5A mac

STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIVISION OF LONG TERM SUPPORTS AND SERVICES

Lori A. Shibinette
Commissioner

Deborah D. Scheetz
Director

105 PLEASANT STREET, CONCORD, NH 03301
603-271-5034 1-800-852-3345 Ext. 5034
Fax: 603-271-5166 TDD Access: 1-800-735-2964
www.dhhs.nh.gov

June 11, 2020

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Long Term Supports and Services, to amend an existing **Sole Source** contract with Guidehouse, Inc., (formerly Navigant, Inc.) (VC#175497-R002), Chicago, IL, by extending the completion date from June 30, 2020, to December 31, 2020, to allow for the completion of deliverables that were delayed due to the COVID-19 Emergency, effective July 1, 2020, or upon Governor and Council approval whichever is later, with no change to the price limitation of $754,300. 100% Federal Funds.

The original contract was approved by Governor and Council on May 17, 2017, (Item #12B) and most recently amended with Governor and Council approval on April 17, 2019, (Item #14).

Funds are available in the following account for State Fiscal Year 2020 with the authority to adjust budget line items within the price limitation and encumbrances between state fiscal years through the Budget Office, if needed and justified.

05-95-47-470010-79370000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF HHS, OFC OF MEDICAID & BUS PLCY, MEDICAID ADMINISTRATION

State Fiscal Year	Class / Account	Class Title	Job Number	Current Budget	Increased (Decreased) Amount	Revised Budget
2018	102-500731	Contracts for Prog Svc	47000021	$155,750	$0	$155,750
2019	102-500731	Contracts for Prog Svc	47000021	$48,550	$0	$48,550
			Subtotal	***$204,300***	***$0***	***$204,300***

05-95-48-481010-89200000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF HHS, ELDERLY AND ADULT SVCS, GRANTS TO LOCALS, MONEY FOLLOWS THE PERSON

State Fiscal Year	Class / Account	Class Title	Job Number	Current Budget	Increased (Decreased) Amount	Revised Budget
2019	102-500731	Contracts for Prog Svc	TBD	$250,000	$0	$250,000
2020	102-500731	Contracts for Prog Svc	TBD	$300,000	$0	$300,000
			Subtotal	***$550,000***	***$0***	***$550,000***
			Total	**$754,300**	**$0**	**$754,300**

EXPLANATION

The Department is requesting to extend the duration of this contract from June 30, 2020, to December 31, 2020, to complete deliverables that have been delayed due to the COVID-19 Emergency. The deliverables timeline for this contract have not kept pace with the end date of this contract. Several tasks and deliverables were suspended due to the Division of Long Term Supports and Services and the Bureau of Elderly and Adult Services' need to respond to the COVID-19 Emergency to ensure continuity of care for citizens of New Hampshire. The contract scope remains the same which is to assist the Department in working with providers of nursing and home and community based services (hereinafter "LTSS") and other stakeholders in developing options for the delivery of LTSS outside the State's Medicaid Care Management program, that will enhance and improve access, coordination, oversight, quality monitoring, outcomes, and the financial sustainability of such services. The options shall consider the regional delivery of LTSS taking into account existing systems such as the Integrated Delivery Program (DSRIP) Waiver and the needs of local communities.

This request is **Sole Source** due to the specialized nature of the work, the Department's previous work with the Contractor, and the need to develop options for the delivery of LTSS coordination, oversight, quality monitoring, outcomes, and financial sustainability of such services. It is critical that the Department and Stakeholders consider alternative models and system sustainability since the New Hampshire population is the second oldest in the nation with the population of those aged 65 and older expected to more than double between 2010 and 2040.

The Current contract with Navigant was entered into in May 2017, when the legislature mandated that LTSS was to be incorporated into managed care. However, in May 2018, the legislature passed HB1816 which prohibited the incorporation of LTSS into the Department's care management program for delivery by managed care organizations as defined in RSA 125-A:5, XIX (c)(3) under contract with the stat. As a result of this previous work, the Contractor has in depth knowledge for New Hampshire's service delivery system. This request if approved, will allow the Department to leverage the Contractor's knowledge of the existing LTSS program in order to consider the regional deliver of LTSS taking into account existing systems such as the Integrated Delivery Network established under New Hampshire's Section 115 DSRIP Waiver, to assess alternative models at a national level, analyze the applicability of models to New Hampshire, consider transition options for change, prepare a proposed implementation plan, and assist, as needed, with waiver amendment and rules changes.

The population to be served includes older adults and adults 18 and older with physical disabilities. Approximately 46,000 people who receive Bureau of Elderly and Adult Services will potentially be impacted by this contract.

The Department will continue to monitor contracted services using the following performance measures:

- Provide options and a proposed project plan for the development of an enhanced service delivery model.
- The proposed project plan will take into consideration the current service delivery model, take into account existing systems such as the Integrated Network established under New Hampshire's DSRIP Waiver, national options and best practice, current and future demographics, stakeholder input, and requirements established by the Department.
- Specific amendment recommendations for New Hampshire's Choices for Independence 1915(c) waiver.
- Specific recommendations for administrative rule changes.

Should the Governor and Council not authorize this request any the contract deliverables will not be completed.

Area served: Statewide

Source of Funds: 100% Federal Funds from the Centers for Medicare and Medicaid Services Money Follows the Person, CFDA #93.791, FAIN #1LICMS300148-01-10

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

Respectfully submitted,

Lori A. Shibinette
Commissioner

State of New Hampshire
Department of Health and Human Services
Amendment #2 to the Managed Long-Term Services and
Supports Consulting Services Contract

This 2nd Amendment to the Managed Long-Term Services and Supports Consulting Services contract (hereinafter referred to as "Amendment #2") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Guidehouse Inc., (formerly known as Navigant Consulting, Inc.), (hereinafter referred to as "the Contractor"), a corporation with a place of business at 150 N. Riverside Plaza, Suite 2100, Chicago, IL, 60606.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on May 17, 2017, (Item #12B), as amended on April 17, 2019, (Item #14), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to General Provisions, Section 3, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to extend the term of the agreement, increase the price limitation, or modify the scope of services to support continued delivery of these services; and

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

1. Form P-37 General Provisions, Block 1.3, Contractor Name, to read:

   Guidehouse Inc.

2. Form P-37 General Provisions, Block 1.4, Contractor Address, to read:

   150 N. Riverside Plaza, Suite 2100
   Chicago, IL, 60606

3. Form P-37 General Provisions, Block 1.5, Contractor Phone Number, to read:

   (202) 973-3138

4. Form P-37 General Provisions, Block 1.7, Completion Date, to read:

   December 31, 2020

All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #2 remain in full force and effect. This amendment shall be effective July 1, 2020 upon the date of Governor and Executive Council approval.

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

State of New Hampshire
Department of Health and Human Services

6.12.20
Date

Lori Weaver
Name: Lori Weaver
Title: Deputy Commissioner

Guidehouse, Inc.

Tamyra K Porter
_Tamyra Porter, Partner

___June 11, 2020__
Date

Name:
Title:

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

OFFICE OF THE ATTORNEY GENERAL

06/12/20 — Catherine Pinos

Date

Name:
Title: Catherine Pinos, Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "NAVIGANT CONSULTING, INC.", CHANGING ITS NAME FROM "NAVIGANT CONSULTING, INC." TO "GUIDEHOUSE INC.", FILED IN THIS OFFICE ON THE ELEVENTH DAY OF OCTOBER, A.D. 2019, AT 1:12 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

Jeffrey W. Bullock, Secretary of State

2630937 8100
SR# 20197506301

Authentication: 203776269
Date: 10-11-19

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 01:12 PM 10/11/2019
FILED 01:12 PM 10/11/2019
SR 20197506301 - File Number 2630937

STATE OF DELAWARE
CERTIFICATE OF AMENDMENT
OF CERTIFICATE OF INCORPORATION

The corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware does hereby certify:

FIRST: That at a meeting of the Board of Directors of

NAVIGANT CONSULTING, INC.

resolutions were duly adopted setting forth a proposed amendment of the Certificate of Incorporation of said corporation, declaring said amendment to be advisable and calling a meeting of the stockholders of said corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended by changing the Article thereof numbered "FIRST" so that, as amended, said Article shall be and read as follows:

FIRST: The name of the corporation is: Guidehouse Inc.

SECOND: That thereafter, pursuant to resolution of its Board of Directors, a special meeting of the stockholders of said corporation was duly called and held upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary number of shares as required by statute were voted in favor of the amendment.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said corporation has caused this certificate to be signed this 11th day of October, 20 19.

By: ______________________
Authorized Officer

Title: Secretary

Name: Edward Eich
Print or Type

GUIDEHOUSE LLP

1800 Tysons Boulevard, 7th Floor
McLean, VA 22102-4257
571-633-1711

CONSENT TO USE OF NAME

Guidehouse LLP, a Delaware Limited Liability Partnership formed under the laws of the State of Delaware hereby consents in writing to the use for all purposes of the following name, to be used by a Corporation to be formed in the State of Delaware:

Guidehouse Inc.

IN WITNESS WHEREOF, the undersigned has caused this consent to be executed this 11th day of October, 2019.

Guidehouse LLP

By: ______________________

Name: Edward Eich
Title: Secretary

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 GUIDEHOUSE INC. is a Delaware Profit Corporation registered to transact business in New Hampshire on December 02, 2003. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **457291**

Certificate Number: **0004928544**

IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 10th day of June A.D. 2020.

William M. Gardner

Secretary of State

CERTIFICATE OF INCUMBENCY

I, Edward C. Eich, the undersigned General Counsel and Secretary of Guidehouse Inc., a Delaware corporation (the "Company"), do hereby certify that any person with the title of Partner is an authorized signatory with authority to make proposals and execute contracts on behalf of the Company.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Company this 24th day of February, 2020.

Edward C. Eich
General Counsel and Secretary

CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY) 05/01/2020

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 have ADDITIONAL INSURED provisions or 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).

Holder Identifier :

PRODUCER
Aon Risk Services, Inc. of Washington, D.C.
2001 K Street NW
Suite 625 N
Washington DC 20006 USA

CONTACT NAME:
PHONE (A/C. No. Ext): (866) 283-7122 FAX (A/C. No.): (800) 363-0105
E-MAIL ADDRESS:

INSURED
Guidehouse, Inc.
1800 Tysons Boulevard, 7th Floor
McLean VA 22102 USA

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A:	American Casualty Co. of Reading PA	20427
INSURER B:	The Continental Insurance Company	35289
INSURER C:	Valley Forge Insurance Co	20508
INSURER D:		
INSURER E:		
INSURER F:		

COVERAGES **CERTIFICATE NUMBER:** 570081625775 **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
C	X COMMERCIAL GENERAL LIABILITY; CLAIMS-MADE; X OCCUR; GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY; PRO-JECT; LOC; OTHER:			6057010444	05/01/2020	05/01/2021	EACH OCCURRENCE	$1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$1,000,000
							MED EXP (Any one person)	$25,000
							PERSONAL & ADV INJURY	$1,000,000
							GENERAL AGGREGATE	$2,000,000
							PRODUCTS - COMP/OP AGG	$2,000,000
C	AUTOMOBILE LIABILITY; ANY AUTO; OWNED AUTOS ONLY; SCHEDULED AUTOS; X HIRED AUTOS ONLY; X NON-OWNED AUTOS ONLY			6057010430	05/01/2020	05/01/2021	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
							BODILY INJURY (Per person)	
							BODILY INJURY (Per accident)	
							PROPERTY DAMAGE (Per accident)	
	UMBRELLA LIAB; OCCUR; EXCESS LIAB; CLAIMS-MADE; DED; RETENTION						EACH OCCURRENCE	
							AGGREGATE	
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY; ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N: N; If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		6057010461 (AOS)	05/01/2020	05/01/2021	X PER STATUTE; OTH-ER	
B				6072069738 (CA)	05/01/2020	05/01/2021	E.L. EACH ACCIDENT	$1,000,000
							E.L. DISEASE-EA EMPLOYEE	$1,000,000
							E.L. DISEASE-POLICY LIMIT	$1,000,000

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

Certificate No : 570081625775

CERTIFICATE HOLDER

Guidehouse, Inc.
1800 Tysons Boulevard, 7th Floor
McLean VA 22102 USA

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
Aon Risk Services Inc. of Washington D.C.

Guidehouse

Company Overview

Through our client relationships and respected work, Guidehouse is pioneering the way forward to a healthier and safer future, built upon our high-quality standards and strong culture, and inspired by the foundation we have built. We serve the public and commercial segments with integrity, innovation and excellence. We call this the Next Generation Consultancy and see our platform as the future of consulting.

1. Mission

Our Mission at Guidehouse is to solve big problems, build trust in society and empower our clients to shape the future. As we work side-by-side with our clients to solve these problems, we confirm our mission importance and bring it to life for the benefit of generations to come.

2. Our Vision

To earn a seat at the table for our clients' most complex issues, creating limitless opportunities and meaningful impact.

3. Guidehouse Statement Reaffirming Its Corporate Values

RI^{2}SE

Respect
We rise by illuminating the diversity each person brings, ensuring all can shine. Be a beacon.

Integrity
We rise by being courageously ethical and charting the right course. Be the compass.

Innovation
We rise by combining deep expertise with boundless creativity to deliver outstanding results. Ignite change.

Stewardship
We rise by helping our people grow, our business succeed, and communities thrive. Be a guardian.

Excellence
We rise by being committed, refusing average and constantly evolving. Pursue Perfection.

https://guidehouse.com/about/company-overview

Guidehouse Holding Corporation

Consolidated Financial Statements

As of December 31, 2019 and for the six month period then ended

With Report of Independent Auditors

Guidehouse Holding Corporation
Table of Contents

RSM

Independent Auditor's Report

RSM US LLP

Board of Directors
Guidehouse Holding Corporation

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Guidehouse Holding Corporation and its subsidiaries, which comprise the consolidated balance sheet as of December 31, 2019, the related consolidated statements of operations, cash flows and changes in stockholders' equity for the period from July 1, 2019 through December 31, 2019, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Guidehouse Holding Corporation and its subsidiaries as of December 31, 2019, and the results of their operations and their cash flows for the period from July 1, 2019 through December 31, 2019, in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP

McLean, Virginia
April 17, 2020

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

GUIDEHOUSE HOLDING CORPORATION
CONSOLIDATED BALANCE SHEET
(in thousands, except for the share amounts)

		As of December 31, 2019
Assets:		
Current assets:		
Cash and cash equivalents	$	184,193
Accounts receivable, net and contract assets		307,353
Prepaid expenses and other current assets		34,859
Total current assets		526,405
Property and equipment, net		90,247
Operating lease right-of-use asset		101,654
Intangible assets, net		377,060
Goodwill, net		881,749
Other assets		16,699
Total long-term assets		1,467,409
Total assets	$	1,993,814
Liabilities and Stockholder's Equity		
Current liabilities:		
Current portion of long-term debt, net	$	6,037
Accounts payable		37,238
Operating lease liabilities - Current		25,504
Contract liabilities		33,397
Accrued expense		141,404
Total current liabilities		243,580
Other long-term liabilities		13,669
Operating lease liabilities - Noncurrent		75,329
Long-term debt, net		1,216,966
Deferred tax liabilities		8,473
Total liabilities		1,558,017
Commitments and contingencies		
Stockholder's Equity:		
Common stock, par value $0.01 per share, 1,000 shares authorized and 100 shares issued and outstanding as of December 31, 2019		-
Additional paid-in capital		598,182
Accumulated deficit		(215,516)
Accumulated other comprehensive gain		88
Total Guidehouse Holding Corporation sockholder's equity		382,754
Non-controlling interest		53,043
Total stockholder's equity		435,797
Total liabilities and stockholder's equity	$	1,993,814

The accompanying notes are an integral part of these consolidated financial statements.

GUIDEHOUSE HOLDING CORPORATION
CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
(in thousands)

		For the six months ended December 31, 2019
Revenue	$	509,891
Operating costs and expenses:		
Cost of revenue		329,466
Selling, general and administrative expenses		211,200
Amortization of intangible assets		26,328
Amortization of goodwill		28,448
Total operating costs and expenses		595,442
Loss from operations		(85,551)
Other income (expense):		
Interest expense, net		(41,680)
Other income		896
Loss before income taxes		(126,335)
Benefit from income taxes		15,717
Net loss		(110,618)
Less: Income attributable to non-controlling interest, net of tax		(3,804)
Net loss attributable to Guidehouse Holding Corporation	$	(114,422)
Net loss	$	(110,618)
Other comprehensive income, net of tax:		
Unrealized net gain, foreign currency translation		88
Total other comprehensive income, net of tax		88
Total comprehensive loss, net of tax		(110,530)
Comprehensive income attributable to non-controlling interest, net of tax		(3,804)
Total comprehensive loss attributable to Guidehouse Holding Corporation, net of tax	$	(114,334)

The accompanying notes are an integral part of these consolidated financial statements.

GUIDEHOUSE HOLDING CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands)

		For the six months ended December 31, 2019
Operating Activities		
Net loss	$	(110,618)
Adjustments to reconcile net loss to net cash used in		
Depreciation and amortization		62,525
Non-cash stock-based compensation		582
Non-cash interest expense		14,475
Non-cash lease expense		1,979
Change in allowance for doubtful accounts		(713)
Deferred income tax benefit		(15,030)
Changes in operating assets and liabilities:		
Accounts receivable and contract assets		33,157
Prepaid expenses and other current assets		(7,500)
Other assets		(6,703)
Accounts payable		(7,780)
Contract liabilities		7,405
Accrued expenses		(4,012)
Other long-term liabilities		3,067
Net cash used in operating activities		(29,166)
Investing Activities		
Navigant Acquisition, net of cash acquired		(1,006,677)
Purchases of property and equipment		(5,819)
Net cash used in investing activities		(1,012,496)
Financing Activities		
Proceeds from term loans, net of discount		830,600
Debt issuance costs		(26,173)
Repayment of debt		(3,195)
Equity contribution		320,030
Distribution to non-controlling interest holders		(2,400)
Net cash provided by financing activities		1,118,862
Net increase in cash and cash equivalents		77,200
Effect of exchange rate changes on cash and cash equivalents		(32)
Cash and cash equivalents		
Beginning of period		107,025
End of period	$	184,193
Supplemental disclosure of cash flow information		
Net cash paid for income taxes	$	1,326
Cash paid for interest	$	28,529

The accompanying notes are an integral part of these consolidated financial statements.

GUIDEHOUSE HOLDING CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
(in thousands, except share amounts)

	Common Stock		Additional	Accumulated	Accumulated other comprehensive	Non-controlling	Total stockholder's
	Shares	Amount	paid-in capital	deficit	income (loss)	interest	equity
Balance as of June 30, 2019	100	$ -	$ 277,570	$ (101,094)	$ -	$ -	$ 176,476
Equity investment	-	-	320,030	-	-	-	320,030
Acquisition of Navigant	-	-	-	-	-	51,639	51,639
Distribution to non-controlling interest	-	-	-	-	-	(2,400)	(2,400)
Stock-based compensation	-	-	582	-	-	-	582
Comprehensive income (loss)	-	-	-	(114,422)	88	3,804	(110,530)
Balance as of December 31, 2019	100	$ -	$ 598,182	$ (215,516)	$ 88	$ 53,043	$ 435,797

The accompanying notes are an integral part of these consolidated financial statements.

Guidehouse Holding Corporation
Notes to the Consolidated Financial Statements

1. Organization and Nature of Operations

Guidehouse Holding Corporation (collectively with its subsidiaries, "Guidehouse" or the "Company") is a wholly owned subsidiary of Guidehouse Holdings LLC (the "Parent Entity"). Guidehouse Holdings LLC ("Holdings") is owned principally by investment fund entities affiliated with Veritas Capital ("Veritas") and by Guidehouse Management Holdings LLC ("Management Holdings"). Guidehouse was incorporated in the state of Delaware on February 8, 2018.

Guidehouse helps commercial and public clients address their most important challenges with innovative solutions that advance conventional thinking and create value for their stakeholders, build trust in society and shape a new future.

On May 1, 2018, Guidehouse acquired 100% of the equity interests (the "Transaction") in PricewaterhouseCoopers Public Sector LLP ("PwC Public Sector"). The Company had no operations prior to the Transaction and the Parent Entity has no operations other than its ownership of the Company.

On October 11, 2019, Guidehouse acquired 100% equity interest of Navigant Consulting, Inc. ("Navigant"). Navigant is a specialized, global professional services firm that primarily serves clients in the healthcare, energy and financial services industries across a range of advisory, consulting, outsourcing and technology/analytics services in the United States ("U.S.") and internationally. See Note 5 for more detail on the acquisition of Navigant.

Historically, Guidehouse's fiscal year ended on June 30. However, Guidehouse changed its fiscal year-end to December 31, beginning on December 31, 2019. Therefore, the accompanying consolidated financial statements present the consolidated financial statements for the transition period from the prior fiscal year end of June 30, 2019 through the new fiscal year end of December 31, 2019.

As of December 31, 2019, Guidehouse has offices in various cities within the U.S., Europe, the Middle East and Asia. Guidehouse's customers are primarily located in the United States ("U.S.") and are substantially comprised of major U.S. Government entities, as well as commercial clients including healthcare providers and payers, utility and energy companies, and financial institutions. For the six months ended December 31, 2019, Guidehouse derived approximately 56% of its revenues from the U.S. Government (including approximately 31% from the U.S. Department of Defense).

As of December 31, 2019, Guidehouse has the following subsidiaries: Guidehouse LLP, Guidehouse Holdings 2 LLC, Guidehouse Services LLC, Guidehouse International LLC, Guidehouse Tanzania LLC, Navigant Consulting, Inc., Navigant Cymetrix Corporation, Health Systems Solutions LLC and Navigant Europe Limited. The Company wholly owns these subsidiaries, except for Health Systems Solutions LLC, which the Company owns 60 percent financial and controlling interest of.

2. Summary of Significant Accounting Policies

Basis of Presentation
The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require management to make certain judgments, estimates and assumptions which may affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the consolidated financial statements. They also may affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, upon subsequent resolution of identified matters.

Guidehouse's acquisition of both Navigant and PwC Public Sector were each accounted for as a business combination. Under this method, the purchase price paid by the acquirer was assigned to the assets acquired and liabilities assumed based on their acquisition-date fair values. Determining the fair value of assets and liabilities is judgmental in nature and involves the use of significant estimates and assumptions. See Note 5 for a discussion of the fair values of assets and liabilities recorded in connection with Guidehouse's acquisition of Navigant.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries, including Health Systems Solutions LLC that the Company has a 60 percent financial and controlling interest. All significant intercompany accounts and transactions have been eliminated.

Cash and Cash Equivalents

The Company considers all highly-liquid instruments with original maturities of three months or less to be cash equivalents. Due to the short maturity of these instruments, the carrying values on the consolidated balance sheet approximate fair value. No collateral or security is provided on these cash and cash equivalents, other than up to $250,000 of cash and cash equivalents insured by the Federal Deposit Insurance Corporation ("FDIC").

Allowance for Doubtful Accounts

The Company maintains an allowance for doubtful accounts to provide for the estimated amount of accounts receivable and contract assets that will not be collected. The allowance is based on an assessment of customer creditworthiness, historical payment experience, the age of outstanding receivables and collateral to the extent applicable.

Property and Equipment, net

Property and equipment are stated at cost less accumulated depreciation, or at fair value when acquired through a business combination. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which generally are: three to five years for computer equipment; three years for software; and five to ten years for furniture, machinery and equipment. Leasehold improvements are amortized over the shorter of the lease term or estimated useful life of the assets. Maintenance and repairs are expensed as incurred.

Intangible Assets

Intangible assets consist of customer-related assets, marketing-related assets, technology, and non-compete agreements. The Company amortizes acquired intangible assets over the useful lives unless the useful life is determined to be indefinite. For each finite-lived intangible asset, the Company utilizes the method of amortization that best reflects the pattern in which the economic benefits of the intangible asset are consumed or otherwise used up. If that pattern cannot be reliably determined, the Company uses the straight-line method of amortization. The Company periodically reassesses the remaining useful lives of its intangible assets and evaluates for impairment when events or changes in circumstances indicate the carrying value of such assets may not be recoverable. In connection with the acquisition of Navigant, the Company completed its preliminary valuation of the intangible assets as of October 11, 2019.

Goodwill

The Company has elected the accounting policy to amortize goodwill on a straight-line basis over 10 years. Further, the Company has elected to test goodwill for impairment at the entity level. Goodwill is tested for impairment when a triggering event occurs that indicates that the fair value of an entity may be below its carrying amount. When a triggering event occurs, the qualitative factors are first assessed to determine whether the quantitative impairment test is necessary. If the qualitative assessment indicates that it is not more likely than not that the goodwill is impaired, further testing is unnecessary. If the qualitative assessment indicates that it is more likely than not that goodwill is impaired, the Company performs a quantitative test to compare the entity's fair value with its carrying amount, including goodwill. Factors that management considers important that would cause an impairment review to be performed include significant underperformance relative to historical results or to forecasted operating results and significant negative industry or economic trends. The goodwill impairment loss, if any, represents the excess of the carrying amount of the entity over the fair value of the entity. The Company performed an evaluation to determine if any triggering events had occurred through December 31, 2019 and determined that none had occurred. For the six months ended December 31, 2019, the Company recorded no impairment of goodwill.

Long-Lived Assets
The Company reviews the carrying values of long-lived assets other than goodwill for impairment if events or changes in the facts and circumstances indicate that their carrying values may not be recoverable. The Company assesses impairment by comparing the estimated undiscounted future cash flows of the related assets to the carrying value. If an asset is determined to be impaired, the Company recognizes an impairment charge in the current period for the difference between the fair value of the asset and the carrying value. For the six months ended December 31, 2019 the Company recorded no impairment of long-lived assets.

Debt Issuance Costs
Debt issuance costs are deferred and amortized as interest expense from the date incurred until the settlement of the related debt.

Fair Value of Financial Instruments
The carrying amounts of certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and other current liabilities approximate fair value due to their short-term maturities. Borrowings under the various credit agreements bear a variable interest rate and as a result approximate fair value.

Income Taxes
The provision for federal, state, and foreign income taxes is determined in accordance with ASC 740, *Income Taxes*. The Company periodically assesses its tax filing exposures related to periods that are open to examination. Based on the latest available information, the Company evaluates tax positions to determine whether the position will more likely than not be sustained upon examination. If the Company determines that the tax position is more likely than not to be sustained, it will record the largest amount of benefit that is more likely than not to be realized when the tax position is settled. If the Company cannot reach that determination, no benefit is recorded. Deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax basis of assets and liabilities carried by the Company and are measured using the enacted tax rates that are expected to be in effect in the period in which these differences are expected to reverse. When it is determined that deferred income tax assets need to be reduced to the amounts expected to be realized, valuation allowances are established. Judgments and estimates are required to determine income tax expense and deferred income tax valuation allowances and in assessing exposures related to income tax matters.

Interest and penalties related to uncertain income tax positions are recognized as part of the provision for income taxes and are accrued beginning in the period that such interest and penalties would be applicable under relevant tax law until such time that the related income tax benefits are recognized.

Foreign Currency Transactions
Assets and liabilities of the Company's foreign subsidiaries whose functional currency is not the U.S. Dollar ("USD") are translated into USD using the exchange rates in effect at period end. Revenue and expense items are translated using the average exchange rates for the period. These currency translation adjustments are reflected within stockholders' equity as a component of accumulated other comprehensive loss.

The Company's foreign subsidiaries have various assets and liabilities, primarily receivables and payables, which are denominated in currencies other than their functional currency. These balance sheet items are subject to re-measurement, the impact of which is recorded in other income, net in the consolidated statement of comprehensive loss. The Company recognized a gain of $0.5 million for the six months ended December 31, 2019.

Cost of Revenue
Cost of revenue includes employee compensation and related benefits for client service staff, third-party direct subcontract labor, and reimbursable and non-reimbursable direct travel and other direct costs.

Selling, General and Administrative Expenses
Selling, general and administrative costs include compensation and benefits for Guidehouse's non-client service and practice support personnel; infrastructure expenses including: rent, depreciation and amortization; legal and professional insurance costs; new business development activities; information technology; marketing, advertising and other company-wide costs.

Revenue Recognition
Revenue is derived from services provided to the U.S. Federal government and commercial customers in the healthcare, energy and financial services industries, primarily by Company employees and to a lesser extent by subcontractors.

On July 1, 2019, the Company adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 606 *Revenue from Contracts with Customers* ("ASC 606") using the modified retrospective method applied to those contracts that were not substantially complete as of July 1, 2019. ASC 606 outlines a five-step model whereby revenue is recognized as performance obligations within the contract are satisfied. ASC 606 also requires new, expanded disclosures regarding revenue recognition. The most significant impact the adoption of the new standard has on the Company's consolidated financial statements is related to the required expanded financial statement disclosures. Except for the required financial statement disclosures, the adoption of ASC 606 did not have a material impact on our consolidated financial statements.

See Note 3 for more discussion on revenue recognition under ASC 606.

Leases
Effective July 1, 2019, the Company early adopted FASB Accounting Standards Codification Topic 842 *Leases* ("ASC 842"). ASC 842 requires recognition of lease liabilities and related right-of-use assets on the balance sheet. Lessees are required to recognize a lease liability measured on a discounted basis, which is the lessee's obligation to make lease payments arising from a lease, and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The Company adopted ASC 842 using the modified retrospective approach. As part of the adoption, the Company elected the package of practical expedients permitted under the transition guidance within ASC 842, which among other things, allowed the Company to carry forward the historical lease classification. Further, the Company also applied the practical expedient to combine, when applicable, lease and non-lease components. Leases with a term of 12 months or less are not recorded on the balance sheet in accordance with the Company's election.

As a result of the adoption of ASC 842, the Company recognized $11,184 and $9,939 of the right-of-use assets and lease liabilities, respectively, relating to operating leases, in the consolidated balance sheet as of July 1, 2019. The standard did not have a material effect on the consolidated statement of comprehensive loss and cash flows for the six months ended December 31, 2019. The cumulative effect of the changes made to the Company's consolidated balance sheet as of July 1, 2019 for the adoption of this standard was as follows:

	Before Adoption	Adjustment	After Adoption
Favorable lease assets (Intangible)	$ 2,100	$ (2,100)	$ -
Operating lease right-of-use asset	-	11,184	11,184
Accrued expense	191	(191)	-
Other long-term liabilities	664	(664)	-
Operating lease liabilities - Current	-	4,125	4,125
Operating lease liabilities - Noncurrent	-	5,814	5,814

Employee Benefit Plans
Many of Guidehouse's employees participate in a defined contribution 401(k) profit-sharing plan sponsored by Guidehouse. Under the plan, participants are entitled to make pre-tax and/or Roth post-tax contributions up to the annual maximums established by the Internal Revenue Service. The Company matches a certain percentage of participant contributions pursuant to the terms of the plan, which are limited to a percent of the participant's eligible compensation.

Use of Estimates
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities or the disclosure of contingent assets and liabilities at the date of these financial statements and reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 provides guidance on how certain cash receipts and cash payments should be presented and classified in the statement of cash flows with the objective of reducing existing diversity in practice with respect to these items. ASU 2016-15 is effective for annual periods, and interim periods within those years, beginning after December 15, 2018. The Company adopted this standard as of July 1, 2019, which did not have a material impact on the Company's consolidated results of operations or financial position.

In January 2017, the FASB issued ASU 2017-04, *Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The standard simplifies the accounting for goodwill impairments and allows a goodwill impairment charge to be based on the amount of a reporting unit's carrying value in excess of its fair value. This eliminates the requirement to calculate the implied fair value of goodwill or what is known as "Step 2" under the current guidance. ASU 2017-04 is effective for annual periods, and interim periods, beginning after December 15, 2021. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The standard is not expected to have a material impact on the Company's consolidated results of operations or financial position.

In January 2017, the FASB issued ASU 2017-01, *Business Combination – Clarifying the Definition of a Business (Topic 805)*. The standard provides a new framework to use when determining if a set of assets and activities is a business. ASU 2017-01 is effective for annual periods beginning after December 15, 2018. The Company adopted this standard as of July 1, 2019, which did not have a material impact on the Company's consolidated results of operations or financial position.

In June 2018, the FASB issued ASU 2018-07, *Compensation—Stock Compensation (Topic 718)*. The standard simplifies the accounting for share-based compensation to non-employees by aligning the guidance with share-based payments to employees. It is effective for interim and annual reporting periods beginning after December 15, 2019. The Company is currently evaluating the impact of adopting the new standard Company's consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15, *Intangibles – Goodwill and Other – Internal-Use Software (Topic 350-40)*. The standard aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is considered a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The standard also requires the entity to expense the capitalized implementation costs of a hosting arrangement over the term of the hosting arrangement and present the expense related to the capitalized implementation costs in the same line item in the statement of income as the fees associated with the hosting arrangement. The standard is effective for interim periods and fiscal years beginning after December 15, 2020 with early adoption permitted. The standard may be implemented using either the retrospective or prospective method. The Company is currently evaluating the impact of adopting the new standard on the Company's consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326) – Measurement of Credit Losses on Financial Instruments*. The ASU requires companies to measure credit losses on financial instruments, including trade account receivable, by using a methodology that reflects the expected credit losses based on historical information, current economic conditions, and reasonable and supportable information. The new standard is effective for fiscal years beginning after December 15, 2021 with early adoption permitted. The Company is currently evaluating the impact of adopting the new standard on the Company's consolidated financial statements.

3. Revenue, Accounts Receivable and Contract Assets

Revenue recognition under ASC 606

On July 1, 2019, the Company adopted ASC 606, under which the Company recognizes revenues when the Company transfers control of promised goods or services to its customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

The majority of the Company's revenues are generated from providing professional services under the following types of arrangements: time and material, units of production, fixed-fee, and cost-plus.

Under time and material arrangements, the amounts charged correspond directly to the value clients receive. These arrangements qualify for the right to invoice practical expedient which allows revenue to be recognized based on the number of hours worked by the Company's client service employees at the contracted bill rates. In some cases, the Company's time and material engagements are subject to a maximum fee amount not to be exceeded, in which case the Company periodically evaluates the progress of work performed to ensure that the maximum amount billable to the client is not expected to be exceeded.

Similarly, the Company's units of production arrangements where the fee is unit/output priced at a per unit value qualifies for the right to invoice practical expedient. As such, revenue for units of production is recognized based on measures such as the number of items processed at agreed-upon rates. When such fees do not qualify for the right to invoice practical expedient or are not attributable to the services delivered in a specific time period, the variable fees are estimated and recognized ratably over the term of the arrangement.

Under fixed-fee arrangements, the Company is contracted to complete a pre-determined set of professional services for a pre-determined fee (transaction price). However, the fee and engagement scope can be adjusted based on a mutual agreement between the Company and the client. In most cases, the recording of fixed revenue amounts requires us to make an estimate of the total amount of work to be performed, and revenues are then recognized as efforts are expended. This measure of progress is either based on costs incurred to estimated total costs, or labor hours worked relative to total estimated labor hours, unless another recognition method such as output or straight-line is more representative of value transferred to the client.

For cost-plus arrangements, the Company is compensated based on costs incurred plus a fee. Similar to above, we are required to make estimates of our costs and recognized revenue in proportion to costs incurred to total expected costs.

The Company also has certain arrangements in which fees are dependent on the completion of contractually defined outcomes. In most cases, this fee is earned in addition to an hourly or fixed-fee. These fees are rewarded when certain contractual milestones or outcomes are met. Contractually defined outcomes may be event-based or performance-based (for example based on obtaining a key performance indicator). For certain of these arrangements, the variable consideration is estimated at the expected value and subject to constraint based on risks specific to the contract. The estimate is evaluated periodically and included in the total transaction price to the extent it is probable that a significant reversal of revenue will not occur. Transaction price is then recognized into revenue based upon efforts expended based on costs incurred or hours worked unless another method is more representative of revenue earned. In some cases, the estimation of the variable fees is complex and subject to many variables and may require significant judgment.

The majority of the Company's contracts have a single performance obligation. However, when certain arrangements have more than one performance obligation that are distinct from one another, the transaction price is allocated to the separate performance obligations based on a relative standalone selling price basis. The Company determines the standalone selling prices based on our overall pricing or margins. Generally, the Company considers each of consulting/advisory services, outsourcing and software-based services distinct performance obligations.

Reimbursable expenses for the Company's engagements include travel and out-of-pocket costs. Such expenses are passed through to clients as contractually allowed. Reimbursable expenses are considered a variable portion of the transaction price and are recognized into revenue consistent with the measure of progress of the respective performance obligation.

When a contract with a customer is modified, the modified contract is treated as a separate contract if the scope of the contract increases because of the addition of promised goods or services that are distinct and the price of the contract increases by the standalone selling prices of the additional promised goods or services.

The majority of contracts include termination for convenience clauses, which require short notice with no penalty. The termination for convenience provisions generally determine the contract duration resulting in very few agreements which are contractually enforceable beyond one year.

Accounts Receivable, Contract Assets and Liabilities
Accounts receivable include amounts billed and currently due from customers. Contract assets consist of unbilled receivables, which primarily represent recoverable costs incurred, including, where applicable: retainage, allowable indirect costs, accrued profits, amounts that are not contractually billable until the completion of milestones, and other stipulated contractual activities, or contract authorization. Recovery of these unbilled receivables generally occurs within twelve months. As of December 31, 2019 and June 30, 2019 accounts receivable and contract assets were \$179.1 million and \$134.7 million (ending balance) and \$63.0 million and \$67.4 million (beginning balance), respectively. During the six months ended December 31, 2019, accounts receivable and contract assets of \$128.2 million and 90.3 million, respectively, before allowance for doubtful accounts, were acquired as a result of the Navigant transaction.

The following table details accounts receivable and contract assets, which consist of billed and unbilled amounts (in thousands):

	As of December 31, 2019	
Billed - Accounts receivable	$	179,054
Unbilled - Contract assets		134,685
Total accounts receivable and contract assets		313,739
Less: allowance for doubtful accounts		(6,386)
Total accounts receivable, net and contract assets	$	307,353

Substantially all accounts receivable are expected to be collected within one year from the balance sheet date.

Contract liabilities are defined as advance payments from, or billings to, customers for services that have not yet been performed or earned and retainers. These liabilities are recorded in contract liabilities and are recognized as services are provided. As of December 31, 2019 and June 30, 2019 contract liabilities were \$33.4 million (ending balance) and \$5.3 million (beginning balance), respectively. During the six months ended December 31, 2019, contract liabilities of \$20.7 million were acquired as a result of the Navigant transaction.

4. Property and Equipment, net

Property and Equipment, net of accumulated depreciation, consists of the following (in thousands):

		As of December 31, 2019
Leasehold Improvements	$	48,423
Computer hardware and software		39,028
Machinery and equipment		2,375
Furniture		11,156
Total property and equipment		100,982
Less: accumulated depreciation and amortization		(10,735)
Property and equipment, net	$	90,247

Depreciation expense was $7,749 for the six months ended December 31, 2019.

5. Navigant Acquisition

On August 2, 2019, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement"), by and among Navigant, Isaac Merger Sub, Inc., a wholly owned subsidiary of the Company and the Company. On October 11, 2019 (the "Closing Date"), Isaac Merger Sub merged with and into Navigant with Navigant surviving the merger and becoming a wholly-owned subsidiary of the Company pursuant to the Merger Agreement (the "Navigant Acquisition"). The primary purpose of this acquisition was to increase the scale and scope of the Company's services. Each share of common stock of Navigant issued and outstanding immediately prior to the effective time of the merger was converted into the right to receive $28.00 per share in cash. On the Closing Date, $1,072.8 million was paid to the holders of Navigant common stock as purchase consideration. In addition, $41.6 million was paid to settle vested and certain unvested options and restricted stock units ("RSU") on the closing date. Of the $41.6 million, $29.1 million, related to the fully vested options and RSU's and the portion of unvested RSU's attributable to the pre-acquisition period, was treated as part of the purchase consideration and $12.5 million, related to the portion of unvested RSU's attributable to the post-acquisition period, was expensed immediately in selling, general and administrative expenses. All remaining unvested RSU's were converted into the right to receive cash subject to the existing vesting conditions ("Replacement RSU Awards").. The fair value of such Replacement RSU Awards was $5.4 million in total. Of the total amount payable upon vesting of $5.4 million, $2.9 million, attributable to the pre-acquisition period, was treated as part of the purchase consideration and the remaining amount will be expensed over the period of remaining post-acquisition service period.

The Navigant Acquisition was financed through a combination of equity contribution in the amount of $320.0 million and incremental term loans in the amount of $840.0 million. See Note 11 for more discussion on these borrowings. In connection with the Navigant Acquisition, the Company incurred and recognized $20.2 million of acquisition-related costs in Selling, general and administrative expenses line of the consolidated statement of comprehensive loss.

The acquisition was accounted for as a business combination. The following table presents the preliminary allocation of the total purchase consideration to the assets acquired and liabilities assumed at estimated fair value, with the excess purchase consideration recorded as goodwill as of October 11, 2019 (in thousands):

Consideration		
Cash payment for common stock	$	1,072,829
Cash payment for equity awards		29,067
Replacement awards payable		2,880
Total		1,104,776
Less: acquired assets and liabilities		
Current assets		(327,777)
Current liabilities		130,845
Property and equipment, net		(84,536)
Operating lease right-of-use asset		(100,166)
Customer-related intangible assets		(211,000)
Marketing-related intangible assets		(35,000)
Technology-related intangible assets		(14,000)
Deferred tax liability, net		59,962
Other assets		(6,058)
Other long-term liabilities		3,025
Operating lease liabilities		98,611
Non-controlling interest		51,639
Net acquired assets		(434,455)
Goodwill	$	670,321

The Company used the assistance of an independent valuation firm to assess the estimated fair value of assets acquired, liabilities assumed and non-controlling interest. The determination of fair value requires significant judgment related to certain assumptions including discount rates, customer expectations, and anticipated cash flows, earnings and revenues. The purchase price allocation presented in the table above is preliminary and subject to revision as additional information about fair value of assets acquired and liabilities assumed becomes available during the remainder of the measurement period, a period not to exceed 12 months from the Closing Date. The primary areas of the preliminary purchase price allocation that are not yet finalized relate to the fair value of property and equipment, certain reserves and taxes, as the valuation for these assets and liabilities has not been finalized.

Goodwill is the excess of the purchase price over the preliminary fair values of the assets acquired and the liabilities assumed. The Company's goodwill is primarily the result of its assembled workforce. The goodwill is expected to be nondeductible for tax purposes.

As a result of the Navigant acquisition, the Company has initiated activities to achieve synergy and cost savings primarily around the reduction of headcount. The Company anticipates the total cost of these activities, primarily being one-time termination benefits, to be $5.1 million. As of December 31, 2019, the Company had incurred and accrued $2.1 million and expect to incur the remaining amount in 2020, including full settlement.

6. Intangible Assets

The following table summarizes the intangible assets (in thousands):

	As of December 31, 2019			
	Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net
Curstomer-related intangibles	15-17 years	$ 375,033	$ (48,325)	$ 326,708
Marketing-related intangibles	1.5 years	28,274	(28,274)	-
Trade name intangibles	9 years	35,000	(1,437)	33,563
Technology intangibles	2-3 years	14,000	(1,104)	12,896
Non-compete agreements	5 years	5,605	(1,712)	3,893
Balance as of December 31, 2019		$ 457,912	$ (80,852)	$ 377,060

Amortization expense for the six months ended December 31, 2019, was $26.3 million, using the discounted cash flow method for customer-related intangibles, marketing-related intangibles, and non-compete agreements. Technology based intangibles, which are comprised of two software based assets, are amortized on a straight-line basis over 3 and 2 years each. Future amortization expense related to intangible assets is expected to be as follows:

For the year ended December 31,

2020	$ 57,370
2021	53,445
2022	45,824
2023	36,169
2024	29,787
Thereafter	154,465
	$ 377,060

7. Goodwill

Changes in the carrying amount of goodwill were as follows (in thousands):

	For the six months ended December 31, 2019		
	Gross amount	Accumulated amortization	Carrying amount
Beginning balance	$ 271,531	$ (31,655)	$ 239,876
Navigant acquisition	670,321	-	670,321
Amortization	-	(28,448)	(28,448)
Ending balance	$ 941,852	$ (60,103)	$ 881,749

There was no accumulated impairment loss of goodwill as of December 31, 2019. Amortization expense was $28.4 million for the six months ended December 31, 2019. Future amortization expense related to goodwill is expected to be as follows:

For the year ended December 31,	
2020	$ 94,096
2021	94,096
2022	94,096
2023	94,096
2024	94,096
Thereafter	411,269
	$ 881,749

8. Accrued Expenses

Accrued expenses consists of the following (in thousands):

	As of December 31, 2019
Accrued liabilities	$ 45,165
Accrued payroll and employee benefits	96,239
Total accrued expenses	$ 141,404

Guidehouse has various accrued expenses at year end including subcontractor accruals and accrued job costs. Additionally, Guidehouse has various performance-driven bonus plans whereby employees are awarded cash bonuses generally based upon corporate, business unit and individual performance against predefined goals. Bonuses are generally earned and recognized within a given fiscal year and paid in the following fiscal year.

9. Commitments and Contingencies

Litigation

The Company is involved in litigation arising in the normal course of business. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated.

Management is of the opinion that any liability or loss associated with such matters, either individually or in the aggregate, will not have a material adverse effect on the Company's operations and liquidity.

10. Leases

The Company, as a lessee, has operating leases for buildings, office space, equipment and automobiles. Certain operating leases include options to extend or early terminate the lease term. The Company considers such extension and early termination options in determining the lease term, when it is reasonably certain to exercise the extension or early termination options. Certain leases provide for rental increases based on a fixed rate or a predetermined rent escalation schedule. For these leases, the Company recognizes operating lease expenses on a straight-line basis over the lease term. None of the Company's leases have a residual value guarantee, or provides material restriction on dividends or incurring additional financial obligation.

The Company, as a lessor, subleases or leases certain facilities to third parties, which are classified as operating leases.

The components of lease expense are as follows:

	Six months ended December 31, 2019
Operating lease costs	$ 8,501
Variable lease costs	2,594
Short-term lease cost	644
Sublease income	(1,224)
Total lease costs	$ 10,515

Variable lease costs primarily includes fees such as common area maintenance charge, insurance and real property taxes. The lease expense is included primarily in the selling, general, and administrative expenses line of the consolidated statement of comprehensive loss.

As of December 31, 2019, the operating leases had a weighted average remaining lease term of 5.7 years and a weighted average discount rate of 6.2%, respectively. The discount rate is reflective of the Company's incremental borrowing rate based on its credit standing and lease term.

Supplemental cash flow and other information related to leases was as follows:

	Six months ended December 31, 2019
Cash paid for amounts included in measurement of lease liabilities	$ 6,908
Right-of-use assets obtained in exchange for lease liabilities	89

Future minimum lease payments of the Company's operating leases on an undiscounted basis, reconciled to the lease liability at December 31, 2019 were as follows:

For the year ended December 31,		
2020	$	30,534
2021		23,382
2022		15,502
2023		13,465
2024		11,584
Thereafter		24,447
Total undiscounted cash flows		118,914
Less imputed interest		(18,081)
Total lease liability	$	100,833

11. Long-Term Debt

Long-term debt net of issuance costs consists of the following (in thousands):

	As of December 31, 2019	
First Lien Term Loan	$ 948,655	
Second Lien Term Loan	305,000	
Total principal amount	1,253,655	
Debt discount and issuance costs	(30,652)	(1)
	1,223,003	
Less: Current portion	(6,037)	
	$ 1,216,966	

(1) The First Lien Term Loan had an unamortized discount of $6.7 million and debt issuance costs of $12.2 million at December 31, 2019. The Second Lien Term Loan had an unamortized discount of $3.3 million and debt issuance costs of $8.4 million at December 31, 2019.

The Company entered into the First Lien Credit Agreement on May 1, 2018, which included the First Lien Term Loan with an aggregate principal amount of $315,000, the Second Lien Term Loan under the Second Lien Credit Agreement of $105,000, Revolving Loans up to $50,000 and Swingline Loans up to $10,000. The First Lien Credit Agreement also provides for the issuance of up to $10,000 in letters of credit.

Proceeds from the First Lien Term Loan of $305,571 (net of an initial debt discount of $788 and debt issue cost of $8,641) and from the Second Lien Notes of $101,070 (net of an initial debt discount of $525 and debt issue costs of $3,405) were used to finance a portion of the Transaction, pay transaction costs, pay certain transition costs and provide working capital.

On October 11, 2019, the Company entered into the first amendment to the First Lien Credit Agreement, under which the incremental First Lien Term Loan in the principal amount of $640,000 and the incremental Revolving Loan commitment in the principal amount of $75,000 were provided. The Swingline Loan commitment and the letter of credit commitment were increased by $15,000 each to $25,000 each. In addition, the Company entered into the first amendment to the Second Lien Credit Agreement, under which the incremental Second Lien Term Loan in the principal amount of $200,000 was provided. As a result of the amendment of the credit agreements, applicable margins, a component of interest rates, for the First Lien Term Loan and the Second Lien Term Loan were increased by 1.25% and 0.50%, respectively. Maturity dates for the First Lien Term Loan, the Revolving Loan commitment and the Second Lien Term Loan remained the same as May 1, 2025, May 1, 2023 and May 1, 2026, respectively. Under the amended credit agreements, the debt is continued to be collateralized by substantially all of the Company's assets.

The proceeds from the First and Second Lien Term Loans of $840,000 in total were used to finance the acquisition of Navigant. As of December 31, 2019, the Company has $10.3 million of letters of credit outstanding primarily in connection with leases and certain other performance obligations.

The amendment of the credit agreements were analyzed to determine whether such amendment should be considered as modification or extinguishment. Based on the analysis, the Company recorded $21.3 million of debt issue costs and discount as a contra liability and immediately written off or expensed $12.5 million of debt issue costs and discount in the interest expense line of the Company's consolidated statement of comprehensive loss. The contra liability is amortized using the interest method over the term of the loans.

As of December 31, 2019, the Company has not borrowed any amounts under the Revolving Loans or Swingline Loans. Debt issuance costs related to the Revolving Loans are treated as other assets and are being amortized on a straight-line basis over the contractual term of the Revolving Loans.

Interest expense for the six months ended December 31, 2019 was $44,621. The interest rate on the First Lien Loan was 6.30% at December 31, 2019. The interest rate on the initial and incremental Second Lien Loan was 9.80% and 10.30%, respectively, at December 31, 2019. Future principal payments related to the debt is expected to be as follows:

For the year ended December 31,		
2020	$	9,631
2021		9,631
2022		9,631
2023		9,631
2024		9,631
Thereafter		1,205,500
	$	1,253,655

12. Provision for Income Taxes

Significant components of the provision (benefit) for income taxes are as follows (in thousands):

		As of December 31, 2019
Current:		
Foreign	$	137
	$	137
Deferred:		
Federal	$	(13,570)
State		(2,869)
Foreign		585
	$	(15,854)
Total	$	(15,717)

The reconciliation between the U.S. federal statutory income tax rate and the effective tax rate for the six months ended December 31, 2019 is as follows:

U.S. federal statutory tax rate	21.00%
State statutory tax rate effect	2.08%
Permanent book to tax differences	-4.47%
Valuation allowance	-6.94%
Others	0.77%
Effective tax rate	12.44%

Deferred income taxes arise from temporary differences in the recognition of income and expense for income tax purposes and were computed using the liability method reflecting the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial statement purposes and the amounts used for income tax purposes.

Components of the Company's deferred tax assets and liabilities are as follows:

		As of December 31, 2019
Deferred tax assets:		
Accrued compensation	$	12,864
Sec. 163(j) interest limitation		14,905
Net operating loss		36,118
Deferred revenue		1,548
Operating lease liability		2,140
Other		2,975
Valuation allowance		(16,834)
Total deferred tax assets	$	53,716
Deferred tax liabilities:		
Fixed assets	$	(18,705)
Intangible assets		(36,893)
Operating lease right-of-use asset		(4,413)
Prepaid expenses		(2,178)
Total deferred tax liabilities	$	(62,189)
Net deferred tax liabilities	$	(8,473)

The Company assesses the realizability of deferred tax assets by considering several factors including the reversal of existing taxable temporary differences, projected future taxable income, tax planning strategies and historical book income. Based on the Company's historical earnings, historical taxable income, future reversal of deferred tax assets, and estimated future profitability and taxable income, management believes it is not more likely than not that all deferred tax assets will be realized, with the exception of carryforwards associated with the Section 163(j) interest expense limitation, capital losses and certain foreign losses. The Company has placed a valuation allowance of $16.8 million as of December 31, 2019 on its deferred tax asset associated with the Section 163(j) and loss carryforwards.

As of December 31, 2019, the Company has federal and state income tax net operating losses (NOL) carryforwards of $130.2 million and $117.0 million, respectively. The federal NOLs are allowed to be carried forward indefinitely, subject to an annual limitation of 80% of the Company's taxable income. The majority of the state NOLs will expire in 2039.

The Company is subject to income taxes in the U.S. and various state jurisdictions. Tax statutes and regulations within each jurisdiction are subject to interpretation and require significant judgment to apply. Tax years related to U.S.

federal and various state jurisdictions remain subject to examination for tax periods ended on or after December 31, 2016. The company is not currently under any examinations by taxing authorities.

As of December 31, 2019 the Company has approximately $1.9 million of unrecognized tax benefits. No benefit or expense was incurred during the six months ended December 31, 2019. Approximately $0.3 million of unrecognized tax benefits are expected to be released over the next 12 months as statutes of limitations expire.

While management believes the Company has adequately provided for all tax positions, amounts asserted by taxing authorities could materially differ from our accrued positions as a result of uncertain and complex application of tax regulations. Additionally, the recognition and measurement of certain tax benefits includes estimates and judgment by management and inherently includes subjectivity. Accordingly, additional provisions on tax-related matters could be recorded in the future as revised estimates are made or the underlying matters are settled or otherwise resolved.

13. Employee Benefit Plans

Defined Contribution Retirement Plans and Other Benefit Plans

The Company sponsors 401(k) savings plans for eligible U.S. employees and currently match a certain percentage of participant contributions pursuant to the terms of the plans, which contributions are limited to a percent of the participant's eligible compensation, up to the annual limit specified by the Internal Revenue Service. The Company, as sponsor of the plans, uses independent third parties to provide administrative services to the plans. The Company has the right to terminate the plans at any time. The Company's matching contributions were $8.7 million for the six months ended December 31, 2019, which include matching contributions of $1.4 million to the legacy Navigant plan.

The Company sponsors other retirement plans for certain foreign subsidiaries' employees. For the six months ended years ended December 31, 2019, the Company recorded expense of $0.5 million related to such plans.

Deferred Compensation

Guidehouse, as part of the Transaction, has deferred compensation agreements with key employees, whereby the employees will receive a benefit of $9 million after three years of service subsequent to the Transaction date of May 1, 2018 and $9 million after four years of service subsequent to the Transaction date. In connection with the deferred compensation, the Company recognized an expense of $3.4 million for the six months ended December 31, 2019, and the Company had an accrued liability of $10.2 million as of December 31, 2019.

14. Stock-based compensation

Class B Membership Interest in Management Holdings and Holdings

Certain employees of the Company received Class B membership interest of Management Holdings or Holdings, 50% of which vests upon meeting a service condition ("Time-based Awards") and 50% of which vests when certain investor return is achieved upon change in control and other liquidity events, subject to continued employment ("Performance-based Awards," together with Time-based Awards the "Equity Awards"). Generally, 20% of the Time-based Awards vest each year over the 5 year requisite service term, but a portion of most Time-based Awards were fully vested as of the grant date.

The Company's Equity Awards are equity-classified awards, and stock-based compensation is calculated based on the grant-date fair value, which is estimated based on the fair value of Class B membership interest of Management Holdings or Holdings, as applicable. The Class B membership interests of Management Holdings and Holdings are not unitized. 5.30675% and 0.08877% of Class B membership interests of Management Holdings were granted to the Company's employees on June 28, 2019 and November 25, 2019, respectively. In addition, 3.34519% of Class B membership interests of Holdings were granted to the Company's employees in the six months ended December 31, 2019. Since the respective grant dates, none of Class B membership interests of Management Holdings and Holdings were forfeited or vested as of December 31, 2019.

To estimate the fair value of the Equity Awards, the Company used a black-Scholes option pricing model and applied a discount for lack of marketability. For the valuation of the Equity Awards granted in the six months ended December

31, 2019, the Company applied estimated term of 5 years, expected volatility of 42.5%, expected dividend rate of 0%, risk free rate of 1.6% and discount for lack of marketability of approximately 27~30%.

The fair value of Time-based and Performance-based Awards of Management Holdings granted on June 28, 2019 was estimated to be $2.5 million and $1.1 million, respectively, as of the grant date. The fair value of Time-based and Performance-based Awards of Management Holdings granted on November 25, 2019 was estimated to be $0.2 million and $0.2 million, respectively, as of the grant date. The fair value of Time-based and Performance-based Awards of Holdings granted in the six months ended December 31, 2019 was estimated to be $8.4 million and $6.1 million, respectively, as of the grant date.

The Company recognizes stock-based compensation for the Time-based Awards over the requisite service period using a straight-line method. The Company defers the recognition of compensation costs for the Performance-based Awards until the consummation of the required liquidity event. The Company recognizes forfeiture upon occurrence.

For the six months ended December 31, 2019, the Company recognized stock-based compensation expense of $0.6 million, which is classified as Selling, general and administrative expenses in the consolidated statement of comprehensive loss. Unrecognized compensation costs for the Time-based and Performance-based Awards of Management Holdings and Holdings were $9.9 million and $7.4 million, respectively, as of December 31, 2019. The unrecognized compensation cost of the time-based awards of Management Holdings and Holdings as of December 31, 2019 is expected to be recognized over a weighted-average period of approximately 4.6 years.

Class A Membership Interest in Management Holdings

In connection with the Navigant Acquisition, certain types of Class A membership interests in Holdings were issued to Veritas and certain employees of the Company in return for cash contribution at fair value. The proceeds of the equity contribution were used to fund the Navigant Acquisition.

15. Shareholders' Equity

During the six months ended December 31, 2019, the Company received an equity contribution of $320.0 million in cash.

16. Related-Party Transactions

An affiliate provides certain agreed-upon services such as business and organizational strategy, financial and advisory services, to the Company in exchange for an annual fee. For the six months ended December 31, 2019, the Company recognized annual advisory fees and expenses of $1.3 million and had accrued expense of $1.4 million as of December 31, 2019. In addition, the Company paid $11.5 million of transaction fees and expenses to an affiliate in connection with the Navigant Acquisition.

In the course of normal business, Guidehouse provided consulting services to certain affiliates and recognized revenue of $1.7 million for the six months ended December 31, 2019. As of December 31, 2019, Guidehouse had accounts receivable from these affiliates of $0.7 million.

17. Subsequent Events

Guidehouse has evaluated subsequent events through April 17, 2020, the date the consolidated financial statements were available to be issued.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID 19) a "Public Health Emergency of International Concern" and on March 10, 2020, declared COVID 19 a pandemic. The COVID 19 outbreak could negatively impact the Company's operations, suppliers or other vendors, and customer base. Any quarantines, labor shortages or other disruptions to the Company's operations or customers, may adversely impact the Company's revenues, ability to provide its services and operating results. In addition, a significant outbreak of epidemic, pandemic or contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, including the geographical area in which the Company operates, resulting in an economic downturn that could affect demand for the Company's services. The extent to which the coronavirus impacts the Company's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was enacted, which includes changes to the United States tax laws. Because a change in tax law is accounted for in the period of enactment, the retroactive effects cannot be recognized in the Company's 2019 financial results and instead will be reflected in the Company's 2020 financial results. The Company estimates that a benefit of approximately $14.9 million will be accounted for as a discrete item in its 2020 tax provision.

Guidehouse Holding Corporation

Consolidated Financial Statements

As of June 30, 2019 and 2018, and

for the twelve months and two months then ended, respectively

With Report of Independent Auditors

Guidehouse Holding Corporation
Table of Contents

RSM

RSM US LLP

Independent Auditor's Report

Board of Directors
Guidehouse Holding Corporation

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of Guidehouse Holding Corporation and its subsidiaries (the Company), which comprise the consolidated balance sheets as of June 30, 2019 and 2018, the related consolidated statements of operations, cash flows and changes in stockholders' equity for the year ended June 30, 2019 and for the period from May 1, 2018 (Inception) to June 30, 2018, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Guidehouse Holding Corporation and its subsidiaries as of June 30, 2019 and 2018, and the results of their operations and their cash flows for the year ended June 30, 2019 and for the period from May 1, 2018 (Inception) to June 30, 2018 in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP

McLean, Virginia
September 6, 2019

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

GUIDEHOUSE HOLDING CORPORATION
CONSOLIDATED BALANCE SHEETS
(in thousands, except for the share amounts)

	As of June 30,	
	2019	**2018**
Assets:		
Current assets:		
Cash and cash equivalents	$ 107,025	$ 57,234
Accounts receivable, net	130,111	138,688
Purchase price adjustment receivable	-	3,000
Prepaid expenses and other current assets	4,487	8,015
Total current assets	241,623	206,937
Property and equipment, net	7,532	6,522
Deferred tax asset, net	36,459	19,814
Intangible assets, nét	145,476	193,463
Goodwill, net	239,877	266,997
Other assets	2,322	1,326
Total long-term assets	431,666	488,122
Total assets	$ 673,289	$ 695,059
Liabilities and Stockholder's Equity		
Current liabilities:		
Current portion of long-term debt, net	$ 1,776	$ 1,762
Accounts payable	22,798	11,772
Accrued expense	60,094	49,488
Total current liabilities	84,668	63,022
Other long-term liabilities	8,242	-
Long-term debt, net	403,903	405,188
Total liabilities	496,813	468,210
Commitments and contingencies		
Stockholder's Equity:		
Common stock, par value $0.01 per share, 1,000 shares authorized and 100 shares issued and outstanding as of June 30, 2019 and 2018	-	-
Additional paid-in capital	277,570	273,808
Accumulated deficit	(101,094)	(46,959)
Total stockholder's equity	176,476	226,849
Total liabilities and stockholder's equity	$ 673,289	$ 695,059

The accompanying notes are an integral part of these consolidated financial statements.

GUIDEHOUSE HOLDING CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands)

	For the twelve months ended June 30, 2019		For the two months ended June 30, 2018	
Revenue	$	604,477	$	90,303
Operating costs and expenses:				
Cost of revenue		326,250		47,692
Selling, general and administrative expenses		244,989		92,079
Amortization of intangible assets		46,904		7,632
Amortization of goodwill		27,130		4,525
Total operating costs and expenses		645,273		151,928
Loss from operations		(40,796)		(61,625)
Other income (expense):				
Interest expense, net		(29,331)		(4,728)
Loss before income taxes		(70,127)		(66,353)
Benefit from income taxes		15,992		19,394
Net loss	$	(54,135)	$	(46,959)

The accompanying notes are an integral part of these consolidated financial statements.

GUIDEHOUSE HOLDING CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	For the twelve months ended June 30, 2019	For the two months ended June 30, 2018
Operating Activities		
Net loss	$ (54,135)	$ (46,959)
Adjustments to reconcile net income to net cash used in		
Depreciation and amortization	76,441	12,721
Non-cash stock-based compensation	536	13,655
Non-cash interest expense	2,154	355
Non-cash rent expense	1,083	180
Change in allowance for doubtful accounts	12	234
Deferred income tax benefit	(17,109)	(19,394)
Changes in operating assets and liabilities:		
Accounts receivable, net	10,569	(14,630)
Purchase price adjustment	-	3,000
Prepaid expenses and other current assets	2,258	(6,071)
Accounts payable	11,026	3,060
Accrued expenses	3,278	(7,654)
Accrued compensation and benefits	6,949	4,685
Other long-term liabilities	8,241	-
Net cash provided by (used in) operating activities	51,303	(56,818)
Investing Activities		
Acquisitions	1,681	(550,811)
Purchases of property and equipment	(3,269)	(559)
Net cash used in investing activities	(1,588)	(551,370)
Financing Activities		
Proceeds from term loans, net	-	406,641
Debt issuance costs, undrawn facility	-	(1,372)
Repayment of debt	(3,150)	
Proceeds from equity investment	3,226	260,153
Net cash provided by financing activities	76	665,422
Net increase in cash and cash equivalents	49,791	57,234
Cash and cash equivalents		
Beginning of period	57,234	-
End of period	$ 107,025	$ 57,234
Supplemental disclosure of cash flow information		
Net cash paid for income taxes	$ 500	$ -
Cash paid for interest	$ 27,177	$ 4,379

The accompanying notes are an integral part of these consolidated financial statements.

GUIDEHOUSE HOLDING CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
(in thousands, except share amounts)

	Common Stock		Additional	Accumulated	Total Stockholder's
	Shares	Amount	paid-in capital	Deficit	Equity
Balance as of May 1, 2018	-	$ -	$ -	$ -	$ -
Equity investment	100	-	260,153	-	260,153
Stock-based compensation	-	-	13,655	-	13,655
Net loss	-	-	-	(46,959)	(46,959)
Balance as of June 30, 2018	100	-	273,808	(46,959)	226,849
Equity investment	-	-	3,226	-	3,226
Stock-based compensation	-	-	536	-	536
Net loss	-	-	-	(54,135)	(54,135)
Balance as of June 30, 2019	100	$ -	$ 277,570	$ (101,094)	$ 176,476

The accompanying notes are an integral part of these consolidated financial statements.

Guidehouse Holding Corporation
Notes to the Consolidated Financial Statements

1. Organization and Nature of Operations

Guidehouse Holding Corporation (collectively with its subsidiaries, "Guidehouse" or the "Company") is a wholly owned subsidiary of Guidehouse Holdings LLC (the "Parent Entity"). Guidehouse Holdings LLC is owned principally by investment fund entities affiliated with Veritas Capital ("Veritas") and by Guidehouse Management Holdings LLC ("Management Holdings"). Guidehouse was incorporated in the state of Delaware on February 8, 2018. On May 1, 2018, Guidehouse acquired 100% of the equity interests (the "Transaction") in PricewaterhouseCoopers Public Sector LLP ("PwC Public Sector"). The Company had no operations prior to the Transaction and the Parent Entity has no operations other than its ownership of the Company. Guidehouse Holding Corporation has the following subsidiaries: Guidehouse LLP, Guidehouse Holdings 2 LLC, Guidehouse Services LLC, Guidehouse International LLC and Guidehouse Tanzania LLC.

Guidehouse helps federal, state, and local agencies, as well as multilateral organizations, address complex business issues, manage risk, add value in financial management, program management, operations improvement and security and data management, and improve the overall quality, efficiency and effectiveness of the public sector through disciplined program oversight. Guidehouse works with clients, bringing hands-on knowledge of government standards for systems, internal controls, and financial and performance reporting.

Guidehouse's customers are primarily located in the United States ("U.S.") and are substantially comprised of major U.S. Government entities. For the twelve months ended June 30, 2019 and two months ended June 30, 2018, Guidehouse derived 86% and 89% of its revenues from the U.S. Government (including 35% and 35% from the U.S. Department of Defense), respectively.

2. Summary of Significant Accounting Policies

Basis of Presentation
The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require management to make certain judgments, estimates and assumptions which may affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the consolidated financial statements. They also may affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, upon subsequent resolution of identified matters.

Guidehouse's acquisition of PwC Public Sector was accounted for as a business combination. Under this method, the purchase price paid by the acquirer was assigned to the assets acquired and liabilities assumed based on their acquisition-date fair values. Determining the fair value of assets and liabilities is judgmental in nature and involves the use of significant estimates and assumptions. See Note 5 for a discussion of the fair values of assets and liabilities recorded in connection with Guidehouse's acquisition of PwC Public Sector.

Principles of Consolidation
The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Cash and Cash Equivalents
The Company considers all highly-liquid instruments with original maturities of three months or less to be cash equivalents. Due to the short maturity of these instruments, the carrying values on the consolidated balance sheet approximate fair value. No collateral or security is provided on these cash and cash equivalents, other than up to $250,000 of cash and cash equivalents insured by the Federal Deposit Insurance Corporation ("FDIC").

Accounts Receivable and Allowance for Doubtful Accounts
Receivables include amounts billed and currently due from customers. Billed receivables include customer invoices that have not been paid. We maintain an allowance for doubtful accounts to provide for the estimated amount of accounts receivable that will not be collected. The allowance is based on an assessment of customer creditworthiness, historical payment experience, the age of outstanding receivables and collateral to the extent applicable. Since the majority of the Company's receivables result from services provided to the U.S. Federal government, the Company deems the credit risk relatively low.

Unbilled Receivables
Unbilled receivables represent recoverable costs incurred, including, where applicable: retainage, allowable indirect costs, accrued profits, amounts that are not contractually billable until the completion of milestones, and other stipulated contractual activities, or contract authorization. Recovery of these unbilled receivables generally occurs within twelve months.

Property and Equipment, net
Property and equipment are stated at cost less accumulated depreciation, or at fair value when acquired through a business combination. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which generally are: three to five years for computer equipment; three years for software; and five to seven years for furniture, machinery and equipment. Leasehold improvements are amortized over the shorter of the lease term or estimated useful life of the assets. Maintenance and repairs are expensed as incurred.

Intangible Assets
Intangible assets consist of customer-related assets, marketing-related assets, non-compete agreements and favorable lease assets. The Company amortizes acquired intangible assets over the useful lives unless the useful life is determined to be indefinite. For each finite-lived intangible asset, the Company utilizes the method of amortization that best reflects the pattern in which the economic benefits of the intangible asset are consumed or otherwise used up. If that pattern cannot be reliably determined, the Company uses the straight-line method of amortization. The Company periodically reassesses the remaining useful lives of its intangible assets and evaluates for impairment when events or changes in circumstances indicate the carrying value of such assets may not be recoverable. The Company completed its valuation of the intangible assets associated with the Transaction as of May 1, 2018 and did not identify any subsequent events or changes in circumstances that would impact the carrying value of these assets.

Goodwill
The Company has elected the accounting policy to amortize goodwill on a straight-line basis over 10 years. Further, the Company has elected to test goodwill for impairment at the entity level. Goodwill is tested for impairment when a triggering event occurs that indicates that the fair value of an entity may be below its carrying amount. When a triggering event occurs, the qualitative factors are first assessed to determine whether the quantitative impairment test is necessary. If the qualitative assessment indicates that it is not more likely than not that the goodwill is impaired, further testing is unnecessary. If the qualitative assessment indicates that it is more likely than not that goodwill is impaired, the Company performs a quantitative test to compare the entity's fair value with its carrying amount, including goodwill. Factors that management considers important that would cause an impairment review to be performed include significant underperformance relative to historical results or to forecasted operating results and significant negative industry or economic trends. The goodwill impairment loss, if any, represents the excess of the carrying amount of the entity over the fair value of the entity. The Company performed an evaluation to determine if any triggering events had occurred through June 30, 2019 and determined that none had occurred. For the twelve months ended June 30, 2019 and two months ended June 30, 2018, the Company recorded no impairment of goodwill.

Long-Lived Assets
The Company reviews the carrying values of long-lived assets other than goodwill for impairment if events or changes in the facts and circumstances indicate that their carrying values may not be recoverable. The Company assesses impairment by comparing the estimated undiscounted future cash flows of the related assets to the carrying value. If an asset is determined to be impaired, the Company recognizes an impairment charge in the current period for the difference between the fair value of the asset and the carrying value. For the twelve months ended June 30, 2019 and two months ended June 30, 2018, the Company recorded no impairment of long-lived assets.

Debt Issuance Costs
Debt issuance costs are deferred and amortized as interest expense from the date incurred until the settlement of the related debt.

Fair Value of Financial Instruments
The carrying amounts of certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and other current liabilities approximate fair value due to their short-term maturities. Borrowings under the various credit agreements bear a variable interest rate and as a result approximate fair value.

Income Taxes
The provision for federal, state, and foreign income taxes is determined in accordance with ASC 740, *Income Taxes*. The Company periodically assesses its tax filing exposures related to periods that are open to examination. Based on the latest available information, the Company evaluates tax positions to determine whether the position will more likely than not to be sustained upon examination. If the Company determines that the tax position is more likely than not to be sustained, it will record the largest amount of benefit that is more likely than not to be realized when the tax position is settled. If the Company cannot reach that determination, no benefit is recorded. Deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax basis of assets and liabilities carried by the Company and are measured using the enacted tax rates that are expected to be in effect in the period in which these differences are expected to reverse. When it is determined that deferred income tax assets need to be reduced to the amounts expected to be realized, valuation allowances are established. Judgments and estimates are required to determine income tax expense and deferred income tax valuation allowances and in assessing exposures related to income tax matters.

Interest and penalties related to uncertain income tax positions are recognized as part of the provision for income taxes and are accrued beginning in the period that such interest and penalties would be applicable under relevant tax law until such time that the related income tax benefits are recognized.

Cost of Services
Cost of services includes employee compensation and related benefits for client service staff, third-party direct subcontract labor, and reimbursable and non-reimbursable direct travel and other direct costs.

Selling, General and Administrative Expenses
Selling, general and administrative costs include compensation and benefits for Guidehouse's non-client service and practice support personnel; infrastructure expenses including: rent, depreciation and amortization; legal and professional insurance costs; new business development activities; information technology; marketing, advertising and other company-wide costs.

Revenue Recognition
Revenue is derived from services provided to the U.S. Federal government, primarily by Company employees and to a lesser extent by subcontractors. Revenue from service contracts is recognized when earned, generally as work is performed in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Subtopic 605-10, *Revenue — Overall*. Revenue is recognized when persuasive evidence of an arrangement exists, services have been rendered, the contract price is fixed or determinable, and collectability is reasonably assured.

The Company generates its revenue primarily from two different types of contractual arrangements: firm fixed-price contracts and time-and-materials contracts. Revenue and profit on fixed-price contracts within the scope of FASB Accounting Standards Codification Topic 605-35, *Revenue Recognition — Construction-Type and Production-Type Contracts*, are recognized under the percentage-of-completion method based on the ratio of actual costs incurred to the total estimated costs at completion of the contract, multiplied by estimated total contract revenue. Any anticipated overall contract losses are recognized in the period they are identified. Subsequent contract activity is recorded at zero margin.

Guidehouse also derives revenues from engagements with incentive-based contracts and other contracts that condition fees on the ability to deliver certain defined goals. Revenues from incentive-based engagements are not significant. Revenue on contracts where product is delivered is recognized upon passage of title to the customer.

Invoices to customers are prepared in accordance with the billing terms of each contract when terms may not be directly related to the performance of services or the recognition of revenue. Unbilled receivables are invoiced to customers based upon the achievement of specific criteria defined by the contract including deliverables, milestones, timetables, or the incurrence of allowable costs. Invoiced reimbursable expenses, relating to travel and other direct costs incurred in connection with contract performance, are generally included in revenues..

Percentage-of-Completion Method of Revenue Recognition
Revenue for fixed-price service contracts is generally recognized over the period in which services are performed.

Time-and-Materials Contracts
Revenue for time-and-materials contracts is recognized as services are performed, generally on the basis of contract allowable labor hours worked multiplied by the contractually defined billing rates, plus the direct costs and indirect cost burdens associated with materials and other direct expenses incurred in performance on the contract. Profits on time-and-material contracts result from the difference between the costs of services performed inclusive of labor, direct costs, indirect cost burdens, and other direct expenses and the contractually defined billing rates for these services.

Contract accounting requires judgment relative to assessing risks, estimating contract revenue and costs, and assumptions for scheduling and technical issues. Due to the size and nature of the Company's contracts, estimates of revenue and costs are subject to a number of variables. Contract costs include material, labor and related employee benefits, subcontracting costs and other direct costs, as well as allocations of allowable indirect costs. For contract change orders, claims or similar items, judgment is required for estimating the amounts, assessing the potential for realization, and determining whether realization is probable. Estimates of total contract revenue and costs are continuously monitored during the term of the contract and are subject to revision as the contract progresses. From time to time, facts develop that require revisions of revenue recognized or cost estimates. To the extent that a revised estimate affects the current or an earlier period, the cumulative effect of the revision is recognized in the period in which the facts requiring the revision become known. Incentives or penalties related to performance on contracts are considered in estimating sales and profit rates and are recorded when sufficient information exists to support anticipated performance. Award fees are recognized upon receipt of constructive notice from the customer.

Employee Benefit Plans
Many of Guidehouse's employees participate in a defined contribution 401(k) profit-sharing plan sponsored by Guidehouse. Under the plan, participants are entitled to make pre-tax and/or Roth post-tax contributions up to the annual maximums established by the Internal Revenue Service. The Company matches a certain percentage of participant contributions pursuant to the terms of the plan, which are limited to a percent of the participant's eligible compensation.

Use of Estimates
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities or the disclosure of contingent assets and liabilities at the date of these financial statements and reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements
In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The core principle of this standard is to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The standard defines a five-step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP. The standard also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments, and assets recognized from costs incurred to obtain or fulfill a contract. The updated standard will replace most existing revenue recognition guidance when it becomes effective

and permits the use of either a full retrospective or modified retrospective transition method. The updated standard becomes effective for the Company in the first quarter of fiscal year 2020. The Company plans to adopt this standard as of July 1, 2019, using the modified retrospective transition method. Under the modified retrospective method, the new standard applies to new contracts and those that were not completed as of July 1, 2019, and includes recording a cumulative-effect adjustment to opening retained earnings. The Company is currently evaluating the impact of adopting the new standard on the consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. In addition, in July 2018, the FASB issued ASU 2018-10, *Codification Improvements to Topic 842, Leases*. The standard provides further guidance on technical issues brought to the FASB's attention in connection with the implementation of ASU 2016-02. The effective date is the same as the effective date of ASU 2016-02. The Company is currently evaluating the impact of adopting the new standard on the consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 provides guidance on how certain cash receipts and cash payments should be presented and classified in the statement of cash flows with the objective of reducing existing diversity in practice with respect to these items. ASU 2016-15 is effective for annual periods, and interim periods within those years, beginning after December 15, 2018. This standard is not expected to have a material impact on the Company's consolidated results of operations or financial position.

In January 2017, the FASB issued ASU 2017-04, *Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The standard simplifies the accounting for goodwill impairments and allows a goodwill impairment charge to be based on the amount of a reporting unit's carrying value in excess of its fair value. This eliminates the requirement to calculate the implied fair value of goodwill or what is known as "Step 2" under the current guidance. ASU 2017-04 is effective for annual periods, and interim periods, beginning after December 15, 2021. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The standard is not expected to have a material impact on the Company's consolidated results of operations or financial position.

In January 2017, the FASB issued ASU 2017-01, *Business Combination – Clarifying the Definition of a Business (Topic 805)*. The standard provides a new framework to use when determining if a set of assets and activities is a business. ASU 2017-01 is effective for annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. The standard is not expected to have a material impact on the Company's consolidated results of operations or financial position.

In June 2018, the FASB issued ASU 2018-07, *Compensation—Stock Compensation (Topic 718)*. The standard simplifies the accounting for share-based compensation to non-employees by aligning the guidance with share-based payments to employees. It is effective for interim and annual reporting periods beginning after December 15, 2019. The Company is currently evaluating the impact of adopting the new standard Company's consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15, *Intangibles – Goodwill and Other – Internal-Use Software (Topic 350-40)*. The standard aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is considered a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The standard also requires the entity to expense the capitalized implementation costs of a hosting arrangement over the term of the hosting arrangement and present the expense related to the capitalized implementation costs in the same line item in the statement of income as the fees associated with the hosting arrangement. The standard is effective for interim periods and fiscal years beginning after December 15, 2020 with early adoption permitted. The standard may be implemented using either the retrospective or prospective method. The Company is currently evaluating the impact of adopting the new standard on the Company's consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326) – Measurement of Credit Losses on Financial Instruments.* The ASU requires companies to measure credit losses on financial instrument, including trade account receivable, by using a methodology that reflects the expected credit losses based on historical information, current economic conditions, and reasonable and supportable information. The new standard is effective for fiscal years beginning after December 15, 2020 with early adoption permitted. The Company is currently evaluating the impact of adopting the new standard on the Company's consolidated financial statements.

3. Accounts Receivable

The following table details accounts receivable, which consist of billed and unbilled amounts (in thousands):

	As of June 30, 2019	As of June 30, 2018
Billed	$ 62,957	$ 59,560
Unbilled	67,400	79,362
Total accounts receivable	130,357	138,922
Less: allowance for doubtful accounts	(246)	(234)
Total accounts receivable, net	$ 130,111	$ 138,688

Substantially all accounts receivable are expected to be collected within one year from the balance sheet date.

4. Property and Equipment, net

Property and Equipment, net of accumulated depreciation, consists of the following (in thousands):

	As of June 30, 2019	As of June 30, 2018
Leasehold Improvements	$ 1,234	$ 716
Computer hardware and software	8,868	6,183
Machinery and equipment	130	33
Furniture	271	154
Total property and equipment	10,503	7,086
Less: accumulated depreciation and amortization	(2,971)	(564)
Property and equipment, net	$ 7,532	$ 6,522

Depreciation expense was $2,407 and $564 for the twelve months ended June 30, 2019 and the two months ended June 30, 2018, respectively.

5. Acquisition

On May 1, 2018, the Company completed the Transaction. The purchase consideration for the Transaction was approximately $548 million (net of a $3 million net working capital adjustment) and was funded by Veritas and the former partners of PwC Public Sector as well as the proceeds from a $315 million first lien term loan (the "First Term Loan") and a $105 million second lien term loan (the "Second Term Loan").

The Transaction was accounted for as a business combination. The purchase price was allocated as of May 1, 2018 among assets acquired and liabilities assumed at fair value, with the excess purchase consideration recorded as goodwill as follows (in thousands):

Consideration	$	550,811
Less: purchase price adjustment receivable		(3,000)
Less: acquired assets and liabilities		
Current assets		(128,527)
Current liabilities		60,451
Property and equipment		(6,528)
Customer-related intangible assets		(164,033)
Marketing-related intangible assets		(28,274)
Non-compete agreements		(5,605)
Favorable lease assets		(3,363)
Deferred tax assets, long-term		(410)
Net acquired assets		(276,289)
Goodwill	$	271,522

The Company used the assistance of an independent valuation firm to assess the estimated fair value attributable to intangible assets related to customers, marketing, non-compete agreements, and favorable lease assets. The determination of fair value requires significant judgment related to certain assumptions including discount rates, customer expectations, and anticipated cash flows, earnings and revenues.

During the measurement period in the twelve months ended June 30, 2019, the net working capital settlement amount was decreased by $1.3 million. In addition, the Company increased the fair values allocated to accounts receivables, accrued expenses and deferred tax liabilities by $2.0 million, $(0.2) million, and $(0.5) million, respectively. The net effect of such measurement period adjustments on goodwill was not material. Such measurement period adjustments were treated as non-cash transactions in the Company's consolidated statements of cash flows.

Goodwill is the excess of the purchase price over the fair values of the assets acquired and the liabilities assumed. The Company's goodwill is primarily the result of its assembled workforce. The goodwill is expected to be deductible for tax purposes.

Approximately $43.6 million of payments made to acquired employees who were former owners and executives of Guidehouse was recognized as compensation expense in the two months ended June 30, 2018, $29.9 million of which was in cash and the remaining approximately $13.7 million was in the form of a grant of Class A ownership interest in Management Holdings. The compensation expense of $29.9 million is recorded in Selling, general and administrative expenses for the two months ended June 30, 2018. The $13.7 million amount is included within Selling, general and administrative expenses for the two months ended June 30, 2018 with a corresponding increase to equity at the balance sheet date.

6. Intangible Assets

The following table summarizes the intangible assets (in thousands):

	As of June 30, 2019			
	Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net
Customer-related intangibles	15 years	$ 164,033	$ (31,216)	$ 132,817
Marketing-related intangibles	1.5 years	28,274	(22,196)	6,078
Non-compete agreements	5 years	5,605	(1,125)	4,480
Favorable lease assets	Lease term	3,363	(1,263)	2,100
Balance as of June 30, 2019		$ 201,275	$ (55,799)	$ 145,476

	As of June 30, 2018			
	Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net
Customer-related intangibles	15 years	$ 164,033	$ (4,318)	$ 159,715
Marketing-related intangibles	1.5 years	28,274	(3,314)	24,960
Non-compete agreements	5 years	5,605	-	5,605
Favorable lease assets	Lease term	3,363	(180)	3,183
Balance as of June 30, 2018		$ 201,275	$ (7,812)	$ 193,463

Amortization expense for the twelve months ended June 30, 2019 and the two months ended June 30, 2018 was $46,904 and $7,812, respectively, using the discounted cash flow method for customer-related intangibles, marketing-related intangibles, and non-compete agreements. The favorable lease assets, which are comprised of two leases with remaining terms (at the acquisition date) of 34 and 40 months, respectively, are amortized into rent expense on a straight-line basis over the terms of the respective leases. Future amortization expense related to intangible assets is expected to be as follows:

For the year ended June 30,

2020	$ 33,297
2021	22,999
2022	19,259
2023	15,824
2024	11,952
Thereafter	42,145
	$ 145,476

7. Goodwill

Changes in the carrying amount of goodwill were as follows (in thousands):

	For the twelve months ended June 30, 2019		For the two months ended June 30, 2018	
Beginning balance	$	266,997	$	271,522
Measurement period adjustment		10		-
Impairments		-		-
Amortization		(27,130)		(4,525)
Ending balance	$	239,877	$	266,997

Amortization expense was $27,130 and $4,525 for the twelve months ended June 30, 2019 and the two months ended June 30, 2018, respectively. Future amortization expense related to goodwill is expected to be as follows:

For the year ended June 30,		
2020	$	23,988
2021		23,988
2022		23,988
2023		23,988
2024		23,988
Thereafter		119,937
	$	239,877

8. Accrued Expenses

Accrued expenses consists of the following (in thousands):

	As of June 30,			
	2019		2018	
Accrued liabilities	$	28,944	$	18,325
Accrued payroll and employee benefits		31,150		31,163
Total accrued expenses	$	60,094	$	49,488

Guidehouse has various accrued expenses at year end including subcontractor accruals and accrued job costs. Additionally, Guidehouse has various performance-driven bonus plans whereby employees are awarded cash bonuses generally based upon individual performance against predefined goals. Bonuses are generally earned and recognized within a given fiscal year and paid in the following fiscal year.

9. Commitments and Contingencies

Litigation

The Company is involved in litigation arising in the normal course of business. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Management is of the opinion that any liability or loss associated with such matters, either individually or in the aggregate, will not have a material adverse effect on the Company's operations and liquidity.

Leases

The Company leases office space in multiple locations and equipment under operating leases with various expiration dates through fiscal year 2025. Minimum future lease payments under the non-cancelable operating leases for the five succeeding years ending June 30 are as follows (in thousands):

2020	$	5,199
2021		3,959
2022		920
2023		354
2024		307
Thereafter		738
	$	11,478

Rent expenses for the twelve months ended June 30, 2019 and the two months ended June 30, 2018 were $5.9 million and $830.

10. Long-Term Debt

Long-term debt net of issuance costs consists of the following (in thousands):

	As of June 30,				
	2019		2018		
First Lien Term Loan	$	311,850	$	315,000	
Second Lien Notes		105,000		105,000	
Total principal amount		416,850		420,000	
Debt discount and issuance costs		(11,171)		(13,050)	(1)
		405,679		406,950	
Less: Current portion		(1,776)		(1,762)	
	$	403,903	$	405,188	

(1) The First Lien Term Loan had unamortized discount of $652 and $768 and debt issuance costs of $7,160 and $8,432 at June 30, 2019 and 2018, respectively. The Second Lien Notes had unamortized discount of $449 and $514 and debt issuance costs of $2,910 and $3,336 at June 30, 2019 and 2018, respectively.

The Company entered into the First Lien Credit Agreement on May 1, 2018, which included the First Lien Term Loan with an aggregate principal amount of $315,000, the Second Lien Notes under the Second Lien Note Purchase Agreement of $105,000, Revolving Loans up to $50,000 and Swingline Loans up to $10,000. The First Lien Credit Agreement also provides for the issuance of up to $10,000 in letters of credit. The debt is collateralized by substantially all of the Company's assets as of June 30, 2019 and 2018. The First Lien Term Loan and the Second Lien Notes mature in February 2025 and April 2026, respectively.

Proceeds from the First Lien Term Loan of $305,571 (net of an initial debt discount of $788 and debt issue cost of $8,641) and from the Second Lien Notes of $101,070 (net of an initial debt discount of $525 and debt issue costs of $3,405) were used to finance a portion of the acquisition, pay transaction costs, pay certain transition costs and provide working capital. The initial debt discounts and debt issue costs related to the First Lien Term Loan and Second Lien Notes are reported as a contra liability and amortized using the interest method over the term of the loans. See Note 5 for a further discussion of the Transaction.

The Company has not borrowed any amounts under the Revolving Loans or Swingline Loans. Debt issuance costs of $1,372 related to the Revolving Loans are treated as other assets and are being amortized on a straight-line basis over the contractual term of the Revolving Loans. As of June 30, 2019 and 2018, unamortized debt issuance costs were $1,052 and $1,326, respectively.

Interest expense for the twelve months ended June 30, 2019 and the two months ended June 30, 2018 was $30,285 and $4,734, respectively. The interest rate on the First Lien was 5.40% and 5.23% at June 30, 2019 and 2018, respectively. The interest rate on the Second Lien was 9.90% and 9.48% at June 30, 2019 and 2018, respectively. Future principal payments related to the debt is expected to be as follows:

For the year ended June 30,

2020	$	3,150
2021		3,150
2022		3,150
2023		3,150
2024		3,150
Thereafter		401,100
	$	416,850

11. Provision for Income Taxes

Significant components of the provision (benefit) for income taxes are as follows (in thousands):

	As of June 30,			
	2019		2018	
Current:				
Federal	$	706	$	-
State		423		10
	$	1,129	$	10
Deferred:				
Federal		(12,588)		(13,887)
State		(4,533)		(5,517)
	$	(17,121)	$	(19,404)
Total	$	(15,992)	$	(19,394)

The differences between the provision for income taxes at the statutory U.S. federal income tax rate and those reported in the statements of operations for the Company are as follows:

	For the twelve months ended June 30, 2019		For the two months ended June 30, 2018	
Pre-tax book income (loss)	$(70,127)		$ (66,353)	
Expected tax	(14,727)	92.09%	(13,934)	21.00%
State taxes	423	-2.65%	10	-0.02%
Nondeductible expenses	374	-2.34%	49	-0.07%
Federal benefit of state taxes	(89)	0.56%	(2)	0.00%
State deferred expense	(4,533)	28.35%	(5,517)	8.32%
Valuation allowance	2,543	-15.90%	-	8.32%
Other	17	-0.11%	-	0.00%
Total	$(15,992)	100.00%	$ (19,394)	37.55%

Deferred income taxes arise from temporary differences in the recognition of income and expense for income tax purposes and were computed using the liability method reflecting the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial statement purposes and the amounts used for income tax purposes.

Components of the Company's deferred tax assets and liabilities are as follows as of June 30, 2018:

	As of June 30, 2019	As of June 30, 2018
Deferred tax assets:		
Accrued compensation	$ 10,438	$ 958
Accrued legal settlement	73	32
Transaction costs	3,369	3,609
Intangibles	15,471	3,422
Net operating loss	8,085	12,665
Sec. 163(j) interest limitation	3,555	1,283
Other	1,152	-
Valuation allowance	(3,555)	-
Total deferred tax assets	$ 38,588	$ 21,969
Deferred tax liabilities:		
Fixed assets	$ (1,384)	$ (1,221)
Prepaid expenses	(128)	$ -
Favorable lease assets	(617)	(934)
Total deferred tax liabilities	$ (2,129)	$ (2,155)
Net deferred tax assets	$ 36,459	$ 19,814

The Company assesses the realizability of deferred tax assets by considering several factors including the reversal of existing taxable temporary differences, projected future taxable income, tax planning strategies and historical book income. Based on the Company's historical earnings, historical taxable income, future reversal of deferred tax assets, and estimated future profitability and taxable income, management believes it is not more likely than not that all deferred tax assets will be realized, with the exception of Section 163(j) interest expense limitation carryforwards. The Company has placed a valuation allowance of $3.5 million on its deferred tax asset associated with the Section 163(j) carryforwards.

As of June 30, 2019, the Company has federal and state income tax net operating losses (NOL) carryforwards of $30.8 million and $20.5 million, respectively. As of June 30, 2018, the Company has federal and state income tax NOL carryforwards of $45.0 million and $38.6 million, respectively. The federal NOLs are allowed to be carried forward indefinitely, subject to an annual limitation of 80% of the Company's taxable income. The majority of the state NOLs will expire in 2038.

The Company is subject to income taxes in the U.S. and various state jurisdictions. Tax statutes and regulations within each jurisdiction are subject to interpretation and require significant judgment to apply. Tax years related to U.S. federal and various state jurisdictions remain subject to examination for tax periods ended on or after June 30, 2018. The company is not currently under any examinations by taxing authorities.

While management believes the Company has adequately provided for all tax positions, amounts asserted by taxing authorities could materially differ from our accrued positions as a result of uncertain and complex application of tax regulations. Additionally, the recognition and measurement of certain tax benefits includes estimates and judgment by management and inherently includes subjectivity. Accordingly, additional provisions on tax-related matters could be recorded in the future as revised estimates are made or the underlying matters are settled or otherwise resolved.

12. Employee Benefit Plans

Defined Contribution Retirement Plans and Other Benefit Plans
The Guidehouse 401(k) Plan ("the Plan") is a defined contribution plan, whereby eligible participants have the option of contributing to the plan up to the statutorily prescribed limit. The Company provides matching contributions for eligible employees of 25% of the first 6% of pre-tax salary deferral contributions up to a maximum of 1.5% of employee's salary and can choose to make a non-elective contribution at a rate of 3% to 9% of eligible compensation. Participants vest in the Plan according to the table below:

Completed Years of Service	Vested Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5 or more	100%

The employee may make voluntary after-tax contributions to the Plan up to 100% of their salary. For the 2019 and 2018 Plan Year, the maximum Annual Contributions to an employee's account cannot exceed the lesser of $55,000 or 100% of total salary. Total salary for this purpose includes any salary deferral contributions to 401(k) plans, Section 125 cafeteria plans, Section 132(f)(4) plans, governmental 457(b) plans, 403(b) accounts, simplified employee pension plans or simple retirement accounts.

Expense for the plan was $13.1 million for the twelve months ended June 30, 2019 and $2.2 million for the two months ended June 30, 2018, respectively.

Deferred Compensation
Guidehouse, as part of the Transaction (see Note 5), has deferred compensation agreements with key employees, whereby the employees will receive a benefit of $9 million after three years of service subsequent to the Transaction date of May 1, 2018 and $9 million after four years of service subsequent to the Transaction date. In connection with the deferred compensation, the Company recognized an expense of $6.9 million and $0.9 million for the twelve months ended June 30, 2019 and the two months ended June 30, 2018, respectively, and the Company had an accrued liability of $7.6 million and $0.9 million as of June 30, 2019 and 2018, respectively.

13. Stock-based compensation

On June 28, 2019, certain employees of the Company received Class B membership interest of Management Holdings, 50% of which vests upon meeting a service condition ("Time-based Awards") and 50% of which vests when certain investor return is achieved upon change in control and other liquidity events, subject to continued employment ("Performance-based Awards," together with Time-based Awards the "Equity Awards"). Generally, 20% of the Time-based Awards vest each year over the 5 year requisite service term, but a portion of most Time-based Awards were fully vested as of the grant date.

The Company's Equity Awards are equity-classified awards, and stock-based compensation is calculated based on the grant-date fair value, which is estimated based on the fair value of Class B membership interest of Management Holdings. The Class B membership interest is not unitized, and 5.30675% of Class B membership interest was granted on June 28, 2019. To estimate the fair value of the Equity Awards, the Company used an option pricing model back-solve method and applied a discount for lack of marketability. The fair value of Time-based and Performance-based Awards granted on June 28, 2019 was estimated to be $2.5 million and $1.1 million, respectively. The Company recognizes stock-based compensation for the Time-based Awards over the requisite service period using a straight-line method. The Company defers the recognition of compensation costs for the Performance-based Awards until the consummation of the required liquidity event. The Company recognizes forfeiture upon occurrence.

For the twelve months ended June 30, 2019, the Company recognized stock-based compensation expense of $0.5 million, which is classified as Selling, general and administrative expenses in the consolidated statement of operations. As of June 30, 2019, unrecognized compensation costs for the Time-based and Performance-based Awards were $2.0 million and $1.1 million, respectively. The unrecognized compensation cost of the time-based awards as of June 30, 2019 is expected to be recognized over a weighted-average period of approximately 4 years.

In connection with the Transaction, Class A ownership interest in Management Holdings was granted to certain employees, which was recognized as stock-based compensation for the two months ended June 30, 2018. See note 5 for more detailed discussion.

14. Shareholders' Equity

During the twelve months ended June 30, 2019, the Company received an equity contribution of $3,226 in cash from its parent company.

15. Related-Party Transactions

Veritas provides certain agreed-upon services such as business and organizational strategy, financial and advisory services, to the Company in exchange for an annual fee. A fee of $6.5 million was recorded as part of services provided related to the Transaction. For the two months ended June 30, 2018, the Company did not owe any amounts to Veritas. For the twelve months ended June 30, 2019, the Company recognized annual advisory fees and expenses of $2.3 million and had accrued expense of $0.1 million as of June 30, 2019.

In the course of normal business, Guidehouse provided consulting services to certain affiliates and recognized revenue of $0.9 million for the twelve months ended June 30, 2018. As of June 30, 2019, Guidehouse had account receivable from these affiliates of $0.6 million.

16. Subsequent Events

Guidehouse has evaluated subsequent events through September 6, 2019, the date the consolidated financial statements were available to be issued.

On August 2, 2019, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement"), by and among Navigant Consulting, Inc., a Delaware corporation headquartered in Chicago, Illinois ("Navigant"), Isaac Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of the Company ("Sub"), and the Company. Navigant is a specialized, global professional services firm that primarily serves clients in the healthcare, energy, and financial services industries with a focus on markets and clients facing transformational change and significant regulatory or legal pressure. Pursuant to the Merger Agreement, Sub will be merged with and into Navigant (the "Merger"), with Navigant continuing as the surviving corporation in the Merger. As a result of the Merger, Navigant would become a wholly owned subsidiary of the Company. The total merger consideration is expected to be approximately $1.1 billion, which will be financed through a combination of equity contribution from the parent company and debt.

The consummation of the Merger is subject to the satisfaction or waiver of specified closing conditions, including (i) the affirmative vote in favor of the adoption of the Merger Agreement by the holders of a majority of the outstanding shares of Navigant's common stock entitled to vote thereon, (ii) any applicable waiting periods (or extensions thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 having expired or been terminated, (iii) the absence of any law, order, injunction or decree by any governmental entity rendering the Merger illegal, or prohibiting, enjoining, restraining or otherwise preventing the Merger and (iv) certain other customary closing conditions.

Guidehouse Board of Directors (June 2020)

Scott McIntyre (Chairperson, President and Chief Executive Officer)
Ramzi Musallam (Veritas Capital Representative)
Benjamin Polk (Veritas Capital Representative)
Aneal Krishnan (Veritas Capital Representative)
Alexander Appel (Veritas Capital Representative)
Linda Rebrovick (Outside Director)
Mark Gerencser (Outside Director)

Guidehouse

Tamyra Porter

Partner

tporter@guidehouse.com
Washington, DC
Direct: 202.973.3138

Professional Summary

Tamyra has more than 20 years of experience working in all aspects of Medicaid program design and implementation. Tamyra supports clients in the full life-cycle of program design including waiver support, stakeholder engagement, procurement, and contract development as well as robust development of organizational redesign supported by training and resource development for program oversight, monitoring, and quality improvement. Tamyra has deep expertise in special populations, long-term care, social determinants of health, and managed care. Her state experience includes Alabama, Pennsylvania, Kentucky, North Carolina, Indiana, Mississippi, Texas, Louisiana, New Hampshire, Nevada, the District of Columbia, Maryland, Kansas, Ohio, Iowa, Illinois, Hawaii, Missouri, Nebraska, Arkansas, New Mexico, Arizona, Virginia, Florida, Illinois, and Georgia.

Areas of Expertise

- Assists states with addressing reform and innovation to better manage long-term care programs including stakeholder engagements, development of quality measures, waiver redesign, improved care management, person-centered planning, uniform assessments, critical incident management, participant-directed programs, and provider rate and cost analyses.
- Assists states with evaluating program design and waiver options to better manage their Medicaid programs including waiver development, procurement and contracting, and developing internal infrastructure to monitor and drive quality improvements. Waiver experience with 1115, 1915b, 1915c as well as State Plan services. Has assisted states in exploration of new model options including Medicaid ACO, provider-sponsored health plans, health homes, etc.
- Works to address non-clinical needs and social determinants of health as part of improved consumer incentives, care management and overall population health improvement, including work in community development and housing as a means of improving health outcomes.
- Develops and manages various readiness assessment and oversight tools for Medicaid managed care oversight and compliance.
- Develops and deploys solutions to improve the use of Health Information Technology and data analytics assisting states in their goals for transparency and accountability through dashboards and other technology solutions.

Professional Experience

Long Term Care

- Assists states in their design and development of program reforms for their long-term care programs. Working with state clients to develop concept papers, stakeholder engagement efforts, waivers, and state plan modifications. Coordinating efforts with legislative mandates and affiliated workgroups. Assistances also includes payment transformation and leveraging managed care designs to transition to alternative payment models. Recent efforts have focused on provider-led initiatives where provider groups would gradually assume risk for the long-term care population. Serves as a subject matter expert on LTSS issues on projects for Iowa readiness reviews, Kentucky program design, Kansas and others while directing program design projects for Alabama and New Hampshire.

- Provide ongoing support as technical assistance contractor to states on behalf of CMS regarding health and wellness and critical incident management systems as well as leading learning collaboratives for the implementation of the Cure's Act EVV requirements.
- Assisted Pennsylvania's Bureau of Home and Community Based Services (HCBS) with ongoing analysis of its current Individual Service Planning and service plan approval process. Assisted the Commonwealth in evaluating process for automating the service planning and approval process. Conducted research and support for the evaluation of uniform needs assessment tools to aid in the development of individualized budgets for HCBS waiver services. Expanded this research to include a full spectrum of public welfare services including the critical services for dual eligibility and those who may qualify for long-term care and support.
- Researched and developed a bed-needs study for Ohio. Compared the number of nursing facilities available across the state to occupancy rates and unused beds for each area of the State. Compared findings with trends in nursing home usage in other states, as well as nationally, in context to recent Federal requirements related to rebalancing and nursing home transitions. Prepared summary reports and presented findings to Ohio's Office of Jobs and Family Services.
- Developed and conducted a training institute for HCBS waiver providers and service planners to fulfill training requirements for enrollment as a qualified provider with the Commonwealth of Pennsylvania.
- Provided initial support for an automated audit tool to assist state clients in their quality improvement and audit functions of HCBS providers.

Medicaid Managed Care

- Supported and directed various aspects of program design and implementation. Roles in this area have included concept paper development, internal stakeholder facilitation, development and drafting of waiver applications (1915 b and c, as well as 1115), updating and drafting state plans and developing and reviewing budget neutrality calculations. Tamyra has also assisted states in coordination and meeting with CMS to usher through the waiver approval process. Supported New Hampshire, Kentucky, Pennsylvania, and Alabama in these aspects of program design implementation.
- Directed and supported the development of procurement and reprocurement tools, including state administrative code development, RFPs, proposal evaluation resources, and contracts. Provided support with an eye towards ongoing operations and oversight incorporating principles of value-based purchasing. Provided such support for Pennsylvania, Mississippi, Georgia, and Alabama for full-risk managed care programs, provider-sponsored managed care programs, EPCCM programs, Enrollment Broker

contracts, EQRO contracting, Pharmacy Benefits Managers, Specialty Pharmacy contracting, ADA compliance audits, and public outreach campaigns.

- Directed and supported the development of various readiness review tools for a variety of state Medicaid managed care programs including Indiana, Pennsylvania, Mississippi, Alabama, and Iowa. Has assisted in training state and contracted staff in the use of designed tools and providing ongoing support and dashboarding of readiness tools throughout the readiness process. Served as a subject matter expert with emphasis on systems readiness, network adequacy, reporting, long-term care, and special needs populations. As a subject matter expert, she participates and leads desk reviews and participates in site visits related to the readiness process. Worked with states to leverage the readiness efforts as a seamless transition to ongoing monitoring, including evaluation and assessment of national and local Medicaid health plans such as Centene, Amerigroup, United, AmeriHealth Mercy, Molina, and provider-sponsored entities who have partnered with groups such as Blue Cross Blue Shield, Sentara, Viva, and others.
- Works with a variety of states to evaluate and support their monitoring and oversight of state programs. Worked on targeted efforts to evaluate provider network access and availability, ADA accessibility, care management evaluations, compliance with grievances and appeals, and maternity care programs. Worked with state clients in multi-year engagements and one-time GAP analyses to develop Monitoring Boot Camp trainings, provide automated tools to facilitate monitoring, provide oversight documentation, and develop reporting requirements and tools to read and aggregate vendor reporting for state dashboarding and oversight. Her approach to monitoring includes the use of existing resources and development of automated tools to more efficiently document and complete oversight functions. Has directed the development of various tools that have been created to support state agencies in all aspects of program operations. Provides support through entire software development process including development of UAT, user guides, and training, whether directing the development for clients or working as the business analyst for the client and interfacing with state-staffed developers.
- Directed an engagement for Texas Health and Human Services Commission to support compliance with Corrective Action Orders specific to the Consent Decree in Frew v. Hawkins and mandate to provide adequate supply of healthcare providers. Conducting robust series of provider network adequacy tests which she has leveraged in assisting other states in the development of network adequacy requirements and related reporting and analytics to monitor ongoing compliance with access standards.
- Assisted states in the development or renewal of their state quality strategy. Worked with Pennsylvania, Mississippi, and Alabama in crafting the quality strategy as a foundational component of their overarching approach to value-based monitoring and oversight and as a means of aligning state program goals and objectives with the national quality strategy. Led efforts to engage stakeholders in identifying and adopting quality measures for their state programs and in turn assisting the state in the operational reporting, data collection, and analyses of these measures.

Tamyra Porter

Partner

Medicaid Performance Management

- Conducted various reviews of internal state oversight functions and provided technical assistance and recommendations for performance improvements in several states including Indiana, Pennsylvania, Texas, Alabama, Mississippi, Louisiana, and North Carolina. Provided clients with various technical, customized database solutions to better track and document monitoring activities, report on these functions and improve oversight. Recommended monitoring review steps, sources for obtaining required data and guides for measuring and evaluating performance. Developed detailed standard operating procedures to support the ongoing monitoring efforts and transitioned these tools to the assigned staff for ongoing use. Provided detailed training manuals and conducted classroom trainings to support staff in these efforts. The monitoring tool also connects compliance decisions to contractor performance reporting.
- Designed and directed the development of a state training institute to assist clients in program transitions from fee-for-service to managed care and to provide ongoing staff development resources. Directed the development of various e-learning solutions to be packaged and hosted on state platforms or hosted for our state clients.

Government Payment Transformation

- Assisted North Carolina with an evaluation of its Medicaid Disproportionate Share Hospital and supplemental payment programs. Revised the State's model that calculates Disproportionate Share Hospital or supplemental payments. Assisted with the payment calculations. Analyzed the validity of hospital-reported data used in calculating interim payments and in final cost settlement. Trained State staff in the use of the model.
- Assists states in moving monitoring programs of compliance to align with more robust development of value-based purchasing (VBP) concepts. Facilitates planning sessions related to program goals and outcomes, data analytics to support benchmark data as well as to guide ongoing performance evaluation. Instrumental in the development of Quality Strategies and tools to support the state's aims for value-based purchasing and program oversight. Provides assistance in the operational assessments to determine strength and capacity of internal resources to execute VBP goals. Assisted with these efforts in Mississippi, Pennsylvania, and Alabama while providing some project consultation in Illinois.
- Assisted Alabama with various aspects of its quality withhold program and related exercise in developing quality measures with the states Quality Assurance Committee, coordination with the Medicaid Quality Strategy, and coordination with the RCO's Provider Standards Committee.

Medicaid Reform

- Serves as a liaison between state staff and CMS in the development of state waiver programs (1115), corrective action plans or other program design considerations. Assists senior state health and human services officials a state to identify and develop major reform initiatives including reforms to Medicaid, social services, reforms required under the ACA, and other public welfare benefits. Develops options, white papers, presentations, talking points, and meeting and training materials to facilitate the decision-

Tamyra Porter
Partner

making process. Assisted states including Pennsylvania and Alabama through various wavier development exercises and discussions with CMS.

Health Information Technology

- Assisted the States of Pennsylvania, Kansas, Maryland, and the District of Columbia in the design and planning for the Medicaid HIT provider incentive payment program. Assisted in the development of various planning sessions and the drafting of the SMHP for CMS review and approval. For the District of Columbia, assisted in the drafting of a statement of work the District would use to procure support for the ongoing operations of its incentive program.
- Directed engagements related to encounter data requirements and validation. Projects have included development of contract requirements, evaluation of readiness, assistance with encounter data production testing. Developed various encounter data studies to look at timeliness and completeness and determine opportunities for efficiencies and other studies comparing HEDIS scores for administrative measures comparing results from encounter data calculations to audited HEDIS reports.
- Developed MCO contract requirements related to promoting use of HIT by providers requiring adoption and use for inclusion in provider networks for certain high-volume provider types.
- Assisted states in considering data warehousing requirements for potential procurements to support better use of data gathering, storage, and reporting.

Healthcare Compliance

- Assisted on various healthcare litigation projects related to billing disputes. Evaluated all aspects of claims life cycle to determine billing errors and to quantify related damages. Evaluated claims for inpatient, outpatient, pharmacy, and durable medical equipment (DME).

Work History

- Manager, Tucker Alan Inc. (1999 – 2004)
- Web Developer, Assistant to the Chair of Obstetrics and Gynecology, University of North Carolina Hospitals (1998 – 1999)

Education

- Bachelor of Science in Public Health, Health Policy and Administration with Highest Honors, University of North Carolina at Chapel Hill, School of Public Health

Thought Leadership

- “SDoH from Concept to Concrete” ACAP (2019)
- “Quality Measures and Outcomes” HSFO (2019)
- “Value-based Purchasing” HSFO (2019)
- “Value-based Payments for LTSS” NASUAD (2019)

Tamyra Porter
Partner

- "Exploring the Intersection of Health and Housing" NASUAD (2019)
- "The Use of SDoH in Risk-based Rates" WHCC (2019)
- "Policy Options and Considerations for Sustainable Communities" Forum for Lt. Governors (2019)
- "Community Integration and Accountability" Congressional Leadership Meeting (2018)
- "Community Integration Workshop" WHCC (2018)
- "Innovative Approaches to Measuring Outcomes for HCBS Participants" NASUAD (2016)
- "Moving the Outcomes Needle – Integrating the Dually Eligible" NASUAD (2016)
- "Improving Your Purchasing Power – Procurement Opportunities" HSFO (2016)
- "Monitoring the Shift to Managed Care. Why is Monitoring Important?" World Congress Medicaid Managed Care Summit Presentation (2012)
- Readiness Review Trainings – Commonwealth of Pennsylvania Bureau of Managed Care Operations (Spring 2012)
- Monitoring Boot Camp - Commonwealth of Pennsylvania Bureau of Managed Care Operations (Fall 2012)

Guidehouse

Dustin T. Schmidt

Associate Director

dustin.schmidt@guidehouse.com
Atlanta, Georgia
Direct: 480.323.0565

Professional Summary

Dustin has more than 10 years of consulting experience, providing technical and strategic expertise to state Medicaid agencies and healthcare companies. He has performed over five operational assessments for state Medicaid agencies and LTSS agencies to improve efficiencies, reduce costs, enhance staff alignment, and improve performance. He has led multiple states in designing and implementing strategies to improve their oversight functions of MCO entities, and has provided training to state staff on how to effectively monitor managed care programs. He has also managed several large engagements including a $31 million contract with a state Medicaid agency to provide strategic support and guidance as it implemented managed care.

Areas of Expertise

- Designs compliance strategies and advanced monitoring approaches for states to effectively drive value and optimize MCO performance
- Conducts operational assessments and related implementation activities for state Medicaid agencies to improve efficiency, reduce costs, and improve performance
- Provides extensive experience in leading large teams on multi-million-dollar engagements

Professional Experience

Medicaid Managed Care

- Assisted a state Medicaid agency on a multi-phase project re-design its staffing structure and operations to successfully oversee several managed care entities. Developed over forty standard operating procedures across the entire agency, developed a staffing structure and related position descriptions, developed dashboards to oversee performance and to identify risks, developed seventeen programmatic and financial reporting templates to assess MCO performance, provided training to state staff and health plan employees, and assisted the State's IT team design a web-based system to support monitoring. Staff training included topics such as Medicaid Foundations, Managed Care Concepts, and a Monitoring series to cover specific content related to day-to-day oversight responsibilities.
- Served as a project manager for a $31 million contract with a state Medicaid agency to provide strategic support and guidance as it implemented managed care and other healthcare reform initiatives. Provided strategic direction, staffed new projects, developed new project proposals, and worked directly with the client's executive team in identifying key issues and assisting with implementing decisions.
- Supported a state Medicaid agency develop a Delivery System Reform Incentive Payment (DSRIP)-like program. Designed specific funding opportunities to support the objectives of the state's Medicaid and managed care program, including increasing MCO infrastructure and capacity and supporting providers to achieve health outcomes.

Dustin T. Schmidt

Associate Director

Developed the application materials for the MCOs and providers to apply for funding and conducted trainings for stakeholders.

Medicaid Performance Management

- Served as the project manager for an engagement with Mississippi's State Legislature to conduct a performance assessment of Mississippi Medicaid's managed care program and its hospital access payment program. Successfully developed a report, within a tight legislative timeframe, that identified 29 findings and provided 31 recommendations for operational improvement.
  - Provided options for how the State could transition its current hospital access payment program to quality and other initiatives required by CMS.
  - Outlined a best practices approach to developing a long-term training program.
  - Identified specific items that Mississippi Medicaid should include in its dashboard reports to the State Legislature to better evaluate program performance.
- Served as a subject matter expert for an engagement with Kansas Medicaid to conduct an operational assessment across multiple state agencies that administer Medicaid long-term care, behavioral health, and physical health services. Interviewed more than 50 department leaders and program area managers to identify areas of deficiency, duplication, and/or uncoordinated processes as part of day-to-day operations. Successfully provided a report that identified over seventy-five opportunities for improvement.
- Led Alabama Medicaid, a 500+ employee organization, through a reorganization as it moved from a fee-for-service to a managed care delivery system.
  - Developed and implemented a new agency-wide organizational structure that streamlined operations, facilitated decision making, and grouped similar functions.
  - Developed a strategy and approach to conducting agency-wide training.
  - Quantified the number of new staff needed, developed new position classifications and salary ranges using private industry and other state data. New positions and salary ranges were ultimately approved by Alabama's State Personnel department.
  - Developed and executed a communication plan to communicate organizational changes.
- Assisted North Carolina Medicaid in assessing its operational structure, processes and staffing needs for the budget, finance, cash management, and program integrity departments. The evaluation and recommendations resulted in changes to the organization structure, staffing, and skillsets and improved reporting and business processes.

Long-term Care

- Assisted a state healthcare agency create a new division to streamline its provider licensure, certification, and monitoring functions across five existing state agencies. Successfully streamlined several provider licensure and certification processes by consolidating existing policy and procedures across multiple agencies. Supported leadership re-align staff from five different agencies by creating new position descriptions, determining roles and responsibilities for the new division, and determining work space requirements.

- Performed an operational assessment for a state LTSS agency to improve performance and to assess staff capacity. Interviewed and surveyed staff across the entire organization to better understand day-to-day activities and functions. Successfully developed a report that identified 29 findings and provided 31 recommendations for operational improvement.
  - Created a staffing calculator, based on existing call volume and other factors, to determine the number of staff needed to support the ADRC call center. LTSS staff can use the staffing calculator on an ongoing basis to assess staff capacity based on changes to call volume or other factors.
  - Quantified the number of staff needed, by assigned regions of the state, to support APS investigations and intake.
  - Developed a new organizational chart and provided staff assignments across new functions and programs
  - Developed interactive training materials (e.g., case scenarios, role playing, etc.) to support a new ADRC marketing effort and an improved approach to performing APS investigations
  - Identified key performance measures by department for LTSS to track on a regular basis to support operations and effective management
- Supported a state Medicaid agency improve its HCBS quality assurance program which monitored and oversaw quality across five different waivers. Interviewed Medicaid staff, three sister agencies, and the AAAs to identify gaps in existing quality assurance activities and to support performance improvement. Revised the 1915c wavier quality assurance measures across five different waivers to support consistency and to trend results across waivers. Developed operational dashboards, audit tools, and standard operating procedures to support an effective monitoring program. Worked with the state to implement the NCI-AD survey and sunset existing surveys.
- Led a twenty-member Quality Assurance Committee identify quality measures for a $1 billion Medicaid long-term care program. Presented to the Committee on Federal regulations, state requirements, CMS guidance, best practices, and existing data to assist the Committee in its selection of thirty-five quality measures.

Litigation Services

- *Medicaid Compliance and Regulation* – Provided subject matter expertise to criminal defense attorneys on a three-year healthcare fraud investigations case. Supported the defense of an MCO's Chief Financial Officer against charges that the company included unallowable medical expenses in its State medical loss ratio (MLR) rebate calculation.
  - Prepared more than 50 written reports to educate counsel and external healthcare consultants regarding a variety of complex healthcare issues.

Dustin T. Schmidt

Associate Director

- Recalculated the company's state MLR rebate calculations over a five-year period and concluded it overpaid the State by $3 million.
- Reviewed documentation about the State's implementation of healthcare reform, such as the State's federal waivers, contracts, Request for Proposals, regulatory guidance, and rate setting calculations. Identified several differences between the State's implementation of healthcare reform and the guidance it provided to the MCOs.
- Developed a pricing methodology and priced the company's encounter data for MLR reporting purposes. Identified issues with the company's encounter data such as incomplete records, inaccurate data, and unbundled fee-for-service claims that presented problems during pricing.
- Recalculated the MCO's inter-company contract rates using historical fee-for-service data provided from the State. Developed a calculation methodology with an external healthcare expert and reviewed the State's guidance, contracts, and fee-for-service data.
- Reviewed the MCO's compliance with its regulatory filings with the State, Office of Insurance Department, and the Securities and Exchange Commission.

- *Physician Reimbursement Rates* – Engaged to determine whether an MCO's low reimbursement rates to physicians led to poorer quality of care. Compared the MCO's reimbursement rates to Medicaid, Medicare, and Tricare for the same services. Analyzed physician financial statements to determine whether physicians were receiving adequate compensation to provide quality services. Considered various studies regarding the relationship between quality of care and reimbursement. Assisted in preparing an expert report for senior management and legal counsel.
- *Audit Committee Investigation* – On behalf of a nutraceutical company's audit committee, investigated the company's use of improper accounting practices. Analyzed the company's revenue recognition principles and variable interest entities questioned by the Securities and Exchange Commission. Reviewed the company's business contracts, operations, and financial statements. Concluded the company was not in compliance with Generally Accepted Accounting Principles (GAAP) and consequently the company restated its financials.
- *Pharmaceutical Sales Monitoring* – Assisted a pharmaceutical company to evaluate its compliance program. Attended the company's drug educational programs for physicians and determined whether the company's sales representatives were adhering to the company and PhRMA marketing compliance standards.
- *Internal Audit* – Hired by the Securities and Exchange Commission to perform an internal audit of the company's manufacturing facilities throughout the nation. Analyzed the company's segregation of controls and duties at three manufacturing facilities, all of which contained different accounting systems and internal controls.

Work History

- Accounting Intern, Arizona State University (2006 – 2007)
- Accounting Intern, Freeport-McMoRan Copper and Gold Inc. (2006)

Guidehouse

Dustin T. Schmidt

Associate Director

Certifications, Memberships, and Awards

- Certified Fraud Examiner
- International Business Certificate (Arizona State University)

Education

- Bachelor of Science, Finance, W.P. Carey School of Business, Arizona State University

Guidehouse

Veronica Ross-Cuevas

Senior Consultant

veronica.ross.cuevas@guidehouse.com
Atlanta, Georgia
Direct: 404.602.3493

Professional Summary

Veronica has a background in human development, community health, and health policy. She has worked with hospitals and state agencies and has experience with assessing agencies' organizational structure, conducting reviews of managed care readiness, conducting research on healthcare trends, and developing tools for monitoring quality.

Areas of Expertise

- Organizational and performance assessments of state agencies
- Readiness reviews and monitoring assistance with Medicaid Managed Care implementation
- Assessment and re-design of long-term services and supports and home and community-based services

Professional Experience

Organizational and Performance Management

- Conducted an in-depth organizational assessment of South Dakota's Division of Long-Term Services and Supports. Interviewed more than 30 Division leaders and select staff to identify areas of deficiency, duplication, and/or uncoordinated processes as part of day-to-day operations. Conducted an employee survey to gain additional input from staff and developed a corresponding summary report. Developed training materials regarding Guidehouse recommendations that the State is choosing to implement. Developed a comprehensive report identifying additional recommendations for improvement regarding the organizational structure and design of key programs.
- Assisted Arkansas's Department of Human Resources develop a new Division that centralizes and streamlines provider survey and certification processes previously housed across five separate divisions. Reviewed the Division's vendor contracts to determine how they will be impacted by the formation of the new Division. Developed several position descriptions for filling vacancies within the new Division. Developed a strategic communications plan to effectively communicate progress on the Division's implementation and mitigate potential concern from stakeholders.

Medicaid Managed Care

- Assisted the Alabama Medicaid Agency in its efforts to transition to risk-based and community-led managed care. Conducted readiness reviews of the State's prospective managed care organizations to determine the health plans' readiness for the transition. Assisted with developing various tools for monitoring the health plans, such as standard operating procedures and report dashboards. Assisted with developing internal training and communications materials.
- Conducted an external quality review on a prepaid ambulatory health plan on behalf of Wyoming's Department of Health. Developed tools to assess the managed care

Veronica Ross-Cuevas

Senior Consultant

program's compliance with state and federal regulations and conducted document reviews of policies and procedures. Led interviews with key staff from the managed care program. Compiled findings and recommendations into an external quality review technical report.

Long-Term Care

- Assisted Kansas Department for Aging and Disability Services in its process to strengthen monitoring of critical incidents across its seven HCBS 1915c waiver programs. Assisted in the review and standardization of language within the waivers to ensure that language aligns with new monitoring policies. Developed a quality review dashboard for the Agency to monitor health plans' compliance with HCBS 1915c waiver performance measures. Assisted in providing recommendations regarding modifying performance measures to most adequately ensure the health and welfare of participants.
- Supported a Minnesota Department of Human Services commissioned study of quality management and metrics in adult day services in older adult-targeted programs, including developing multiple layers of qualitative stakeholder analysis, completing internal and external policy analysis, and supporting a study committee leading to targeted recommendations on the design and potential quality framework for adult day services.
- Supported Kentucky Department for Medicaid Services to assess and redesign its HCBS 1915(c) waiver program. Supported several centralized quality management activities, including standardizing approach to critical incident reporting and tracking across three state departments. Supported overhaul of the state's participant directed service approach.

State Medicaid Program Reimbursement

- Currently assisting the Massachusetts Executive Office of Health and Human Services with calculating Medicaid reimbursements for school-based Medicaid programs. Supporting evaluations of administrative claiming and direct service claiming for Local Education Agencies. Assisting with updating calculation methodologies to implement Medicaid expansion of services.

Work History

- Health Administration Intern, Veteran Affairs Health Care System (2016 – 2017)
- Admission Associate, Stanford University Office of Undergraduate Admission (2015 – 2017)
- Research Assistant, Stanford Center on Poverty and Inequality (2014 – 2016)

Education

- Bachelor of Arts, Human Biology, Stanford University

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Tamyra Porter	Partner	NA	Navigant charges $250 per hour for work performed under this contract.	
Dustin Schmidt	Associate Director	NA		
Veronica Ross-Cuevas	Senior Consultant	NA		

APR03'19 AM10:10 DAS

14 mac

STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIVISION OF LONG TERM SUPPORTS AND SERVICES

Jeffrey A. Meyers
Commissioner

Deborah D. Scheetz
Director

105 PLEASANT STREET, CONCORD, NH 03301
603-271-5034 1-800-852-3345 Ext. 5034
Fax: 603-271-5166 TDD Access: 1-800-735-2964
www.dhhs.nh.gov

April 2, 2019

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Long Term Supports and Services, to enter into a **sole source contract amendment** and exercise a renewal option to an existing agreement with Navigant Consulting, Inc., Vendor #175497-R002, 30 South Wacker Drive, Suite 3100, Chicago, IL, 60606, by increasing the price limitation by $550,000 from $204,300 to an amount not to exceed $754,300. The contractor will assist the Department in working with providers of nursing and home and community based services (hereinafter "LTSS") and other stakeholders in developing options for the delivery of LTSS outside the state's Medicaid Care Management program, that will enhance and improve access, coordination, oversight, quality monitoring, outcomes, and the financial sustainability of such services. The options shall consider the regional delivery of LTSS taking into account existing systems such as the Integrated Delivery Network established under New Hampshire's Section 1115 Delivery System Reform Incentive Program (DSRIP) Waiver and the needs of local communities. This will extend the contract completion date from June 30, 2019 to June 30, 2020, effective upon approval by the Governor and Executive Council. 100% Federal Funds.

This agreement was originally approved by the Governor and Executive Council on May 17, 2017 (Item #12B).

Funds are available in the following accounts for State Fiscal Year (SFY) 2019, and are anticipated to be available in SFY 2020, upon the availability and continued appropriation of funds in the future operating budget, with authority to adjust amounts within the price limitation and adjust encumbrances between state fiscal years through the Budget Office, if needed and justified.

05-95-47-470010-79370000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF HHS, OFC OF MEDICAID 7 BUS PLCY, MEDICAID ADMINISTRATION

State Fiscal Year	Class/ Account	Class Title	Job Number	Current Amount	Increase/ (Decrease)	Revised Amount
2018	102/ 500731	Contracts for Program Svcs	47000021	$155,750	$0	$155,750
2019	102/ 500731	Contracts for Program Svcs	47000021	$48,550	$0	$48,550
			Subtotal	*$204,300*	*$0*	*$204,300*

05-95-48-481010-89200000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF HHS, ELDERLY AND ADULT SVCS, GRANTS TO LOCALS, MONEY FOLLOWS THE PERSON

State Fiscal Year	Class/ Account	Class Title	Job Number	Current Amount	Increase/ (Decrease)	Revised Amount
2019	102/ 500731	Contracts for Program Svcs	TBD	$0	$250,000	$250,000
2020	102/ 500731	Contracts for Program Svcs	TBD	$0	$300,000	$300,000
			Subtotal	*$0*	*$550,000*	*$550,000*
			Grand Total	**$204,300**	**$550,000**	**$754,300**

EXPLANATION

This request is **sole source** due to the specialized nature of the work, the Department's previous work with the Contractor, and the need to develop options for the delivery of LTSS outside of the state's Medicaid Care Management program that will enhance and improve access, coordination, oversight, quality monitoring, outcomes, and the financial sustainability of such services. It is critical that the Department and stakeholders consider alternative models and system sustainability since the New Hampshire population is the second-oldest in the nation with the population of those aged 65 and older expected to more than double between 2010 and 2040.

The current contract with Navigant was entered into in May 2017 when the legislature mandated that LTSS was to be incorporated into managed care. However, in May 2018, the legislature passed HB 1816 which prohibited the incorporation of LTSS into the Department's care management program for delivery by managed care organizations as defined in RSA 125-A:5, XIX (c)(3) under contract with the state. As a result of this previous work, the Contractor has in depth knowledge for New Hampshire's service delivery system. This request, if approved, will allow the Department to leverage the Contractor's knowledge of the existing LTSS program in order to consider the regional delivery of LTSS taking into account existing systems such as the Integrated Delivery Network established under New Hampshire's Section 1115 DSRIP Waiver, to assess alternative models at a national level, analyze the applicability of models to New Hampshire, consider transition options for change, prepare a proposed implementation plan, and assist, as needed, with waiver amendment and rules changes.

The following performance measures/objectives will be used to measure the effectiveness of the agreement:

- Provide options and a proposed project plan for the development of an enhanced service delivery model.
- The proposed project plan will take into consideration the current service delivery model, take into account existing systems such as the Integrated Delivery Network established under New Hampshire's DSRIP Waiver, national options and best practice, current and future demographics, stakeholder input, and requirements established by the Department.
- Specific amendment recommendations for New Hampshire's Choices for Independence 1915 (c) waiver.

- Specific recommendations for administrative rule changes.

As referenced in the in Exhibit C-1 of the contract, this agreement has the option to extend for up to one (1) additional year, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Executive Council. This request, if approved, will exercise the one (1) year option.

Area served: Statewide, 46,000 people who receive Bureau of Elderly and Adult Services will potentially be impacted by this contract.

Source of Funds:. 100% Federal Funds from the Centers for Medicare and Medicaid Services Money Follows the Person (CFDA # 93.791, FAIN # 1LICMS300148-01-10).

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

Approved by:

Jeffrey A. Meyers
Commissioner

State of New Hampshire
Department of Health and Human Services
Amendment #1 to the
Managed Long-Term Services and Supports Consulting Services

This 1st Amendment to the Managed Long-Term Services and Supports Consulting Services contract (hereinafter referred to as "Amendment #1") dated this 24th day of January, 2019, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Navigant Consulting, Inc., (hereinafter referred to as "the Contractor"), a corporation with a place of business at 30 South Wacker Drive, Suite 3100, Chicago, IL, 60606.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on May 17, 2017, (Item 12B), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 and Exhibit C-1, Revisions to General Provisions, Section 3, the State may modify the scope of work and the payment schedule of the contract and renew services for up to one (1) year by written agreement of the parties upon Governor and Executive Council approval; and

WHEREAS, the parties agree to increase the price limitation, extend the complete date and modify the scope of services to support continued delivery of these services, and

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

1. Form P-37, General Provisions, Block 1.7, Completion Date to read:

   June 30, 2020.
2. Form P-37, General Provisions, Block 1.8, Price Limitation to read:

   $754,300.
3. Form P-37, General Provisions, Block 1.9, Contracting Officer for State Agency, to read:

   Nathan D. White, Director.
4. Form P-37, General Provisions, Block 1.10, State Agency Telephone Number, to read:

   603-271-9631.
5. Delete Exhibit A, Scope of Services in its entirety and replace with Exhibit A Amendment #1, Scope of Services.
6. Delete Exhibit B in its entirety and replace with Exhibit B Amendment #1.
7. Add Exhibit B-1 Amendment #1 Budget.
8. Add Exhibit K, DHHS Information Security Requirements.

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

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

State of New Hampshire

Department of Health and Human Services

4/2/19
Date

Name: Christine Santaniello
Title: Director, DHHS

Navigant Consulting, Inc.

March 29, 2019
Date

Name: David Mosley
Title: Managing Director

Acknowledgement of Contractor's signature:

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

Signature of Notary Public or Justice of the Peace

Julia A. Teresi
Name and Title of Notary or Justice of the Peace

OFFICIAL SEAL
JULIA A TERESI
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:10/07/22

My Commission Expires: 10/7/22

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

OFFICE OF THE ATTORNEY GENERAL

4/2/2019
Date

Name: Nancy J. Smith
Title: Senior Asst. Attorney General

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

Scope of Services

1. Provisions Applicable to All Services

1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. Notwithstanding any other provision of the Contract to the contrary, no services shall be performed after June 30, 2019, and the Department shall not be liable for any payments for services provided after June 30,2019, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 biennium.

2. Scope of Services

2.1. The Contractor will assist the Department in working with providers of nursing and home and community based services (hereinafter "LTSS"), and other stakeholders, in developing options for the delivery of LTSS outside of the state's Medicaid Care Management Program that will enhance and improve access, coordination, oversight, quality monitoring, outcomes and the financial sustainability of such services. The options shall consider the regional delivery of LTSS taking into account existing systems such as the Integrated Delivery Network established under New Hampshire's Section 1115 DSRIP Waiver and the needs of local communities.

2.2. The Contractor shall assist Department staff and senior management with the development of a project plan for options for an enhanced integrated service delivery system model that eliminates fragmentation and service gaps allowing for the provision of quality, outcome-based person centered services for older adults and persons with physical disabilities.

2.3. The Contractor shall not consider care management models delivered by managed care organizations as defined in RSA 126-A:5, XIX (c)(3) under contract with the state.

2.4. The Contractor shall meet with Department staff no later than two (2) weeks from the effective date of this contract amendment.

2.5. The Contractor shall provide a draft implementation plan for an integrated service delivery model that considers:

2.5.1. The current service delivery model.

2.5.2. National options and best practices.

2.5.3. Stakeholder input.

2.5.4. Other requirements established by the Department.

2.6. The implementation plan for an enhanced integrated service delivery model shall include, but is not limited to:

2.6.1. Specific options for the provision of management and oversight of service delivery that considers the regional delivery of LTSS taking into consideration:

2.6.1.1 The strengths and weaknesses of the current LTTS service delivery model

2.6.1.2 Best practices in other states.

2.6.1.3 Stakeholder input:

2.6.1.4 Any other information from the Department.

2.7. The implementation plan shall address, at a minimum, how the options for an enhanced LTTS service delivery model will improve the following.

2.7.1. Access to services.

2.7.2. Coordination of LTSS services with other beneficiary services and social needs.

2.7.3. Oversight and accountability of providers.

2.7.4. Establishment of outcome measurements for LTSS.

2.7.5. Financial sustainability of LTTS.

2.7.6. Administrative Rule and State Plan change recommendations to support the enhanced integrated service delivery model as outlined below in 2.10.

2.7.7. Designation process for the service delivery entities inclusive of application, review process, transition plan, and other elements as defined by the Department based on a review of best practices from other states.

2.7.8. Funding options and contracting requirements for service delivery entities.

2.7.9. Transition recommendation to ensure that evolving from the current model to an enhanced service delivery model is done in an operationally sound manner making sure that people get the services they need and providers get paid.

2.7.10. Identification of Choices for Independence waiver changes and working with the Department in collaboration with Centers for Medicare & Medicaid Services to effectuate necessary waiver changes and as outlined below in 2.8, 2.10, 2.11, and 2.12.

2.7.11. Outline of how other Department services may be incorporated longitudinally into the enhanced service delivery model and framework.

2.8. The Contractor shall provide research and recommendations through written materials, conference calls, stakeholder input sessions, and other methods determined by the Department to inform specific elements of the implementation plan.

2.9. The Contractor shall be available by telephone to participate in consultation calls to assist the Department with:

2.9.1. Vetting, recommending, and providing implementation, and transition, strategies.

2.9.2. Recommending best practices for the key components of the implementation plan and transition approach.

2.10. The Contractor shall document knowledge transfer to the Department via slide decks, meeting notes, and other means as necessary to ensure that all research and recommendations are transferred and maintained by staff.

2.11. The Contractor shall provide specific amendment recommendations for New Hampshire's Choices for Independence 1915 (c) waiver https://www.dhhs.nh.gov/dcbcs/bds/hcbs-waiver.htm, including, but not limited to developing a waiver amendment for the regional model.

2.12. The Contractor shall work with Department staff to compare the proposed Choices for Independence waiver amendment with statute and administrative rule changes, as applicable.

2.13. The Contractor shall identify specific provider qualifications that align with any proposed Choices for Independence waiver amendment, and provide the proposed qualifications to the Department through periodic and regular verbal and written communication.

2.14. The Contractor shall specify service definitions that align with any proposed Choices for Independence waiver amendment.

3. Reporting

3.1. Contractor shall submit narrative reports to the Department on activities conducted no later than the tenth (10) day following the last day of every month.

4. Implementation Plan

4.1. The Contractor shall submit a project plan, outlining the delivery of the implementation plan for an alternative integrated delivery model, and other deliverables, with timelines for Department approval no later than thirty (30) days after the contract amendment effective date.

5. Deliverables

5.1. The Contractor shall submit a written project plan as specified in Section 4, above, no later than thirty (45) days after the contract amendment effective date.

5.2. The Contractor shall complete development of an Implementation Plan for a regional integrated service delivery model by a date to be determined by mutual agreement of the Department and the Contractor.

5.3. The Contractor shall provide specific recommendations for the CFI waiver amendment, and a proposed waiver narrative by a date to be determined by mutual agreement of the Department and the Contractor.

5.4. The Contractor shall provide subject matter expertise within seventy-two (72) hours of the Department's request.

5.5. Annually, the Contractor shall develop and submit to the Department, a corrective action plan for any deliverable that was not achieved.

Method and Conditions Precedent to Payment

1) The State shall pay the contractor an amount not to exceed the Form P-37, Block 1.8, Price Limitation for the services provided by the Contractor pursuant to Exhibit A, Scope of Services and Exhibit A-1, Scope of Services.

   1.1. This contract is funded with:
   - Federal Funds from Centers for Medicare and Medicaid Services CFDA #93.791
   - Federal Funds from Title XIX Medicaid, CFDA #93.778
   - General Funds

   1.2. The Contractor agrees to provide the services in Exhibit A, Scope of Services and in Exhibit A Amendment #1, Scope of Services in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded contractor's current and/or future funding.

2) Payment for said services shall be made monthly as follows:

   2.1. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this agreement, and shall be in accordance with the approved line item.

   2.2. The Contractor will submit an invoice in a form satisfactory to the State by the twentieth working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The invoice must be completed, signed, dated and returned to the Department in order to initiate payment.

   2.3. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available. Contractors will keep detailed records of their activities related to DHHS-funded programs and services.

   2.4. The final invoice shall be due to the State no later than forty (40) days after the contract Form P-37, Block 1.7 Completion Date.

   2.5. In lieu of hard copies, all invoices may be assigned an electronic signature and emailed. Hard copies shall be mailed to:

   Financial Administrator
   Department of Health and Human Services
   Bureau of Developmental Services
   105 Pleasant Street
   Concord, NH 03301
   Email address: Jennifer.Doig@dhhs.nh.gov
   Phone Number: (603) 271-7224

3) Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts between budget line items, amendments of related budget exhibits within the price limitation, and to adjust encumbrances between State Fiscal Years, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.

Exhibit B-1 Amendment #1 Budget

New Hampshire Department of Health and Human Services		
Bidder/Contractor Name:	Navigant Consulting, Inc.	
Budget Request for:	LTSS Service Delivery Model Development	
Budget Period:	April 15, 2019 thru June 30, 2020	
Line Item	**SFY 2020 (7/1/19 - 6/30/20)**	**Total**
Project Plan/ Initial Requirements Meeting with Department	$7,500	$7,500
Options Assessment - Research and Development, National Model Analysis	$40,000	$40,000
Department/Stakeholder Meeting Facilitation and Concept Development	$77,500	$77,500
Implementation Support/Waiver and Administrative Rule Development	$425,000	$425,000
TOTAL	**$550,000**	**$550,000**

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, " Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

12. "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.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

2. The Contractor must not disclose any Confidential Information in response to a

request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS 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 Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is <u>encrypted</u> and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.

10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).

11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.

2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.

3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.

4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2

5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.

2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.

3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.

2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.

4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.

5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.

6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.

10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

Contractor Initials DM

Date 3/25/19

the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.

13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

16. The Contractor must ensure that all End Users:

    a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.

    b. safeguard this information at all times.

    c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.

    d. send emails containing Confidential Information only if <u>encrypted</u> and being sent to and being received by email addresses of persons authorized to receive such information.

e. limit disclosure of the Confidential Information to the extent permitted by law.

f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks; card keys, biometric identifiers, etc.).

g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.

h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.

i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

Contractor Initials DM

Date 3/29/19

5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

12B

Jeffrey A. Meyers
Commissioner

Deborah H. Fournier, Esq.
Medicaid Director

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

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

G&C APPROVED
Date: 5/17/17
Item #12B

May 5, 2017

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Office of Medicaid Services, to enter into an agreement with Navigant Consulting, Inc., Vendor #175497-R002, 30 South Wacker Drive, Suite 3100, Chicago, IL. 60606, in an amount not to exceed $204,300, to work under the direction of the Office of Medicaid Services to develop an implementation plan for the inclusion of select long-term services and supports (Choices for Independence waivers and nursing facility services) into the State's Medicaid Managed Care (MMC) program, effective upon date of Governor and Council approval through June 30, 2019. Funds are 50% Federal Funds and 50% General Funds.

Funds are available in the following account in SFY 2017, and are anticipated to be available in SFY 2018 and SFY 2019, upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts within the price limitation and adjust encumbrances between State Fiscal Years through the Budget Office if needed and justified, without approval from Governor and Executive Council.

05-95-47-470010-79370000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF HHS, OFC OF MEDICAID & BUS PLCY, MEDICAID ADMINISTRATION

Fiscal Year	Class/Account	Class Title	Job Number	Total Amount
SFY 2017	102/500731	Contracts for Program Svcs	47000021	15,000
SFY 2018	102/500731	Contracts for Program Svcs	47000021	140,750
SFY 2019	102/500731	Contracts for Program Svcs	47000021	48,550
			Total	$204,300

EXPLANATION

The purpose of this agreement is to provide support to The Department with the development of a managed long-term supports and services (MLTSS) implementation plan that meets federal, Medicaid regulatory requirements and addresses policymaker and stakeholder priorities. Specifically, the contractor will support the development of a compliant implementation plan for the inclusion of Choices for Independence (CFI) waiver and nursing facility services into the state's Medicaid Managed Care (MMC) program.

The Department commenced the Medicaid Managed Care program in December 2013, providing acute-care medical services primarily to low-income children and adults, senior citizens, people living with disabilities, pregnant women, newborns, and those receiving breast and cervical cancer treatments. While not all Medicaid-eligible individuals are required to obtain their health coverage through the Medicaid Care Management program, at the present time, approximately 133,190 individuals receive their short-term health care services through this program. It is currently administered by two Medicaid managed care organizations. The current managed care contracts are full-risk contracts utilizing capitated rates.

The Medicaid managed care authorizing legislation SB 147, enacted in 2011, contemplated a five year agreement between the state and participating Medicaid managed care health plans, inclusive of all services, including long-term care services. However, the administration of Medicaid through the managed care delivery system did not begin until December of 2013 and to date, Medicaid funded long-term supports and services have remained outside of Medicaid's managed care delivery system.

To that end, SB 553, enacted in 2016, initiated a public process involving carriers and a variety of stakeholders, inclusive of providers, agency associations, the counties, and families, to support the development of a plan for the incorporation of long-term services and supports into the Medicaid managed care delivery system. The initial meeting was held in August 2016 and has continued to meet throughout the remainder of 2016 and into 2017.

In January of 2017, the Administration indicated that the incorporation of Nursing Facility (NF) and Choices for Independence (CFI) waiver services into the Medicaid managed care delivery system was a priority for January of 2018. In March of 2017, SB 155 provided for an alternative effective date, January of 2019, for the incorporation of NF and CFI services into managed care and a re-procurement of the managed care contracts. Recent amendments to SB 155 moved the effective date to July of 2019. The Department, with the support of the MLTSS consultant, will work with the SB 553 workgroup, and advance a draft implementation plan, with timeline and milestones, once an effective date for all of these events have been finalized. Following the development of the SB553 workgroup plan, the plan will be vetted publicly through the 60 day public notice and comment period described in the authorizing language of SB 553.

In addition, the contractor will also provide specific recommendations to the Department for amending New Hampshire's Choices for Independence 1915 (c) and concurrent 1915 (b) Medicaid waivers, which are legal instruments required by the Centers for Medicare and Medicaid Services. The contractor will also provide timely subject-matter expertise on MLTSS best practices and other state approaches to the incorporation of long-term services and supports into a Medicaid managed care delivery system.

Notwithstanding any other provision of the Contract to the contrary, no services shall be provided after June 30, 2017, and the Department shall not be liable for any payments for services provided after June 30, 2017, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2018-2019 biennia.

Should Governor and Executive Council not authorize this request, the Department may be unable to meet the legislative requirement of SB 553 and develop an implementation plan for the inclusion of select long-term services and supports into the Medicaid Managed Care delivery system in a manner that is consistent with SB155 and federal Medicaid requirements.

The Department published a request for proposals on its web site from February 27, 2017 through March 15, 2017. The Department received three proposals/. The three proposals were reviewed and scored by a team of individuals with program specific knowledge. The Department then selected Navigant Consulting to provide these services based on its high score. The Bid Summary is attached.

As referenced in the Request for Proposals and in Exhibit C-1 of this contract, this Agreement has the option to extend for up to one (1) additional year(s), contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

The following performance measures/objectives will be used to measure the effectiveness of the agreement:

- Development of an MLTSS Implementation Plan by a date, to be determined by mutual agreement of the DHHS and the Contractor.
- Specific amendment recommendations for New Hampshire's Choices for Independence 1915 (c) waiver and concurrent (b), by a date, to be determined by mutual agreement of the DHHS, and the Contractor.
- Provides subject matter expertise as requested by DHHS within 72 hours of request.

Area served: Statewide.

Source of Funds: 50% Federal Funds from the Title XIX Medicaid and 50% General Funds.

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

Respectfully submitted,

Deborah H. Fournier, Esq.
Medicaid Director

Approved by:

Jeffrey A. Meyers
Commissioner

Subject: Managed Long-Term Care Services & Supports Consulting Services, RFP-2017-OMS-02-MANAG

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Navigant Consulting, Inc.		1.4 Contractor Address 30 South Wacker Drive, Suite 3100 Chicago, IL 60606	
1.5 Contractor Phone Number 312-583-5747	1.6 Account Number 05-95-47-470010-7937-102-500731	1.7 Completion Date ~~6/30/2018~~ 6/30/2019 CS	1.8 Price Limitation $ 204,300
1.9 Contracting Officer for State Agency Jonathan V. Gallo, Esq Interim Director of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9246	
1.11 Contractor Signature Catherine Sreckovich		1.12 Name and Title of Contractor Signatory Catherine Sreckovich, Managing Director	

1.13 Acknowledgement: State of Illinois, County of Cook

On May 4, 2017, 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

OFFICIAL SEAL
JULIA A TERESI
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES [illegible]

Julia A. Teresi

[Seal]

1.13.2 Name and Title of Notary or Justice of the Peace

Julia A. Teresi, Notary

1.14 State Agency Signature [signature] Date: 5/9/17	1.15 Name and Title of State Agency Signatory Deborah H. Fournier, Esq, Medicaid Director

1.16 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)*

By: Director, On:

1.17 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)*

By: [signature] Megan A. Yaple On: 6/10/17

1.18 Approval by the Governor and Executive Council *(if applicable)*

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, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("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. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. 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

Contractor Initials CA
Date 5-4-2017

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

8. EVENT OF DEFAULT/REMEDIES.
8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):
8.1.1 failure to perform the Services satisfactorily or on schedule;
8.1.2 failure to submit any report required hereunder; and/or
8.1.3 failure to perform any other covenant, term or condition of this Agreement.
8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

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

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

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and 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 $1,000,000per occurrence and $2,000,000 aggregate ; and
14.1.2 special cause of loss coverage form 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.

Contractor Initials CS
Date 5-4-2017

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 thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) 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 unless no such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials CA
Date 5-4-2017

New Hampshire Department of Health and Human Services
Office of Business Operations
Contracts & Procurement Unit
Summary Scoring Sheet

Managed Long-Term Services and Supports Consulting Services
RFP Name

RFP-2017-OMS-02-MANAG
RFP Number

Bidder Name	Pass/Fail	Maximum Points	Actual Points
1. Health Management Associates	78%	300	233.87
2. Mercer	48%	300	144.88
3. Navigant	83%	300	248.03

Reviewer Names

1. Deb Scheetz, Director of Intregrated Health Care Reform
2. Deb Fournier, Medicaid Director
3. Val Brown Deputy Medicaid Director
4.
5.

Scope of Services

1. Provisions Applicable to All Services

1.1. The Contractor will submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. Notwithstanding any other provision of the Contract to the contrary, no services shall be performed after June 30, 2017, and the Department shall not be liable for any payments for services provided after June 30,2017, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2018-2019 biennia.

2. Covered Populations

2.1. The Medicaid Managed Long-Term Services and Supports (MLTSS) Consultant will provide professional consulting services under the direction of the Office of Medicaid Services to develop an implementation plan for the inclusion of select long-term services and supports into the State's Medicaid Care Management program. In addition, the selected vendor will complete all items outlined in the Scope of Services.

3. Scope of Services

3.1. Assist Medicaid staff with a timeline and project plan for the development of an MLTSS implementation plan and other deliverables outlined in the Scope of Service. The selected vendor will meet with Department staff within one week following contract award. SB 553 requires the Department to meet a number of requirements before moving forward with an MLTSS program; including a comprehensive implementation plan for moving select long term services and supports (Choices for Independence waiver services and nursing facility services) into Medicaid managed care.

3.2. Provide a draft implementation plan, with follow-on revisions, taking into consideration MLTSS implementation plans from other states, recommendations made by the SB 553 work group, and requirements established by the Department.

3.3. The consultant will work with the Department to bring tested, early adopter practices and constructs to the implementation plan, including but not limited, to transition planning, prior authorization, network adequacy, quality metrics, outcome measurements, and utilization management. On these topics, the consultant will provide research and recommendations to draft specific portions of the implementation plan.

3.4. Each plan shall include, at a minimum, a detailed description of the following:

3.4.1. Eligibility and enrollment

3.4.2. Covered services

3.4.3. Transition planning

3.4.4. Prior authorization

3.4.5. Transportation

3.4.6. Pharmacy

3.4.7. Case management

3.4.8. Network adequacy

3.4.9. Credentialing

3.4.10. Quality metrics and outcome measures

3.4.11. Patient safety

3.4.12. Utilization management

3.4.13. Finance and reimbursement

3.4.14. Rates and payment

3.4.15. Grievance and appeals, and

3.4.16. Office of Ombudsman

3.5. Each plan shall also address how the incorporation of the services into managed care shall achieve the legislative intent of providing:

3.5.1. Value

3.5.2. Quality

3.5.3. Efficiency

3.5.4. Innovation, and

3.5.5. Savings

3.6. The consultant will primarily be available through consultation calls to assist with:

3.6.1. Vetting, recommending, and providing MLTSS implementation plans from other states.

3.6.2. Recommending best practices, for the key components of the implementation plan. The consultant will make arrangements for knowledge transfer via phone, and documentation, to the Department.

3.6.3. Bring additional subject matter experts, from other states and the national level, for implementation plan development and review.

3.7. Provide specific amendment recommendations for New Hampshire's Choices for Independence 1915 (c) waiver (http://www.dhhs.nh.gov/dcbcs/beas/documents/cfi-waiver.pdf) for amendment with a concurrent 1915 (b). New Hampshire's CFI waiver requires a CMS amendment to provide for MLTSS.

3.8. The consultant will assist with the writing of the initial draft of a MLTSS compliance CFI waiver amendment and concurrent 1915 (b) waiver. The consultant will assist with follow on revisions, with input from stakeholders, public comment, and CMS, as part of the engagement.

3.9. Provide additional resources to help the Department address cost neutrality, and other aspects of the waiver inclusive of compliance with the CMS Medicaid Managed Care Final Rule (CMS 2390-F). Leverage CMS for additional technical assistance and guidance as needed.

3.9.1. In collaboration with DHHS staff, cross-walk proposed waiver amendment with administrative rule changes.

3.9.2. Identify specific provider qualifications that align with the proposed waiver.

3.9.3. Specify service definitions that align with proposed waiver amendment.

3.9.4. Review current and previous contracts to make recommendations for inclusion of MLTSS specific requirements. Provide narrative recommendations from other state MLTSS contracts to inform a NH specific implementation.

3.9.5. Deliver an MLTSS compliance plan, with training, to Department MCO Operations staff.

3.9.6. Identify and provide policies and procedures for compliance practice from other state implementations that stand up a NH specific MLTSS implementation.

3.9.7. Work with DHHS staff to design and build a management dashboard that is specific to MLTSS.

4. Reporting

4.1. Contractor shall submit narrative reports to the DHHS on activity status on a monthly basis.

5. Implementation Plan

5.1. Contractor shall submit a project plan, outlining the delivery of the Implementation Plan and other deliverables, with timeline, within 30 days from the effective date of the contract.

5.2. The Implementation Plan shall include components as outlined in SB 553, the Request for Proposal, and in this Exhibit A – Scope of Services.

6. Performance Measures

6.1. The Contractor shall ensure that following performance indicators are annually achieved and monitored monthly to measure the effectiveness of the agreement:

6.1.1. Development of an MLTSS Implementation Plan by a date, to be determined by mutual agreement of the DHHS, as part of SB 553, and the Contractor.

6.1.2. Specific amendment recommendations, and waiver narrative, for New Hampshire's Choices for Independence 1915 (c) waiver, with concurrent 1915 (b), by a date, to be determined by mutual agreement of the DHHS, and the Contractor.

6.1.3. Provides subject matter expertise as requested by DHHS within 72 hours of request.

6.2. Annually, the Contractor shall develop and submit to the DHHS, a corrective action plan for any performance measure that was not achieved.

Method and Conditions Precedent to Payment

1) The State shall pay the contractor an amount not to exceed the Form P-37, Block 1.8, Price Limitation for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.

   1.1. This contract is funded with
   - Federal Funds from Title XIX Medicaid, CFDA #93.778, and 50% General Funds

   1.2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded contractor's current and/or future funding.

2) Payment for said services shall be made monthly as follows:

   2.1. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this agreement, and shall be in accordance with the approved line item.

   2.2. The Contractor will submit an invoice in a form satisfactory to the State by the twentieth working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The invoice must be completed, signed, dated and returned to the Department in order to initiate payment.

   2.3. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available. Contractors will keep detailed records of their activities related to DHHS-funded programs and services.

   2.4. The final invoice shall be due to the State no later than forty (40) days after the contract Form P-37, Block 1.7 Completion Date.

   2.5. In lieu of hard copies, all invoices may be assigned an electronic signature and emailed. Hard copies shall be mailed to:

   Financial Administrator
   Department of Health and Human Services
   Office of Medicaid Services
   129 Pleasant Street
   Concord, NH 03301
   Email address: Athena.gagnon@dhhs.nh.gov
   Telephone 603-271-9420

3) Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts between budget line items, amendments of related budget exhibits within the price limitation, and to adjust encumbrances between State Fiscal Years, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.

Exhibit B-1 Budget

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: Navigant Consulting, Inc.

Budget Request for: Managed Long-Term Services and Supports Consulting Services
(Name of RFP)

Budget Period: May 17, 2017 thru June 30, 2019

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1. MLTSS Implementation Plan Cost Bid	$5,000	$60,000	$13,600	$78,600
2. NH CFI 1915 (c) Waiver Amendment Cost Bid	$5,000	$50,000	$11,600	$66,600
3. MLTSS Contract Recommendations/Requirements Cost Bid	$5,000	$30,750	$23,350	$59,100
TOTAL	$ 15,000.00	$ 140,750.00	$ 48,550.00	$ 204,300.00

goal $ 204,300.00
check $ -

Contractor Initials: CX

Date: 5-10-2017

SPECIAL PROVISIONS

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

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
   - 7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
   - 7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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

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

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
   8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
   8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
   8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

9. **Audit**: Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
   9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
   9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

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

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

11. **Reports**: Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
    11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
    11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

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

13. **Credits**: All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
    13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

14. **Prior Approval and Copyright Ownership**: All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

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

16. **Equal Employment Opportunity Plan (EEOP)**: The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of $500,000 or more. If the recipient receives $25,000 or more and has 50 or

more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than $25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, $150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.
When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
19.3. Monitor the subcontractor's performance on an ongoing basis

19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed

19.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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

Exhibit C-1

REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
   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, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.

2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language;
   10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
   10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
   10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
   10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
   10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

3. Extension:
   The Department reserves the right to renew the Contract for up to one (1) additional year, subject to the continued availability of funds, satisfactory performance of services and approval by the Governor and Executive Council.

4. Insurance
   Subparagraph 14.1.1 of the General Provisions of this contract is deleted and the following subparagraph is added:
   14.1.1 Comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than $250,000 per claim and $1,000,000 per occurrence and $1,000,000 aggregate.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   1.2. Establishing an ongoing drug-free awareness program to inform employees about
      1.2.1. The dangers of drug abuse in the workplace;
      1.2.2. The grantee's policy of maintaining a drug-free workplace;
      1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
      1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
      1.4.1. Abide by the terms of the statement; and
      1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
   1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
   1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

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

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

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

Contractor Name:

5-4-2017
Date

Catherine Sreckovich
Name: Catherine Sreckovich
Title: Managing Director

CERTIFICATION REGARDING LOBBYING

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

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

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

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name: Navigant Consulting, Inc.

5-4-2017
Date

Catherine Sreckovich
Name: Catherine Sreckovich
Title: Managing Director

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

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

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    - 11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    - 11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (l)(b) of this certification; and
    - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

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

Contractor Name: Navigant Consulting, Inc.

5-4-2017
Date

Catherine Sreckovich
Name: Catherine Sreckovich
Title: Managing Director

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

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

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

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;

- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;

- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);

- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;

- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;

- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;

- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;

- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;

- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

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

Contractor Initials CA

Date 5-4-2017

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

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

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

Contractor Name: Navigant Consulting, Inc

5-4-2017
Date

Catherine Srechovich
Name: Catherine Sratovich
Title: Managing Director

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

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

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Contractor Name: Navigant Consulting, Inc.

5-4-2017
Date

Catherine Sreckovich
Name: Catherine Sreckovich
Title: Managing Director

HEALTH INSURANCE PORTABLITY ACT
BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 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 State of New Hampshire, Department of Health and Human Services.

(1) Definitions.

a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.

e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.

f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.

g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, TitleXIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.

h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.

i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 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 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

Contractor Initials CA

Date 5-4-2017

l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.

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) **Business Associate 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, Business Associate, including but not limited to all its directors, officers, employees and agents, shall 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 HIPAA Privacy, Security, and Breach Notification Rules 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) <u>Obligations and Activities of Business Associate</u>.

a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.

b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:

- o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- o The unauthorized person used the protected health information or to whom the disclosure was made;
- o Whether the protected health information was actually acquired or viewed
- o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.

d. 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.

e. 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 (l). 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 Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

f. 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.

g. 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.

h. 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.

i. 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.

j. 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.

k. 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.

l. 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 Paragraph 10 of the standard terms and conditions (P-37) 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, 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.

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) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

Department of Health and Human Services	Navigant Consulting, Inc.
The State	Name of the Contractor
[signature]	Catherine Sreckovich
Signature of Authorized Representative	Signature of Authorized Representative
Deborah H. Fournier Esq	Catherine Sreckovich
Name of Authorized Representative	Name of Authorized Representative
Medicaid Director	Managing Director
Title of Authorized Representative	Title of Authorized Representative
5/9/17	5-4-2017
Date	Date

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

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: Navigant Consulting, Inc.

5-4-2017
Date

Catherine Sreckovich
Name: Catherine Sreckovich
Title: Managing Director

FORM A

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

1. The DUNS number for your entity is: 022582428

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

X NO ________ YES

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

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

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

________ NO ________ YES

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

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

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

Name: ______________________ Amount: ____________

Name: ______________________ Amount: ____________

Name: ______________________ Amount: ____________

Name: ______________________ Amount: ____________

Name: ______________________ Amount: ____________

Contractor Initials CA

Date 5-4-2017