

THE STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT

21 SOUTH FRUIT STREET SUITE 14
CONCORD, NEW HAMPSHIRE 03301

Roger A. Seigny
Commissioner

Alexander K. Feldvebel
Deputy Commissioner

February 2, 2015

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

REQUESTED ACTION

Authorize the New Hampshire Insurance Department (NHID) to enter into a contract in the amount of \$89,000 with Louis Karno and Company, Concord, NH (Vendor #170921), for the provision of consulting services in connection with the initiative to improve and expand the information available to consumers on health insurance premium rate review in New Hampshire. This agreement is to be effective upon Governor & Council approval through June 30, 2015. 100% Federal Funds.

The funding is available in account titled Rate Review Grant as follows:

	<u>FY2015</u>
02-24-24-240010-59780000-046-500464 Consultants	\$89,000

EXPLANATION

The New Hampshire Insurance Department has received a federal grant to improve the health insurance premium rate review process and transparency related to health insurance premiums and medical care costs in New Hampshire. Under the grant, the Insurance Department will improve the health insurance rate review process by enhancing the quality of data collected on health insurance claims, improving the transparency of information for consumers, and enhancing the HealthCost website as a centralized location for health care price information, in order to best serve the people of New Hampshire.

The consultant's primary responsibility will be to identify and provide an analysis of consumer needs and interests for health premium rate review information. The analysis will address the following strategies:

- how to use the internet to share information and how to test whether such use is meeting intended goals;
- minimum disclosure standards for insurers' relative rate increase information,
- whether to continue or how best to use the current public hearings process for reviewing rate increases;
- recommendations for timing of required notices that consider and balance industry competition concerns;
- how to meaningfully incorporate third-party websites and other available information; and
- recommendations on what role the NHID should play in these areas, given the role the federal government is playing

After reviewing the bid responses, the Commissioner selected the Louis Karno and Company's proposal as the most responsive to the Request for Proposals (RFP). The Request for Proposals was posted on the Department's website November 25, 2014 and sent to past bidders for Department contract work and companies doing work in this field. Four bids were received. Bids were evaluated by Department staff familiar with the project goals using a scoring system included in the RFP.

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'RAS', written over a horizontal line.

Roger A. Sevigny
Commissioner

RRG-308 PROPOSALS EVALUATIONS

Evaluation Committee members: Tyler Brannen, Alain Couture, Danielle Barrick, David Sky, Martha McLeod

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

On January 26, 2015 the Evaluation Committee members met, and as a group assigned points to each bid per the "Specific comparative scoring process" described in each RFP.

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

RFP/VENDOR	CONTRACTOR EXPERIENCE & QUALIFICATIONS (35% or points)	PLAN OF WORK (35% or points)	Bid Price- BUDGET AMOUNT	COST (30% or points)	TOTAL SCORE (100% or Points)	Score without \$\$\$	NOTES
RFP 2014-RRG-308 Analysis of Consumer Needs and Interests							
Louis Karno & Company LLC	26.40%	28.20%	\$89,000	26.04%	80.64%	54.60%	
RKM Research & Communications	22.20%	25.20%	\$77,250	30.00%	77.40%	47.40%	
PCG	28.00%	28.00%	\$161,550	14.35%	70.35%	56.00%	
M & S Consulting PLLC	26.60%	26.80%	\$265,825	8.72%	62.12%	53.40%	

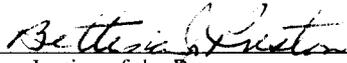
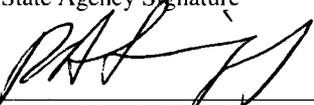
Subject: _____

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Insurance Department		1.2 State Agency Address 21 South Fruit Street, Suite 14, Concord, NH 03301	
1.3 Contractor Name Louis Karno & Company, LLC		1.4 Contractor Address 31 Warren Street, Concord, NH 03301	
1.5 Contractor Phone Number 603-224-5566	1.6 Account Number 02-24-24-2411C10-855 96000	1.7 Completion Date June 30, 2015	1.8 Price Limitation 89,000
1.9 Contracting Officer for State Agency Alexander Feldvebel, Deputy Commissioner		1.10 State Agency Telephone Number 603-271-7973	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Jayme Simoes, Owner	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Merrimack</u> On <u>2/2/2015</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] 			
1.13.2 Name and Title of Notary or Justice of the Peace BETTINA J. PRESTON, Notary Public My Commission Expires August 11, 2015			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Roger A. Seigny, Commissioner	
1.16 Approval by the NH. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: February 4, 2015			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

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

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

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

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

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

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

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

Contractor Initials SS
Date 2/2/15

8. EVENT OF DEFAULT/REMEDIES.

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

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

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

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

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

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

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

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

14. INSURANCE.

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

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

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

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be

Contractor Initials SS
Date 2/2/15

attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

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

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

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual

intent, and no rule of construction shall be applied against or in favor of any party.

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

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

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

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

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

Agreement with Louis Karno & Company, LLC
Analysis of Consumer Needs and Interests
Rate Review Grant

Exhibit A
Scope of Services

The consultant's primary responsibility is to provide an analysis of consumer needs and interests for health premium rate review information.

1. The vendor will address the following strategies:
 - a. how to use the internet to share information and how to test whether such use is meeting intended goals;
 - b. minimum disclosure standards for insurers' relative rate increase information,
 - c. whether to continue or how best to use the current public hearings process for reviewing rate increases;
 - d. recommendations for timing of required notices that consider and balance industry competition concerns;
 - e. how to meaningfully incorporate third-party websites and other available information;
and
 - f. recommendations on what role the NHID should play in these areas, given the role the federal government is playing
2. Work set out in the response to the RFP (attached)

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December 23, 2014

Louis Karno & Company Communications
31 Warren Street
Concord, NH 03301
603-224-5566

Mr. Alain Couture
New Hampshire Insurance Department
21 South Fruit Street, Suite 14
Concord, NH 03301
VIA EMAIL: alain.couture@ins.nh.gov
RE: RFP for Analysis of Consumer Needs, 2014-RRG-308

Dear Mr. Couture,

Please find enclosed our firm's response to RFP 2014-RRG-308, Analysis of Consumer Needs and Interests.

Louis Karno & Company is a communication firm specializing in public relations and strategic communication management. Our unique combination of skills, experience and media contacts allows us to confidently tackle projects that range from common to complex.

For more than 15 years, New Hampshire's most successful organizations have chosen us as their communications partner because we have earned a reputation for solid, ethical work and because we adopt our client's goals as our own.

Our firm has engaged Patrick Miller, MPH, of Pero Consulting Group, LLC, as of counsel and lead investigator on this project. Patrick's prior experience with the New Hampshire Insurance Department includes: serving as lead consultant for the initial development of NH Health Cost; project work with staff on the NH Comprehensive Health Information System (NH CHIS); and co-investigator for the 2012-RRG-06 Analysis of the NH CHIS rate review report.

Should you have any questions on the following response, please contact me at your convenience.

Cordially,

Jayme Henriques Simões
President



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**New Hampshire Insurance Department
Analysis of Consumer Needs and Interests
Request for Proposal Response
RFP 2014-RRG-308**

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1.0 Introduction

The New Hampshire Insurance Department (NHID) requires a partner to provide an analysis of consumer needs and interests for health premium rate review information, as the NHID develops an annual rate review process in accordance with the Affordable Care Act (ACA) requirements. The NHID seeks consumer input related to rate filings, medical cost trends, and health insurance rate increase justifications. These are topics that many consumers are likely to have little or no knowledge of, which is why our proposed analysis will seek input from stakeholders beyond individual consumers.

The results of this analysis will “inform efforts to engage New Hampshire consumers during the rate review process while protecting competitive industry concerns. Outcomes from this project could result in enhanced current or future website use, public hearings process changes, development of education materials or other transparency efforts-some of which may be funded by rate review grants or be compatible with grant funded efforts.”¹ The analysis will address the usage of the internet to share information, disclosure standards for insurers, how public hearings can be most effective, how to balance competitive concerns of insurers, and what role the NHID should play given activities at the Federal level.

¹ 2014-12-10 Questions and answers submitted in response to RFP 2014-RRG-308.

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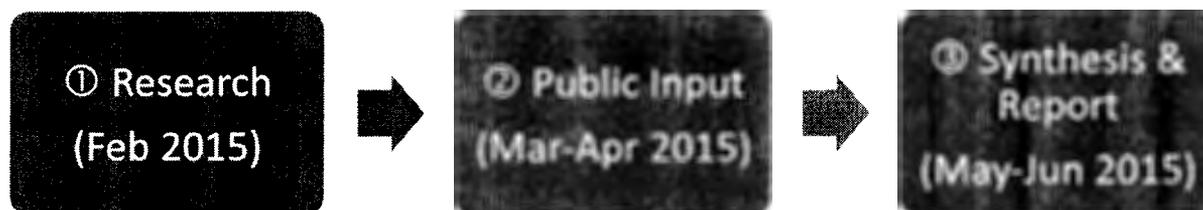
Our firm believes that it has assembled the right team, and the right research and engagement strategies to successfully meet the needs of the NHID. Our approach, while well defined, also has flexibility embedded within it, should either the NHID or the process itself determine and course corrections are necessary.

2.0 Plan of Work

2.1 Summary of Proposed Approach

As illustrated in Figure 1, we propose an approach with three, primary phases, each of which builds on the one preceding it. Guided by an initial literature review, combined with a stakeholder survey and regional listening sessions, we will synthesize the information into a final set of recommendations. The research phase and stakeholder survey are being conducted not just to garner research, but also to be able to direct resources required for the listening sessions in a cost effective manner. Each phase is described in detail below.

Figure 1: Project Approach Phases



1. **Research Phase.** The research phase of the project will ensure that information from past reports, local stakeholders, other states, trade association groups, the Federal government, think tanks, and national foundations is inventoried first. This information will include:
 - a. An initial set of interviews with key NHID staff to obtain both an historical perspective, and the Department's vision of the future.
 - b. A review of reports that have been filed with the NHID to date under the rate review grant program to determine if there is any relevant background material already developed on consumer interests or carrier concerns.
 - c. A literature review to understand:
 - i. What other states are currently doing or proposing to do.
 - ii. What data and recommendations the Centers for Medicare and Medicaid Services (CMS) have gathered.
 - iii. How think tanks and national foundations such as The Commonwealth Fund, National Conference of State Legislatures, National Academy for State Health Policy, or Brookings Institution are approaching consumer needs with regard to rate review.



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- iv. How trade associations such as the National Association of Insurance Commissioners and America's Health Insurance Plans are addressing the issue.
 - d. A synthesis of proprietary research held by our organization from the Covering New Hampshire program. Louis Karno & Company conducted a great deal of consumer research concerning health care coverage for Covering New Hampshire, including a 1,000 person survey, a survey of 360 NH businesses, and 4 focus groups. The information from this research will help to inform us as we prepare for this projects' survey and focus groups.
 - e. We have excellent ties with front line Navigator and Marketplace Advisor staff in New Hampshire. We will conduct a web conference(s) with these groups to obtain direct input.
 - f. Phone interviews with key stakeholders from consumer groups, payers, trade associations, and producers will be used to gather information about consumer needs, but also to ensure an understanding of the competitive concerns of payers. It is expected that these interviews will directly impact the questions used in the survey and focus groups, as well as help broaden the audience we will outreach to.
 - g. Finally, we will attempt to examine existing web traffic and queries for NH Health Cost using Google Analytics (hosted by University of New Hampshire). This analysis will help understand the current queries, how people found the site, what pages are of interest/disinterest, and what devices (PC or mobile) consumers are using. Depending on the Office of Information Technology's capabilities, this type of analysis may also be possible on the NHID website.
2. **Public Input Phase.** The questions and format of the public input process will be guided by the research phase. The public input phase will consist of two primary tasks: conduct a survey of stakeholders and hold multiple, statewide public listening forums.
- a. Stakeholder Survey. The survey of stakeholders would include: carriers, producers, hospitals, FQHCs, CMHCs, District Offices, NH BIA, and various health care consumer organizations operating in New Hampshire.
 - i. The survey will be a mixture of questions resulting in both quantitative and qualitative data.
 - ii. The survey will be administered electronically, and it will be tailored, as needed, to each of the individual stakeholder groups.
 - iii. The survey is a critical way to gain information quickly, and we estimate approximately 100-150 respondents will participate.
 - iv. While individual respondents' information will be kept confidential, it is expected that we will follow up with an estimated 10-15% of respondents with "deeper dive" questions via telephone, based upon their qualitative answers.



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- b. **Regional Listening Sessions (focus groups).** The results of the research phase, combined with the survey data will be used to develop the format and questions for four (4) regional listening sessions to engage the public. We will work collaboratively with the NHID on the selection of locations.
 - i. These sessions are an opportunity to both present the Department leadership to consumers in a public forum, and to gain feedback on possible scenarios and options that the research and surveys uncovered.
 - ii. We believe that it is likely that four forums will be required in order to cover the state: Lakes Region, Upper Valley, Manchester/Nashua, and Seacoast, however, if we need to add an additional forum in the North Country, we are prepared to do so. We will finalize the forum strategy in consultation with the NHID.
 - iii. We will organize the meetings, prepare and coordinate a joint presentation with the NHID, and leave behind a rack card to point consumers to the NHID website.
 - iv. We expect these listening sessions to build recognition and awareness of the NHID, and while gaining consumer input on the premium rate review process.

3. **Synthesis and Report Phase.** The final phase is the synthesis of the research, stakeholder surveys, and public input into a set of recommendations, final report, and Powerpoint. A public presentation of the material will be conducted as the final deliverable.

In each of the phases above, multiple check points with the NHID staff will occur, starting with a kick off meeting after the Governor and Council vendor contract approval, and ending with a close out meeting after the final presentation. Each of these check points are shown as deliverables in Table 1 (see next page).



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2.2 Deliverables and Timeline

Table 1 describes the major tasks/phases, deliverables, and timelines for this project.

Table 1: Deliverables and Timelines by Major Task

Major Task/Phase	Deliverables	Timeline
1. Kick Off Meeting	<ul style="list-style-type: none"> NHID meeting with contractor to align expectations, work plan, deliverables, and schedule future meetings 	Within one week of Governor and Council approval which will likely be 1/21 or 1/28/2015
2. Research	<ul style="list-style-type: none"> NHID interviews and existing rate review reports analysis Literature review Webinar with Navigators & Marketplace Assistants to seek input Review of NH HealthCost Google Analytics reports to determine key word drivers, navigation and exit summaries, and breakdown of desktop vs mobile usage Written summary to serve as a guide to the public input process (next project phase) NHID checkpoint meeting 	February 2015
3. Public Input Process (survey and focus groups)	<ul style="list-style-type: none"> Survey development and administration Written summary of survey results Listening session design and planning Listening session presentation and discussion guide Conduct listening sessions Written summary of listening sessions NHID checkpoint meeting 	March – April 2015
4. Synthesis & Report Development	<ul style="list-style-type: none"> Report development Presentation development and formatting Report delivery NHID checkpoint meeting 	May – June 2015
5. Final Presentation	<ul style="list-style-type: none"> PowerPoint presentation delivery Final presentation NHID close out meeting 	June 2015



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3.0 Contractor Experience and Qualifications

Louis Karno & Company is the right partner for the NHID on this project due our core strengths:

- We take practical, cost-effective, thoughtful approaches to find and implement communication solutions for our clients.
- We believe in research and planning before acting.
- We build on our personal relationships with media to reach them efficiently and intelligently.
- We know how to leverage "new media" and social media tools to reach the ever-growing online audience.
- We are dedicated to the ethical practice of public relations as a profession.
- We are actively engaged in our communities.
- We have a deep knowledge of the science of audience behavior, culture and motivation, which are key to effective communications.

In addition to our core strengths, we are a highly regarded, established firm, with satisfied customers, including the New Hampshire Department of Insurance and the New Hampshire Department of Health and Human Services (DHHS). Our track record for policy and communications work is proven, and we have engaged with some of the most respected names in health policy and other organizations, including New Futures, the NH Dental Society, the Currier Museum of Art, and the City of Concord.

We offer all the responsiveness, and attention you expect from an individual, with the broad experience, depth of knowledge, and contacts of a seasoned firm, and have a history of successfully working with a wide range of clients and constituents from state agencies to corporations and nonprofit organizations. Some key examples:

- This last year, we oversaw the public outreach and education of the State Healthcare Exchange under the Affordable Care Act (Covering New Hampshire), leading an effort that enrolled twice the forecast number of Granite Staters. This project included significant research, including numerous focus groups and surveys. This work has been honored as a Best Practice by Enroll America, a national advocacy group. Our Covering NH partner, NH Health Plan, recently renewed our contract to conduct outreach and education for the current 2014/15 open enrollment periods.
- For Covering New Hampshire, Louis Karno & Company conducted a significant amount of consumer research regarding health care coverage. The research included a 1,000 person survey, a survey of 360 NH businesses, and 4 focus groups. The proprietary information from this research will help inform us this project.
- We also currently oversee the public awareness effort around the expansion of Medicaid. This involves very close collaboration with a state agency team, external vendors and the Governor's Office. Through flexibility, we have communicated with the public and stakeholders about enrollment activities, coupled with daily social media updates. To assist DHHS in the process we also created a series of informational listening sessions, which were crucial to obtaining federal support.

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These experiences, along with our skills in directing research, and crafting messaging and marketing materials for businesses and organizations across New Hampshire, has earned us a reputation as flexible, honest and dedicated to forwarding our clients' goals—not our own. Finally, we retain the highest levels of talent, both in house, and through counsel, such as Patrick Miller, MPH, of Pero Consulting Group, LLC who has been retained for this project.

3.1 Staff Bios

Jayme Henriques Simões, *President* Jayme manages client accounts and directs strategy and marketing efforts. He founded the agency in 1999 and has grown it from two clients to more than 50. Simões received the Advertising and Public Relations Award from the New Hampshire Travel Council; is past president of the Public Relations Society of America-Yankee Chapter; and in 2003 was named one of the state's young leaders in the New Hampshire Union Leader's "40 Under Forty" recognition. He has served on several local and statewide nonprofit boards. Simões is a Chicago native, a Boston University graduate, and is fluent in Portuguese and Spanish.

Brett. St. Clair, *APR, Partner* Brett is an accredited public relations practitioner specializing in relations management, strategic planning, issues management, crisis communication, employee communication, board development and media relations. He served 10 years as the Business & Industry Association of New Hampshire's vice president of marketing and communication and is a past president of the Public Relations Society of America-Yankee Chapter. He serves on several nonprofit boards and is vice chair of the Dunbarton Conservation Commission. He is a New Hampshire native, grew up in Chester, attended the University of New Hampshire and now lives in Dunbarton.

Patrick Miller, *MPH, of counsel* Patrick is the Founder and Principal of Pero Consulting Group, LLC, a health care management consulting firm. In the last 23 years, Patrick has led projects for government, academic, and corporate clients; has founded two companies and an employer coalition; and has been an invited speaker by many organizations including America's Health Insurance Plans, National Governors Association, HHS Office of the National Coordinator, and The Brookings Institution. Relevant work experience includes: market research, policy analysis, group facilitation, program management, and strategic planning. Patrick has lived in New Hampshire since 1987, has been active with local and national non-profit boards, and currently serves on the Board of Directors of Speare Memorial Hospital. He is a resident of Campton.

Stefanie Phillips, *Account Executive* Stefanie is a former news reporter who holds a Master's Degree in Organizational Communication and Public Relations from Northeastern University. She worked at several agencies in Boston and in marketing and public relations for Vigilant Woodworks in Dover and Irving Energy in Portsmouth before joining Louis Karno & Company.



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Alex McIntire, Account Executive Alex has written for several publications, namely and most consistently the Concord Monitor, since graduating from St. Michael's College with a degree in Journalism and Mass Communications. Additionally he has worked in marketing with Sports Identity, Inc. in Boston and with the nationwide kitchen and bath retailer, Cabinets To Go. Alex grew up in Hopkinton, NH and currently lives in Concord with his wife and their dog, Bode.

Laura Simões, Partner Laura has been building and executing strategic communication, crisis aversion and advocacy plans for clients in the health care, housing, education, transportation, economic development, conservation, insurance, philanthropic and public policy sectors for more than 15 years. She has deep knowledge of the New Hampshire nonprofit sector and strong relationships with community leaders from her time as Deputy State Director for U.S. Senator Jeanne Shaheen, Communications Director for the NH Charitable Foundation, and as the State of NH's chief strategist and spokesperson on tourism (NH's second largest industry) for the Department of Resources and Economic Development. Laura is currently Of Counsel with Louis Karno & Company, but served for six years as our Managing Partner. She is a former Selectman for a town of 6,000, and a former Commissioner on Human Rights for the State of New Hampshire, as well as a leader on statewide boards of directors.

Ken Sheldon, of counsel Ken is a freelance writer and editor with 20 years of writing experience. His work has appeared in regional and national magazines, and he has authored several non-fiction books published by Time-Life, Yankee Books, Rodale Press, and Publications International. He served as West Coast bureau chief for *Byte* magazine. He is also a singer/songwriter whose educational songs for young children have been produced by Scholastic, Inc. since 1997.

3.2 Staff Resumes

Please see Appendix.

3.3 Engagement Reference List

Three references are provided (more available upon request):

Covering NH

We launched a comprehensive campaign to educate consumers about the affordable options for health insurance available through the Health Benefits Marketplace. Our campaign, built upon in-depth research to understand our audience and determine the most persuasive messages to convince them to sign up, helped New Hampshire outpace federal expectations and enroll more than 40,000 residents through the Marketplace. We branded the effort, designed and built coveringnewhampshire.org, and executed a multi-million dollar, multi-channel campaign to reach uninsured residents during the open enrollment period.



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Client Contact:

J. Michael Degnan
Covering New Hampshire
One Pillsbury Street, Suite 200
Concord, NH 03301
(603) 225-6633
JMDegnan@helmsco.com

New Hampshire Health Protection Program

We are currently working alongside the Department of Health and Human Services to promote the state's new Health Protection Program which is estimated to provide health benefits to over 50,000 individuals across the state. We are working hand in hand to turn policy into consumable information for consumers so they can get the right information, at the right time.

Client Contact:

Mary Ann Cooney
Associate Commissioner
NH Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301
(603) 271- 9444
MCooney@dhhs.state.nh.us

Currier Museum

We launched the Currier Museum of Art's reopening back in March, 2008 after almost two years of expansion. A comprehensive media relations campaign was implemented targeting national, regional, and local media. Media coverage was secured regionally and nationally including *Wall Street Journal*, *Smithsonian Magazine*, *Art Business News*, and *Fine Art Connoisseur*. We continue to promote with success the Currier's exhibits that have included Andy Warhol, David MacCaulay, and M.C. Escher. In the past few years every major exhibit at the Currier has been featured in the *Boston Globe*.

Client Contact:

Steve Konick
Director of PR and Marketing
Currier Museum of Art
150 Ash Street
Manchester, NH 03104
(603) 518-4902
SKonick@currier.org

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4.0 Budget and Derivation of Cost for Staff Time

The project budget (See Table 2) has been constructed based on major project deliverables. For simplicity's sake, we have factored all overhead and expense assumptions into each deliverable.

This budget is a total, not-to-exceed figure. In terms of staff time, it is a Louis Karno & Company policy to charge one rate for all services, and all staff and consultants are billed at a flat government rate of \$95 per hour. This rate is inclusive of mileage to meetings and presentations, materials for the focus groups, the survey software tool, and any other expenses directly related to the project.

Table 2: Budget by Major Task and Deliverable

Task/Phase	Deliverable	Cost
1. Kick Off Meeting	<ul style="list-style-type: none"> NHID meeting with contractor to align expectations, work plan, deliverables, and schedule future meetings 	Included in project overhead
2. Research	<ul style="list-style-type: none"> NHID interviews and existing rate review reports analysis Literature review Webinar with Navigators & Marketplace Assisters to seek input Review of NH HealthCost Google Analytics reports to determine key word drivers, navigation and exit summaries, and breakdown of desktop vs mobile usage Written summary to serve as a guide to the public input process (next project phase) NHID checkpoint meeting 	\$17,000
3. Public Input Process (survey and focus groups)	<ul style="list-style-type: none"> Survey development and administration Written summary of survey results Listening session design and planning Listening session presentation and discussion guide Conduct listening sessions Written summary of listening sessions NHID checkpoint meeting 	\$43,000
4. Synthesis & Report Development	<ul style="list-style-type: none"> Report development Presentation development and formatting Report delivery NHID checkpoint meeting 	\$29,000
5. Final Presentation	<ul style="list-style-type: none"> PowerPoint presentation delivery Final presentation NHID close out meeting 	Included in Task 4
TOTAL		\$89,000

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5.0 Conflict of Interest Statement

Neither Louis Karno & Company LLC nor Pero Consulting Group LLC have identified any actual or proposed conflicts of interests. Louis Karno & Company does work with NHID on the NH HealthCost website. Employees of both organizations serve on non-profit boards and work with health care and non-health care clients in the State of New Hampshire.

Appendix: Resumes

Resumes for the following individuals are enclosed:

- Jayme Henriques Simões
- Laura D. Simoes
- Brett. St. Clair, APR
- Patrick Miller, MPH
- Stefanie Phillips
- Alex McIntire

Louis Karno & Company Communications, LLC
Strategic Communication Counsel
31 Warren St., Concord, NH 03301
www.LKarno.com
V: 603 224 5566

**Agreement with Louis Karno & Company, LLC
Analysis of Consumer Needs and Interests
Rate Review Grant**

Exhibit B

Contract Price, Price Limitations and Payment

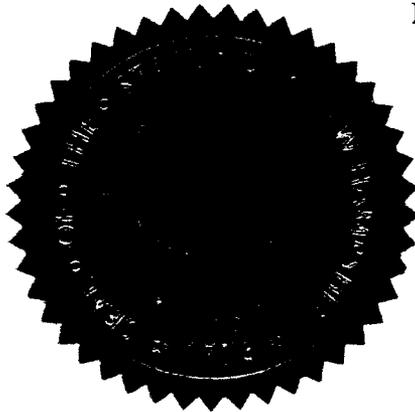
The services will be billed at the hourly rate of \$95/hour as set forth below. The total reimbursable amount shall not exceed the total contract price of \$89,000. The services shall be billed at least monthly and the invoice for the services shall identify the person or persons providing the service. Payment shall be made within 30 days of the date the invoiced is received.

Task/Phase	Cost
1. Kick Off Meeting	Cost included in project overhead
2. Research	\$15,470
3. Public Input Process (survey and focus groups)	\$39,130
4. Synthesis & Report Development	\$26,390
5. Final Presentation	Cost included in Task 4
Sub Total	\$80,990
Project overhead (includes office space, billing, supplies, survey software, printing, and meeting travel)	\$8,010
TOTAL	\$89,000

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 LOUIS KARNO & COMPANY, LLC is a New Hampshire limited liability company formed on October 18, 2002. I further certify that it is in good standing as far as this office is concerned, having filed the annual report(s) and paid the fees required by law; and that a certificate of cancellation has not been filed.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 15th day of April, A.D. 2014

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

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY/VOTE
(Limited Liability Company)

I, JAYME SIMOES, hereby certify that:
(Name of Sole Member/Manager of Limited Liability Company, Contract Signatory – Print Name)

1. I am the Sole Member/Manager of the Company of LOUIS KARNO & COMPANY, LLC
(Name of Limited Liability Company)

2. I hereby further certify and acknowledge that the State of New Hampshire will rely on this certification as evidence that I have full authority to bind LOUIS KARNO & COMPANY, LLC
(Name of Limited Liability Company)

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

[Signature]
(Contract Signatory - Signature)

2/2/15
(Date)

STATE OF NEW HAMPSHIRE

COUNTY OF MERRIMACK

On this the 2 day of FEBRUARY 20 15, before me BETTINA J. PRESTON
(Day) (Month) (Yr) (Name of Notary Public / Justice of the Peace)

the undersigned officer, personally appeared JAYME SIMOES, known to me (or
(Contract Signatory – Print Name)

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

(NOTARY SEAL)

[Signature]
(Notary Public / Justice of the Peace -Signature)

BETTINA J. PRESTON, Notary Public
Commission Expires My Commission Expires August 11, 2015

STANDARD EXHIBIT I

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

BUSINESS ASSOCIATE AGREEMENT

(1) Definitions.

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

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

(2) Use and Disclosure of Protected Health Information.

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

(3) Obligations and Activities of Business Associate.

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

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

(4) **Obligations of Covered Entity**

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

(5) **Termination for Cause**

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

(6) **Miscellaneous**

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

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

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

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

The State

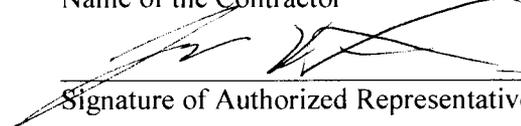

Signature of Authorized Representative
Roger A. Seigny

Name of Authorized Representative
Commissioner

Title of Authorized Representative
2/3/15

Date

LOUIS KARRID & COMPANY, LLC

Name of the Contractor


Signature of Authorized Representative
JAYMIE SIMOES

Name of Authorized Representative
OWNER

Title of Authorized Representative
2/2/15

Date