



**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 ( 2)

**Vendor:** Mercer Health & Benefits, LLC

**Description:** Develop actuarially sound capitation rate ranges for Healthy Louisiana

**Approved By:** Pamela Rice

**Approval Date:** 1/04/2017

Your amendment that was submitted to OSP has been approved.



**State of Louisiana**  
Louisiana Department of Health  
Bureau of Health Services Financing

December 13, 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 – Louisiana Department of Health

Contractor – Mercer Health & Benefits, LLC

Amount – \$12,645,784

Your cooperation in this regard is greatly appreciated. If additional information is needed, please contact me at (225) 342-0941.

Sincerely,

A handwritten signature in blue ink that reads "Teresa Bravo".

Teresa Bravo  
Medicaid Program Manager 2

AMENDMENT TO

AGREEMENT BETWEEN STATE OF LOUISIANA

LOUISIANA DEPARTMENT OF HEALTH

Bureau of Health Services Financing

(Regional/ Program/ Facility)

AND

Mercer Health & Benefits, LLC

Contractor Name

Amendment #: 2

LAGOV#: 2000113046

LDH #: 060056

Original Contract Amt \$ 9,849,374.00

Original Contract Begin Date 05-16-2014

Original Contract End Date 05-15-2017

RFP Number:

AMENDMENT PROVISIONS

Change Contract From:

From Maximum Amount: \$11,317,441.00

Current Contract Term : 5/16/2014 - 5/15/2017

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

Change Contract To:

To Maximum Amount: \$12,645,784.00

Changed Contract Term: N/A

CF-1 Block 13 Maximum Contract Amount \$12,645,784 SFY14 \$390,797 SFY15 \$3,283,125 SFY16 \$4,618,468 SFY17 \$4,353,394

Justifications for amendment:

The contractor develops actuarially sound capitation rate ranges for the State of Louisiana's managed care program in accordance with federal regulations. Additional funding is needed to account for an unanticipated mid-year rate certification due to changes/budget cuts enacted during the 2016 legislative sessions and upcoming policy/cost savings initiatives, as well as the development of rates for the Medicaid expansion population pursuant to Executive Order No. JBE 16-01.

This Amendment Becomes Effective: 02-01-2017

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

12/9/16

CONTRACTOR SIGNATURE

DATE

PRINT

NAME

Robert C. Butler

CONTRACTOR

TITLE

Principal

STATE OF LOUISIANA

LOUISIANA DEPARTMENT OF HEALTH

Secretary, Louisiana Department of Health or Designee

12/13/16

SIGNATURE

DATE

NAME

Jen Steele

TITLE

Medicaid Director

OFFICE

Bureau of Health Services Financing

PROGRAM SIGNATURE

DATE

NAME

STATE OF LOUISIANA  
DIVISION OF ADMINISTRATION

Date: 12/2/2016 Dept/Budget Unit/Program #: 09-305 / Prg 200  
Dept/Agency/Program Name: LDH / Medical Vendor Administration / MVA OCR/CFMS Contract #:  
Agency/Program BA-22 #: 67 LAGOV PO# 2000113046-A2

Fiscal Year for this BA-22: 2016-2017 BA-22 Start/End Dates: 02/01/17 05/15/17  
(yyyy-vv) (Start Date) (End Date)

Multi-year Contract (Yes/No): Yes If "Yes", provide contract dates:  
5/16/2014 05/15/17  
(Start Date) (End Date)

Mercer Health & Benefits LLC 310089776  
(Contractor/Vendor Name) (Contractor/Vendor No.)

Contractor develops actuarially sound capitation rate ranges for the State of Louisiana's managed care program in accordance with federal regulations.

Contract Amendment (Yes/No): Yes Amendment Start/End Dates: 02/01/17 05/15/17  
(Start Date) (End Date)

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

Additional funding is needed to account for an unanticipated mid-year rate certification due to changes / budget cuts enacted during the 2016 legislative sessions and upcoming policy / cost savings initiatives, as well as the development of rates for the Medicaid expansion population pursuant to Executive Order No. JBE 16-01.

(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	\$664,171.50	50.00%	\$6,322,892.00	50%
Interagency Transfers	\$0.00	0.00%	\$0.00	0%
Fees and Self Gen.	\$0.00	0.00%	\$0.00	0%
Statutory Dedication	\$0.00	0.00%	\$0.00	0%
Federal	\$664,171.50	50.00%	\$6,322,892.00	50%
TOTALS	\$1,328,343.00	100.00%	\$12,645,784.00	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 - Other Professional Services
Object Code/Category Number:	3460
Amount Budgeted:	\$135,671,443
Amount Previously Obligated:	\$56,957,395.67
Amount this BA-22:	\$1,328,343
Balance:	\$78,714,047

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

Agcy/Prg Contact: Carol Henderson  
Name: Carol Henderson  
Title: FMO Budget Analyst  
Phone:

Reviewed/Approved By: Lana Goldsmith  
Name: Lana Goldsmith  
Title: Medicaid Program Manager 4  
Phone: 225-342-4312

FOR AGENCY USE ONLY

AGENCY	PROGRAM	ACTIVITY	ORGANIZ	OBJECT	REPT CAT	AMOUNT
305	200	FY14	7201	3460	4436	\$ 390,797.00
305	200	FY15	7201	3460	4436	\$ 3,283,125.00
305	200	FY16	7201	3460	4436	\$ 4,618,468.00
305	200	FY17	7201	3460	4436	\$ 3,025,051.00
305	200	FY17-A2	7201	3460	4436	\$ 1,328,343.00

## FOR CIVIL SERVICE USE ONLY

<b>Effective Date of Contract</b>	<b>Approval Date</b>	
	<i>SCS Commission Approval (if required)</i>	<i>SCS Approval (Initial and Date)</i>
		AMJ 12-14-2016
<b>Comments</b>		

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

<b>Agency Name</b>	<b>Personnel Area Number</b>	<b>Agency Number</b>
Bureau of Health Services Financing	7201	305

## CONTRACT INFORMATION

<b>Contract #</b>	<b>Name of Contractor</b>	
2000113046	Mercer Health & Benefits, LLC	
<b>Is this an amendment to an existing contract?</b>		<b>If yes, OCR # (if applicable)</b>
Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		728349
<b>Start Date of Contract</b>	<b>End Date of Contract/Amendment</b>	<b>Dollar Amount of Contract (Including Amendment)</b>
5/16/2014	5/15/2017	\$12,645,784.00

## 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 develops actuarially sound capitation rate ranges for the State of Louisiana's managed care program in accordance with federal regulations. Additional funding is needed to account for an unanticipated mid-year rate certification due to changes/budget cuts enacted during the 2016 legislative sessions and upcoming policy/cost savings initiatives, as well as the development of rates for the Medicaid expansion population.

### Advantages of contracting out services:

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

### Justification for contracting out services:

The Department of Health 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:*

<i>Determines the work hours of the person performing the contractual services</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<i>Determines the day to day duties of that person</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>




Approves the absences from the work place of that person		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<p>If the answer to all of the previous four questions is "NO," please email this completed form to <a href="mailto:DSCScontractreview@la.gov">DSCScontractreview@la.gov</a> or send it in PROACT for SCS approval. 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.</p>			
<b>NOTIFICATION OF SCS COMMISSION'S AUTHORITY ON CONTRACTS</b>			
<p>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:</p> <ol style="list-style-type: none"> <li>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.</li> <li>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-motivated reasons.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ol>			
<b>APPOINTING AUTHORITY ACKNOWLEDGEMENT FOR CONTRACTS REQUIRING SCS COMMISSION APPROVAL</b>			
<p>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.</p>			
Name of Appointing Authority		Date	
Title of Appointing Authority			
<b>AGENCY INFORMATION</b>			
Signature of Appointing Authority or Designee		Date	
		12/13/2016	
Title of Person Signing this Request			
Medicaid Program Manager 2			
<b>Contact Information (Human Resources Contact)</b>			
Name	Sherry Nevels		
Email	<a href="mailto:sherry.nevels@la.gov">sherry.nevels@la.gov</a>	Phone Number	(225) 342-8407

305-107

## 2017 Request for Expenditures

This form should accompany all P-Card Statements to LDH Budget and Planning, HR2s to LDH Human Resources, and Payment Requests to LDH Fiscal Management

This form-**Section A**-should be sent to the LDH Budget Office for expenditure approval from the Undersecretary

Agency Number and Name 305/Medical Vendor Administration		Date 11/18/2016
Preparer Name Teresa Bravo	Preparer Title Medicaid Program Manager 2	Preparer Phone Number 225-342-0941
Assistant Secretary, Medicaid Director, or Executive Director Signature 		Date 12/18/16

**SECTION A.** This section is to be used for expenditures that **ARE SUBJECT TO THE FREEZE** as per Executive Order JBE 16-03. Approval from the Undersecretary is **REQUIRED** for these expenditures.

Category of Request (Double-click a checkbox, and then choose *Checked under Default value.*)

- ☐ Operating Services    
 ☒ Professional Services    
 ☐ Supplies    
 ☐ Acquisitions  
☐ Salaries (T.O.)    
 ☐ Other Comp (Non-T.O.)

Position # \_\_\_\_\_ Position Name \_\_\_\_\_ Date of Vacancy \_\_\_\_\_

Budget Activity Associated with the Position \_\_\_\_\_

Total # of Positions included in the budget activity \_\_\_\_\_ Total vacancies in the budget Activity \_\_\_\_\_

If the position has been vacant for > 4 months, how have these duties been absorbed? \_\_\_\_\_

☐ Travel Purpose of Travel \_\_\_\_\_

How many persons are going to the same destination at the same time? \_\_\_\_\_

Why is this travel critical to the agency? \_\_\_\_\_

What is the benefit to the agency as a result of the travel? \_\_\_\_\_

Source of Funding (Double-click a checkbox, and then choose *Checked under Default value.*)

- ☒ State General Fund    
 ☐ IAT    
 ☐ Fees/Self Gen    
 ☐ Statutory Dedication    
 ☒ Federal


Agency Number	Organization	Object	Amount
305	7201	3460	\$1,328,343

Description AND Justification for Expenditure (If additional space is needed, please include on the back of this form)

**Vendor:** Mercer Health & Benefits, LLC

**LaGov PO#:** 2000113046

**Description of Services:** The contractor develops actuarially sound capitation rate ranges for the State of Louisiana's managed care program in accordance with federal regulations. (See next page for additional information.)

Undersecretary Signature 	Date
<input checked="" type="checkbox"/> Approved by Undersecretary <input type="checkbox"/> Disapproved by Undersecretary	

**Justification:** Additional funding is needed to account for an unanticipated mid-year rate certification due to changes/budget cuts enacted during the 2016 legislative sessions and upcoming policy/cost savings initiatives, as well as the development of rates for the Medicaid expansion population. The entire amount of the amendment is anticipated to be spent in SFY 17.

**MOF:** 50% FFP (\$664,171.50 SGF, \$664,171.50 Federal)