

CONTRACT BETWEEN STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

ORIGINAL
OCR 305-100555
CFMS: 702598
DHH: 057414
Agency # 305

Office of Management and Finance
Medical Vendor Administration
AND

Mercer Health & Benefits, LLC

FOR

☐ Personal Services ☒ Professional Services ☐ Consulting Services ☐ Social Services

1) Contractor (Legal Name If Corporation) Mercer Health & Benefits, LLC			5) Federal Employer Tax ID# or Social Security # 34201546302 (Must be 11 Digits)		
2) Street Address 3560 Lenox Road, Suite 2400			6) Parish(es) Served ST		
City Atlanta	State GA	Zip Code 30326	7) License or Certification #		
3) Telephone Number (404) 442-3100			8) Contractor Status		
4) Mailing Address (if different)			Subrecipient: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
			Corporation: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
			For Profit: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
			Publicly Traded: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
City	State	Zip Code	8a) CFDA# (Federal Grant #) 93.778		

9) Brief Description Of Services To Be Provided:
The contractor will provide actuarial services to support the development of actuarially sound rates in accordance with generally accepted actuarial principles and practices, development of risk scores, the evaluation of encounter data for Coordinated Care Networks. A coordinated care network is an organized health care delivery system designed to improve access to care and the quality of services, as well as to promote healthier outcomes for Medicaid recipients through the establishment of a medical home system of care. This contract includes that the Contractor provide the Department with reports regarding all calculations and formulas used for rate setting and reports outlining the Department's rate development for Center for Medicare and Medicare Services review and approval.

10) Effective Date 05-16-2011

11) Termination Date 05-15-2014

12) This contract may be terminated by either party upon giving thirty (30) days advance written notice to the other party with or without cause but in no case shall continue beyond the specified termination date.

13) Maximum Contract Amount \$ 6,106,501.00 FY11-\$250,000 FY12-\$2,035,000 FY13-\$2,035,000 FY14-1,786,501

14) Terms of Payment

If progress and/or completion of services are provided to the satisfaction of the initiating Office/Facility, payments are to be made as follows: Contractor obligated to submit final invoice to Agency within thirty (30) days after termination of contract. DHH shall pay such invoice within thirty (30) days of approval of the invoice, which approval shall not be unreasonably withheld or delay. DHH will promptly notify Contractor of any good faith dispute with any portion of an invoice and the parties shall work together to resolve such dispute expeditiously and the time for payment such portion of the invoice shall be extended until resolution of the dispute. *PAYMENTS WILL BE MADE IN ACCORDANCE WITH THE INCLUDED FEE SCHEDULE. IF AN INVOICE HAS NOT BEEN PAID WITHIN 90 DAYS FROM DATE SUBMITTED BY CONTRACTOR TO DHH, CONTRACTOR MAY SUSPEND THE PROVISION OF SERVICES HEREUNDER UNTIL PAYMENT IS RECEIVED; NO FUNDS SHALL BE PAID BY DHH FOR ANY SUCH PERIOD OF SUSPENSION OF SERVICES.* Contractor obligated to submit final invoices to Agency within fifteen (15) days after termination of contract.

PAYMENT WILL BE MADE
ONLY UPON APPROVAL OF:

First Name
Steven

Last Name
Annisson

Title
Medicaid Program Manager 2

Phone Number
(225) 342-5935

15) Special or Additional Provisions which are incorporated herein, if any (IF NECESSARY, ATTACH SEPARATE SHEET AND REFERENCE):

Attachment A: HIPAA Addendum
Attachment B: Statement of Work
Attachment C: Additional Contract Provisions

Exhibit 1: Resumes
Exhibit 2: Board Resolution

Exhibit 3: Out of State Justification
Exhibit 4: Certificate of Authority
Exhibit 5: Multi Year Letter
Exhibit 6: Emergency Preparedness Plan
Exhibit 7: Insurance Requirements

During the performance of this contract, the Contractor hereby agrees to the following terms and conditions:

1. Contractor hereby agrees to adhere as applicable to the mandates dictated by Titles VI and VII of the Civil Rights Act of 1964, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, Americans with Disabilities Act of 1990 as amended, the Rehabilitation Act of 1973 as amended, Sec. 202 of Executive Order 11246 as amended, and all applicable requirements imposed by or pursuant to the regulations of the U. S. Department of Health and Human Services. Contractor agrees not to discriminate in the rendering of services to and/or employment of individuals because of race, color, religion, sex, age, national origin, handicap, political beliefs, disabled veteran, veteran status, or any other non-ment factor

2. Contractor shall abide by the laws and regulations concerning confidentiality which safeguard information and the patient/client confidentiality. Information obtained shall not be used in any manner except as necessary for the proper discharge of Contractor's obligations. ~~(The Contractor shall establish, subject to review and approval of the Department, confidentiality rules and facility access procedures.)~~ *hereby approve the* *of the Contractor*

3. The State Legislative Auditor, Office of the Governor, Division of Administration, and Department Auditors or those designated by the Department shall have the option of auditing all accounts pertaining to this contract during the contract and for a three year period following final payment. Contractor grants to the State of Louisiana, through the Office of the Legislative Auditor, Department of Health and Hospitals, and Inspector General's Office, Federal Government and/or other such officially designated body the right to inspect and review all books and records pertaining to services rendered under this contract, and further agrees to guidelines for fiscal administration as may be promulgated by the Department. Records will be made available during normal working hours.

Contractor shall comply with federal and state laws and/or DHH Policy requiring an audit of the Contractor's ~~operation as a whole~~ or of specific program activities. Audit reports shall be sent within thirty (30) days after the completion of the audit, but no later than six (6) months after the end of the audit period. If an audit is performed within the contract period, for any period, four (4) copies of the audit report shall be sent to the Department of Health and Hospitals, Attention: Division of Fiscal Management, P.O. Box 91117, Baton Rouge, LA 70821-3797 and one (1) copy of the audit shall be sent to the originating DHH Office.

4. Contractor agrees to retain all books, records and other documents relevant to the contract and funds expended thereunder for at least four (4) years after final payment or as prescribed in 45 CFR 74.53 (b) whichever is longer. Contractor shall make available to the Department such records within thirty (30) days of the Department's written request and shall deliver such records to the Department's central office in Baton Rouge, Louisiana, all without expense to the Department. Contractor shall allow the Department to inspect, audit or copy records at the contractor's site, without expense to the Department.

5. Contractor shall not assign any interest in this contract and shall not transfer any interest in the same (whether by assignment or novation), without written consent of the Department thereto, provided, however, that claims for money due or to become due to Contractor from the Department under this contract may be assigned to a bank, trust company or other financial institution without advanced approval. Notice of any such assignment or transfer shall be promptly furnished to the Department and the Division of Administration, Office of Contractual Review. *DHH will not assign this contract*

6. Contractor hereby agrees that the responsibility for payment of taxes from the funds received under this contract shall be Contractor's. The contractor assumes responsibility for its personnel providing services hereunder and shall make all deductions for withholding taxes, and contributions for unemployment compensation funds.

7. Contractor shall obtain and maintain during the contract term all necessary insurance including automobile insurance, workers' compensation insurance, and general liability insurance. The required insurances shall protect the Contractor, the Department of Health and Hospitals, and the State of Louisiana from all claims related to Contractor's performance of this contract. Certificates of Insurance shall be filed with the Department for approval. Said policies shall not be canceled, permitted to expire, or be changed without thirty (30) days advance written notice to the Department. Commercial General Liability Insurance shall provide protection during the performance of work covered by the contract from claims or damages for personal injury, including accidental death, as well as claims for property damages, with combined single limits prescribed by the Department. *in the attached Exhibit 8*

8. In cases where travel and related expenses are required to be identified separate from the fee for services, such costs shall be in accordance with State Travel Regulations. The contract contains a maximum compensation which shall be inclusive of all charges including fees and travel expenses.

9. No funds provided herein shall be used to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition or any election ballot or a proposition or matter having the effect of law being considered by the legislature or any local governing authority. Contracts with individuals shall be exempt from this provision.

10. Should contractor become an employee of the classified or unclassified service of the State of Louisiana during the effective period of the contract, Contractor must notify his/her appointing authority of any existing contract with State of Louisiana and notify the contracting office of any additional state employment. This is applicable only to contracts with individuals.

- 11 All non-third party software and source code, records, reports, documents and other material delivered or transmitted to Contractor by State shall remain the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract. All non-third party software and source code, records, reports, documents, or other material related to this contract and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of State, and shall be returned by Contractor to State at Contractor's expense, at termination or expiration of this contract.
- 12 Contractor shall not enter into any subcontract for work or services contemplated under this contract without obtaining prior written approval of the Department. Any subcontracts approved by the Department shall be subject to conditions and provisions as the Department may deem necessary, provided, however, that notwithstanding the foregoing, unless otherwise provided in this contract, such prior written approval shall not be required for the purchase by the contractor of supplies and services which are incidental but necessary for the performance of the work required under this contract. No subcontract shall relieve the Contractor of the responsibility for the performance of contractual obligations described herein.
- 13 No person and no entity providing services pursuant to this contract on behalf of contractor or any subcontractor is prohibited from providing such services by the provisions of R.S. 1113 as amended in the 2008 Regular Session of the Louisiana Legislature.
- 14 No claim for services furnished or requested for reimbursement by Contractor, not provided for in this contract, shall be allowed by the Department. In the event the Department determines that certain costs which have been reimbursed to Contractor pursuant to this or previous contracts are not allowable, the Department shall have the right to set-off and withhold said amounts from any amount due the Contractor under this contract for costs that are allowable.
- 15 This contract is subject to and conditioned upon the availability and appropriation of Federal and/or State funds, and no liability or obligation for payment will develop between the parties until the contract has been approved by required authorities of the Department and, if contract exceeds \$20,000, the Director of the Office of Contractual Review, Division of Administration in accordance with La. R.S. 39:1502.
Land Contractor;
- 16 The continuation of this contract is contingent upon the appropriation of funds from the legislature to fulfill the requirements of the contract. If the Legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.
- 17 Any alteration, variation, modification, or waiver of provisions of this contract shall be valid only when reduced to writing, as an amendment duly signed, and approved by required authorities of the Department, and, if contract exceeds \$20,000, approved by the Director of the Office of Contractual Review, Division of Administration. Budget revisions approved by both parties in cost reimbursement contracts do not require an amendment if the revision only involves the realignment of monies between originally approved cost categories.
Contractor and the
- 18 Any contract disputes will be interpreted under applicable Louisiana laws and regulations in Louisiana administrative tribunals or district courts as appropriate.
State or Federal Court
- 19 Contractor will warrant all materials, products and/or services produced hereunder will not infringe upon or violate any patent, copyright, trade secret, or other proprietary right of any third party. In the event of any such claim by any third party against DHH, the Department shall promptly notify Contractor in writing and Contractor shall defend such claim in DHH's name, but at Contractor's expense and shall indemnify and hold harmless DHH against any loss, expense or liability arising out of such claim, whether or not such claim is successful. This provision is not applicable to contracts with physicians, psychiatrists, psychologists or other allied health providers solely for medical services.
This provision is subject to the additional provision in Attachment D.
- 20 Any equipment purchased under this contract remains the property of the Contractor for the period of this contract and future continuing contracts for the provision of the same services. Contractor must submit vendor invoice with reimbursement request. For the purpose of this contract, equipment is defined as any tangible, durable property having a useful life of at least (1) year and acquisition cost of \$1000.00 or more. The contractor has the responsibility to submit to the Contract Monitor an inventory list of DHH equipment items when acquired under the contract and any additions to the listing as they occur. Contractor will submit an updated, complete inventory list on a quarterly basis to the Contract Monitor. Contractor agrees that upon termination of contracted services, the equipment purchased under this contract reverts to the Department. Contractor agrees to deliver any such equipment to the Department within 30 days of termination of services.
- 21 Contractor agrees to protect, indemnify and hold harmless the State of Louisiana, DHH, from all claims for damages, costs, expenses and attorney fees arising in contract or tort from this contract or from any acts or omissions of Contractor's agents, employees, officers or clients, including premises liability, and including any claim based on any theory of strict liability. This provision does not apply to actions or omissions for which LA R.S. 40:1299.39 provides malpractice coverage to the contractor, nor claims related to treatment and performance of evaluations of persons when such persons cause harm to third parties (R.S. 13:5108.1(E)). Further it does not apply to premises liability when the services are being performed on premises owned and operated by DHH.
Contractor's employees
Contractor
bad faith

22. Any provision of this contract is severable if that provision is in violation of the laws of the State of Louisiana or the United States, or becomes inoperative due to changes in State and Federal law, or applicable State or Federal regulations.

23. Contractor agrees that the current contract supersedes all previous contracts, negotiations, and all other communications between the parties with respect to the subject matter of the current contract.

THIS CONTRACT CONTAINS OR HAS ATTACHED HERETO ALL THE TERMS AND CONDITIONS AGREED UPON BY THE CONTRACTING PARTIES. IN WITNESS THEREOF, THIS CONTRACT IS SIGNED ON THE DATE INDICATED BELOW.

Mercer Health & Benefits, LLC

SIGNATURE

DATE

NAME

TITLE

**STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS**

SIGNATURE

DATE

NAME

Secretary, Department of Health and Hospital or Designee

TITLE

Medical Vendor Administration

SIGNATURE

DATE

NAME

TITLE

Office of Management and Finance

SIGNATURE

DATE

NAME

TITLE

APPROVED
Office of the Governor
Office of Contractual Review

JUN 7 2011

Dandra G. Gillen
DIRECTOR

HIPAA Business Associate Addendum:

This Business Associate Addendum is hereby made a part of this contract in its entirety as Attachment A to the contract.

1. The U. S. Department of Health and Human Services has issued final regulations, pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), governing the privacy of individually identifiable health information. See 45 CFR Parts 160 and 164 (the "HIPAA Privacy Rule"). The Department of Health and Hospitals, ("DHH"), as a "Covered Entity" as defined by HIPAA, is a provider of health care, a health plan, or otherwise has possession, custody or control of health care information or records.
2. *"Protected health information"* ("PHI") means individually identifiable health information including all information, data, documentation and records, including but not limited to demographic, medical and financial information that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual or payment for health care provided to an individual; and that identifies the individual or which DHH believes could be used to identify the individual.
"Electronic protected health information" means PHI that is transmitted by electronic media or maintained in electronic media.
"Security incident" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.
3. Contractor is considered a Business Associate of DHH, as contractor either: (A) performs certain functions on behalf of or for DHH involving the use or disclosure of protected individually identifiable health information by DHH to contractor, or the creation or receipt of PHI by contractor on behalf of DHH; or (B) provides legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, financial or social services for DHH involving the disclosure of PHI.
4. Contractor agrees that all PHI obtained as a result of this contractual agreement shall be kept confidential by contractor, its agents, employees, successors and assigns as required by HIPAA law and regulations and by this contract and addendum.
5. Contractor agrees to use or disclose PHI solely (A) for meeting its obligations under this contract, or (B) as required by law, rule or regulation or as otherwise permitted under this contract or the HIPAA Privacy Rule.
6. Contractor agrees that at termination of the contract, or upon request of DHH, whichever occurs first, contractor will return or destroy (at the option of DHH) all PHI received or created by contractor that contractor still maintains in any form and retain no copies of such information; or if such return or destruction is not feasible, contractor will extend the confidentiality protections of the contract to the information and limit further uses and disclosure to those purposes that make the return or destruction of the information infeasible.
7. Contractor will ensure that its agents, employees, subcontractors or others to whom it provides PHI received by or created by contractor on behalf of DHH agree to the same restrictions and conditions that apply to contractor with respect to such information. Contractor also agrees to take all reasonable steps to ensure that its employees', agents' or subcontractors' actions or omissions do not cause contractor to breach the terms of this Addendum. Contractor will use all appropriate safeguards to prevent the use or disclosure of PHI other than pursuant to the terms and conditions of this contract and Addendum.
8. Contractor shall, within 3 days of becoming aware of any use or disclosure of PHI, other than as permitted by this contract and Addendum, report such disclosure in writing to the person(s) named in section 14 (Terms of Payment), page 1 of the CF-1.
9. Contractor shall make available such information in its possession which is required for DHH to provide an accounting of disclosures in accordance with 45 CFR 164.528. In the event that a request for accounting is made directly to contractor, contractor shall forward such request to DHH within two (2) days of such receipt. Contractor shall implement an appropriate record keeping process to enable it to comply with the requirements of this provision. Contractor shall maintain data on all disclosures of PHI for which accounting is required by 45 CFR 164.528 for at least six (6) years after the date of the last such disclosure.
10. Contractor shall make PHI available to DHH upon request in accordance with 45 CFR 164.524.
11. Contractor shall make PHI available to DHH upon request for amendment and shall incorporate any amendments to PHI in accordance with 45 CFR 164.526.
12. Contractor shall make its internal practices, books, and records relating to the use and disclosure of PHI received from or created or received by contractor on behalf of DHH available to the Secretary of the U. S. DHHS for purposes of determining DHH's compliance with the HIPAA Privacy Rule.
13. Compliance with Security Regulations:
 In addition to the other provisions of this Addendum, if Contractor creates, receives, maintains, or transmits electronic PHI on DHH's behalf, Contractor shall, no later than April 20, 2005:
 (A) Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of DHH;
 (B) Ensure that any agent, including a subcontractor, to whom it provides such information agrees to implement reasonable and appropriate safeguards to protect it; and
 (C) Report to DHH any security incident of which it becomes aware.
14. Contractor agrees to indemnify and hold DHH harmless from and against all liability and costs, including attorneys' fees, created by a breach of this Addendum by contractor, its agents, employees or subcontractors, without regard to any limitation or exclusion of damages provision otherwise set forth in the contract.
15. Notwithstanding any other provision of the contract, DHH shall have the right to terminate the contract immediately if DHH determines that contractor has violated any material term of this Addendum.

Monitoring Plan and Performance Indicators

Mercer Health & Benefits, LLC

GOAL / PURPOSE

To provide methods for and calculation of capitation rates for Medicaid Coordinated Care Network (CCN) Program and other Medicaid support services that may be necessary to be provided by an actuary and other appropriate qualified staff. Methods must be actuarially sound, acceptable to the Centers for Medicare and Medicaid Services (CMS) and readily replicated. The primary purpose is to establish a service contract that will allow for rate development and other Louisiana Medicaid financial support activities.

DHH is transitioning an estimated 865,000 Medicaid enrollees from the current fee-for-service system to Medicaid managed care and requires ongoing assistance with rate setting, risk adjustment, financial analysis, analysis of claims and encounters, evaluation of expenditures and savings realized through managed care, and financial and other reporting requirements as may be mandated in the Louisiana Revised Statutes.

Services that Mercer Health & Benefits, LLC (the Contractor) may perform to assist DHH in accomplishing its goals include:

1. Developing actuarially-sound rate ranges for capitated Managed Care Organizations (MCOs) and 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 CCNs 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-sound benchmarks for the CCN program and savings determinations for each participating CCN.
7. Preparing analyses and reports of CCN cost effectiveness and other CCN related issues.
8. Other assistance as requested by DHH.

MONITORING PLAN

1. The Contractor will maintain a current work plan of all project tasks, activities and resources including estimated start and completion dates, projected cost, actual start and completion dates, estimated and actual task hours and completion percentage of all in-process tasks. Contractor will identify delayed tasks and reason for the delays. The project work plan may be revised as agreed upon by DHH and the Contractor, and it will incorporate all tasks, activities, and resources as needed to complete the project. An updated copy of the work plan shall be submitted with each monthly invoice.
2. The Contractor is obligated to have an operational Peer Review policy (Quality Assurance). The Peer Review policy must be submitted to the Department for approval within in two (2) weeks of the contract start date.

3. During the term of this contract, the Contractor will submit a monthly invoice which identifies each specific project assigned by DHH staff, the assigned staff for each specific project and cost for each specific project (including hourly rate and number of hours performed), and a summary of activities and status of tasks as outlined.
4. Invoices and summary activity/status reports of each project will be delivered to DHH by close of business by the 15th day of the following month.
5. Project monitoring will also include the following:
 - a. Review of written reports and correspondence submitted by the Contractor;
 - b. As requested by DHH, weekly conference calls with the Contract Manager and Mercer Project Manager and others necessary;
 - c. Written reports designed to show actuarial equivalence/value/cost/cost effectiveness as required in federal or state regulations; and
 - d. Draft reports which will be forwarded for review by DHH staff.

PERFORMANCE INDICATORS

1. Written and oral reports to be presented to DHH in strategic planning and project development meetings.
2. Written report describing the methodology to be used in evaluating CCN Program expenditures and savings will be submitted to DHH. The methodology will describe the data sources needed and the formula for determining the baseline.
3. Written reports relative to budget projections, trend analysis, cost effectiveness, including recommendations to assist DHH in managing risk.
4. Written reports describing changes to actuarially sound capitated rates for Federal Financial Participation (FFP) risk caps, specifically including any applicable state or federal statutes submitted to DHH. Ongoing support of capitation rates include at a minimum the following: 1) data development, 2) data book development and maintenance 3) review and commentary on appropriate program design provisions contained within program scope or contract, 4) Upper Payment Limit and/or FFP risk cap development.

PROJECT SCOPE - Actuarial Services

Deliverables

The scope of work shall include but not be limited to the following:

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, disease burden, 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, as requested by DHH in accordance with 42 CFR 438.6.

- Complete rate development and submit documents required by CMS to the Department a date mutually agreed upon by DHH and Mercer of each year.
- Provide DHH with a certification, at the conclusion of each specific CCN program rate setting cycle which states that Federal regulations regarding rate setting were complied with 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. Advise DHH if there appears to be any conflict with other requirements herein.
- Meet the work plan timeline, as agreed upon by DHH and Mercer, 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).
- Perform as part of the risk adjustment process actuarial analysis to review any statement/document from a Medicaid managed care entity that they have been placed at undue financial risk due to adverse selection by one or more special needs populations.
- 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.
- 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 in answering any and all rate related questions.
- Perform savings calculation of per member per month payments that may be affected by the CCN incentive based measure outcomes.

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 a sound 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

Beginning April 2012, the Department will begin paying 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. Plan specific scores are determined based on 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 most current universal rates for Medicaid managed care entities.
- Applying individual risk scores to develop initial 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.

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 Coordinated Care Networks-Prepaid.

5. 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.
- 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 reports demonstrating projected cost versus cost/savings and analysis of how the savings were achieved and address variations in Contractor projected savings versus actual savings.
- Provide rate certification letters and related documents as prescribed by DHH to be submitted to CMS for approval.
- Respond timely to *ad hoc* data requests.
- Provide all data, program and regulatory analysis requested by DHH.
- Prepare quarterly and annual CCN financial reports for review by DHH as requested.
- All reports should be submitted within timeframes agreed upon by DHH and Mercer.

6. Participation in Meetings and Workgroups

- Participate in periodic meetings with DHH and CCN staff throughout each capitation rate cycle to discuss the parameters, priorities, methodology, and ongoing results of CCN 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.

7. Technical, Clinical and Policy Assistance

- Perform technical, clinical and policy assistance and ongoing support of Medicaid managed care initiative 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.

8. 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 180 days prior to the scheduled termination date of the contract unless DHH advises otherwise.

9. 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 two 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.
- 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 INDICATORS – the Contractor will provide the following oral and written reports of findings and recommendations including the data, methodology, and assumptions used.

1. Written report attesting that all rating requirements meet or exceeds actuarial principles and practices and meets all state and federal requirements.
2. Written report describing revised capitation rates (increase/decrease) after the Medicaid managed care MCO model has been implemented. The report shall explain the reason for the increase or decrease.
3. Written report demonstrating compliance with DHH's timeline for submission of revised rates during each rating period.
4. Written and oral reports to be presented to DHH in strategic planning and project development meetings.

5. Written report describing the development of actuarially sound capitated rates for Medicaid managed care.

Monitoring Plan

1. The Contractor will maintain a current work plan of all project tasks, activities and resources including estimated start and completion dates, actual start and completion dates, estimated and actual task hours and completion percentage of all in-process tasks. This updated work plan will be submitted to DHH with each monthly invoice.
2. This Contractor is obligated to have an operational Peer Review policy (Quality Assurance). The Peer Review policy will be submitted to DHH.
3. During the active phases of this contract, the Contractor will submit a monthly invoice which identifies the project, staff, hours served on project and a summary of activities/ status of tasks as outlined.
4. The updated work plan and summary activity reports indicating the status of ongoing projects will be delivered as part of the invoice to DHH no later than the close of business on the 15th day of the following month.

LIQUIDATED DAMAGES

In the event the Contractor fails to meet the performance standards specified within the contract, the liquidated damages defined below may be assessed. In the event the Contractor fails to meet contract requirements, and damage is sustained by DHH, it may be difficult to determine actual damages. Therefore, for failure to meet the performance standards specified below, liquidated damages are fixed and shall be assessed accordingly. These liquidated damages apply whether or not suit has been filed.

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

In the event the Contractor fails to meet the specified deadlines, the Contractor shall pay DHH the following specified amounts as agreed liquidated damages:

1. Late submission of monthly invoice - \$50.00 per working day
2. Failure to fill vacant contractually required key staff positions or otherwise provide a qualified replacement within 60 days - \$500 per working day from 61st day of vacancy until filled with an employee.
3. Failure to meet any federal or state rating requirement prior to implementation of the rates or after implementation during any audit by the Department or CMS - \$2500 for each violation discovered for non-compliance with state and/or federal requirements.
4. Failure to reach actuary for consultation within two hours of request Monday through Friday except state holidays between the hours of 7:30 AM and 5:00 PM CT - \$1000 per violation.
5. Failure to provide actuary on site with 72 hours advance notice during state legislative session-- \$20,000 per violation.

The decision to impose liquidated damages may include consideration of some or all of the following factors:

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

FEE SCHEDULE

Position		Hourly Rate
Client	Lead/Senior	\$450
Advisor		
Senior Actuary		\$450
Actuary		\$300
Data Analyst		\$235
Technical		\$395
Advisor/Project Manager		
Technical Advisor		\$335
Clinician		\$375
Administrative Assistant		\$90

Term of Contract

The estimated hours and fees provided in the fee schedule above reflect the estimated time and cost of the services to be provided during the time period beginning May 16th, 2011 through May 15th, 2014 (three years). New estimates for any approved option years will be provided prior to the approval of the option year(s).

The term of this contract is for a period of three (3) years with two (2) possible one (1) year extensions with the same terms and conditions. The continuation of this contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract.

- C. For purposes of this contract "Loss" means damages, claims, liabilities, losses, awards, judgments, penalties, third party claims, interest, costs and expenses, including reasonable attorneys' fees, whether arising under any legal theory including, but not limited to claims sounding in tort (such as for negligence, misrepresentation or otherwise), contract (whether express or implied), by statute, or otherwise, claims seeking any kind of damages and claims seeking to apply any standard of liability such as negligence, statutory violation or otherwise

4. **Third Party Beneficiaries:**

Neither the contract nor the provision of the services is intended to confer any right or benefit on any third party.

5. **Severability:**

In addition to the provisions of CF-1 page 4, clause 22, it is the intent of the parties hereto that the provisions of this contract shall be enforced to the fullest extent permitted by applicable law. To the extent that the terms set forth herein are found to be illegal or unenforceable by a court of law for any reason, such term shall be modified, deleted or interpreted in such a manner so as to afford the party for whose benefit it was intended the fullest benefit commensurate with making this contract, as modified, enforceable and the other terms of this contract shall not be affected thereby. The parties agree to enter into an amendment of the contract as necessary to effect the ruling of the court.

6. **The Department's Information:**

In performing the services, Contractor will use all information supplied by the Department without having independently verified the same, and the Contractor assumes no responsibility for the accuracy or completeness of such information.

7. **Involvement in Third Party Disputes.** If Contractor becomes involved in a dispute between the Department and a third party, the Department shall pay Contractor at its hourly rates set forth in the Contract for such additional services, except to the extent the Contractor is at fault.

NICK SIMMONS, FIA, FCIA, FSA, MAAA
(Atlanta)

**CURRENT
RESPONSIBILITIES**

Nick leads the Mercer Government Human Services Consulting actuarial team in the Atlanta office.

EXPERIENCE

Nick has 30 years of actuarial experience. Before returning to Mercer in 2005, he worked with two national accounting firms and another large consulting firm.

Nick leads Mercer's actuarial teams for several large State Medicaid clients. His experience includes:

- Developing strategies for statewide Medicaid reform
- Developing strategies to increase coverage of uninsured populations
- Designing, developing and implementing various managed care approaches
- Designing economic and financial models to study changes in state programs
- Developing and assessing capitation rates for various benefits and aid-categories
- Negotiating rates and contract provisions, financial and encounter data reporting with health plans
- Design and evaluation of Disease Management programs in state Medicaid environments
- Design and implementation of Risk Adjustment strategies in rate setting and Disease Management assessment
- Explaining new initiatives to State Legislators, Agency Staff, Health Plans and Medicaid recipients

EDUCATION

- Bachelor's degree in Mathematics, Cambridge University, England
- Studies in Mathematics at the Master's level

**AFFILIATIONS/
DESIGNATIONS**

- Fellow of the British Institute of Actuaries (London, England)
- Fellow of the Canadian Institute of Actuaries
- Fellow of the Society of Actuaries
- Member, American Academy of Actuaries

ROBERT BUTLER

(Atlanta)

CURRENT RESPONSIBILITIES

Robert is a consultant in the Atlanta office of Mercer Government Human Services Consulting (Mercer).

EXPERIENCE

Since joining Mercer in September 2008, Robert has worked on various health care projects, including:

- Developing and planning transformation of the Louisiana Medicaid program through managed care, including policies, rates and MMIS systems
- Review and analysis of Washington's mental health program administration functions
- Development of fees and rates for multiple Medicaid programs, including home and community-based services, federally qualified health clinics, and psychiatric residential treatment facilities for children
- Medicaid provider meetings and training on reporting requirements

Before joining Mercer, Robert worked in various aspects of the health care industry. His government experience includes managing the Bureau of Medicaid Program Analysis for the state of Florida. During his tenure with the state his projects and responsibilities included:

- Developing and negotiating the Florida Medicaid Reform 1115 Waiver
- Management and implementation of managed care rates for Medicaid HMOs, Nursing Home Diversion Programs and Prepaid Mental Health Plans
- Reviewing and managing financial projections for multiple federal waivers, including those related to home and community based services and managed care programs
- Reviewing and managing Medicaid caseload and program expenditure projections for the state budget
- Assisting with the development and management of the Medicaid Disproportionate Share Program and Low Income Pool

During his experience in the private sector, Robert worked with entities providing him experience in the long-term care and managed care industries. His experience includes:

- Reviewing and analyzing managed care rates and related methodologies
- Promoting integration of Medicaid and Medicare services through coordinated rate development for Medicare Special Needs Plans (SNPs)

EDUCATION

- Bachelor's degree in accounting, Florida State University

SUDHA SHENOY, CERA, FSA, MAAA
(Atlanta)

**CURRENT
RESPONSIBILITIES**

Sudha Shenoy is a consultant in the Atlanta office of Mercer Government Human Services Consulting .

EXPERIENCE

Sudha has extensive experience working in areas including Medicare & Medicaid, new product development, provider reimbursement & risk management. Before joining Mercer earlier this year, she was working for health plans in various capacities.

Highlights of her projects include:

- Pricing & rate filing for Medicare Advantage, Medicare Part D & Medicare Supplement products
- Responsibility for Medicaid line of business including the underlying risk model
- Cross functional team lead on due diligence and mergers and acquisition opportunities
- Product development & pricing for commercial health products

EDUCATION

- Bachelor degree in Science & Bachelor's degree in Education, University of Mysore, India.
- Master's degree in Urban & Policy Sciences, State University of New York, Stony Brook, NY

**AFFILIATIONS/
DESIGNATIONS**

- Chartered Enterprise Risk Analyst
- Fellow of the Society of Actuaries
- Member, American Academy of Actuaries

AMY BUI, MAS

(Atlanta)

CURRENT RESPONSIBILITIES

Amy Bui is an Actuarial Associate in Mercer's Atlanta Office and is a full-time member of the Government Health and Benefits business. Her current responsibilities include, but are not limited to claims analysis, data book preparation, IBNR modeling, rate setting and budget projections.

EXPERIENCE

At Mercer, Amy's present duties include, but are not limited to:

- Collection, analysis and interpretation of health care data
- Claims analysis, estimating future plan costs and developing pricing models
- Developing awareness of health care plan design, cost factors and the renewal process
- Calculating claims completion factors and trends
- Providing technical review to the Actuarial team
- Building projection models that are flexible to the clients' needs

REFERENCES

- Christopher Sellers
Director of Data and Evaluation, ALL Kids
Alabama Department of Public Health
201 Monroe Street, Suite 250
Montgomery, AL 36104
+1 334-206-6492
- Lawrence D. Williams
Management Analyst
DC Department of Healthcare Finance
825 North Capital Street, NE
Washington, D.C. 20002
+1 202-698-2031
- David A. Martin
Risk Analyst
State of North Carolina Department of Health & Human Services
Office 9220
One Bank of America Plaza
421 Fayetteville St, 9th Floor
Raleigh, NC 27601
+1 919-647-8172

EDUCATION

- Master's degree in actuarial science, Georgia State University
- Bachelor's degree of business administration in actuarial science, Georgia State University

GEORGE NYAKAIRU

(Atlanta)

CURRENT RESPONSIBILITIES

As an Informatics consultant in the Atlanta GHSC office, George's responsibilities include, but are not limited to the following:

- Providing technical support in form of SAS programming for data requested by the Atlanta Actuarial team
- Participate in Medicaid rate-setting activities for the state of Florida by providing eligibility and claims data extracts needed for setting the rates
- Documentation of any SAS processes and peer review of SAS code as needed
- Process any ad hoc client data requests as asked for by the GHSC team. This is specific to the states of Louisiana & Washington, DC
- Providing Disease Management (DM) and Hedis expertise on various clinical projects undertaken by GHSC
- Overall data support for Florida, Louisiana, Texas, and DC in relation to claims and eligibility data

EXPERIENCE

Before joining Mercer in March, 2009, George worked in the Informatics department of Alere, formerly Matria Healthcare as a Senior SAS Developer. George's responsibilities included:

- Running monthly SAS batch jobs for client reporting
- Developing, testing, & updating SAS code needed for monthly & weekly runs
- Documentation of SAS processes and training of new hires
- Producing CPI (Clinical Performance Indicators) & UPI (Utilization Performance Indicators) reports for Alere's clients.

Prior to Alere, he worked at Ingenix in Waltham, MA as a Senior Healthcare Analyst and at Harvard Pilgrim Healthcare as an Actuarial Analyst/ SAS Programmer.

EDUCATION

- Pursuing Master's degree in Information Systems, Kennesaw State University
- Bachelor's degree in statistics and eEconomics, Makerere University
- Various SAS certifications from the SAS Institute in Boston, MA.

AFFILIATIONS/ DESIGNATIONS

- Member, Business Intelligence and Analytics Group
- Member, Global Analytics Network
- Member, Matria Healthcare Alumni.

Sharon Jackson, MBA
(Atlanta)

**CURRENT
RESPONSIBILITIES**

Sharon Jackson is a Principal for Mercer Government Human Services Consulting (Mercer). She has over 20 years of experience in the healthcare industry and 18 years experience in public sector healthcare consulting.

EXPERIENCE

During her 18 years in government healthcare consulting, Sharon has gained extensive knowledge of MMIS systems.

During her employment with Mercer, Sharon has participated in a variety of projects in the role of Project Manager for clients including the North Carolina State Health Plan, Commonwealth of Pennsylvania Department of Public Welfare, District of Columbia Office of Children & Families, District of Columbia Office of Managed Care, State of Alabama Department of Public Health, State of Alabama SCHIP program, and Kansas Division of Health Policy. As project manager, her role involves preparation and monitoring of the project budget, staffing, managing detailed analysis, coordinating across multiple departments and agencies, client communications, and vendor quality assurance oversight. Projects included HIPAA EDI, Privacy and Security remediation, IAPD development, Payment Error Rate Measurement (PERM) audits, Independent Assessment of Access, Quality and Cost for PCCM and capitated managed care, monitoring MCO EPSDT compliance, and assistance with MCO encounter strategy.

Prior to joining Mercer, Ms. Jackson held several healthcare management positions including Manager at Deloitte Consulting, Director, DSS Business Development at ACS, Client Manager for The MEDSTAT Group and Regional Director for Travelers Insurance Company.

At Deloitte, Sharon managed public sector engagements such as the performance audit of Texas Medicaid vendors and managing the HIPAA EDI remediation for Pennsylvania Department of Public Welfare. At ACS she was responsible for marketing and sales of ACS Medicaid Decision Support Systems and was involved in data warehouse and DSSURS implementations in the states of Florida and Wyoming. At MEDSTAT she managed the development and operations of health care decision support systems, and consulted with clients on the strategic application of healthcare information. Her clients included several Medicaid agencies and State Employers. At Travelers, she had regional responsibility for implementing and managing a triple-option managed care network of hospitals and physicians and piloted Travelers first managed Workers Compensation network.

EDUCATION

- Bachelors of Science in Biology, University of Utah
- Masters Degree in Business Administration, University of Utah

**AFFILIATIONS/
DESIGNATIONS**

- Member, National Medicaid EDI HIPAA (NMEH) workgroup
- Member, MMIS Public Sector Technical Advisory Group (PSTAG)

MEREDITH MAYERI

(Phoenix)

CURRENT RESPONSIBILITIES

Meredith is a Senior Associate with Mercer Government Human Services Consulting (Mercer), a part of Mercer Health & Benefits LLC. Meredith is responsible for reviewing federal Medicaid, CHIP and health care reform laws, regulations and policy in order to advise clients about the impact on Medicaid, CHIP and other health programs.

EXPERIENCE

Meredith's experience at Mercer includes:

- Designing a new Medicaid managed care program (drafting contract requirements, setting evaluation criteria, and readiness reviews)
- Identifying operational efficiencies for a state agency and developing recommendations for improvement and associated cost savings
- Development of a successful new section 1115 demonstration waiver program, including benefit and payment model design
- Evaluating alternative (benchmark) benefit package options for clients
- Evaluating authorities and options under the Affordable Care Act for increasing home and community based services in a state and health homes for individuals with chronic conditions

Before joining Mercer in March 2010, Meredith held senior positions in the CMS San Francisco Regional Office's Division of Medicaid and Children's Health. Meredith specialized in Medicaid managed care, waivers and demonstrations and provided technical assistance and support to CMS staff nationally and states in the development and implementation of these programs. Meredith's experience at CMS has included:

- Serving as the CMS Region IX Technical Director for Medicaid and CHIP Program and Financial Management and the Program Branch Manager responsible for Medicaid and CHIP eligibility, coverage and delivery system policy
- Regional CMS lead for oversight of Medicaid managed care programs for California, Arizona, Nevada and Hawaii for 10 years
- Regional CMS lead for the implementation of the Medicaid managed care regulations in 2003 and the development of the section 1915(b) cost-effectiveness test
- Regional CMS lead for California's Section 1115 Medi-Cal/Uninsured Care and Family Planning demonstrations
- Advising clients on changes in federal laws, regulations and policy in the area of health care reform, managed care, state funding mechanisms, waiver renewals, fee-for-service and managed care rate-setting, long-term care and dual-eligibles

EDUCATION

- Bachelor's degree in Economics, LaSalle University, Philadelphia, PA

Brenda's experience with CMS included:

- Developing and implementing policy, procedures and guidelines for CMS' national comprehensive program with managed care plans for the provision of services to Medicaid beneficiaries
- Reviewing and approving all Medicaid managed care contracts in Iowa, Kansas, Missouri and Nebraska, while assisting with other contracts as requested
- Assisting with state audits in rehabilitation, child welfare, juvenile justice, and mental health
- Reviewing all Medicaid managed care Section 1915(b) programs and Section 1115 research and demonstration waiver applications for Iowa, Kansas, Missouri and Nebraska
- Performing onsite reviews and providing technical assistance on all Medicaid managed care programs in Iowa, Kansas, Missouri and Nebraska
- Liaison with the State of Iowa on all Medicaid issues, including State Plan submissions, SCHIP, 1915(c) home and community based waivers (including the Iowa AIDS/HIV waiver) and environmental scanning
- Representing CMS and speaking at state, regional and national Medicaid managed care conferences
- Serving as the Regional Office PACE team leader

Brenda also worked on Mental Health, Substance Abuse and Child Welfare policy and redesign when she was employed by the State of Kansas and Deloitte & Touche Management Consulting (California).

EDUCATION

- Master's degree in Public Policy, John F. Kennedy School of Government, Harvard University
- Bachelor's degree in Economics and Political Science, University of Kansas
- Served on the following CMS workgroups:
 - Balanced Budget Act of 1997 Regulation Team (Grievance lead)
 - Rate Setting and Upper Payment Limit Reform Committee
 - 1915(b) Waiver Cost Effectiveness and Preprint Committee (chairman)

PATRICK V. CAUGHLAN, CPA
(Phoenix)

**CURRENT
RESPONSIBILITIES**

Pat is a senior consultant in the Phoenix office of Mercer Government Human Services Consulting (Mercer).

OVERALL EXPERIENCE

Pat has over two decades experience in the health care industry primarily working with Medicare and Medicaid managed care programs. He has management level experience both in finance and information systems. His responsibilities at Mercer over the past four years include:

- Performed financial statement desk reviews for PACE, Pre-PACE, and LTC entities on behalf of the New York Department of Health to determine appropriate administrative cost expenditures and parent allocation methodologies
- Perform on-site reviews of state managed care organizations and providing recommendations for operational and financial improvements
- Conducted Medicare bid reviews and related audits of plans that were awarded contracts by CMS under the Part D RX initiative
- Working with Medicaid and EMA grant contractors on HIV/AIDS waivers and cost reimbursement and monitoring methodologies
- Assessing the efficiency of state Third Party Liability/Coordination of Benefits programs
- Monitoring administrative cost benchmarks and budgets for managed care organizations
- Assisting Medicaid agencies in the supervision and rehabilitation of health plans
- Developing, revising and implementing state reporting requirements and monitoring procedures
- Supporting software applications used to trend health care premiums and procurement patterns

Prior to joining Mercer, Pat obtained experience in the following areas of expertise:

- Executive-level positions for managed care organizations in financial management and information systems
- Working with payer system vendors to establish health care reporting analytics and customized reporting objectives
- Managing large scale claims payer system implementations

EDUCATION

- Bachelor of Science in Accounting, Arizona State University

**AFFILIATIONS/
DESIGNATIONS**

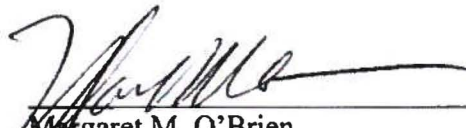
- Certified Public Accountant – Arizona
- Member, American Institute of Certified Public Accountants

MERCER

**CERTIFICATE
OF THE
ASSISTANT SECRETARY
OF
MERCER HEALTH & BENEFITS LLC**

I, Margaret M. O'Brien, Assistant Secretary of Mercer Health & Benefits LLC, a Delaware limited liability company (the "LLC"), do hereby certify that Stephanie Davis is a Principal of the LLC and, in such capacity, is authorized to execute contracts, agreements, applications and other documents on behalf of the LLC.

IN WITNESS WHEREOF, I set my hand and the seal of the LLC on this 22nd day of March, 2011.


Margaret M. O'Brien
Assistant Secretary

State of New York)

County of New York)

On this 22nd day of March 2011 before me personally came Margaret M. O'Brien to me known, who acknowledged to me that she executed the foregoing instrument.


Notary Public

Sandra Gavenport
Notary Public, State of New York
No. 01DA6139698
Qualified in Nassau County
Certified in New York County
Commission Expires in January 17, 2014



State of Louisiana
Department of Health and Hospitals
Bureau of Health Services Financing

May 2011

Ms. Sandra G. Gillen
Director
Office of Contractual Review
Division of Administration
P. O. Box 94095
Baton Rouge, LA 70804-9095

Re: Justification for Out of State Contractor

Dear Ms. Gillen:

The Department of Health and Hospitals aims to contract with Mercer Heath and Benefits, L.L.C. The purpose of the contract is to provide professional actuarial services for two types of Coordinated Care Networks (CCN), to be implemented simultaneously.

- The CCN-Prepaid is a traditional capitated, managed care model in which entities establish networks of providers. Entities receive a monthly fee for each enrollee covered to provide core benefits and services, with prior authorizations and claims payment handled directly through the entity.
- The CCN-Shared Savings is an Enhanced Primary Care Case Management plan in which the network receives a monthly per-member fee to provide enhanced care management services, with opportunities for providers in that network to share in cost savings resulting from coordinating care. In this model, Medicaid's fiscal intermediary would continue processing claims.

The contractor will be required to provide methods for and calculation of capitation rates for the Medicaid Coordinated Care Network (CCN) Program and other Medicaid support services that may be necessary to be provided by an actuary and other appropriate qualified staff. Methods must be actuarially sound, acceptable to the Centers for Medicare and Medicaid Services (CMS) and readily replicated. The primary purpose is to establish a service contract that will allow for rate development and other Louisiana Medicaid financial support activities.

Mercer has been providing actuarial services to DHH for the past three (3) years and has similar contracts to establish Medicaid rates for a number of other states and these actuarial services are vital to the overall operation of the Louisiana Medicaid program.

May , 2007
Page 2

We appreciate your assistance in this matter and we hope that you will give this contract your favorable consideration and approval.

If further information is needed, please contact me at (225) 342-5935.

Sincerely,



Steve Annison
Program Monitor
Medicaid Coordinated Care Section

United States of America State of Louisiana



As Secretary of State, Jay Dardenne, I do hereby Certify that

MERCER HEALTH & BENEFITS LLC

A limited liability company domiciled in WILMINGTON,
DELAWARE,

Filed charter and qualified to do business in this State on
September 30, 2004,

I further certify that the records of this Office indicate
the company has paid all fees due the Secretary of State,
and so far as the Office of the Secretary of State is
concerned, is in good standing and is authorized to do
business in this State.

I further certify that this certificate is not intended to
reflect the financial condition of this company since this
information is not available from the records of this
Office.

In testimony whereof, I have hereunto set
My hand and caused the Seal of my Office
To be affixed at the City of Baton Rouge on,

May 20, 2008

Secretary of State
35787878Q



Certificate ID: 20080520006745

To validate this certificate, visit the following web site,
go to Commercial Division, Validate Certificate, then
follow the instructions displayed
www.sos.louisiana.gov



State of Louisiana
Department of Health and Hospitals
Bureau of Health Services Financing

May 2011

Ms. Sandra G. Gillen
Director
Office of Contractual Review
Division of Administration
P. O. Box 94095
Baton Rouge, LA 70804-9095

Re: Justification of Multi-Year Contract

Dear Ms. Gillen:

Please consider this justification for the Department of Health & Hospitals to enter into a multi-year contract with Mercer Health & Benefits, LLC. Funds for the first fiscal year of the contract are available and payment and performance for subsequent fiscal years shall be subject to the availability of funds.

DHH is transitioning an estimated 865,000 Medicaid enrollees from the current fee-for-service system to Medicaid managed care and requires ongoing assistance with rate setting, risk adjustment, financial analysis, analysis of claims and encounters, evaluation of expenditures and savings realized through managed care, and financial and other reporting requirements as may be mandated in the Louisiana Revised Statutes.

The contractor will be required to provide methods for and calculation of capitation rates for Medicaid Coordinated Care Network (CCN) Program and other Medicaid support services that may be necessary to be provided by an actuary and other appropriate qualified staff. Methods must be actuarially sound, acceptable to the Centers for Medicare and Medicaid Services (CMS) and readily replicated. The primary purpose is to establish a service contract that will allow for rate development and other Louisiana Medicaid financial support activities.

The current project timeframe for design, development and implementation is three years and will require actuarial support throughout each of those project years.

If further information is needed, please contact me at (225) 342-5935.

Sincerely,

A handwritten signature in blue ink that reads "Steve Annison".

Steve Annison
Program Monitor
Medicaid Coordinated Care Section

June 2009

MMC Office Security & Emergency Procedures

Policies and Guidelines Handbook



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

Contents

1. INTRODUCTION	1
2.. OFFICE PHYSICAL SECURITY	2
A. ELECTRONIC SECURITY SYSTEMS	2
ACCESS CONTROL	3
ALARM MONITORING	3
CLOSED CIRCUIT TELEVISION (CCTV)	3
COMMUNICATIONS	4
SECURITY SYSTEM MAINTENANCE	4
B. ARCHITECTURAL CONSIDERATIONS	4
RECEPTION/CONCIERGE AREAS	4
FIRE STAIRS	5
MECHANICAL, COMMUNICATIONS & ELECTRICAL CLOSETS	5
INTERNAL CRITICAL INFRASTRUCTURE	5
RESTRICTED AREAS (INTERNAL)	6
LOCKS	6
C. KEY & IDENTIFICATION/ELECTRONIC ACCESS CARDS	6
LOCKING SYSTEM DEFINED	7
RESPONSIBILITY	7
OBTAINING A KEY OR IDENTIFICATION/ACCESS CARD	7
RETURN OF KEYS AND IDENTIFICATION/ACCESS CARDS	7
LOST KEYS AND IDENTIFICATION/ACCESS CARDS	7
REPAIR OF LOCKS, KEYS OR DOOR HARDWARE	8
IDENTIFICATION CARDS	8
3. POLICY & PROCEDURE GUIDELINES	9
A. ACCESS CONTROL	9
B. OFFICE CLEANING	10
C. VISITORS IN THE WORKPLACE	10
NON-BUSINESS-RELATED VISITORS AND GUESTS	11
DELIVERIES	11
ACCESS BY BUILDING PERSONNEL	11
D. SECURITY ADMINISTRATION	11
E. USE OF CONTRACT SECURITY PERSONNEL	12
F. MAILROOM SECURITY	12
G. MAIL SCREENING AND HANDLING OF SUSPECT MAIL	12
H. PROPERTY REMOVAL	13
I. LOST & FOUND	13

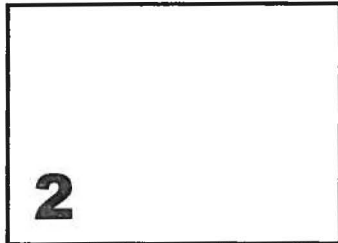
Office Security and Emergency Procedures – Policies and Guidelines Handbook

J. INCIDENT REPORTING	13
K. PROTECTION OF CONFIDENTIAL INFORMATION	13
L. DISPOSAL OF CONFIDENTIAL WASTE	14
M. PROTECTION OF LAPTOPS AND OTHER ELECTRONIC DEVICES	14
 4. EMERGENCY PLANNING & PROCEDURES	 15
A. EMERGENCY PROCEDURES CARDS	15
EMERGENCY PROCEDURES CARD CONTENT	16
ESTABLISHING EMERGENCY PROCEDURES CARDS	16
B. MMC EMERGENCY INFORMATION WALLET CARDS	16
C. FACILITY EMERGENCIES	17
D. FIRE EXTINGUISHERS	17
E. ASSEMBLY POINTS	18
F. MEDICAL EMERGENCIES	18
AUTOMATED DEFIBRILLATOR (AED) PROGRAMS	18
CARDIOPULMONARY RESUSCITATION (CPR) & FIRST AID	18
WORKPLACE FIRST AID KITS	19
MEDICAL OXYGEN & EQUIPMENT	19
G. BUILDING INFORMATION HOTLINE	19
H. BOMB THREAT RESPONSE	19
I. WORKPLACE HEALTH-RELATED ISSUES	20
J. WORKPLACE-RELATED ACCIDENTS AND INJURIES	20
K. WORKPLACE VIOLENCE PREVENTION POLICY	20
L. WORKPLACE VIOLENCE PREVENTION PROGRAM	21
M. MEDIA RELATIONS	21

1

Introduction

The purpose of the Office Security & Emergency Procedures Policies and Guidelines Handbook is to assist Marsh & McLennan Companies (MMC also referred to as “Company”) offices establish a safe and secure work environment for MMC personnel, visitors, consultants and contractors working within our premises, and to provide an appropriate level of security for the protection of MMC’s information assets and property. The document provides guidance on general physical security, office safety, and emergency procedures. Further guidance and direction can be obtained by contacting a member of the MMC Global Security Department directly or via email at Global.Security@mmc.com. Global Security Department contact information is available on the MMC Global Security website at <http://intra.mmc.com/services/mmcGlobalSecurity/mgsInfo.php>.



OFFICE PHYSICAL SECURITY

The primary purpose of an office's physical security program is to establish appropriate protections to safeguard MMC personnel, physical property, and information assets. To help offices establish and maintain an appropriate level of physical security, the MMC Global Security Department established a detailed Facility Physical Security Design Guideline, as well as specifications for Electronic Security Systems. MMC Global Security and MMC Real Estate Services to guide offices during new construction and renovation projects and in instances where office physical security requires enhancement use these documents. MMC Global Security also provides direct support to MMC Real Estate and to local Operating Company management by conducting site risk assessments, and designing and implementing security systems, standards, and strategies for MMC offices. For a copy of the Facility Physical Security Design Guideline document, contact a member of the MMC Global Security Department

The following is an overview of office physical security elements that should be incorporated into office planning and design:

A. ELECTRONIC SECURITY SYSTEMS

Electronic security systems, such as automated electronic access control, alarm monitoring, and closed circuit television (CCTV), should be incorporated into the security design plan for all MMC facilities. Where applicable, standard approaches to design, systems and equipment should be implemented, with the understanding that each individual MMC location presents its own unique set of risks and challenges. At locations where certain of these controls may not be considered effective from either an operational or an economic perspective, MMC Global Security has developed internal guidelines that will be used to assist offices in implementing appropriate levels of access control, alarm monitoring, CCTV, and communication.

Any MMC office considering the procurement and installation of electronic security systems, or desires to enhance the level of office security or systems, should first consult with the MMC Global Security Department. The MMC Global Security Department will assess the office's security requirements and assist in any coordination required. Including coordination with contractors, vendors, MMC Real Estate Services, Operating Company office facilities and administrative services management, Information Technology and where appropriate MMC Global Sourcing & Procurement.

ACCESS CONTROL

It is the goal of MMC to prevent unauthorized access into its occupied offices and facilities. An electronic access control system offers the capability of controlling, monitoring, and auditing access through doors leading into occupied or restricted space. Electronic access control systems provide an effective and efficient means of quickly enabling and disabling access, monitoring and reporting on access activity, and restricting access based on selected criteria. As a general rule, all entry points into MMC occupied space from common or public areas should be restricted using an electronic access control system. This includes passenger elevator and freight lobbies or where access to MMC space can be gained through doors in a common hallway, corridor or from a building's exterior.

Access control devices should also be used to restrict access to internal areas housing critical infrastructure or equipment (For example, network, and computer system distribution rooms) or areas and rooms that contain highly sensitive information (such as, Personally Identifiable Information (PII) and medical records). These areas should be restricted only to those individuals with a business need for access.

The security system head end server (if installed on site) should be located in a secure and environmentally controlled computer room (or similarly designated area) and incorporated into the emergency backup systems, if any, that support the room's other equipment. The security system can be integrated into an overall third-party building security system or one owned by and dedicated to MMC. Offices considering the use of security systems managed and monitored by the building management should first consult with MMC Global Security. To the extent practical, any security system "intelligent controllers" should be placed in secure areas such as computer rooms, on dedicated circuits and with emergency backup power.

ALARM MONITORING

All MMC-occupied facilities should be protected by alarms that will activate upon unauthorized entry or exit through a perimeter opening, and have the ability to be monitored remotely after normal business hours. This level of monitoring can be accomplished through the above-referenced access control system or through a stand-alone alarm monitoring system managed by a third party (such as a central station alarm monitoring service). In general, all doors leading into MMC-occupied space from common or public areas (for example, passenger elevator lobby doors, freight elevator vestibules, fire stair doors), and any interior doors utilizing electronic access control devices to restrict access should be alarmed and monitored. A provision should be made for remote after-hours monitoring of alarms by building security, MMC Security or through a contracted central station alarm monitoring service.

Any MMC office considering the use of third party alarm monitoring services should first consult with the MMC Global Security Department, which will assist in assessing the office's requirements, identify qualified providers, review contract language, and assist with establishing emergency response protocols.

CLOSED CIRCUIT TELEVISION (CCTV)

High-resolution color CCTV cameras and digital recording equipment should be installed within MMC-occupied space in order to observe and record activity. Areas requiring CCTV coverage include:

- All entry points into MMC occupied space from common or public areas
- Reception areas
- Emergency egress doors from MMC occupied space leading in to common fire stairs or the building exterior
- Any critical specialty areas such as computer rooms, records rooms or other high value locations where electronic access control is implemented

The use of CCTV is intended to deter criminal and other unauthorized activity, as well as provide a means of reviewing events for investigative purposes after they have occurred.

CCTV cameras should be recorded on a 24 hour a day basis using digital video recorders or network storage devices. Recording devices should have the capacity to retain continuous historical events for a minimum of 30 calendar days. Digital recorders should also have the capability of being reviewed remotely from off site locations over the MMC networks.

Under no circumstances should offices install covert cameras without the review and approval of the Legal Department and Human Resources, and in consultation with the MMC Global Security Department.

COMMUNICATIONS

A communication capability (for example, internal telephone, intercom) should be provided at key office entry locations, or other designated areas located within MMC-occupied space, in order to facilitate communication between visitors, delivery personnel, or employees without access cards, and MMC reception desk personnel. Providing an external means of screening ensures that the office may remain secured while the individuals requesting access are being properly identified prior to entry.

While offices may elect to maintain open and unlocked reception areas to accommodate the entry of visitors, the office should have the capability of securing entry to the reception area should circumstances dictate, while retaining the capacity to screen and serve visitors.

SECURITY SYSTEM MAINTENANCE

All security systems, including access control and CCTV, that are not covered under warranty should have a formal maintenance agreement, including a provision for after hours emergency response in the event of a key component failure compromising security. All maintenance agreements should include:

- A provision regarding equipment software and firmware upgrades
- Scheduled preventative maintenance
- After hours emergency response and repair
- An inventory of available spare parts and other items critical to system operation as are deemed necessary to meet the emergency service requirements

Technician(s) assigned by the maintenance contractor should be fully trained and certified to install service and maintain the security system equipment on site. Maintenance contract personnel should also be licensed as required by the codes and requirements of local jurisdictions.

B. ARCHITECTURAL CONSIDERATIONS

The design and other physical attributes of office space play an important role in establishing a secure work environment. This section outlines some of the architectural considerations in space design and office planning.

RECEPTION/CONCIERGE AREAS

Each office should have an area designated for screening and accepting visitors and delivery personnel. This can be accomplished with dedicated reception areas or other controlled areas such as exterior doors where visitors can be identified and communicated with prior to entering MMC-occupied space.

For offices with dedicated reception desks, any door leading directly from reception areas into MMC occupied space should have access control devices, or other means by which individuals are prevented from bypassing the reception desk. This is assuming that the doors leading directly to the reception desk will remain open during normal business hours.

Reception Desks should be placed in such a way as to provide a direct line of sight to the entrance into MMC-occupied space and within close enough proximity to the entrance door so visitors can be plainly visible and readily identifiable. Ideally, reception desks should have remote-release buttons for those access-controlled doors within their direct view. All reception desk release buttons should have the ability to be enabled and disabled via a key switch.

Reception desks may be equipped with a duress button for emergency notification depending on the level of risk, such as those visible and readily accessible by the general public (for example on a ground floor visible from a high-traffic common public area) or in high-threat environments. The buttons should be discreetly placed but readily accessible. In offices where MMC is a tenant and does not have its own security personnel present to respond to alarms, the building property owner or property management should be contacted to determine the feasibility of their security personnel monitoring and responding to activation of an alarm in MMC-occupied space.

In the event the property owner is unable or unwilling, the office should contract with a remote central monitoring service. MMC Global Security should be consulted regarding any location where such security devices are deemed desirable.

FIRE STAIRS

At minimum, all fire stair doors within MMC-occupied space should have door position switches for alarm monitoring. All fire stair doors locked electronically must have positive latching (secured at all times such that manual operation of the latch or bolt mechanism must occur before it may be opened) and be tied to the building life safety system as may be required by local fire codes. Fire doors that enter into MMC space which are required by local fire code to remain unlocked to allow for re-entry, must have local alarms installed that annunciate inside the MMC space upon activation. Signage advising that the door is alarmed should be placed on both the interior and exterior sides of the door to prevent inadvertent activation of the alarm.

If building fire stairs are utilized for the routine movement of MMC personnel between common tenant floors, all fire stair doors located within MMC-occupied floors where permitted by local building and fire codes, should have access control devices. These doors should also be equipped with door contacts/position switches for alarm monitoring to detect propped door or doors, which are forced open. Where practical and permitted, telephones with internal and emergency dialing capability should be placed in the fire stairs for safety reasons. Appropriate permanent signage indicating the number to dial for assistance should be placed by each telephone.

MECHANICAL, COMMUNICATIONS & ELECTRICAL CLOSETS/CUPBOARDS

To the extent possible building electrical, telephone and mechanical riser closets/cupboards that are shared with other tenants should be located outside of MMC protected space and adequately secured at all times. This eliminates or reduces the need for building personnel, tenant contractors or others to access MMC occupied space. Conversely, all MMC dedicated riser closets etc. should be located inside MMC protected space to the extent practical.

INTERNAL CRITICAL INFRASTRUCTURE

Access to internal areas housing critical infrastructure or equipment such as network closets and computer system distribution rooms should be controlled by the use of access control as well as door position alarm monitoring. Access to such rooms should be strictly controlled and restricted to those individuals with a business reason to enter the rooms as part of their job responsibilities.

RESTRICTED AREAS (INTERNAL)

Offices must consider whether any internal areas (for example specific rooms, floors or segregated areas within a floor) require that entry be restricted to those individuals who have a business reason for access because of legal, regulatory or client requirements, the storage of high-value assets or the Company's desire to maintain confidentiality of certain information. It is the responsibility of each business owner to determine when and if a specific area, floor, or room, is to be restricted. Such areas should be safeguarded via the use of electronic access control devices restricting access to authorized personnel only, as well as alarm monitoring of the door status. Such areas may include:

- Computer rooms, including Main Distribution Frame (MDF)/Intermediate Distribution Frame (IDF) closets
- Human resource work and storage areas
- High density file rooms
- Legal/compliance areas
- Mail rooms
- Check printing rooms
- Storage facilities/rooms with high value equipment
- Other locations identified by local management
- File rooms storing medial records or other Personally Identifiable Information (PII)

In certain instances, the installation of CCTV cameras for activity recording may also be deemed warranted as an additional level of protection.

LOCKS

Electronic locks may be either fail-safe or fail-secure depending on local building and fire regulations and business and operational requirements (Note: Fail-safe locks automatically unlock and remain unlocked when power is lost. Fail-secure locks remain locked when power is lost.) Any fail-secure locks on electronic access controlled doors should have emergency key bypasses in the event of a power or security system failure and emergency access is required. In the event of a power or security system failure, at least one door leading into MMC occupied space should have an emergency key bypass that allows for emergency access to the space. Access to keys for such doors must be tightly controlled, with their issuance and return recorded. All locks must conform to local building and fire codes.

As a standard, all office doors should have mechanical locks installed to ensure that the occupant can secure the office. In instances where locks are **not** felt to be necessary because of the nature of the business conducted, or where there is an alternative means of effectively securing the office(s), MMC Global Security must be consulted before any final determination is made.

C. KEY & IDENTIFICATION/ELECTRONIC ACCESS CARDS

MMC maintains mechanical and electronic locking systems for the protection of its colleagues, physical property, and information assets. MMC or a building management company, or both, as a means of identifying and screening employees and visitors, may also use identification cards or badges. Colleagues may be issued keys and/or identification/electronic access cards in order to access MMC facilities, offices and work areas, and to provide a means of securing MMC's physical and information assets. Colleagues are expected to safeguard keys and identification/electronic access cards and to use them to ensure that their offices and workspaces are properly secured.

LOCKING SYSTEM DEFINED

MMC locking systems include all key and electronic locking devices such as door locks, interior area locks, and keys, combination devices, and all other locking devices including padlocks, keypads and electronic access card devices. All of the above locking system components are considered property of MMC.

RESPONSIBILITY

All persons issued MMC identification/access cards, keys, and access codes will at all times be held responsible and accountable for safeguarding them. Identification/access cards should be maintained in one's possession at all times while they are in the office. Appropriate individuals may request and delegate the issuance of identification/access cards, access codes, and keys only as necessary and in accordance with the provisions of this policy. Unauthorized fabrication, duplication, possession, or use of identification/access cards or keys to facilities of MMC is strictly prohibited.

Under no circumstances should colleagues permit other individuals to borrow his or her identification/access card, or allow anyone to use a key, access code or access card which they have been issued, in order to gain access to an area they would not otherwise be authorized

It is the responsibility of all personnel to ensure that their offices and work areas are locked when unattended. If the individual does not have access to keys, it is the responsibility of that individual to arrange for his or her doors and work space to be locked.

No individual may use personal locking devices to secure MMC offices or property. In addition, locks may be changed or re-keyed only with appropriate management approval. Unauthorized locking devices should be removed. Any damage or repair necessitated by the removal of unauthorized locks is the responsibility of the department or colleague found in violation of this policy.

OBTAINING A KEY OR IDENTIFICATION/ACCESS CARD

Recipients of MMC keys and identification/access cards are be responsible for their safekeeping and at no time should they leave them unattended (for example, hanging in a door lock, lying on a desk, left over night in or on an unlocked desk). Each office should have established procedures for the issuance of keys and identification/access cards to appropriate individuals. If an employee does not have a key to his or her office, work area, desk, or cabinets and are unsure of whom to contact, he or she should be instructed to advise their immediate manager.

RETURN OF KEYS AND IDENTIFICATION/ACCESS CARDS

All keys, including electronic access and identification cards for electronic locks etc., must be surrendered upon termination of employment, transfer to another department, or upon the request of the individual's manager or Human Resources. Offices should have in place established procedures for the return of all keys and other MMC property upon termination of employment or when no longer required.

LOST KEYS AND IDENTIFICATION/ACCESS CARDS

The loss or suspected loss of any key or identification/access card must be reported immediately to the designated manager(s) responsible for office security. Access cards reported lost or stolen should be disabled immediately to avoid unauthorized access. The loss or suspected loss of any master key is to be reported to the appropriate facilities representative or manager and MMC Global Security immediately.

REPAIR OF LOCKS, KEYS, OR DOOR HARDWARE

Colleagues must report damaged or missing locks, keys, or door hardware to their manager immediately in order to facilitate repairs.

IDENTIFICATION CARDS

Where office security procedures require it, employees working in or visiting MMC offices may be required to visibly display their identification cards at all times when on MMC property. In such instances, contractors, consultants and all others working on site at MMC locations should be required to wear MMC-provided identification at all times.

Visitors to MMC locations should be properly screened and required to display appropriate visitor identification while on Company property. Visitor passes should be easily identifiable, display the visitor name, date issued, and have the capability to self expire within 24 hours wherever possible.

All MMC non-employee access cards must have a date of expiration associated with the card. In no case should the date be more than six (6) months from the date of issuance or renewal. All temporary and contract employees issued access cards must have an MMC employee as the authorizer.

Should the card expire prior to the end of the individual's assignment, the authorizer must request an extension. Office procedures must be in place for all employees and non-employees to ensure the timely removal of access privileges (both physical and to information systems) and the return of any MMC issued property once their employment or assignment has ended. This includes notification to building management if the ID/access card was issued by them or provides access through a system they control.

Furthermore, procedures must be in place for modifying access privileges in the event an individual's job responsibility changes and for periodic reviews of all active employee and MMC non-employee access cards issued to ensure that all individuals listed still require access.

3

POLICY & PROCEDURE GUIDELINES

Operational security measures such as the monitoring and administration of electronic systems, visitor and delivery processing, mail screening, key control, systems maintenance, etc., have been identified and standard operating policies and procedures have been established as follows

A. ACCESS CONTROL

- All doors leading into MMC occupied space from building exterior or common areas should remain locked at all times, with the exception of those doors leading to reception areas or other areas that are staffed during office hours for the purpose of screening visitors. Access controlled doors within MMC interior space are to remain closed and locked at all times, except for those times as may be required for servicing, repairs or deliveries. In such cases, the areas that would otherwise be locked must be supervised until the area is again secured.
- Restrooms used by employees that are located outside MMC secured space and are accessible from common public hallways should have a means by which they can be kept locked. Securing of such common area facilities is typically the responsibility of the building landlord.
- Written procedures must be established for the issuance and timely deactivation of any identification/access card, access control device, or codes issued to either employees or non-employees. This includes those that may have been issued by the building management, as well as for the periodic review and auditing of active issuance to ensure that individuals listed still require access. Such auditing should take place on a quarterly basis, at a minimum, and be conducted by those responsible for maintaining the accuracy of the information contained in the security system, or designees, in coordination with Human Resources or others responsible for the authorization of issuance of identification/access cards.
- Procedures must be in place to maintain adequate control of access to restricted areas. Each restricted area must have a designated "owner" or "owners" who are responsible for granting and maintaining access control rights. The "owner(s)" are responsible for advising the individuals responsible for security system administrator(s) as to who is to have access to their respective areas (employees, contractors, consultants, service personnel, etc.). Documentation showing the request for access and any subsequent approval should be retained for internal auditing purposes for a minimum of seven (7) years.

When a security system administrator receives a request generated by someone other than the designated "owner," the request should be forwarded to the attention of the appropriate owner for approval. Once approval is granted, the individual should be assigned the appropriate access privilege. It is the Owners responsibility to advise the security system administrator when an individual's access privileges to a restricted area should be revoked. Owners can and should periodically request a list from the individuals responsible for security system administration of all individuals who have access to their restricted area(s).

B. OFFICE CLEANING

Office cleaning typically occurs after normal business hours when cleaning staff is permitted access to MMC space for housekeeping purposes. Each colleague must determine whether his or her office or work area requires cleaning at any given time. If the door is to remain open or unlocked, the colleague must make sure that any electronic devices, such as laptops, have been secured or removed and that all confidential material has been locked in a desk or cabinet before leaving the office for the day. Colleagues not wishing to have their offices cleaned should place their conventional trash receptacle outside their offices and secure their office doors before leaving.

C. VISITORS IN THE WORKPLACE

All MMC offices must have procedures in place to authorize visitor access to the workplace. The control of visitors to MMC workspace is essential to:

- (1) Protecting the health and safety of MMC employees and visitors.
 - (2) Protecting the confidentiality of MMC and client information assets.
 - (3) Minimizing activity that might detract from the productivity and effectiveness of MMC employees in the workplace.
 - (4) Maintaining the security of MMC property and resources.
- All visitors should enter MMC facilities through areas designated for the acceptance and screening of visitors, such as reception areas or concierge/security desks. In those offices where such facilities may not exist, an alternate means of screening and accepting visitors must be established whereby visitors can be screened, such as, via an intercom or internal telephone placed in common areas prior to accessing MMC workspace. All visitors should be announced, met and greeted, and then escorted to the meeting or work area. Offices should maintain a written or electronic record of all visitors to the office, including the visitor's name, date of visit and host employee. Please note that personal information, such as, date of birth, citizenship, and Social Security number, should neither be requested nor recorded unless specifically called for by law or government regulation. Non-employee visitors should be supervised at all times while the individual is visiting on site. Note: Offices or business units may impose additional restrictions on employee and non-employee visitor access as deemed appropriate.
 - Offices issuing temporary identification/access cards to visitors, including visiting employees, must have a documented process in place whereby such cards are accounted for and are returned or deactivated immediately once access by the individual is no longer required. This process should be established as a written procedure and included as part of the access control system audit program.
 - Employees hosting visitors are responsible for their conduct and safety while in the MMC workplace. In the event of an office emergency, employees hosting visitors should ensure that their visitors are aware of and follow the location's emergency procedures.

- Unaccompanied visitors should be directed to the designated reception area where they can be properly identified and announced. On floors or locations without a reception function, doors must remain locked at all times, and a mechanism whereby a visitor can be remotely screened visually and by voice (for example, by video intercom) must be provided for in at least one location where visitors can be directed.

NON-BUSINESS-RELATED VISITORS AND GUESTS

Visits of a non-business-related nature to an MMC workspace is discouraged and should only be done with the knowledge and approval of the employee's manager, or during Company sponsored events where visitors are explicitly permitted (for example, Bring Your Sons and Daughters to Work Day). Such visits should be limited in duration, should be supervised at all times, and must adhere to all office policies and procedures relating to visitors and the needs of the business. Non-business-related visitors must not be permitted to use or otherwise access MMC computers or other information systems.

DELIVERIES

Offices must have established procedures for the acceptance of deliveries both during and after business hours (for example, equipment and supplies, packages, food, flowers). Delivery personnel should be restricted from entering MMC occupied space wherever possible or practical. Where delivery personnel are admitted to MMC occupied space they should be greeted and escorted at all times. Deliveries of food and flowers or other personal items should be received at reception or other specifically designated areas.

ACCESS BY BUILDING PERSONNEL

In offices where MMC is a tenant, access to MMC occupied space is often required by building personnel for routine or emergency services. A procedure must be established whereby access by building personnel to MMC occupied space is authorized and recorded. This can be accomplished through the issuance of a uniquely identified MMC access card, or other device, or through an established notification protocol, that can be reviewed and monitored. Wherever possible access by building personnel or contractors, especially to sensitive locations, should be supervised by MMC staff.

D. SECURITY ADMINISTRATION

Offices (Human Resources, Facilities Management, and Security etc.) must establish appropriate procedures to ensure the timely removal of any terminated personnel (employee and non-employee) or those whose assignment has ended, from MMC and building security systems. Any MMC or building-issued identification/access card should be returned by terminated employees and non-employees to the individual responsible for office security or for managing security systems. While retrieval of an identification/access card is not necessary to disable access, a reasonable effort should be made to retrieve such property in order to prevent attempts at unauthorized use.

- Where dedicated security resources are not in place a staff member and alternate should be identified and tasked as a point of contact for security-related issues.
- A process must be established for the periodic review of individuals with office access privileges to ensure that only those individuals who are active and have legitimate business reasons are being provided access and have the appropriate level of privileges. This review should be done on a quarterly basis.
- The quality and performance of the CCTV camera recording must be reviewed on a scheduled and periodic basis by those responsible for local security system monitoring or oversight to ensure that the equipment is working properly.

- Appropriate office personnel should be listed with the property management in the event that MMC needs to be contacted due to an issue or emergency occurring in the building or MMC office space, especially after business hours.
- Access control reports are **not** intended for routine monitoring or for purposes of recording for time and attendance purposes. Requests for an individual's access activity report should be made by or through an MMC Human Resources, Legal Department, or Security representative and be in compliance with any local privacy and labor laws or other applicable laws and regulations.

E. USE OF CONTRACT SECURITY PERSONNEL

Any MMC office considering the use of contract security officers or off-duty law enforcement personnel for employee protection, patrol of the MMC workspace or to respond to security related incidents, alarms, or emergencies should first consult with the MMC Global Security Department. The MMC Security Department will assist in assessing the office's requirements, identify qualified providers, review the contract scope of services, and assist with establishing post orders and emergency response protocols.

F. MAILROOM SECURITY

To the extent possible and practical MMC mailroom facilities should be segregated from the common office areas, with direct access limited to those who work in that area or whose job functions otherwise require them to have access. Mailrooms that accommodate the processing of incoming and/or outgoing checks or other financial instruments should have a means by which to lock and secure such items when they are not being handled or processed. Proper procedures must be in place for tracking of incoming and outgoing packages and sensitive or otherwise valuable mail.

Any accounts established with commercial mail and package carriers (for example, Fed Ex, DHL, UPS) or for the replenishment of postal meters must be reviewed periodically to ensure that the individuals listed as authorizers are currently employed and still require authorization privileges and access to the accounts. Office mailrooms that maintain safes for the safeguarding of checks and/or check stock or other valuables, or who process checks as routine, should have overt CCTV cameras installed viewing the safe and check processing areas as a deterrent to theft.

G. MAIL SCREENING AND HANDLING OF SUSPECT MAIL

Security and safety are key elements of mail center operations regardless of size. While the primary purpose of the mail center is to quickly, efficiently process, and distribute mail, inadequate mail screening can result in harm to our personnel, facilities, and disruption to MMC operations. Therefore, every effort should be made to ensure that all mail and parcels are confirmed safe prior to delivery. MMC offices must establish procedures for the identification and handling of mail that is deemed suspicious.

At locations where the risk warrants, all mail should be x-rayed prior to delivery to employees. At minimum mail room personnel should be cognizant of the common recognition points of letter and parcel explosives and of the procedures regarding proper handling of suspect mail. The MMC Global Security Department has established Mail Center Screening Guidelines in order to assist mail center managers and personnel in the proper screening and handling of mail and parcels. The Mail Center Screening Guidelines are available in the Identification and Handling of Suspect Mail Section of the MMC Global Security website at <http://intra.mmc.com/services/mmcGlobalSecurity/mgsTipsMail.php>.

H. PROPERTY REMOVAL

MMC colleagues are expected to adhere to any building or internal MMC security policies, procedures or requirements relating to the removal of MMC or personal property from the office. MMC colleagues may not remove Company property from the premises without the knowledge and approval of their manager. For those MMC offices where building management requires a formal property removal pass for the removal of MMC or personal property from the premises, that office must establish a formal process for identifying individuals within the MMC office who are authorized to grant approval. Procedures should be established for the periodic review of passes that have been issued to ensure items have been approved for removal. Copies of any property removal passes issued should be retained for a period of at least thirty days.

I. LOST AND FOUND

MMC offices should establish procedures for reporting and returning of lost property. Lost property of more than nominal value, or any stolen Company or personal property, should be reported to MMC Global Security at Security.Admin@MMC.com. Attempts should be made to identify and notify the rightful owner of any found property. Disposition of found property (e.g. returned to owner, discarded, provided to local police, donated to charity) should be documented.

J. INCIDENT REPORTING

All safety and physical security related incidents should be reported to the MMC Global Security Department either by contacting MMC Global Security at telephone number +1 212 345 3104 (24 Hours) or through the incident reporting form on the MMC Global Security website on the MMC intranet at <http://intra.mmc.com/services/mmcGlobalSecurity/mgsSecIncReporting.php>. If the incident requires immediate attention, please use the emergency procedures established for your individual location.

K. PROTECTION OF CONFIDENTIAL INFORMATION

It is an employee's obligation to safeguard the company's information pursuant to the MMC Code of Business Conduct & Ethics. Confidential information should be maintained at all times in a manner designed to secure its confidentiality and to prevent unauthorized review or access. Confidential information must not be removed from the premises unless there is a compelling business reason for doing so and then only provided the information is kept on the employee's person or in a secure place at all times.

Confidential information should always be kept out of the view of those without a need to know. Confidential information in physical form, including electronic storage media, such as CD's and flash drives, must not be left unattended unless it is secured behind a locked door or in locked office furniture. The lock must be one approved by MMC. Confidential information in computers, including workstations, must be protected by mechanisms that ensure only authorized individuals can access the information.

For additional MMC policies concerning the protection of Confidential Information, including Computer Systems and Electronic information, colleagues should be directed to the MMC Global Information Security Policy.

L. DISPOSAL OF CONFIDENTIAL WASTE

When no longer of use, confidential documents should be disposed of in a manner that renders them unreadable and non-reconstructable, using means and methods approved by MMC (approved shredders and confidential waste bins). All MMC Offices should have a document destruction program that provides a ready means for colleagues to properly dispose of confidential information, such as the provision of confidential waste bins and, where permissible, shredders.

Where appropriate, signage should be placed adjacent to confidential waste bins or shredders reminding colleagues of any restrictions on the disposal of certain information. Procedures should be in place for the removal of documents that may have been inadvertently disposed of in confidential waste bins. In the event the services of a document destruction company are engaged, any contract should be reviewed by the MMC Legal Department to ensure that appropriate provisions have been made for protecting the MMC's information. The MMC Global Security Department can provide assistance in identifying appropriate local document destruction service providers.

M. PROTECTION OF LAPTOPS AND OTHER ELECTRONIC DEVICES

MMC colleagues are responsible for the protection of laptops and other portable electronic devices provided by MMC. While in the office, laptops should be secured all times when left unattended. Cables or other locking devices should be made available to colleagues upon request. If there is a need to leave a laptop or other electronic device in the office overnight, the equipment should be secured and kept out of plain sight. If the office door does not have a lock, then secure the computer or device in a lockable desk drawer or file cabinet. If there is no drawer or file cabinet readily available, then colleagues should bring the device home. For business continuity purposes it is always a recommended best practice, and may be a requirement of the business unit, for colleagues to take their laptop with them when away from the office.

For additional MMC policies concerning the protection Laptops and other Portable Devices, colleagues should refer to MMC Compliance Policies at <http://www.compliance.mmc.com/CMS/MMC/policies.asp>.

4

EMERGENCY PLANNING & PROCEDURES

The primary purpose of establishing emergency plans and procedures is to ensure the safety of colleagues and visitors. Each MMC office should have documented emergency for reference in the event of facility or medical emergencies (for example building fires, floods, power outages, adverse weather conditions, or a colleague's potentially fatal heart attack). As local conditions vary, each office must develop its own emergency plans and procedures tailored to its unique situation, including local fire and building codes, building conditions, property management requirements, and proximity to hospitals emergency first responders.

Each office should have an individual or individuals identified as being responsible for ensuring that the office has established emergency plans and ensuring that plan requirements are being met and tested. The office should task identified individuals with responding in the event of an emergency, communicating, and posting emergency procedures, coordinating with building management, testing of call trees and conducting drills in accordance with local requirements.

For assistance in establishing or reviewing office emergency plans and procedures contact either the MMC Business Resiliency Management Group or MMC Global Security.

A. EMERGENCY PROCEDURES CARDS

MMC has established standardized Company-wide office Emergency Procedures Cards to provide MMC colleagues with a quick and easy reference guide in the event of an emergency. The card is unique to each facility and includes key emergency contact information, as well as emergency procedures and related information. Standardization a common Card provides a means for colleagues to readily recognize the Card and its purpose in an emergency, regardless of the location they are working from or visiting. Oversight of the Emergency Procedures Card program resides with MMC Global Security, however local Business Resiliency Coordinators are responsible for ensuring that their respective offices have established and issued Emergency Procedures Cards for each location.

EMERGENCY PROCEDURES CARD CONTENT

The Emergency Procedures Cards are customized for each location and contain a summary of all pertinent emergency information a colleague or visitor might need to safely exit the building and/or request help if needed. The Card contains all relevant emergency information and contact numbers, fire and evacuation guidelines, and office closing information. The Card is designed to be distributed to all colleagues and used as a quick desk reference. Each Emergency Procedures Card should contain:

- Office address.
- Emergency contacts for local fire, police, and ambulance, as well as, any location specific medical, security or facilities numbers.
- Procedures to be followed for medical emergencies, fire emergencies/evacuations, and emergency office closings.
- Location(s) of evacuation assembly points and nearest hospitals for medical assistance.
- Contacts for Corporate Communications.
- Building Information Hotline telephone number.
- Date of last revision.

ESTABLISHING EMERGENCY PROCEDURES CARDS

Emergency Procedures Cards contain site-specific information and should be standard for an office location regardless of MMC Operating Companies present. Separate Operating Company Cards **should be avoided** if possible to avoid confusion unless there is a unique and compelling business reason for doing so. When establishing Cards for a given location every effort should be made to ensure that coordination between co-located companies is attained.

The responsibility for ensuring that an office has established Emergency Procedures Cards resides with the local Business Resiliency Coordinators. Once MMC Global Security has been advised of or determines the need for the establishment of an Emergency Procedures Card for an office, notification should be made to the respective Business Resiliency Manager(s) for coordination. Cards must be re-issued every three years with a current revision date, unless reissued earlier due to required changes in Card information.

More information on Emergency Procedure Cards can be found in the Emergency Procedures and Contacts Section of the MMC Global Security website at <http://intra.mmc.com/services/mmcGlobalSecurity/mgsEberg.php>.

B. MMC EMERGENCY INFORMATION WALLET CARDS

The MMC Emergency Information Wallet Card contains information that is vital in the event of an emergency or evacuation. Every MMC colleague should have at least two cards, with one kept on his or her person at all times. Each department or group's Business Continuity Coordinator is responsible for ordering the Wallet Cards through Standard Register's SmartWorks. Business Continuity Coordinators will find instructions for ordering the card on the MMC Global Plan Database under "Information for All." Each Card contains the following information:

Assembly Location: This is the designated safe place that colleagues should report to following an evacuation process, to gather and to be given initial status information and direction for subsequent actions.

Colleague Registration Number: This telephone number is to be used by colleagues following an evacuation of the office, or other emergency, for registration and for status reporting. Select Option #1 to register. Colleagues will be prompted for his or her MMC Employee ID number. Once it is entered, he or she will be asked if they require assistance and for the telephone number that he or she may be reached.

Building Information Hotline: This telephone number should be used to obtain information regarding local office status in the event of inclement weather or an emergency.

MMC Emergency Hotline: This is a 24-hour telephone line used to report incidents affecting offices or colleagues to the MMC Business Resiliency Management Group and MMC Global Security. The Business Continuity Coordinator or a member of the office's Incident Management Team typically completes these calls.

Medical Emergencies (ISOS.): This is a 24-hour manned telephone line that provides worldwide medical and emergency travel assistance, and the location of the nearest doctor and medical facilities.

For more information on Wallet Cards, visit the Business Resiliency Management website at <http://intra.mmc.com/services/mmcRiskManagement/mrmBusinessContinuityWallCard.php>

C. FACILITY EMERGENCIES

Each MMC office must establish procedures for responding to facilities related emergencies, including identifying appropriate building emergency contacts (during and after hours) and providing building management with appropriate MMC emergency contact information. Office colleagues should also be made aware of the appropriate procedures for reporting facilities-related emergencies, with such procedures referred to in the location's MMC Emergency Procedures Card.

Facilities-related emergencies, such as fires or floods that result in damage to MMC property or injury to colleagues or visitors must be reported to MMC Risk Management by contacting a member of the Risk Management Department directly. Claims reporting procedures and contact information for MMC Risk Management can be found on the Risk Management website at <http://intra.mmc.com/services/mmcRiskManagement/index.php>

D. FIRE EXTINGUISHERS

Fire extinguishers can provide an immediate response to a small or developing fire and may limit the extent of damage from fire, smoke, and water. While Fire Extinguishers may be placed in MMC offices, they should only be used by those individuals who have received appropriate training on their use and who have been expressly designated to use them, such as the building management's Fire Brigade members. Colleagues should not place themselves in danger by attempting to contain a fire. The first priority is to make the appropriate notifications and follow the established protocols.

Fire extinguishers should be appropriate to the type of combustibles likely to be encountered. If Fire extinguishers are placed on site, they should be inspected and serviced regularly by a reputable contractor, consistent with the manufacturer's recommendations and any applicable local fire regulations, and tagged with the dates of service. Fire extinguishers should be conspicuously located where they will be readily accessible and immediately available in the event of fire. In general, they should be located along normal paths of travel, including exits from an area and those areas where fires are likely to originate, such as kitchens. Fire extinguishers should not be obstructed from view.

If an extinguisher is not readily visible from all angles, its location should be conspicuously marked by appropriate signs. Local Fire and Building Codes, and building property management, should be consulted regarding any requirements with respect to fire extinguisher type, placement, training etc.

E. ASSEMBLY POINTS

Each MMC office should have designated Assembly Points. Assembly Points are designated safe places that colleagues should report to following a building evacuation in order to be given initial status information and direction for any subsequent actions. As a general rule, Assembly Points should be:

- 1) At a sufficient distance that they would not be directly impacted by a catastrophic collapse of the building with all its attendant fallout and debris,
- 2) Be close enough that employees would realistically be expected to walk there
- 3) Be able to provide some protection from the elements, such as rain or cold, if possible.

In addition, an alternate Assembly Point, at a further distance, should be established in the event the first location is unavailable or undesirable at the time of the event. Assembly Points are identified on individual Emergency Information Wallet Cards issued through the MMC Business Resilience Management Group.

F. MEDICAL EMERGENCIES

Each MMC Office must establish procedures for responding to medical related emergencies, including identifying appropriate medical emergency contacts (during and after hours) and the protocols of the building management for reporting and responding to medical emergencies. Offices with MMC trained CPR/AED and/or first aid responders should be sure that such responders can be readily identified in the event of an emergency. Office colleagues should also be made aware of the appropriate procedures for reporting medical related emergencies with such procedures referred to in the location's MMC Emergency Procedures Card.

AUTOMATED EXTERNAL DEFIBRILLATOR (AED) PROGRAMS

AEDs are portable, easy-to-operate, computerized shock devices that anyone - with proper training - can use to save a life. In the United States, MMC has contracted for AEDs from Medtronic (Physio-Control), one of the nation's leading providers of defibrillators. The program also provides training of employee volunteers to be AED responders. The training consists of a traditional four-hour CPR course provided by the American Heart Association, along with instructions on how to use the AED. If someone goes into cardiac arrest, the trained volunteer applies the AED to the victim; the AED's built-in computer assesses the victim's heart rhythm, judges whether defibrillation is needed, and then administers the shock.

Each MMC office in the US with an AED should have at least one AED program site coordinator. The number of AEDs maintained on site will vary from location to location and is based on the program vendor's on-site assessment of response time over distance.

Offices that wish to establish AED programs, including those outside the US, should first contact the MMC Health & Life Safety Committee at HealthSafety.Committee@mmc.com.

CARDIOPULMONARY RESUSCITATION (CPR) AND FIRST AID

Cardiopulmonary resuscitation (CPR) is a combination of rescue breathing and chest compressions that is delivered to victims thought to be in cardiac arrest. In the US, MMC has established a volunteer CPR training program as part of its automated external defibrillator (AED) responder training program. There is currently no formal MMC parent Company-sponsored program for CPR or first aid training. However, offices are expected to comply in those instances where local legislation or regulation requires that such programs be established.

For more information on AED/CPR and First Aid Training programs, or to discuss establishing programs in your local office contact the MMC Health & Life Safety Committee at HealthSafety.Committee@mmc.com.

WORKPLACE FIRST AID KITS

While not an MMC requirement, offices may elect to maintain workplace first aid kits at their locations for colleagues to use at their discretion to treat minor injuries. MMC has established criteria for first aid kits purchased for use in offices as follows:

- First aid kits must conform to the American National Standards Institute (ANSI) Standard Z308.1-2003 Minimum Requirements for Workplace First Aid Kits, comparable standards or those established by local law or regulation.
- Offices where such kits are procured should establish procedures for periodic review and when necessary replenishment or replacement.
- Kits should be maintained in areas that are readily accessible to colleagues in an emergency.
- Kits should be sized sufficiently to support the office employee population.

Given the risk of potential adverse reactions, under no circumstances are kits to contain any form of over-the-counter (for example aspirin, ibuprofen) or prescription medications unless MMC is required to do so by local law or regulation. Colleagues who feel ill should be encouraged to return home and, if appropriate, to seek medical treatment, both for their own benefit as well as for the health of their co-workers.

For more information on first aid kits, including approved content, visit the MMC Global Security website at <http://intra.mmc.com/services/mmcGlobalSecurity/mgsHealthKit.php> or contact the MMC Health & Life Safety Committee at HealthSafety.Committee@mmc.com.

MEDICAL OXYGEN & EQUIPMENT

MMC offices should not keep oxygen cylinders for medical purposes onsite unless there are trained and qualified clinical personnel at the location that are paid by MMC to provide medical related assistance as part of their job responsibilities, or such cylinders have been prescribed by a colleague's physician for his or her own personal use.

Prior to ordering any medical related equipment or devices, MMC offices should first contact the Health & Life Safety Committee at HealthSafety.Committee@mmc.com for review and guidance.

G. BUILDING INFORMATION HOTLINE

Each office should establish a Building Information Hotline telephone number that is to be used by colleagues to obtain information regarding local office status in the event of inclement weather or an emergency affecting building or office operations. Establishing a Building information Hotline is the responsibility of the local Business Continuity Coordinator.

H. BOMB THREAT RESPONSE

Each office should have established procedures for use in the event of notification of a bomb threat. Local office management should ensure that employees are aware of the office emergency procedures, including what to do in the event a bomb threat was received. Individuals with responsibility for handling calls for published office numbers, or at call centers in particular, should become familiarized with the local bomb threat response procedures.

In instances where MMC operating companies are tenants, local management should become familiarized with the building procedures and protocols for receipt of bomb threats, whether received directly by the building or by a building tenant.

The facility's building management should be provided with local MMC office contact information in the event they wish to communicate with a representative(s) of MMC to alert them of an incident that has or will affect the building. Property Management should be made aware of any and all MMC Assembly Points. Should a bomb threat be received affecting an MMC office, local management should follow the established local notification protocols and contact the MMC Emergency Hotline as soon as is practical.

The MMC Global Security Department has developed Guidelines for Bomb Threat Response in order to assist and educate MMC colleagues in the proper handling of bomb threats. These Guidelines aid in ensuring a safe and orderly response, whether the threat is received directly at work, by the property management or by other tenants. The Guidelines for Bomb Threat Response are available on the MMC Global Security website at <http://intra.mmc.com/services/mmcGlobalSecurity/mgsTipsBombThreat.php>.

I. WORKPLACE HEALTH-RELATED ISSUES

MMC strives to maintain a safe and healthy work environment for its colleagues, clients, and visitors. In response to the outbreak of Severe Acute Respiratory Syndrome (SARS) in 2003, the MMC Life & Health Safety Committee was created to establish policies and procedures that would help mitigate and manage the risk to MMC colleagues and businesses from communicable diseases, and to help coordinate MMC's response when such issues arise. The Committee also provides a forum to discuss life safety issues where an MMC policy, procedure, or program may be required, such as the AED program or the issuance of emergency kits to employees, where such issues have cross-company implications. For more information on the Committee, the MMC Communicable Disease Policy and various Health & Life Safety Committee Policies & Guidelines visit the Medical & Health Information section of the MMC Global Security website at <http://intra.mmc.com/services/mmcGlobalSecurity/mgsMedicalInfo.php>

If you have any workplace health-related issues or concerns please contact your Human Resources representative or email the MMC Life & Health Safety Committee at HealthSafety.Committee@mmc.com

J. WORKPLACE-RELATED ACCIDENTS AND INJURIES

While MMC strives to maintain a safe work environment, accidents may still occur for a variety of reasons. Each office should have established procedures for colleagues to report workplace accidents and injuries, including those occurring outside the office when the colleague is engaged on Company business. Such notification should occur as soon as possible after the incident and must include communication to Human Resources about the event. Procedures should also include the identification and reporting of unsafe or hazardous workplace conditions. Unsafe or hazardous workplace conditions must be reported to Human Resources and MMC Risk Management.

If you require assistance in establishing procedures relating to workplace-related accidents and injuries, or wish to have existing procedures reviewed, contact the MMC Life & Health Safety Committee.

K. WORKPLACE VIOLENCE PREVENTION POLICY

MMC is committed to establishing a workplace for its employees, customers, vendors or others on its premises that is free from violent or threatening behavior. The Company will not tolerate any acts or threats of violence against its employees, customers, contractors or visitors either on Company premises or through its communications channels. Additionally, any acts or threat of violence committed by MMC employees while doing business on behalf of the Company will not be tolerated. Conduct covered under the Policy extends to any activity by an MMC employee that reflects negatively upon the Company, is inconsistent with the conduct that is expected of employees and/or is adverse to MMC's legitimate business interests. If such behavior occurs, the Company will take immediate and appropriate steps to correct the situation. For further information, please refer to the MMC Workplace Violence Prevention Policy at <http://intra.mmc.com/services/mmcGlobalSecurity/mgsWorkViolProgPol.php>

Any colleague who is aware of a violation of this Policy must report it to his/her immediate supervisor, MMC security personnel or a member of Human Resources. In emergency situations, local law enforcement or the police should be notified immediately.

MMC's Workplace Violence Prevention Policy requires that colleagues must notify Human Resources or security personnel of protective or restraining orders, which may impact the workplace so that assistance can be offered and appropriate security measures taken. In addition, colleagues are required to report any arrests or convictions for any criminal offense to the Human Resources Department. The Company will evaluate such information consistent with applicable law. To report any incidents or concerns, please contact local Human Resources or MMC Global Security (24 hours a day) at + 1 (212) 345 – 3104 or through the Emergency Hotline at +1 (212) 345 – 3400.

L. WORKPLACE VIOLENCE PREVENTION PROGRAM

MMC is committed to taking appropriate measures to provide a work environment that is safe, secure, and free of harassment, disruptive behavior, threats, intimidation, and violence. As part of that effort, MMC has developed a Workplace Violence Prevention Program. This comprehensive program consists of the following components:

- Workplace Violence Prevention Policy - The Policy defines what constitutes violence or threat situations affecting MMC employees and sets out procedures to follow when the policy is violated.
- MMC Threat Response Team - This team is available to support local management and Human Resources staff in addressing threats and other situations related to violence or threat of violence.
- Training for all appropriate groups - The Workplace Violence Prevention Program is supported by training at multiple levels, beginning with the Threat Response Team and continuing through Human Resources professionals and MMC supervisors

As part of MMC's Workplace Violence Prevention Program, each location should have an established Workplace Violence Response Plan to address incidents or threats of violence. The Plan should provide a response framework by which incidents of violence or potential violence are to be addressed, and should be based on the level of assessed risk and resources available for incident response. The Plan should be distributed among the designated response plan team members and appropriate members of Management on a need-to-know basis only. For assistance in developing plans, or for a review of existing Plans, contact a member of the MMC Global Security Department.

For more information on the MMC Workplace Violence Prevention Program, visit the MMC Global Security website at <http://intra.mmc.com/services/mmcGlobalSecurity/mgsWorkViolProg.php>

M. MEDIA RELATIONS

If MMC experiences a serious emergency, it may draw the attention of the news media or other external organizations. MMC Corporate Communications in New York is responsible for coordinating and handling all MMC external communications. All inquiries should be referred to MMC Corporate Communications at +1 212 345 5155. Additional guidance can also be found in the Media Relations section of the MMC Code of Business Conduct & Ethics.

Any questions relating to the Policies and Guidelines referred to in this Handbook should be directed to the MMC Global Security Department at Global.Security@MMC.com or by contacting a member of the Department directly.

7

Office Security and Emergency Procedures – Policies and Guidelines Handbook



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

Marsh & McLennan Companies, Inc.
1166 Avenue of the Americas
New York, NY 10036
212 345 5000

EXHIBIT 7

INSURANCE REQUIREMENTS FOR CONTRACTORS

The Contractor shall purchase and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

A. MINIMUM SCOPE AND LIMITS OF INSURANCE

1. **Workers Compensation**

Workers Compensation insurance shall be in compliance with the Workers Compensation law of the State of the Contractor's headquarters. Employers Liability is included with a limit of \$500,000 per accident/per disease/per employee.

2. **Commercial General Liability**

Commercial General Liability insurance, including Personal and Advertising Injury Liability, shall have a limit per occurrence of \$1,000,000 and a general aggregate of \$2,000,000. The Insurance Services Office (ISO) Commercial General Liability occurrence coverage form CG 00 01 (current form approved for use in Louisiana), or equivalent, is to be used in the policy. Claims-made form is unacceptable.

3. **Automobile Liability**

Automobile Liability Insurance shall have a combined single limit per occurrence of \$1,000,000. ISO form number CA 00 01 (current form approved for use in Louisiana), or equivalent, is to be used in the policy. This insurance shall include third-party bodily injury and property damage liability for owned, hired and non-owned automobiles.

B. DEDUCTIBLES AND SELF-INSURED RETENTIONS

The Contractor shall be responsible for all deductibles and self-insured retentions.

C. OTHER INSURANCE PROVISIONS

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverages

- a. The Department, its officers, agents, employees and volunteers shall be named as an additional insured as regards negligence by the contractor with respect to the Department's vicarious liability arising from the Contractor's provision of the services under this contract. ISO Form CG 20 10 (current form approved for use in Louisiana), or equivalent, is to be used when applicable. The coverage shall contain no special limitations on the scope of protection afforded to the Department.
- b. The Contractor's insurance shall be primary as respects the Department, its officers, agents, employees and volunteers for claims arising solely from the Contractor's provisions of services under this contract. Any insurance or self-insurance maintained by the Department shall be excess and non-contributory of the Contractor's insurance.
- c. Any failure of the Contractor to comply with reporting provisions of the policy shall not affect coverage provided to the Department, its officers, agents, employees and volunteers.
- d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the policy limits.

JAD

2. Workers Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against the Department, its officers, agents, employees and volunteers for losses arising from work performed by the Contractor for the Department, excluding the recklessness, negligence or willful misconduct of the Department, its officers, agents, employees or volunteers.

3. All Coverages

- a. Coverage shall not be canceled, suspended, or voided by either party (the Contractor or the insurer) or reduced in coverage or in limits except after 30 days written notice has been given to the Department. Ten-day written notice of cancellation is acceptable for non-payment of premium. Notifications shall comply with the standard cancellation provisions in the Contractor's policy.
- b. Neither the acceptance of the completed work nor the payment thereof shall release the Contractor from the obligations of the insurance requirements or indemnification agreement.
- c. The insurance companies issuing the policies shall have no recourse against the Department for payment of premiums or for assessments under any form of the policies.
- d. Any failure of the Contractor to comply with reporting provisions of the policy shall not affect coverage provided to the Department, its officers, agents, employees and volunteers.

D. ACCEPTABILITY OF INSURERS

All required insurance shall be provided by a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located. Insurance shall be placed with insurers with a A.M. Best's rating of **A-:VI or higher**. This rating requirement may be waived for workers compensation coverage only.

If at any time an insurer issuing any such policy does not meet the minimum A.M. Best rating, the Contractor shall obtain a policy with an insurer that meets the A.M. Best rating and shall submit another Certificate of Insurance as required in the contract.

E. VERIFICATION OF COVERAGE

Contractor shall furnish the Department with Certificates of insurance reflecting proof of required coverage. The Certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The Certificates are to be received and approved by the Department before work commences and upon any contract renewal thereafter.

Upon failure of the Contractor to furnish, deliver and maintain such insurance as above provided, this contract, at the election of the Department, may be suspended, discontinued or terminated. Failure of the Contractor to purchase and/or maintain any required insurance shall not relieve the Contractor from any liability or indemnification under the contract.

F. SUBCONTRACTORS

Contractor shall include all subcontractors as insureds under its policies OR shall be responsible for verifying and maintaining the Certificates provided by each subcontractor. Subcontractors shall be subject to all of the requirements stated herein. The Department reserves the right to request copies of subcontractor's Certificates at any time.

SUMMARY OF INFORMATION

CONTRACTOR NAME Mercer Health & Benefits, LLC		Amount \$ 6,106,501.00
CONTRACT DATES Effective Date 05-16-2011 Termination Date 05-15-2014		BA-22 ATTACHED <input checked="" type="checkbox"/>

Certification Requirements: (Check Applicable Items)

- ☒ 1. Either no employee of this agency is both competent and available to perform the services called for by the proposed contract and/or the services called for are not the type readily susceptible of being performed by persons who are employed by the State on a continuing basis.
- ☒ 2. The services are not available as a product of a prior or existing professional, personal contract.
- ☒ 3. When applicable, the requirements for consultant contracts, as provided for under R.S. 39:1503-1507, have been complied with (proper documentation should be provided).
- ☒ 4. The using agency has developed and fully intends to implement a written plan providing for the assignment of specific using personnel to a monitoring and liaison function. Identify name of individual of staff unit responsible for monitoring this contract:

Name Steven Annison, Program Manager	Phone No. (225) 342-5935
Location Department of Health & Hospitals, Bureau of Health Services Financing	

Summary of Monitoring Plan: (This must include periodic review of specified reports, documents, exception reporting, or other indicia or performance, etc.). Additional pages may be attached if necessary.

Contract will be monitored through an analysis of the monthly invoice. Other reports, established including ad hoc reports, will be used to monitor the contractor's performance.

The ultimate use of the final product of the services: (Specify)

Contractor services for the development and certification of actuarially sound rates, development of risk scores and the evaluation of encounter data are necessary as DHH moves forward with the implementation of Coordinated Care Networks.

- ☒ 5. Respond to questions A or B on all contracts except those funded by "Other Charges" (3600 series) of Budget:
- A. What critical services will go unprovided and to whom?
- Rate setting, development of risk scores and evaluation of encounter data. These services are critical for the DHH's success in the selection and monitoring of Coordinated Care Networks.
- B. How many hours will the contractor have to work? 18,394
- ☒ 6. Completed monitoring report will be submitted to the Office of Contractual Review within 60 days after termination of contract. **(For Personal, Professional, Consulting contracts exceeding \$20,000)**
- ☒ 7. The services have not been artificially divided to as to constitute a small purchase (not exceeding \$20,000).
- ☒ 8. A cost-benefit analysis has been conducted which indicates that obtaining such services from the private sector is more cost-effective than providing such services the agency itself or by any agreement with another state agency and includes both a short-term and long-term analysis and is available for review.
- ☒ 9. The cost basis for the proposed contract is justified and reasonable.
- ☒ 10. A description of the specific goals and objectives, deliverables, performance measures and a plan for monitoring the services to be provided are contained in the proposed contract.

PRIOR CONTRACT INFORMATION MUST BE FILLED OUT (IF NO PRIOR CONTRACT PUT N/A)

PRIOR YEAR SERVICES PROVIDED BY (Contractor Name): Mercer Health & Benefits, LLC			
CFMS#: 665804	DHH#: 052051	EFF: 05-15-2008	TERM: 05-15-2011
AMOUNT: \$ 7,784,031.00	PREVIOUSLY ISSUED UNDER RFP? IF YES, DATE: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO DATE:		

YES	NO	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. Contains a date upon which the contract is to begin and upon which the contract will terminate.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Contains a description of the work to be performed and objectives to be met.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. Contains an amount and time payment to be made.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Contains a description of reports or other deliverables to be received, when applicable.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. Contains a date of reports or other deliverables to be received, when applicable.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. When a contract includes travel and/or other reimbursable expenses, it contains language to effect the following:
<input type="checkbox"/>	<input checked="" type="checkbox"/>	A. Travel and other reimbursable expenses shall constitute part of the total maximum payable under the contract; (or)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	B. No more than (a certain sum) of the total maximum amount payable under this contract shall be paid or received as reimbursement for travel and other reimbursable expenses; (and)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	C. Travel expenses shall be reimbursed in accordance with Division of Administration Policy and Procedure memorandum 49 (The State General Travel Regulations).
<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. Contains the responsibility for payment of taxes.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. Contains the circumstances under which the contract can be terminated either with or without cause and contains the remedies for default.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. Contains a statement giving the Legislative Auditor the authority to audit records of the individual(s) or firm(s).
<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. Contains an assignability clause as provided for under LAC-4:4.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	11. Budget Form BA-22, fully completed and attached to back of each contract.

DETERMINATION OF RESPONSIBILITY

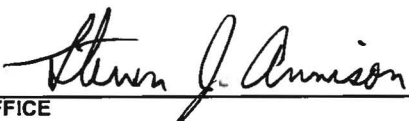
YES	NO	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. Had adequate financial resources for performance, or has the ability to obtain such resources as required during performance.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Has the necessary experience, organization, technical qualifications, skills and facilities or has the ability to obtain them (including probable subcontractor arrangements).
<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. Is able to comply with the proposed or required time of delivery or performance schedule.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Has a satisfactory record of integrity, judgment and performance (contractors which are seriously delinquent in current contract performance, considering the number of contracts and the extent of delinquencies of each, shall in the absences of evidence to the contrary or compelling circumstances presumed to be unable to fulfill this agreement).
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. Is otherwise qualified and eligible to receive an award under applicable laws and regulations.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. If a contract for consulting services is for \$50,000 or more: The head of the using agency has prepared, signed and placed in the contract file a statement of the facts on which a determination of responsibility of offer or potential subcontractors have been filed with the statement.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. On subcontracting, it has been established that contractors recent performance history indicates acceptable subcontracting systems; or, major subcontractors have been determined by the heads of the using agency to satisfy this standard

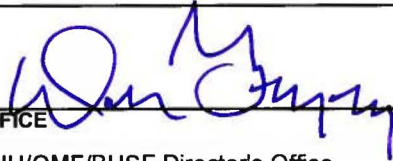
R.F.P. CONSULTING CONTRACTS FOR \$50,000 OR MORE; UNLESS DETERMINED EXEMPT AS PER ACT 673 of 1985, R.S. 39:1494.1 (A).

☐ Contract file attached and this includes:☐ Criteria for selection ☐ Proposals ☐ Pertinent Documents ☐ Selection Memorandum

PROGRAM / FACILITY SIGNATURE

ASSISTANT SECRETARY OR DESIGNEE SIGNATURE


OFFICE
MVA - Medicaid Coordinated Care Section
PHONE NUMBER
225 342-5935


OFFICE
DHH/OMF/BHSF Director's Office

STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
BA-22 (Revised 10/2005)

Date: 5/13/2011 Dept/Budget Unit/Program #: 09-305 / Prg 200
Dept/Agency/Program Name: DHH / Medical Vendor Administration / MVA OCR/CFMS Contract #: 702598
Agency/Program BA-22 #: 125 Agency/Program Contract #: 057414

Fiscal Year for this BA-22: 2010-11 BA-22 Start/End Dates: 05/16/11 06/30/11
(yyyy-yy) (Start Date) (End Date)

Multi-year Contract (Yes/No): yes If "Yes", provide contract dates:
05/16/11 05/15/14
(Start Date) (End Date)

Mercer Health & Benefits, LLC 34201546302
(Contractor/Vendor Name) (Contractor/Vendor No.)

Contractor will provide actuarial services to support the development of actuarially sound rates in accordance with generally accepted
(Provide a statement of "Services Provided")
actuarial principles for Coordinated Care Networks.

Contract Amendment (Yes/No): No Amendment Start/End Dates: _____
(Start Date) (End Date)

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

(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	\$125,000.00	50.00%	\$3,053,251.00	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	0.00%
Federal	\$125,000.00	50.00%	\$3,053,250.00	50.00%
TOTALS	\$250,000.00	100.00%	\$6,106,501.00	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)

If not, explain.

This information is to be provided at the Agency/Program Level	
Name of Object Code/Category:	Other Professional Services
Object Code/Category Number:	3460
Amount Budgeted:	158,480,634.00
Amount Previously Obligated:	65,816,737.34
Amount this BA-22:	250,000.00
Balance:	92,413,896.66

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

Agy/Prg Contact: Debra Cooper Reviewed/Approved By: Darryl Johnson
Name: Debra Cooper Name: Darryl Johnson
Title: Program Monitor/Contracts Title: Section Chief
Phone: 225-342-1264 Phone: 225-342-9480

FOR AGENCY USE ONLY

AGENCY	PROGRAM	ACTIVITY	ORGANIZ.	OBJECT	REPT CAT	AMOUNT
305	200		7113	3460	4436	\$250,000.00



State of Louisiana
Department of Health and Hospitals
Division of Contracts and Procurement Support

MEMORANDUM

To: DHH Contracts and Procurement Support

Re: Exemptions to BJ 2011-7

CONTRACT/REQUISITION/PURCHASE ORDER # 702667-Mercer 702598 Mercer

The contract/requisition/purchase order referenced above is exempt from BJ 2011-7 for the following reason:

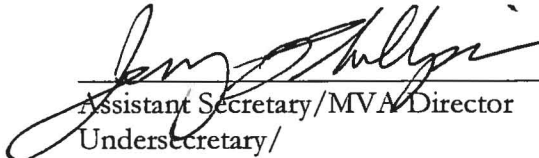
☒ Direct Patient Care Services

☐ 100% Federally Funded

☐ Budget activity related to Emergency Response per Section 3.A.1

☒ OTHERPer EO2011-7, Section 3 (4)

Section 3(4). All contracts associated with the transformation of state government that lead to future savings;


Assistant Secretary/MVA Director
Undersecretary/

3/16/11
Date



Shannon S. Templett
Director

State of Louisiana
DEPARTMENT OF STATE CIVIL SERVICE
www.civilservice.la.gov

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Program Assistance Div.
225.342.8274
Fax: 225.342.0966
TDD: 1.800.846.5277
Toll Free: 1.866.783.5462

CONTRACT REVIEW

CFMS #: 702598 Personnel Area #: 305 Agency Name: Medical Vendor Administration

Name of contractor: Mercer Health & Benefits, LLC

Agency Number: 305

Is this an amendment to an existing contract? Yes ☐ No ☒

If yes, OCR # (if applicable): _____

Start date of contract: 5/16/2011 End date of contract/ amendment: 5/15/2014

Dollar amount of contract (including amendment): \$6,106,501.00

BRIEF description of services to be performed: Actuarial Services

Will this contract result in the removal of duties or responsibilities from one or more classified state employees? Yes ☐ No ☒

Will this contract establish a relationship wherein an employee or official of the state

a. determines the work hours of the person performing the contractual services

Yes ☐ No ☒

b. determines the day to day duties of that person

Yes ☐ No ☒

c. 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 submit TWO copies of the proposed contract with this form to the Department of State Civil Service, Program Assistance Division, P.O. Box 94111, Baton Rouge, LA 70804-9111. For more information, please refer to General Circular 1755 or contact your DSCS Assistance Coordinator at (225)342-8274.

Name of person completing form: GA Phone #: (225)342-6484

DSCS Approval

Initials: trs Approval date: 5/24/2011

BOBBY JINDAL
GOVERNOR



PAUL W. RAINWATER
COMMISSIONER OF ADMINISTRATION

State of Louisiana
Division of Administration
Office of Contractual Review

June 7, 2011

Ms. Mary Fuentes
Contract Review Administrator
Department of Health & Hospitals
Contract Management
Bienville Building
Post Office Box 4094
Baton Rouge, LA 70821-4904

Dear Ms. Fuentes:

Enclosed are approved copies of the following contract received in our office on May 25, 2011.

Department of Health & Hospitals

OCR # 305-100555 CFMS # 702598 Mercer Health & Benefits, LLC

The numbers listed prior to the contractor's name have been assigned by this office and are used as identification for the contract. Please use these numbers when referring to the contract in correspondence or amendment(s).

For succeeding fiscal years of these contracts, a BA-22 specifying the funds available for that particular year shall be submitted by September 30th to the Office of Contractual Review.

Approval of continuing services contracts is contingent upon the receipt of a final performance evaluation report on the prior contract as required under Revised Statute 39:1500.

The Internal Revenue Service (IRS) may find that this contract creates an employment relationship between your agency and the contractor. You should be advised that your agency is responsible for all taxes and penalties if such a finding is forthcoming. It is incumbent upon your agency to determine if an employee/employer relationship exists. Your agency must make the appropriate withholdings in accordance with law and IRS regulations, if applicable.

We appreciate your continued cooperation.

Sincerely,


Sandra G. Gillen, CPPB
Director

SGG/cc

Enclosure

STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
BA-22 (Revised 10/2005)

Date: 6/15/2011 Dept/Budget Unit/Program #: 09-305 / Prg 200
Dept/Agency/Program Name: DHH / Medical Vendor Administration / MVA OCR/CFMS Contract #: 702598
Agency/Program BA-22 #: 034 Agency/Program Contract #: 057414

Fiscal Year for this BA-22: 2011-12 BA-22 Start/End Dates: 07/01/11 06/30/12
(yyyy-yy) (Start Date) (End Date)

Multi-year Contract (Yes/No): yes If "Yes", provide contract dates:
05/16/11 05/15/14
(Start Date) (End Date)

Mercer Health & Benefits, LLC 34201546302
(Contractor/Vendor Name) (Contractor/Vendor No.)

Contractor will provide actuarial services to support the development of actuarilly sound rates in accordance with generally accepted
(Provide a statement of "Services Provided")
actuarial principles for Coordinated Care Networks.

Contract Amendment (Yes/No): No Amendment Start/End Dates: _____
(Start Date) (End Date)

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

(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	\$1,017,500	50.00%	\$3,053,251	50.00%
Interagency Transfers	\$0	0.00%	\$0	0.00%
Fees and Self Gen.	\$0	0.00%	\$0	0.00%
Statutory Dedication	\$0	0.00%	\$0	0.00%
Federal	\$1,017,500	50.00%	\$3,053,250	50.00%
TOTALS	\$2,035,000	100.00%	\$6,106,501	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)
If not, explain.

This information is to be provided at the Agency/Program Level	
Name of Object Code/Category:	Other Professional Services
Object Code/Category Number:	3460
Amount Budgeted:	\$135,161,636
Amount Previously Obligated:	\$18,154,090
Amount this BA-22:	\$2,035,000
Balance:	\$114,972,546

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

Agy/Prg Contact: Debra Cooper Reviewed/Approved By: Darryl Johnson
Name: Debra Cooper Name: Darryl Johnson
Title: Program Monitor/Contracts Title: Section Chief
Phone: 225-342-1264 Phone: 225-342-9480

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AGENCY	PROGRAM	ACTIVITY	ORGANIZ.	OBJECT	REPT CAT	AMOUNT
305	200		7113	3460	4436	\$2,035,000

8/7/12-SAM

STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
BA-22 (Revised 10/2005)

Date: 8/3/2012

Dept/Budget Unit/Program #: 09-305 / Prg 200

Dept/Agency/Program Name: DHH / Medical Vendor Administration / MVA

OCR/CFMS Contract #: 702598

Agency/Program BA-22 #: 41

Agency/Program Contract #: 057414

Fiscal Year for this BA-22: 2012-2013
(yyyy-yy)

BA-22 Start/End Dates: 07/01/12 06/30/13
(Start Date) (End Date)

Multi-year Contract (Yes/No): Yes

If "Yes", provide contract dates:
05/16/11 05/15/14
(Start Date) (End Date)

MERCER Health & Benefits (CNN)
(Contractor/Vendor Name)

34201546302
(Contractor/Vendor No.)

Contractor will provide actuarial services to support the development of actuarially sound rates in accordance with GAAP for Coordinated Care Network
Care Network (CCN).

Contract Amendment (Yes/No): No

Amendment Start/End Dates:
(Start Date) (End Date)

Contract Cancellation (Yes/No): No

Date of Cancellation:

(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	\$1,017,500.00	50.00%	\$3,053,251.00	50.0%
Interagency Transfers	\$0	0.0%	\$0	0.0%
Fees and Self Gen.	\$0	0.00%	\$0	0.0%
Statutory Dedication	\$0	0.0%	\$0	0.0%
Federal	\$1,017,500.00	50.00%	\$3,053,250.00	50.0%
TOTALS	\$2,035,000.00	100.0%	\$6,106,501.00	100.0%

*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:	Other Professional Services
Object Code/Category Number:	3460
Amount Budgeted:	\$262,192,561
Amount Previously Obligated:	\$77,753,838
Amount this BA-22:	\$2,035,000.00
Balance:	\$182,403,723

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

Agy/Prg Contact: Janice J. Hill

Reviewed/Approved By: Darryl Johnson

Name: Janice J. Hill

Name: Darryl Johnson

Title: Medicaid Program Monitor

Title: Section Chief

Phone: 225-342-2755

Phone: 225-342-9480

FOR AGENCY USE ONLY

AGENCY	PROGRAM	ACTIVITY	ORGANIZ.	OBJECT	REPT CAT	AMOUNT
305	200		7113	3460	4436	\$2,035,000.00