Office of State Procurement
PROACT Contract Certification of Approval

This certificate serves as confirmation that the Office of State Procurement has reviewed and approved the contract referenced below.

Reference Number: 2000113046 (1)
Vendor: Mercer Health & Benefits LLC
Description: Develop actuarially sound capitation rates for Medicaid managed care
Approved By: Elizabeth Kunjappy
Approval Date: 4/28/2016

Your amendment that was submitted to OSP has been approved.

John Bel Edwards
GOVERNOR

Rebekah E. Gee MD, MPH
SECRETARY

State of Louisiana

Department of Health and Hospitals
Bureau of Health Services Financing

April 12, 2016

Ms. Pamela Bartfay Rice, Esq.
Assistant Director, Professional Contracts
Office of State Procurement
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Dear Ms. Rice:

The following amendment is being submitted to your office this date for review and approval in accordance with Louisiana Revised Statutes 39:1481, et seq. and the rules and regulations adopted pursuant thereto:

Submitting Agency – Department of Health and Hospitals

Contractor –Mercer Health & Benefits, LLC

Amount -- $11,317,441

Your cooperation in this regard is greatly appreciated. If additional information is needed, please contact me at (337) 857-6115.

Sincerely,

Stacy J. Guidry
Medicaid Program Manager 1-B

Rev 2016/02

AMENDMENT TO

AGREEMENT BETWEEN STATE OF LOUISIANA

DEPARTMENT OF HEALTH AND HOSPITALS

Amendment #: 1

LAGOV#: 2000113046

DHH #: 060056

Agency Name... Bureau of Health Services Financing

(Regional/ Program/ Facility)

Original Contract Amt $ 9,849,374.00

AND

Original Contract Begin Date 05-16-2014

Mercer Health & Benefits, LLC

Contractor Name

Original Contract End Date 05-15-2017

RFP Number: N/A

AMENDMENT PROVISIONS

Change Contract From: From Maximum Amount: $ 9,849,374.00 Current Contract Term : 5/16/2014 - 5/15/2017

CF-1 Block 13 Maximum Contract Amount $9,849,374 SF14 $410,390 SF15 $3,283,125 SF16 $3,283,125 SF17 $2,872,734

Statement of Work - see attached changes

Change Contract To: To Maximum Amount: $11,317,441.00 Changed Contract Term: N/A

CF-1 Block 13 Maximum Contract Amount $11,317,441 SFY14 $410,390 SFY15 $3,283,125 SFY16 $4,751,192 SFY17 $2,872,734

Statement of Work - see attached changes

Justifications for amendment:

The department's implementation of Medicaid expansion pursuant to Executive Order No. JBE 16-01 requires the contractor to determine actuarially sound capitation rates for the expansion population.

This Amendment Becomes Effective: 02-01-2016

This amendment contains or has attached hereto all revised terms and conditions agreed upon by contracting parties.

IN WITNESS THEREOF, this amendment is signed and entered into on the date indicated below.

CONTRACTOR

Mercer Health & Benefits, LLC

Robert C Butler 4/8/16

CONTRACTOR SIGNATURE **DATE**

PRINT NAME: Robert C. Butler

CONTRACTOR TITLE: Principal

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

Secretary, Department of Health and Hospitals or Designee

SIGNATURE **DATE** 4/11/16

NAME: Jen Steele

TITLE: Interim Medicaid Director

OFFICE: Bureau of Health Services Financing

PROGRAM SIGNATURE **DATE**

NAME

Attachment B
Statement of Work
Mercer Health & Benefits, LLC

Goal/Purpose

The purpose is to establish an actuarial services contract that will allow for rate development and other Louisiana Medicaid financial support activities by Mercer Health & Benefits, LLC (the Contractor). Contractor will provide methods for, and calculation of, capitation rates for the Medicaid managed care programs and other support services that must be provided by an actuary or other similarly qualified staff employed by the Contractor. Contractor's methods must be analytically sound, acceptable to the Centers for Medicare and Medicaid Services (CMS), and readily replicated.

Upon the full implementation of Medicaid Expansion, DHH **will** manage~~s~~ approximately ~~875,000~~ **1,500,000** Medicaid enrollees in its Bayou Health **and dental programs** ~~Prepaid and Shared Savings Plans and will manage approximately 1,100,000 Medicaid enrollees in a Dental Benefit Plan to be implemented in Spring 2014.~~ Such management requires ongoing assistance with rate setting, risk adjustment, financial analysis, analysis of claims and encounters, evaluation of expenditures, budget projections, and financial and other reporting requirements as may be mandated by federal or state law.

Services that the Contractor shall perform to assist DHH in accomplishing its goals include:

1. Developing actuarially-sound rate ranges for capitated Managed Care Organizations (MCOs), and rates/fees for enhanced care case management fees for Primary Care Case Management (PCCM) entities and any additional Medicaid managed care models that may be developed by DHH.
2. Applying its broad base of knowledge of federal and state statutes and economic systems using mathematical models and techniques to ensure that capitated plans are paid actuarially sound rates.
3. Providing actuarial opinions and testimony on reimbursement methodology and managed care plans that have actuarial value in accordance with the principles and guidelines of the American Academy of Actuaries.
4. Applying its broad base of knowledge of federal and state policies, procedures and economic and payment systems for the support and implementation of Medicaid managed care models.
5. Assisting in the development and ongoing implementation of a risk adjustment methodology for the Medicaid managed care programs.
6. Developing actuarially-determined benchmarks for the Shared Savings (PCCM) program and savings determinations for each participating Shared Savings plan.
7. Preparing analyses and reports of cost effectiveness and related issues.
8. **Providing support for the implementation of Medicaid expansion.**
9. Other related assistance as requested by DHH.

Deliverables

1. **Actuarial Rate Development**

   Perform capitation rate setting according to generally accepted actuarial principles and practices that use a variety of parameters including recipients' age, gender, eligibility category, and geographic location for Medicaid managed care models. In addition, perform periodic adjustments due to changes in the eligibility category of aid. The

development of capitation rates must be performed annually and as requested by DHH in accordance with 42 CFR §438.6.

- Complete rate development and submit documents required by CMS to the Department on a date mutually agreed upon by DHH and the Contractor of each year.
- Provide DHH with a certification, at the conclusion of each specific Medicaid Managed Care program rate setting cycle which states that Federal regulations regarding rate setting were complied with (as necessary) and which includes a detailed description of the rate setting methodology, including all necessary assurances and explanations or other material specified by DHH including but not limited to:
    - The rates and time period for the rates;
    - A description of risk-sharing mechanisms;
    - A projection of expenditures;
    - An explanation of rate setting;
    - Provide documentation and assurance that all payment rates are:
        - Based only upon services covered under the Louisiana Medicaid State Plan or costs related to providing these services, such as health plan administration, and to Medicaid-eligible individuals.
    - Provided documentation of any adjustments to the base year data including detailing the policy assumptions, size, and effect of the adjustments. Adjustments may include services covered, administration, medical service cost, trend inflation and utilization;
    - Provide documentation identifying each rate cell by category for each rate setting period;
    - Provide documentation that the Contractor has examined base year data for distortions, such as special populations with catastrophic costs, and adjusted rates in a cost-neutral manner; and
    - Provide documentation of any use of state provided reinsurance and other risk-sharing mechanisms.
- Follow the parameters and priorities of Medicaid managed care rate development, as set by DHH, in each rate period and advise DHH if there appears to be any conflict with other requirements herein.
- Meet the work plan timeline, as agreed upon by DHH and the Contractor, of Medicaid managed care rate development in each rating period.
- Perform actuarial analyses to make recommendations on proposed rates for subsequent Medicaid managed care entity contract year(s).
- Review encounter data and financial performance of participating Medicaid managed care plans for use in determining rates and fees.
- Ensure that the methodology developed and rates calculated under all tasks meet all federal and state requirements. All reports and rate setting methodologies will be submitted to DHH for approval by CMS.
- Incorporate federal requirements, including those required by the Affordable Care Act (ACA), into managed care rates, and assist DHH in the reporting and reconciliation of such requirements as requested by DHH.
- Provide technical assistance concerning the rate setting methodology to DHH as needed. Technical assistance may include statistical data analysis and litigation support if litigation involves rates or rate setting as determined by DHH.
- Provide actuarial assistance in development of trends for Medicaid, LaCHIP and/or other populations.

- Assist DHH in budget projections pertaining to managed care rates.
- Assist in answering any and all rate related questions.

2. Data Quality

- Perform reasonable reliability and validity checks not requiring an audit on all Medicaid managed care capitation rate development data provided by Medicaid managed care entities and DHH. Work directly with Medicaid managed care entities and DHH to collect financial and encounter data from Medicaid managed care entities and provide guidance to assist health plans in resolving reliability and validity problems with their data.
- Provide an actuarial analysis of the encounter data collected from capitated Medicaid managed care entities.
- Provide supporting documentation to DHH and offer mechanisms to verify the accuracy of analysis completed and base data.
- Evaluate and validate encounter data completeness for risk adjustment purposes.

3. Risk Adjustments

The Department pays risk bearing Medicaid managed care entities a risk based per member per month (PMPM) payment utilizing the Adjusted Clinical Group (ACG) Case-Mix System by Johns Hopkins University or another risk adjustment method specified by the Department consistent with Medicaid managed care plan contracts. In addition, the Shared Savings benchmarks will also be risk adjusted using the same underlying method as the universal rates. Plan specific scores are a function of its ACG distribution of enrollees multiplied by the relative weight.

The contractor will be responsible for:

- Developing initial individual risk scores based on the health of recipients using the diagnostic data captured within the relevant claims and encounter data.
- Developing plan risk scores based on the individual risk scores and enrollment data to assign members to the appropriate plan.
- Adjust the plan risk scores (as appropriate) to maintain budget neutrality and avoid double counting the risk already addressed through existing age/sex universal rates.
- Applying adjusted plan risk scores to develop risk-adjusted per member per month (PMPM) capitation rates and Shared Savings benchmarks for Medicaid managed care entities.
- Providing periodic updates of risk adjustments over time.
- Evaluating and validating encounter data completeness for risk adjustment purposes.
- Providing ongoing assistance in relation to risk adjustment, including agreed upon reports between DHH and Mercer.

4. Pay for Performance Plan

Assistance with evaluation and/or validation of the actuarial value of enhanced payments to providers and expanded benefits to members that may be proposed by prospective Medicaid managed care entities in response to the Request for Proposals for Medicaid managed care plans.

5. Shared Savings Program Support

Develop fees and benchmarks for the Bayou Health Shared Savings Program, and periodic Shared Savings Determinations comparing Shared entity performance to benchmarks.

Enhanced Primary Care Case Management Fees (ePCCM fees) are paid to Shared entities for case management services. DHH may periodically review and/or revise these rates, and the contractor shall establish such revised fees using actuarial principles for periods requested by DHH. Such work is not anticipated to occur annually.

Develop Bayou Health Shared Savings Benchmarks for periods requested by DHH. The benchmarks should be based upon actuarial principles that use a variety of parameters including recipients' age, gender, eligibility category, and geographic location for Medicaid managed care models. In addition, perform periodic adjustments due to changes in the eligibility category of aid. Such work will include:

- Complete benchmark development and submit documents required by CMS to the Department on dates mutually agreed upon by DHH and the Contractor each year.
- Provide DHH with a Shared Savings benchmark letter for each specific Bayou Health Shared program benchmark cycle which states that Federal regulations regarding Shared Savings benchmarks were complied with (as necessary) and which includes a detailed description of the benchmark methodology, including all necessary assurances and explanations or other material specified by DHH including but not limited to:
    - The rates and time period for the rates;
    - An explanation of Shared Savings benchmark development;
    - Provide documentation and assurance that all Shared Savings benchmarks are:
        - Based only upon services covered under the Louisiana Medicaid State Plan or costs related to providing these services, and to Medicaid-eligible individuals.
    - Provided documentation of any adjustments to the base year data including detailing the policy assumptions, size, and effect of the adjustments. Adjustments may include services covered, medical service cost, trend inflation and utilization;
    - Provide documentation identifying each benchmark rate cell by category for each rate setting period;
    - Provide documentation that the Contractor has examined base year data for distortions, such as special populations with catastrophic costs, and adjusted rates in a cost-neutral manner; and
    - Provide documentation of any use of state provided reinsurance and other risk-sharing mechanisms.
- Follow the parameters and priorities of Medicaid managed care benchmark development, as set by DHH, in each rate period. Advise DHH if there appears to be any conflict with other requirements herein.
- Meet the work plan timeline, as agreed upon by DHH and the Contractor, of Medicaid managed care benchmark development in each benchmark period.
- Perform actuarial analyses to make recommendations on proposed benchmarks for subsequent Medicaid managed care entity contract year(s).
- Review financial performance of participating Bayou Health plans for use in determining benchmarks and fees as determined appropriate.

- Document that the methodology developed and Shared Savings benchmarks calculated under all tasks meet all federal and state requirements. All reports and benchmark setting methodologies will be submitted to DHH for approval by CMS.
- Incorporate federal requirements, including those required by the Affordable Care Act (ACA), into benchmarks as applicable, and assist DHH in the reporting and reconciliation of such requirements as requested by DHH.
- Provide technical assistance concerning the rate setting methodology to DHH as needed. Technical assistance may include statistical data analysis and litigation support if litigation involves rates or rate setting as determined by DHH.
- Provide actuarial assistance in development of trends for Medicaid, LaCHIP and/or other populations.
- Assist DHH in budget projections pertaining to Shared Savings ePCCM rates.
- Assist in answering any and all rate related questions.

Calculate Shared Savings Determinations periodically as requested by DHH. The Shared Savings Determinations shall be based upon the difference in Shared entity expenditures and the established benchmarks for that period. Such work will include:

- Perform period initial Shared Savings Determinations as requested by DHH based upon the claims completion period specified by DHH for the periodic initial determination.
- Perform periodic final Shared Savings Determinations following the claim completion period specified by DHH for the period final determination.
- Provide technical assistance concerning the savings determinations to the Shared entities and to DHH as needed. Technical assistance may include statistical data analysis and litigation support if litigation involves rates or rate setting as determined by DHH.
- Provide actuarial assistance in development of analyses for Medicaid, LaCHIP and/or other populations.
- Assist DHH in budget projections pertaining to the Shared Savings Program.
- Assist in answering any and all benchmark and savings determination related questions.

6. Fee Development

Develop fees as requested by DHH, engage stakeholders regarding the development of such fees, and assist DHH in the implementation, budgeting, and monitoring or such fees as requested by DHH. Fees may include, but not be limited to, develop of Diagnostic Resource Groups (DRGs) for hospital inpatient fees.

7. Waivers and Federal Reporting

Assist DHH in the development, submission, renewal and financial projections related to federal waivers for new and existing programs as requested by DHH. Such work may include support for the capitated dental program and managed care/utilization management/prior authorization for other services such as Medicaid radiology, laboratory and durable medical equipment services.

8. Procurement

Assist DHH in the development of Requests for Proposals (RFPs), data books, contracts, fees, capitation rates and budget projections for new programs and re-procurement of existing programs.

9. Reports

- Provide DHH with reports, data sets, analysis, and documents relevant to the rate setting process and calculations in the format(s) specified by DHH. The Contractor shall provide all documents and data in the electronic media format(s) designated by DHH, and the Contractor shall be required to accept and be able to process electronic documents and files in the electronic media format(s) by DHH.
- Provide complete explanations of all calculations as requested by DHH and provide all formulas to DHH as requested.
- Provide reports outlining how rate development complies with the CMS Medicaid Managed Care Rate Setting Checklist and that reflect the necessary costs associated with meeting requirements in technical and general areas.
- Provide personnel and documentation of formulas and methodologies to document and explain challenges by CMS or other parties relative to the matters herein contracted.
- Provide rate certification letters and benchmark letters and related documents as prescribed by DHH to be submitted to CMS for approval.
- Provide risk adjustment scores and related documents as prescribed by DHH to be used to adjust capitation rates and Shared Savings benchmarks.
- Respond timely to *ad hoc* data requests.
- Provide all data, program and regulatory analysis requested by DHH.
- Prepare quarterly and annual Medicaid managed care plan financial reports for review by DHH as requested.
- All reports should be submitted within timeframes agreed upon by DHH and the Contractor.

10. Participation in Meetings and Work Groups

- Participate in periodic meetings with DHH staff throughout each capitation rate cycle to discuss the parameters, priorities, methodology, and ongoing results of capitation rate development in each rate cycle. Provide documents and data, as directed by DHH to discuss at these meetings.
- Participate in meetings with DHH, legislative committees and CMS representatives as requested. Meetings may be scheduled on very short notice.
- Participate in meetings with Medicaid managed care entities, provider groups and other concerned parties as requested by DHH.

11. Technical, Clinical and Policy Assistance

- Perform technical, clinical and policy assistance and ongoing support of Medicaid managed care initiatives and the Louisiana Medicaid fee-for-service program. This may include but is not limited to assistance with *ad hoc* requests, interpretation of new federal regulations, preparation of waiver and state plan amendments in accordance with CMS and federal policy requirements, and other assistance as requested by DHH.

12. Turnover

At the end of the contract period, work cooperatively with DHH and any of their contracting organizations to develop and successfully implement a plan to turn over all non-proprietary data, methodologies, documentation, and ongoing projects to the succeeding contracting organization, vendor, or firm. The turnover plan must be delivered to DHH 90 days prior to the scheduled termination date of the contract unless DHH advises otherwise.

13. Actuarial Personnel

The Contractor must have available at least two actuaries and a data analyst on staff that are able to provide the following services:

- The principle actuary must be a Fellow in the Society of Actuaries (FSA) and a Member of the American Academy of Actuaries (MAAA) with proven experience with a Medicaid and/or CHIP program.
- One actuary must be either an ASA or FSA and MAAA and have proven experience with a Medicaid/or CHIP program.
- Non-actuaries must work under the supervision of the principle actuary to perform actuarial work.
- At least one actuary must be available either in person or by phone within four hours every Monday through Friday between the hours of 7:30 AM and 5:00 PM CT to discuss actuarial matters and work on pressing issues.
- At least one actuary must be available in person, within 72 hours, seven days a week during any State Legislative Session to discuss and testify on actuarial matters and work on pressing issues.
- As requested by DHH, provide resumes for all key personnel, including the project manager, who will be involved in providing the services of this contract. The resumes must include: name, education, and years of experience and employment history.
- Provide the name and qualifications of any subcontractor who will be involved with this contract. Describe the work and estimate the percentage of total work the subcontractor will be performing.

Performance Measure

The contractor will submit detailed monthly invoices due on the 20th of each month documenting the activities performed and the status of outstanding deliverables.

Monitoring Plan

The DHH contract monitor will:

1. Be available for consultation by phone, e-mail, and face-to-face meetings to discuss priorities and provide direction;
2. Meet with the contractor on a weekly basis, if needed, by telephone to ensure that work toward the completion of deliverables is being accomplished; and
3. Review and approve monthly detailed invoices.

Actuarial Errors, Corrective Action Plans, & Monetary Penalties

In the event of an actuarial error in a final deliverable, the Contractor shall provide written notice of the error to DHH. The notice shall include a detailed description of the error, including its scope and severity.

The Contractor agrees to correct actuarial errors at its own expense and without significant delay to the schedule for Contract deliverables. The Contractor shall not bill nor will DHH pay for the cost of correcting actuarial errors.

In the event of an actuarial error significant enough to require revision of a major deliverable, such as capitated rate certification, risk adjustment, or Shared Savings benchmark or determination, DHH may require submission of a corrective action plan and may assess monetary penalties as defined below.

The purpose of establishing and imposing monetary penalties is to provide a means for DHH to obtain the services and level of performance required for successful operation of the Contract.

The decision to impose monetary penalties may include consideration of some or all of the following factors:

- The duration of the violation;
- Whether the error (or one that is substantially similar) has previously occurred;
- The Contractor's history of errors;
- The severity of the error;
- The "good faith" exercised by the Contractor in attempting to avoid errors.

If assessed, the penalties will be used to reduce DHH's payments to the Contractor or if the penalties exceed amounts due from DHH, the Contractor will be required to make cash payments to DHH for the amount in excess.

For each occurrence of a significant actuarial error, the Contractor may be liable to DHH for monetary penalties in an amount as specified in the table below. Monetary penalties escalate by occurrence over the term of this Contract.

Occurrence	Penalty Per Occurrence
1-2	$25,000
3-4	$50,000
5 and beyond	$75,000

Excessive actuarial errors may result in termination of the contract.

Terms of Payment

This is a fixed price contract to be paid in accordance with the following rates:

Position	Hourly Rate
Principal/Partner	$450
Senior Consultant/Actuary/Project Manager/Project Coordinator	$395
Clinician	$375
Senior Associate	$335
Associate	$300
Analyst	$235

Policy/Waiver Subcontractor	$275
Policy/Operations Subcontractor	$300
Administrative Support	$90

Itemized invoices containing the tasks, deliverables completed, hours worked, and the personnel that performed the work shall be submitted to DHH by the 20th of the month following the month in which the work was performed.

The term of this contract is for the period 3 years. With all proper approvals and concurrence with the successful contractor, agency may also exercise an option to extend for up to twenty-four (24) additional months at the same rates, terms and conditions of the initial contract term. Subsequent to the extension of the contract beyond the initial 36 month term, prior approval by the Joint Legislative Committee on the Budget (JLCB) or other approval authorized by law shall be obtained. Such written evidence of JLCB approval shall be submitted, along with the contract amendment to the Office of Contractual Review (OCR) to extend contract terms beyond the initial 3 year term. No contract/amendment shall be valid, nor shall the state be bound by the contract/amendment, until it has first been executed by the head of the using agency, or his designee, the contractor and has been approved in writing by the director of the Office of Contractual Review. Total contract term, with extensions, shall not exceed five (5) years.

The continuation of this contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract.

STATE OF LOUISIANA
DIVISION OF ADMINISTRATION

Date: 3/16/2016 | Dept/Budget Unit/Program #: 09-305 / Prg 200

Dept/Agency/Program Name: DHH / Medical Vendor Administration / MVA | OCR/CFMS Contract #: 728349

Agency/Program BA-22 # : 30 | LAGOV PO# 2000113046-A1

Fiscal Year for this BA-22: 2015-2016 (yyyy-yy) | **BA-22 Start/End Dates:** 07/01/15 (Start Date) – 06/30/16 (End Date)

Multi-year Contract (Yes/No): Yes | *If "Yes", provide contract dates:* 05/16/14 (Start Date) – 05/15/17 (End Date)

Mercer (Contractor/Vendor Name) | 34201546302/Vendor 310089776 (Contractor/Vendor No.)

Contractor to provide methods for development and calculation of capitation rates for Medicaid Managed Care Program and other support services that must be provided by an actuary and other similarly qualified staff employed by contractor.

Contract Amendment (Yes/No): Yes | **Amendment Start/End Dates:** 02/01/16 (Start Date) – 06/30/16 (End Date)

Contract Cancellation (Yes/No): No | **Date of Cancellation:**

The department's implementation of Medicaid expansion pursuant to Executive Order JBE 16-01 requires the contractor to determine actuarially sound capitation rates for the expansion population.
(Provide rationale for amendment or cancellation)

This information is to be provided at the Agency/Program Level

MEANS OF FINANCING	AMOUNT			
	Current Year	%	Total Contract	%
State General Fund	$734,033.50	50.00%	$5,658,720.50	50.00%
Interagency Transfers	$0.00	0.00%	$0.00	0.00%
Fees and Self Gen.	$0.00	0.00%	$0.00	0.00%
Statutory Dedication	$0.00	0.00%		0.00%
Federal	$734,033.50	50.00%	$5,658,720.50	50.00%
TOTALS	$1,468,067.00	100.00%	$11,317,441.00	100.00%

**Specify Source (i.e., grant name, fund name, IAT sending agency and revenue source, fee type and source, etc.)*

Are revenue collections for funds utilized above in line with budgeted amounts? ***(Yes/No)*** Yes

If not, explain.

This information is to be provided at the Agency/Program Level

Name of Object Code/Category:	**Professional Services**
Object Code/Category Number:	3460
Amount Budgeted:	$150,668,982
Amount Previously Obligated:	**$ 60,027,190.90**
Amount this BA-22:	$1,468,067.00
Balance:	$89,173,724

The approval of the aforementioned contract will not cause this agency/program to be placed in an Object Category deficit.

Agy/Prg Contact: [signature]
Name: Rebecca Harris
Title: Medicaid Program Monitor
Phone: 225-342-8454

Reviewed/Approved By: Lathunda Sullivan on behalf of Teresa Bravo
Name: Teresa Bravo
Title: Medicaid Program Manager 4
Phone: 225-342-9480

FOR AGENCY USE ONLY

AGENCY	PROGRAM	ACTIVITY	ORGANIZ.	OBJECT	REPT CAT	AMOUNT
305	200		7201	3460	4436	$1,468,067.00

Louisiana SCS State Civil Service

Contract Review – Agency Request Form

Form Revision Date: 08/2015

FOR CIVIL SERVICE USE ONLY		
Effective Date of Contract	**Approval Date**	
	SCS Commission Approval (if required)	***SCS Approval (Initial and Date)***
		CKS 4.21.16
Comments		

COMPLETE THE FOLLOWING INFORMATION FOR REQUESTS DEALING WITH THE CONTRACTING OF STATE SERVICES AND/OR STATE PERSONNEL

Agency Name	**Personnel Area Number**	**Agency Number**
Bureau of Health Services Financing	7201	305

CONTRACT INFORMATION

Contract #	**Name of Contractor**	
2000113046	Mercer Health & Benefits, LLC	
Is this an amendment to an existing contract?		**If yes, OCR # (if applicable)**
Yes ☒	**No** ☐	728349
Start Date of Contract	**End Date of Contract/Amendment**	**Dollar Amount of Contract (Including Amendment)**
5/16/2014	**5/15/2017**	**$ 11,317,441.00**

CONTRACT DETAILS PROVIDED BY AGENCY TO SCS

Provide a brief overview of services to be performed to include the following:

Services to be replaced/provided by a contractor:

The contractor will develop actuarially sound capitation rates for the Medicaid Expansion population in a manner acceptable to the Centers for Medicare and Medicaid Services and readily replicated.

Advantages of contracting out services:

The Department of Health and Hospitals has no staff with the required qualifications to perform these services.

Justification for contracting out services:

The Department of Health and Hospitals has no staff with the required qualifications to perform these services.

POTENTIAL IMPACTS ON CLASSIFIED STATE EMPLOYEES

Will this contract result in the removal of responsibilities from one or more classified state employees?

Yes ☐	**No** ☒

Will this contract establish a relationship wherein an employee or official of the state takes the following actions:

Determines the work hours of the person performing the contractual services	**Yes** ☐	**No** ☒
Determines the day to day duties of that person	**Yes** ☐	**No** ☒

Approves the absences from the work place of that person	**Yes ☐**	**No ☒**

If the answer to all of the previous four questions is "NO," please email this completed form to DSCScontractreview@la.gov. If the answer to any of the questions is "YES," please complete the "Notification of SCS Commission's Authority on Contracts" portion of the form and then submit two copies of the proposed contract with this form to the Department of State Civil Service, Employee Relations Division, P.O. Box 94111, Baton Rouge, LA 70804-9111.

NOTIFICATION OF SCS COMMISSION'S AUTHORITY ON CONTRACTS

An agency requesting approval of an outsourcing contract which will result in the involuntary displacement of a classified employee must have the State Civil Service Commission's approval as provided in Civil Service Rule 2.9(h). The Commission will review all request for contract approval under the following guidelines:

1. The Commission will review all contracts that directly affect civil service employees within in a reasonable period of time to the contract's implementation.
2. The Commission will ensure that classified employees are competitively selected on the basis of merit, free from political influence, and will protect classified employees from dismissal or disciplinary actions for religious or politically-motived reasons.
3. The Commission will approve contracts that are entered into for reasons of efficiency and economy, provided that the decision to privatize is made without political motivation as to the civil servants.
4. The Commission will request all documents from the agency which are necessary to determine if any classified employee will be involuntarily displaced from civil service and if so, whether the contract was entered into for reasons of efficiency and economy and not for politically-motivated reasons.
5. The Commission will not determine whether a service should or could be provided within the classified system, whether the contract is in the best interest of the State, or whether the fiscal restraints presented by the state justify privatization.
6. The Commission will challenge in the court system of Louisiana any contract that it has good cause to believe was entered into as a pretext for the discriminatory dismissal or treatment of civil servants for religious or political reasons.

APPOINTING AUTHORITY ACKNOWLEDGEMENT FOR CONTRACTS REQUIRING SCS COMMISSION APPROVAL

I hereby acknowledge that I have reviewed the information listed above pertaining to the authority of the Civil Service Commission in relation to contracts and further verify, to the best of my knowledge, that the proposed contract has been entered into for reasons of efficiency and economy and not for politically motivated reasons.

Name of Appointing Authority

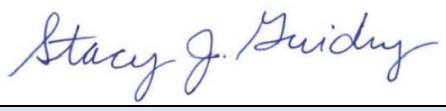
Jen Steele

Title of Appointing Authority

Medicaid Director

AGENCY INFORMATION

Signature of Appointing Authority or Designee



Title of Person Signing this Request

Medicaid Program Manager 1-B

Contact Information *(Human Resources Contact)*			
Name	**Sherry Nevels**		
Email	**Sherry.nevels@la.gov**	**Phone Number**	**(225) 342-8407**

John Bel Edwards
GOVERNOR

Rebekah E. Gee MD, MPH
SECRETARY

State of Louisiana

Department of Health and Hospitals
Bureau of Legal Services

March 15, 2016

Mr. Paul A. Holmes
State Procurement Director
Professional Contracts
Office of State Procurement
Division of Administration
P.O. Box 94095
Baton Rouge, LA 70804-9095

Re: Certification for services
Mercer Health & Benefits, LLC
CFMS #: 728349
LaGov #: 2000113046

Dear Mr. Holmes:

Pursuant to Memorandum OSP 16-03, I certify the following regarding the legal contract between the Department of Health and Hospitals (DHH) and Mercer Health & Benefits, LLC:

- It is a professional services contract.
- The total contract value once this amendment is approved will be $11,317,441 (SFY14 $410,390 SFY15 $3,283,125 SFY16 $4,751,192 SFY17 $2,872,734).
- It is used for a discretionary purpose.
- The means of financing are outlined in the attached BA-22.

This contract is exempt from Act 87 because it implements the programs of the Department of Health and Hospitals that are funded pursuant to Title XIX, Title XX, and Title XXI of the Social Security Act and is funded partially by federal funds.

If any additional information is necessary, please contact Stacy Guidry at (337) 857-6115.

Sincerely,

W. Jeff Reynolds
Undersecretary

SAM Search Results
List of records matching your search for :

Search Term : "Mercer Health & Benefits*
Record Status: Active

ENTITY	MERCER HEALTH & BENEFITS LLC		Status:Active
DUNS: 616213125	+4:	CAGE Code: 4GZ22	DoDAAC:
Expiration Date: Sep 30, 2016	Has Active Exclusion?: No	Delinquent Federal Debt?: No	
Address: 1166 AVE OF THE AMERICAS, FL-30			
City: NEW YORK		State/Province: NEW YORK	
ZIP Code: 10036-2708		Country: UNITED STATES	