration and consulting in public and private programs, including analytical and management work for integrated delivery systems and MCOs.

- Lars Loren – JD Stanford, AB Dartmouth. Widely-experienced consultant with background in project management, legislative analysis, process analysis, design of information and decision support systems, and quantitative analysis and modeling.
- Devin Anderson – BS Rensselaer Polytechnic Institute. Highly skilled Senior Programmer/Analyst with extensive expertise in commercial claim analysis and risk adjustment methodologies.
- Josh Roberts – BS M.I.T. Highly skilled Senior Programmer/Analyst with expertise in SAS, statistics, data warehousing methodology, and database systems.

Compass is able to work with any data source, including raw operational system data, and manipulate it to produce analytical databases and computerized decision support models.

3.4. Conflicts of interest

Compass is not aware of any potential, or actual, conflicts of interest with respect to this procurement. Compass has recently been engaged in other consulting projects with the State of New Hampshire Insurance Department. Compass is also engaged in analytical work for a New Hampshire provider system related to contract negotiations for an accountable care organization arrangement. Compass has among its clients no insurers in New England, although it does serve some employer groups in Maine.

3.5. References

See Appendix B for references.

4. Project Approach and Tasks

Compass will assist the NHID with modifying bulletin instructions, evaluating and processing Supplemental Report submissions, and producing the Supplemental Report. Our approach will take into account lessons learned from our last experience, especially with carrier data issues, and will build upon automation developed in that round. We expect that changes to the required submissions will necessitate meeting with the Department and with carriers to review those changes and to give them an opportunity to ask questions and provide feedback. The goals of time spent on the front end clarifying expectations to carriers are to achieve higher rates of compliance, fewer resubmissions, and a more timely report, and ultimately to make higher-quality information available to the public. In the first year of the revised instructions, goals related to timely submissions and resubmissions may or may not be achieved, as carriers adjust their processes to the new requirements.

After an initial meeting with the NHID to review the scope and initial plan for the project and to establish protocols for carrier contact, Compass will:

1. Review the current supplemental reporting bulletin and recommend revisions

2. Review the draft recommendations with NHID and revise as necessary
3. Subject to approval of an approach acceptable to the Department, obtain feedback and answer questions from carriers regarding changes to bulletin instructions
4. Receive, organize and document carrier submissions; identify and communicate with carriers that did not submit reports
5. Perform initial quality assurance testing
 - Test submissions for invalid codes and other issues
 - Communicate with carriers to resolve issues and/or obtain corrected submissions
6. Ensure calculations, programs, etc. are consistent with previous NHID-prepared report calculations or that NHID has approved changes
7. Process data
 - Calculate statistics
 - Compare results to previous year's statistics
 - Send summary verification to carriers; send questions on apparent issues
8. If needed, re-process using re-submitted data and re-verify with carriers
9. Consolidate submissions into a single data file, with unresolved data inconsistencies cataloged, so that the NHID can analyze the data on an ad hoc basis
10. Prepare exhibits supporting the analysis (using automated support developed in previous rounds)
11. Draft a Supplemental Report consistent with the format and layout of the prior version, review it with the NHID, and make appropriate changes.
12. Recommend improvements to the process
13. Recommend remedies and/or enforcement actions when carrier submissions are non-compliant, overdue, or potentially erroneous

5. Cost and Timeframe Proposal

We will work with the Department to arrive at a timeframe for the project. For purposes of planning under this proposal, we will assume Bulletin revisions need to be complete by the end of April; carriers will submit Supplemental Report data to the NHID by July 15 and therefore the main part of the analysis will not begin until after that. The summary timeframe below should be appropriate.

Our estimates assume that two factors increase the hours needed to complete this project beyond that required for typical data processing and report preparation. First, specific formulation, Department review, carrier review, and modification of reporting instructions will require significant effort. In particular, carrier feedback and responding to that feedback may be time-consuming. Second, while the revised instructions will have as their goals resolving data discrepancies before reports are submitted and improving data quality, we expect that in the first

year issues will arise even with carriers that have had little difficulty complying in the past. This is particularly likely as a consequence of anticipated modifications to how actuarial value data are reported.

Task	Timeframe
0. Confirm scope and schedule with NHID	Feb
1. Review current SR bulletin and suggest revisions	Feb – Mar
2. Review draft with NHID and revise	Mar – Apr
3. Review with carriers	Apr
4. Receive carrier submissions; communicate with carriers that did not submit	Jul
5. Perform initial quality assurance testing; resolve issues	Jul – Aug
6. Insure calculations are consistent with previous calculations	Jul – Aug
7. Process data and verify with carriers	Aug – Sep
8. Re-process data and re-verify as needed	Sep – Oct
9. Prepare exhibits supporting the analysis	Sep – Oct
10. Consolidate submissions into a single data file	Oct
11. Draft report; review and revise	Oct – Nov
12. Recommend improvements to the process	Oct – Nov
13. Recommend remedies or enforcement actions	Nov

NHID staff time will be required to assist with reviewing selected current processes and data sources, understanding any recent changes to the interpretation of laws and regulations, understanding current general Department policy, and working with certain stakeholders. In addition, Department staff time will be required for typical client-side project status and review tasks. Maintaining this, or any, timeframe will depend on the availability of Department staff and on the timeliness of responses from carriers if additional data are requested.

Cost estimate

Based on the above work plan and timeframe we estimate the following fees at the indicated rates.

Title:	Hrly Rate	Budgeted Hours	Total Cost
PhD Economist	\$275.00	24	\$ 6,600.00
Actuary	\$275.00	218	\$ 59,950.00
Sr. Analyst	\$185.00	45	\$ 8,325.00
Data analyst	\$60.00	157	\$ 9,420.00
Total			\$ 84,295.00

The amount summarized above is our best estimate, but the cost could be and will not exceed \$97,500. The final cost may reflect some of the challenges inherent in helping carriers work through their questions as they adapt to new standards in the revised Bulletin (something that should get better in subsequent years). We also note it will take Compass staff with advanced

knowledge (i.e., actuaries) to assess carrier response to the new rules. If at any time we believe the project is in danger of exceeding the estimate, we will inform the Department and work with them to make necessary adjustments.

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

Appendix A: Resumes

James P. Highland, PhD, MHSA

Lisa Kennedy, ASA, MAAA

Heather S. Clemens, FSA, MAAA

Tina Shields, FSA, MAAA, MS

Andrea Clark, MS

Amy Raslevich, MBA, MPP

Lars Loren, JD

Devin Anderson

Joshua Roberts

JAMES P.HIGHLAND

Professional Experience

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

Professional Experience (cont.)

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

Education

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

Honors and Awards

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

Memberships

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

LISA J. KENNEDY, ASA, MAAA

Professional Experience

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

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

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

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

Valuation Experience:

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

Pricing Experience:

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

Forecasting Experience:

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

Education

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

Memberships

Associate, Society of Actuaries (ASA)

Member, American Academy of Actuaries (MAAA)

Successful completion of AAA 2008 Life and Health Qualifications Seminar

HEATHER S. CLEMENS

Professional Experience

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

Education

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

Memberships

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

TINA SHIELDS, FSA, MAAA

Professional Experience

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

Education

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

Memberships

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

ANDREA L. CLARK

Professional Experience

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

Technical Expertise

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

Education

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

LARS E. LOREN

Professional Experience

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

Education

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

DEVIN H. ANDERSON

Professional Experience

2012-present **Compass Health Analytics, Inc., Portland, ME**

Senior Programmer/Analyst

Perform analysis or data preparation needed to support financial, economic, actuarial, or other ad hoc analyses. Design and prepare algorithms to detect fraud and abuse among behavioral health providers. Build and maintain client data warehouses and develop the ongoing quality assurance procedures needed to ensure their usability. Design and develop complex SAS code that can be used on a monthly basis to meet internal and/or external reporting needs.

2005-2012 **Health Dialog, Portland, ME**

Senior Programmer/Analyst, Provider Solutions Department

Served as the statistical analyst within the Provider Solutions department. Responsible for building and maintaining a robust risk-adjustment methodology as part of a provider profiling/evaluation system. Also responsible for complex, multi-stage ad hoc analyses through consulting engagements, including regional variation, financial cost position, and market share analyses.

Programmer/Analyst, Health Care Data Analytics Department

Served as the primary analyst for a strategic client. Responsible for building and assessing the accuracy of the client's data warehouse as well as financial, quality, utilization, and other analyses as needed by the client. Responsible for developing standardized cross-client processes related to data quality assurance and assessing disease management program impacts on cost and quality.

Technical Expertise

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

Education

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

JOSHUA ROBERTS

Professional Experience

2002-present **Compass Health Analytics, Inc., Portland, ME**

Senior Programmer/Analyst

Oversees day-to-day analytic and programming tasks for the team of programmers and analysts; Designs, builds, and maintains numerous customer data warehouse and database applications; Oversees and maintains all business network operations; Develops innovative ways to solve programmatic and reporting issues in the required application/language; Develops business processes for clients, including operational programming, data warehouse design, and ad hoc analytic requests.

Technical Expertise

Programming Languages and Software Expertise: SAS, SQL (SQL Server and Oracle T-SQL), Visual Basic, STATA, Java, .NET, HTML;

IT experience: Windows Server (including Terminal Services) 2003, 2008 – Domain Services, Exchange 2003, 2007, 2010 - IIS 6, 7 – Citrix XenServer & XenApp, VMWare and Linux based servers;

Extensive Data Warehouse design experience in several database design suites, including Embarcadero and SQL Server.

Education

B.S., Massachusetts Institute of Technology, major Economics, minor Computer Science

Appendix B: References

Eric Cioppa
Superintendent
Maine Bureau of Insurance
34 State House Station
Augusta, ME 04333-0034
(207) 624-8426
Eric.A.Cioppa@maine.gov

Stacey Eccleston
Former Assistant Commissioner, Health Policy and Research
Massachusetts Division of Health Care Finance and Policy
Now with the Health Care Incentives Improvement Institute
781-584-6273
Stacey.eccleston@hci3.org

Terry Mardis
Division Chief
Division of Medicaid and Financial Review
Office of Mental Health and Substance Abuse Services
Pennsylvania Department of Public Welfare
PO Box 2675
Harrisburg, PA 17105-2675
717-772-7358
tmardis@state.pa.us

Agreement with Compass Health Analytics
State of New Hampshire Insurance Department
2013-SR-1 Supplemental Report Services

Exhibit B
Form of Payment

The services will be billed at the rates set forth in section 5 of the Contractors Proposal, dated February 1, 2013, not to exceed the total contract price of \$97,500. The services shall be billed at least monthly and the invoice for the services shall identify the person or person providing the service. Payment shall be made within 30 days of the date the service is invoiced.

State of New Hampshire Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Compass Health Analytics, Inc. a(n) Maine corporation, is authorized to transact business in New Hampshire and qualified on July 14, 2008. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 13th day of March, A.D. 2013

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

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY/VOTE
(Limited Liability Company)

I, James P. Highland, PhD, hereby certify that:
(Name of Sole Member/Manager of Limited Liability Company, Contract Signatory – Print Name)

1. I am the Sole Member/Manager of the Company of Compass Health Analytics, Inc.
(Name of Limited Liability Company)
2. I hereby further certify and acknowledge that the State of New Hampshire will rely on this certification as evidence that I have full authority to bind Compass Health Analytics, inc.
(Name of Limited Liability Company)

and that no corporate resolution, shareholder vote, or other document or action is necessary to grant me such authority.



(Contract Signatory - Signature)

March 11, 2013

(Date)

STATE OF Maine
COUNTY OF Cumberland

On this the 11 day of March 20 13, before me Chanterelle P. Atkins,
(Day) (Month) (Yr) (Name of Notary Public / ~~Justice of the Peace~~)
the undersigned officer, personally appeared James P. Highland, known to me (or
(Contract Signatory – Print Name)

satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same for the purposes therein contained. In witness whereof, I hereunto set my hand and official seal.

(NOTARY SEAL)



(Notary Public / ~~Justice of the Peace~~ -Signature)

Chanterelle P. Atkins
Notary Public, State of Maine
Commission Expires: My Commission Expires on January 30, 2019



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
01/11/2013

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

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

PRODUCER Phone: (207) 775-3793 Fax: (207) 775-3691
HOLDEN AGENCY INSURANCE
PO BOX 10610
1085 BRIGHTON AVE
PORTLAND ME 04104

INSURED
Compass Health Analytics, Inc.
254 Commercial Street, 2nd Floor
Portland, ME 04101

CONTACT NAME: **Holden Agency Insurance**
PHONE (A/C. No./Ext): **(207) 775-3793** FAX (A/C. No.): **(207) 775-3691**
E-MAIL: **info@holdenagency.com**
ADDRESS:

INSURER(S) AFFORDING COVERAGE NAIC #
INSURER A : **Peerless Indemnity**
INSURER B : **Maine Employers Mutual Insurance Company**
INSURER C : **Nautilus Insurance Company**
INSURER D :
INSURER E :
INSURER F :

COVERAGES CERTIFICATE NUMBER: 32827 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	ADD'L SUBR INSR : WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/>		BOP8818547	01/19/13	01/19/14	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED. EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		BOP8818547	01/19/13	01/19/14	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (per accident) \$ EACH OCCURRENCE \$ AGGREGATE \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A	1810065161	08/09/12	08/09/13	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTH ER \$ E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE-EA EMPLOYEE \$ 100,000 E.L. DISEASE-POLICY LIMIT \$ 500,000
C	Professional Liability		NN264378	08/09/12	08/09/13	Each Claim 2,000,000 Aggregate 2,000,000

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

CERTIFICATE HOLDER

NH Insurance Department
21 South Fruit Street, Suite 14
Concord, NH 03301

Attention: Tyler Brannen, Health Policy Analyst

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Diane Littlefield
Diane K. Littlefield

STANDARD EXHIBIT I

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

BUSINESS ASSOCIATE AGREEMENT

(1) **Definitions.**

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

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

(2) Use and Disclosure of Protected Health Information.

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

(3) Obligations and Activities of Business Associate.

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

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

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

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

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

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

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

The NH Insurance Dept.
The State

Alexander K. Feldvebel
Signature of Authorized Representative

Alexander K. Feldvebel
Name of Authorized Representative

Deputy Commissioner
Title of Authorized Representative

3/13/13
Date

Compass Health Analytics, Inc
Name of the Contractor

P. Highland
Signature of Authorized Representative

James P. Highland, PhD
Name of Authorized Representative

President
Title of Authorized Representative

March 11, 2013
Date