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**THE STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

21 SOUTH FRUIT STREET SUITE 14
CONCORD, NEW HAMPSHIRE 03301

Roger A. Sevigny
Commissioner

Alexander K. Feldvebel
Deputy Commissioner

January 15, 2014

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

REQUESTED ACTION

Authorize the New Hampshire Insurance Department to enter into a contract with Compass Health Analytics ("Compass"), 411 Congress Street, 7th Floor, Portland, Maine 04101, (Vendor #162376) in an amount not to exceed \$75,000, for the provision of benefit consulting services in connection with the review and evaluation of legislative proposals regarding mandated health insurance benefits pursuant to RSA 400-A:39-b. This agreement is to be effective upon Governor & Council approval through June 30, 2016. Source of funds: 100% other funds.

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

	FY2014	FY2015	FY2016
02-24-24-2400-25200000-046-500464 Consultants	\$25,000	\$25,000	\$25,000

EXPLANATION

RSA 400-A:39-b requires the review and evaluation of legislative proposals to mandate health insurance benefits. These studies include information concerning:

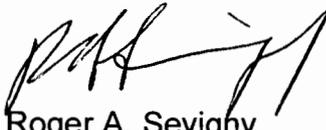
- (1) The social impact of mandating the benefit;
- (2) The financial impact of mandating the benefit;
- (3) The medical efficacy of mandating the benefit; and
- (4) The effects of balancing the social, economic and medical efficacy considerations.

These studies are required upon any legislative referral from any standing committee having jurisdiction over the proposal or may be performed at the discretion of the Department.

This was a competitively bid contract in which only Compass Health Analytics, Inc. submitted a bid to our Request for Proposals.

The Insurance Department respectfully requests that the Governor and Council authorize the contract with Compass Health Analytics to support the provisions of RSA 400-A:39-b through June 30, 2016. Your consideration of the request is appreciated.

Respectfully submitted,



Roger A. Sevigby

Subject: RFP-01 for Review and Study of Mandated Benefit Proposal

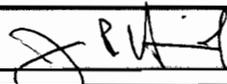
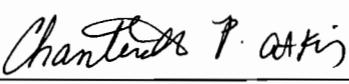
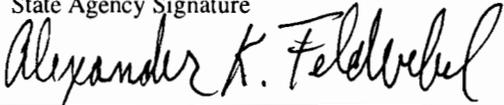
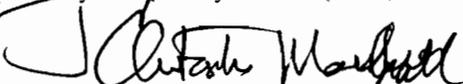
AGREEMENT

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

GENERAL PROVISIONS

RECEIVED BY INSURANCE DEPT DEC 17 2013

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Insurance Department		1.2 State Agency Address 21 South Fruit Street, Suite 14, Concord, NH 03301	
1.3 Contractor Name Compass Health Analytics, Inc.		1.4 Contractor Address 254 Commercial Street, 2nd Fl, Portland, ME 04101	
1.5 Contractor Phone Number (207) 541-4900	1.6 Account Number	1.7 Completion Date June 30, 2016	1.8 Price Limitation \$75,000
1.9 Contracting Officer for State Agency Alex Feldvebel		1.10 State Agency Telephone Number (603) 271-7973	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory James P. Highland, President	
1.13 Acknowledgement: State of <u>Maine</u> , County of <u>Cumberland</u> On <u>12/16/13</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] 		Chanterelle P. Atkins Notary Public, State of Maine My Commission Expires on January 30, 2019	
1.13.2 Name and Title of Notary or Justice of the Peace Chanterelle P. Atkins, Notary Public			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Alexander K. Feldvebel, Deputy Commissioner	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: 12/26/13			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

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

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

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

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

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

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

Contractor Initials 
Date 12/16/13

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

15. WORKERS' COMPENSATION.

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

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

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

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

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

19. CONSTRUCTION OF AGREEMENT AND TERMS.

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

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

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

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

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

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

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

Compass Health Analytics, Inc. Mandated Benefit Evaluation

Exhibit A

Scope of services

The State of New Hampshire Insurance Department ("Department") retains and engages the non-exclusive research and reporting services of Compass Health Analytics, Inc. ("Compass") to provide services for the review and evaluation of proposed health insurance mandated benefits, pursuant to RSA 400-A:39-b. It is agreed that in addition to the review and evaluation of proposed health insurance mandated benefits under RSA 300-A:39-b, Compass shall also review and evaluate other specific questions raised by the General Court and the Department or by members of the Legislature regarding the proposed mandated health insurance benefits referred for study. These questions may include, but shall not be limited to, legislative variations and other types of impact of the proposed mandate. Compass shall be responsible for providing written reports, counsel and advice, and other similar services, to the Department as requested, and within the compensation limits of this contract.

Compass shall have the option to decline a referral for review and evaluation and to decline to provide services for such referral when Compass' expected charges for the referral, when added to its charges for all prior referrals under this contract, will exceed the \$75,000.00 maximum compensation permitted under this contract. Under such circumstances the Department shall develop and issue an RFP for any such additional referral(s), and shall award the review and evaluation of such referral(s) to Compass or to another consultant, based upon the Department's evaluation of the responses to any such RFP.

All referrals for reviews shall be made on or before the termination date of this contract, June 30, 2016.

Compass shall notify the Department immediately should it discover any possibility of conflict of interest in the performance of its duties under this contract. The Department shall have the right to withdraw any referral which, in the Department's sole judgment, would be adversely affected by any potential or actual conflict of interest.

Proposal to the
State of New Hampshire Insurance Department
for Consulting Services Related to
Analysis of Mandated Health Insurance Benefits
NHID RFP 2013-RFP-01
February 1, 2013

Submitted by
Compass Health Analytics, Inc.

254 Commercial St. 2nd floor, Portland, Maine 04101

(p) 207.541.4900 (f) 207.523.8686

www.compass-inc.com

Contact: James Highland, PhD, jh@compass-inc.com



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1. Introduction

Compass Health Analytics, Inc. is pleased to submit this proposal in response to the Request for Proposals from the State of New Hampshire Insurance Department (NHID) to assist the Department with its duties under RSA section 400-A:39-b to review and evaluate proposed legislation related to mandated health insurance coverage.

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

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

2. Experience Related to Mandate Analysis

Compass specializes in quantitative analysis of health care data, ranging from actuarial and financial analysis to outcomes analysis to economic analysis supporting policy makers. We provide services supporting analysis, including processing and managing health care data and designing and operating decision support environments. Compass also has extensive experience with estimating the costs of health insurance benefit mandates. Below we describe specific experience and skill sets relevant to the requirements of this RFP.

Impact of mandated benefits on premiums

Compass has extensive experience estimating the cost to premium payers of mandated health insurance benefits in Massachusetts and New Hampshire. We have completed two cycles, four years apart, of a comprehensive assessment of existing mandates in Massachusetts for the Center for Health Information and Analysis (formerly the Division of Health Care Finance and Policy). Compass has also provided estimates of the impact of more than a dozen proposed mandate bills before the Massachusetts and New Hampshire legislatures since 2003, including current bills before the Massachusetts General Court.

All of these projects required coordination with regulators, carriers, and other constituencies, statutory analysis, clinical analysis drawing on expert opinion, and actuarial analysis, often using all-payer claim data. In some of these projects Compass has provided the actuarial analysis in conjunction with clinical analysis performed by internal staff or other consultants; in others,

including the recent comprehensive review of mandated benefits in Massachusetts, Compass has conducted the clinical/efficacy analysis.

Impact of mandated benefits on EHB benchmark plans

Compass recently assisted NHID with pricing essential health benefit (EHB) benchmark plans, including estimating the effect of mandated benefits thereon. Through this and other projects, Compass has accumulated knowledge of the ACA and other federal requirements for health insurance, ranging from provisions that interact with state benefit mandates to the ACA's impact on state-level rate review standards.

New Hampshire health insurance laws and data sources

With work for NHID on the New Hampshire rate review process and data sources, Compass staff have accumulated a solid working knowledge of New Hampshire insurance laws and regulations.

Compass's work on several recent, related analyses supporting the NHID, including assisting with the supplemental reporting process and analyzing health insurance cost drivers, has provide experience with the major sources of data available to the NHID, including the supplemental filings and the "raw" claim data available through NHCHIS, and the differences among various sources.

Our experience includes work with the NHID to improve the quality, utility, and efficiency of the New Hampshire-specific data sources. Compass also worked with several New Hampshire data sources in writing the first cost-driver report. As part of that project, we developed a carrier questionnaire to supplement data from the 2010 Supplemental Report, New Hampshire Comprehensive Health Care Information System (NHCHIS), and NAIC Annual Statements. We are familiar with, and adept in using, the New Hampshire data sources cited above, and have become familiar with carrier-specific data issues.

3. General Qualifications

Compass employees bring to Compass and its clients wide-ranging and technically-advanced cumulative experience in the healthcare industry. The following subsections illustrate the firm's qualifications and present a summary of our staff credentials.

3.1. Other health actuarial experience

In addition to experience with mandate analysis and the other areas listed above, Compass actuarial and other staff have experience with analysis related to:

- Health care cost trends
- Administrative loads and carrier profits
- Cross-subsidization of member groups
- Insurer financial condition

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

Insurance markets and medical trends

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

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

Determination of the Dirigo Health Plan savings offset payment

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

Insurance benefit design/pricing

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

Rate review

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

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

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

Experience with New Hampshire supplemental reporting

Compass has analyzed New Hampshire supplemental reporting and assisted the NHID with the production of the supplemental reports for the 2010 and 2011 health insurance market in New Hampshire. In these projects we carried out the following steps:

- Received the carrier submissions, performed preliminary quality assurance testing, documented and communicated data submission issues to carriers resulting in re-submissions to correct errors
- Processed the data into a stacked file to enable analysis of the NH insurance market
- Developed questions unique to each carrier based on comparisons to other carriers and to previous Supplemental Report data, resulting in some carriers correcting erroneous data
- Reviewed previous Supplemental Report and reproduced calculations, charts, and graphs
- Wrote the report, using the previous report as a model, and made modifications as appropriate
- Documented carrier issues and communications for follow-up by NHID on non-compliance and unresolved issues

Support of employer group premium pricing negotiation

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

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

3.2. Other relevant firm qualifications

The experience of Compass as a firm includes the following.

Experience with carrier data

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

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

In Vermont, Compass worked as a subcontractor to Onpoint to assist the Vermont Department of Banking, Insurance, Securities and Health Care Administration (BISHCA) in assessing Vermont's multi-payer claim database (VHCURES) to support and enhance insurance rate review activities. The project involved identification of common data elements between rate filings and VHCURES and identification of existing data gaps.

Quantitative/programming skills

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

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

Working with state governments

Compass has extensive experience working for state government clients and for nonprofit entities working with state government programs. Through the experience of our actuaries with insurance regulators in Maine, Vermont, New Hampshire, and Connecticut, Compass staff have learned the policies, procedures, and politics typical of state government health insurance regulation. The projects cited above are typical. In addition, we have worked extensively with non-profit managed

care organizations under contract to serve beneficiaries of state programs, interacting effectively and cordially with state personnel on insurance premium issues and negotiations.

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

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

3.3. Staff credentials

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

James P. Highland, PhD, MHSA

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

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

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

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

programs. He has also analyzed and advised executive decision makers on payment systems, incentives, and risk bearing, including recent work in ACO planning.

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

In 2009 Dr. Highland was appointed by the Governor to the State of Maine's Advisory Council for Health System Development, which guides research on the health care system in Maine and makes recommendations to the Legislature for initiatives to improve the health care system and expand access. He has served on its payment reform and health system data infrastructure sub-committees. Dr. Highland also serves as an Adjunct Professor at the University of Maine's Muskie School of Public Service and has taught at the University of Pennsylvania's Wharton School and in the Sloan Program in Health Administration at Cornell University.

Lisa Kennedy, ASA, MAAA

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

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

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

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

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

Heather Clemens, FSA, MAAA

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

Before joining Compass, Ms. Clemens accumulated over ten years of health actuarial experience. She worked at WellPoint, Inc. as the Maine valuation lead actuary with responsibility for valuation of claim liabilities, management reporting, and support of GAAP and statutory reporting and internal and external audits. Before taking on this role, she supported valuation functions for Maine, New Hampshire, and Connecticut, standardizing several processes across the states to improve efficiency and accuracy.

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

In her work at Compass, Ms. Clemens has analyzed insurer reserve levels, assessed the data analysis capacity of a state insurance department, and provided actuarial support for several mandated benefit studies.

Tina Shields, FSA, MAAA, MS

Ms. Shields joined Compass in June 2012. She is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. Ms. Shields holds a M.S. in Statistics from the University of Southern Maine and a B.A. in Secondary Education Mathematics from the University of Maine, Presque Isle. She has assisted in reviewing carrier submissions for the 2011 NHID Supplemental Report.

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

Andrea Clark, MS

Ms. Clark is an experienced consultant with expertise in developing and implementing economic, statistical, and financial analyses in the health care field, including extensive experience designing, managing, and analyzing large, complex databases. Prior to joining Compass, she was a consulting economist for a Big Five consulting firm, conducting projects ranging from litigation support for a pharmaceutical suit to assessing treatment effectiveness for the federal Substance Abuse and

Mental Health Services Administration. At Compass, she carries out a variety of technical and actuarial data studies, including provider profiling, quality measurement studies, and population-based cost studies. Ms. Clark is a Phi Beta Kappa graduate of Georgetown University in economics, and holds a Master of Science degree in economics from the University of Wisconsin.

Other staff

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

- Lars Loren – JD Stanford, AB Dartmouth. Widely-experienced consultant with a background in project management, legislative analysis, process analysis, design of information and decision support systems, and quantitative analysis and modeling.
- Amy Raslevich – MBA Duke, MPP Duke, BS Wharton. Consultant with over twenty years of experience in health care administration and consulting in public and private programs, including analytical and management work for integrated delivery systems and MCOs.
- Devin Anderson – BS Rensselaer Polytechnic Institute. Highly skilled Senior Programmer/Analyst with extensive expertise in commercial claim analysis and risk adjustment methodologies.
- Josh Roberts – BS M.I.T. Highly skilled Senior Programmer/Analyst with expertise in SAS, statistics, data warehousing methodology, and database systems.

Compass has the technical skill set to allow us to work with any data source, including raw operational system data, and manipulate it to produce analytical databases and computerized decision support models.

3.4. Conflicts of interest

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

3.5. References

See Appendix B for references.

4. Problem Statement and Approach

Compass will assist the NHID with its duties under RSA section 400-A:39-b to review and evaluate proposed legislation related to mandated health insurance coverage. NHID's review must include an assessment of:

- The social impact of mandating the benefit
- The financial impact of mandating the benefit
- The medical efficacy of mandating the benefit
- The effects of balancing the social, economic, and medical efficacy considerations

The financial impact includes the impact to the State's contributions to subsidies for the exchange plans under the federal Affordable Care Act (ACA).

The RFP does not address a particular mandate bill, but instead asks for a proposal to review up to four bills. The specific data and tasks necessary to conduct any given analysis can vary significantly depending on the mandate. For example, a bill requiring coverage for a specific and rare procedure would require a very different analysis than one requiring coverage for a common service, such as nurse practitioner services. Understanding the degree to which a benefit described in a proposed mandate is already provided, the extent to which its passage would add to marginal costs, and the data sources and analysis that will measure those costs requires a solid understanding of health care, health care data, insurance coverage, and pricing.

While the specifics vary, conducting each analysis will entail the following general steps, performed in coordination with the Department:

- Interpretation of the proposed bill's language
- Research, planning the analytical strategy, and data collection
- Analysis of the financial impact of the proposed mandate
- Social and medical efficacy analysis
- Presentation of results

Each is discussed in more detail below.

4.1 Interpretation of the proposed mandate

Critical to an efficient and accurate estimate of the costs of proposed legislation is a careful interpretation of its terms and intent. This requires understanding the existing statutory framework and the specific ways in which the proposed bill modifies that framework. It also requires interpreting elements of the bill such as to what specific services it applies, the degree to which the language allows insurers latitude in applying standards of medical necessity to the mandated services, and to what degree the requirements of the bill are already covered by federal or other applicable laws.

Without a clear understanding of these issues at the outset, the analysis can head down the wrong path. Advice from the Department's staff, and sometimes inquiries to the bill's sponsors, prove useful in clarifying these issues. Ultimately the Department will approve the final interpretation upon which the analysis will rest.

4.2 Planning, research, and data collection

The initial meeting with the Department will cover basic legal, logistical, protocol, and scheduling issues, the general set of data required, and the plan for data collection. Planning the full scope of the analysis sometimes requires reviewing the first round of data, and a follow-up discussion with the Department will be necessary in some cases.

A key component of the clinical efficacy analysis, and in some cases the financial analysis, is a review of the relevant literature, positions of government agencies and major clinical organizations (e.g., the American Academy of Pediatrics), and publicly available data sources. For new treatments/technologies not reflected in health care claims, data and literature on epidemiological prevalence, cost per treatment, and other factors can be critical to the analysis. Compass will review the relevant literature, exploring those branches most central to a sound analysis.

A key shaper of the analysis is the degree to which market forces have led insurers to cover the mandated benefit even in the absence of legal force, i.e., the degree to which the benefit is already provided by New Hampshire insurers. This factor is important for two reasons. First, if some insurers already provide the mandate, estimating its cost is easier. Second, and more important, the more extensive the existing voluntarily-provided benefits, the smaller the impact of the mandate. For example, if a mandate requires a minimum length of stay following a given procedure, then in a large percentage of cases the length of stay might already meet the standard. The resulting impact of the mandate is smaller, and the task of calculating the impact of increasing the length of stay for the remaining procedures is fairly straightforward. This case would be easier than an analysis of a new technology or provider class for which data are not yet available. The degree of existing coverage is not always clear a priori, particularly for more arcane mandates, and thus an additional scope-setting discussion is often helpful after initial data collection.

4.3 Analysis of the financial impact of the proposed mandate

The specific steps required to assess the financial impact of a proposed mandate will, of course, vary depending on the content of the mandate, but the following general steps will apply in most cases:

1. Assemble any parameters from the literature review any parameters required for the analysis
2. Specify requirements for claim data extracts and for other information from the all-payer claim database (APCD) or other sources; review with carriers and the Department as necessary
3. Estimate the number of members affected by the mandate

4. Request and gather coverage data from carriers
5. Receive claim data from the APCD or other sources
6. Perform data quality checks, and review with the Department any resulting limitations on the analysis
7. Construct a cost model to estimate the mandate's impact on carriers' medical expense
8. Estimate the mandate's effect on health insurance premiums, accounting for administrative loads, etc.

The following subsections highlight important considerations in the analysis.

Core medical expense calculation

The general approach for estimating the effect of the mandate on carriers' medical expense will be to estimate the population of members affected by the mandate and the portions thereof likely to receive the mandated services (e.g., the number with a relevant diagnosis, or using a relevant device). Estimating mandate costs typically entails establishing a historical baseline of service utilization and cost, trending values to the time period for which the estimate is to be generated, and applying "shift" parameters introduced for changes or additions to provided services and their associated costs, as driven by the mandate.

The impact of the mandate on baseline medical expense will depend on factors noted above, such as whether carriers already provide coverage. In addition, the effects of cost-sharing and other benefit plan elements might be relevant in estimating the impact of the mandate on insurers' costs.

Estimating impact on premiums

In general, health insurance premiums include claim (medical expense) and non-claim items. The non-claim items include:

- General Administrative Expenses
- Sales and Marketing Expenses
- Premium Taxes
- Profit Margin (including a provision for federal income taxes)

To determine these non-claim impacts, Compass will review the pricing practices of the major commercial health insurers in New Hampshire. This review will focus on several public information sources, including Health Annual Statements filed with the Department and rate filings.

Sensitivity Analysis and Assumption Testing

Complex analytical work always has challenges in an environment of less-than-perfect data and often-contentious policy debate. Depending on the analysis and the nature of any data deficiency,

Compass would expect to draw on a mixture of whatever data are available to provide decision makers with a bounded range of costs that realistically account for the underlying unknowns.

We will identify the key drivers of the cost estimate and analyze the sensitivity of the results to those drivers. The ranges of the estimates in our final report will reflect the reasonably foreseeable variations in those drivers. Our report will identify those drivers and explain how they affect the range of values in the final estimate of the bill's impact.

4.4 Social and medical efficacy analysis

The statute enabling mandate review provides that, in addition to evaluating the financial cost of the mandate, the Department should assess the medical efficacy and social impact of the mandate and describe the effects of balancing financial, social, and medical considerations.

Judgments in these areas will typically be less quantitative and more qualitative than the financial analysis, usually based on assessment of available information including existing literature and reports. Medical efficacy will in some cases be well-established and well-documented in medical literature, by federal government agencies, and/or by major medical societies. In other cases, little information that directly answers the question at hand might be available, or the information might be ambiguous or conflicting. A summary which accurately assesses the state of knowledge on these issues, whatever that may be, is responsive to the requirements of the law.

We will describe the issues framing the social impact. And finally, we will lay out the tradeoffs in balancing the social, financial, and medical impacts, but will leave resolving the balance to executive or legislative policymakers. Our discussion of social and medical issues will not be quantitative and will be at a summary level, with citations as appropriate.

4.5 Presentation of results

Compass will plan to present draft and final information to the Department staff in a manner that is technically appropriate for the relevant stakeholder audience. Compass routinely prepares comprehensible summaries of technical issues for decision makers. If the Department prefers to provide the resources to prepare the publicly published report, Compass will provide summaries of its findings for use in those reports.

5. Cost Estimate

The amount of overall effort, and even the proportion of the effort contributed by each Compass staff role, will vary based on the complexity of the bill and the subject condition. In addition, some "economies of scale" exist in mandate analysis; for example, two mandate analyses running concurrently can share conference time with carriers and possibly even claim data preparation and quality effort, and a mandate analysis concurrent with, or on the heels of, another can typically re-use select key pieces of information, such as membership estimates.

Recognizing these uncertainties, Compass's consulting fees will reflect actual hours worked billed at Compass's hourly consulting rates (displayed in Appendix C). The cost of a given mandate analysis will run from \$15,000 to \$25,000 and will not exceed the higher amount. We understand that in total the contract carries a \$75,000 cap.

Studies can be produced within 12 to 16 weeks of receipt, or more quickly for studies not requiring significant external consultation or review. Our estimated duration assumes any claim data (detailed or summarized) used in the analysis can be obtained through the Department or the APCD and that we will not need to rely on carriers for claim data. For studies that rely on any information from carriers, delays in receiving the information may affect timeframes.

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

Appendix A: Resumes

James P. Highland, PhD, MHSA

Lisa Kennedy, ASA, MAAA

Heather S. Clemens, FSA, MAAA

Tina Shields, FSA, MAAA, MS

Andrea Clark, MS

Lars Loren, JD

Amy Raslevich, MBA, MPP

Devin Anderson

Joshua Roberts

JAMES P.HIGHLAND

Professional Experience

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

Professional Experience (cont.)

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

Education

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

Honors and Awards

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

Memberships

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

LISA J. KENNEDY, ASA, MAAA

Professional Experience

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

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

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

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

Valuation Experience:

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

Pricing Experience:

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

Forecasting Experience:

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

Education

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

Memberships

Associate, Society of Actuaries (ASA)

Member, American Academy of Actuaries (MAAA)

Successful completion of AAA 2008 Life and Health Qualifications Seminar

HEATHER S. CLEMENS

Professional Experience

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

Education

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

Memberships

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

TINA SHIELDS, FSA, MAAA

Professional Experience

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

Education

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

Memberships

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

ANDREA L. CLARK

Professional Experience

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

Technical Expertise

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

Education

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

LARS E. LOREN

Professional Experience

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

Education

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

AMY C. RASLEVICH

Professional Experience

- 2011-present **Compass Health Analytics, Inc., Portland, ME**
Consulting Manager
Responsible for analyzing clinical and financial aspects of health policy issues, including issues related to insurance coverage and benefits. Conduct medical literature reviews and synthesis of most recent findings and conclusions regarding specific treatment approaches for specific benefit coverages. Estimate cost of specific health insurance benefits, including assessment of treatment prevalence, coverage rules, treatment costs, technology change, and cost trends.
- 2005-2009 **Child Watch of Pittsburgh, Inc., Pittsburgh, PA**
Executive Director
Led non-profit community coalition of child advocates in most senior staff position; reported to Board President. Responsible for overall health and daily oversight of agency.
- 2001- 2005 **Community Care Behavioral Health, Pittsburgh, PA**
Progressively responsible management positions providing analytical support to senior management. Managed departments of Strategic Analysis, Compliance, and Communications & Marketing.
- 1998-2001 **Deloitte Consulting Group, Pittsburgh, PA**
Senior Consultant, Healthcare Practice, 2000- 2001
Engagements included: Development of Medical Management design for large health insurer; Creation of analytical software for pharmaceutical manufacturer; Formation of all-inclusive payer-provider system for individuals with developmental disabilities living in community settings.
- 1995-1997 **Inova Fair Oaks Hospital, Budget/Reimbursement Department, Fairfax, VA**
Senior Financial Analyst
Managed hospital decision support and cost accounting systems and staff, and developed budgets for 151-bed community hospital in regional integrated healthcare system.
- 1994-1995 **Principal Behavioral Health Care, Rockville, MD**
Financial Analyst II
Managed budget and financial reporting system for behavioral health subsidiary of national managed care firm, including strategic and variance analysis and re-forecasting.
- 1993-1994 **Eastern Mercy Health System, Planning Department, Radnor, PA**
Planning Analyst
Performed market research and analysis for national not-for-profit healthcare organization, including twelve regional delivery systems, to coordinate and consolidate planning efforts.

Education

- M.B.A., Certificate in Health Sector Management, Duke University, Fuqua School of Business, 2000
M.P.P., Certificate in Health Policy, Duke University, Sanford School of Public Policy, 2000
B.S. Economics, Dual Concentration in Public Policy Management and Health Care Management, University of Pennsylvania, Wharton School of Business, 1993

DEVIN H. ANDERSON

Professional Experience

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

Senior Programmer/Analyst

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

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

Senior Programmer/Analyst, Provider Solutions Department

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

Programmer/Analyst, Health Care Data Analytics Department

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

Technical Expertise

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

Education

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

JOSHUA ROBERTS

Professional Experience

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

Senior Programmer/Analyst

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

Technical Expertise

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

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

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

Education

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

Appendix B: References

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

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

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

Appendix C: Rates

The following table displays the consulting rates Compass proposes for this contract.

Title	Incumbents	Hourly Rate
PhD Economist	J. Highland	\$275
FSA Actuary	L. Kennedy, H. Clemens, T. Shields	\$275
Senior Economist	A. Clark, A. Raslevich	\$185
Project Manager	L. Loren	\$200
Sr. Programmer/Analyst	J. Roberts, D. Anderson	\$185
Programmer/Analyst		\$125
Data Analyst		\$60

**Compass Health Analytics, Inc.
Mandated Benefit Evaluation**

Exhibit B

Contract Price, Price Limitations and Payment

Total compensation under this contract with Compass Health Analytics, Inc. ("Compass") shall not exceed \$75,000.00.

Compass shall be reimbursed for travel costs, if necessary, at the applicable State of NH rates for state employees. Costs for such reimbursement, when added to all referral charges under this contract, shall not exceed the contract limit of \$75,000.00

Compass shall present a written itemized invoice to the Department for payment which sets forth the date of service, number of hours therefore in providing the services hereunder, the name of the individual(s) providing such service, and a description of the service provided. The Department will pay such invoices for services with 30 days of receipt.

State of New Hampshire

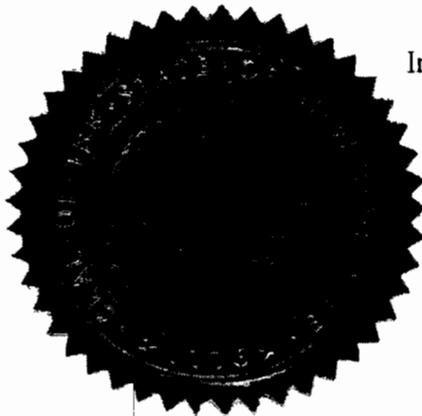
Department of State

NH INSURANCE DEPARTMENT

2013 DEC 24 AM 11:33

CERTIFICATE

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



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 23rd day of December, A.D. 2013

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

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

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



(Contract Signatory - Signature)

December 16, 2013

(Date)

STATE OF Maine
COUNTY OF Cumberland

On this the 16th day of December 20 13, before me Chanterelle P. Atkins,
(Day) (Month) (Yr) (Name of Notary Public / Justice of the Peace)

the undersigned officer, personally appeared James P. Highland, known to me (or
(Contract Signatory – Print Name)

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

(NOTARY SEAL)



(Notary Public / Justice of the Peace -Signature)

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

**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)

12/12/2013

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

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

PRODUCER Holden Agency Insurance 1085 Brighton Ave Portland, ME 04102	CONTACT NAME: Diane K. Littlefield, CIC, CPIW	
	PHONE (A/C, No, Ext): (207) 775-3793 2432 FAX (A/C, No): (207) 523-2449 E-MAIL ADDRESS: dlittlefield@holdenagency.com	
INSURED Compass Health Analytics, Inc. 254 Commercial St, 2nd Floor Portland, ME 04101	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: Peerless Indemnity Insurance Co.	18333
	INSURER B: Liberty Mutual Insurance	24198
	INSURER C: Hartford Underwriters Insurance Co.	
	INSURER D: Nautilus Insurance Company	17370
	INSURER E:	
INSURER F:		

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			BOP8953963	8/9/2013	8/9/2014	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 5,000
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 2,000,000
							PRODUCTS - COMP/OP AGG \$ 2,000,000
GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC							
B	AUTOMOBILE LIABILITY			BOP8953963	8/9/2013	8/9/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS	<input checked="" type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident) \$
							\$
	UMBRELLA LIAB						EACH OCCURRENCE \$
	EXCESS LIAB						AGGREGATE \$
	DED						RETENTION \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			04WECK4323	8/9/2013	8/9/2014	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N					E.L. EACH ACCIDENT \$ 100,000
	If yes, describe under DESCRIPTION OF OPERATIONS below	<input checked="" type="checkbox"/> Y	N/A				E.L. DISEASE - EA EMPLOYEE \$ 100,000
							E.L. DISEASE - POLICY LIMIT \$ 500,000
D	Professional Liab			NN361932	8/9/2013	8/9/2014	Each Claim/Agg 2,000,000

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

As required for operations.

NH INSURANCE DEPARTMENT
 2013 DEC 16 AM 11:30

CERTIFICATE HOLDER**CANCELLATION**

NH Insurance Department
Attn: Tyler Brannen, Health Policy Analyst
21 South Fruit Street, Suite 14
Concord, NH 03301

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

AUTHORIZED REPRESENTATIVE

Diane Littlefield

STANDARD EXHIBIT I

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

BUSINESS ASSOCIATE AGREEMENT

(1) **Definitions.**

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

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

(2) Use and Disclosure of Protected Health Information.

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

(3) Obligations and Activities of Business Associate.

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

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

(4) **Obligations of Covered Entity**

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

(5) **Termination for Cause**

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

(6) **Miscellaneous**

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

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

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

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

The NH Insurance Dept.
The State

Alexander K. Fehlebeil
Signature of Authorized Representative

Alexander K. Fehlebeil
Name of Authorized Representative

Deputy Commissioner
Title of Authorized Representative

12/20/13
Date

Compass Health Analytics, Inc.
Name of the Contractor

P. Highland
Signature of Authorized Representative

James P. Highland
Name of Authorized Representative

President
Title of Authorized Representative

12/16/13
Date