

NOTICE OF INTENT TO CONTRACT

FOR

**NATIONAL HEALTH CARE
PROVIDER NETWORK**

ISSUED BY

THE STATE OF LOUISIANA

DIVISION OF ADMINISTRATION

OFFICE OF GROUP BENEFITS (OGB)

January 21, 2004

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A. Background

The Office of Group Benefits (OGB) is authorized by statute to provide health and accident benefits and life insurance to State employees, retirees and their dependents. Plan participant eligibility includes employees of State agencies, institutions of higher education, local school boards that elect to participate in the Program and certain political subdivisions. Eligibility does not include local government entities or municipalities.

OGB provides self-insured health and accident benefit plans for approximately 97,000 employees/retirees (covered contracts) and 183,000 covered lives. The term, covered contract, as used in this NIC is defined as any class of coverage in which a plan member is enrolled, whether single, two-party or family. Therefore, a covered contract includes the employee or retiree and any covered dependents (as defined in plan documents). The self-insured benefit plans available to plan participants, effective July 1, 2003 are: Preferred Provider Option (PPO), administered by OGB; Exclusive Provider Option (EPO) HMO-like benefit design with out-of-network benefits, administered by United HealthCare in Region 6 (Baton Rouge area) and administered by OGB in all other Regions; and the Managed Care Option (MCO), HMO-like benefit design, no out-of-network benefits, administered by FARA Benefits Services, Inc.

The OGB also contracts with HMOs through a competitive negotiation process to offer HMO services to plan participants as an enrollment option. The HMOs currently under contract with the Program are Vantage Health Plan and Ochsner Health Plan. Approximately 29,000 (covered contracts) and 61,000 covered lives are involved and are insured on a capitated basis with the referenced HMOs.

The Louisiana State University System is currently offering its employees a consumer-driven pilot program with an additional defined contribution plan option.

B. Purpose

The OGB has directly contracted with health care providers to develop an EPO network for in-state residents (except those in the Baton Rouge Region 6 who utilize the United HealthCare provider network). OGB is seeking a nationwide wraparound network for all covered services rendered out-of-state for EPO participants (except those in Region 6) and for emergency services rendered out-of-state for PPO participants.

C. Scope of Services

The services to be provided pursuant to any contract awarded as a result of this NIC include:

1. Access to national health care provider network(s) to accomplish the purpose stated above;
2. Re-pricing claims from physicians, hospitals and other health care providers Operational and administrative support to OGB;
3. Maintaining a database of healthcare providers and shall provide OGB plan participants with directories of these providers when they are enrolled; and
4. Customer services for OGB plan participants who utilize the network(s).

D. Health Care Services Sought

1. Hospital Services

- a. Hospital facilities shall provide the following services :
 - i. General medical and surgical facilities (inpatient and outpatient);
 - ii. Intensive and critical care units;
 - iii. Emergency care facility;
 - iv. Cardiovascular care unit;
 - v. Obstetrical care, unless the Program contracts directly with an obstetrical care hospital facility in the region;
 - vi. Rehabilitation; and
 - vii. Skilled nursing unit.
 - viii. Transplant services.
- b. Participating hospitals must contract with hospital based physicians including radiology, pathology, anesthesiology, emergency medicine, and others as part of the physician network.

All ancillary charges related to an inpatient confinement should be contracted for a contracted facility.

2. Physician Services

- a. Participating Primary Care Physicians - Primary care physicians are licensed medical doctors practicing in the areas of family practice, general practice, internal medicine, pediatrics, and obstetrics/gynecology.
 - i. Family Practice, General Practice, or Internal Medicine;
 - ii. Pediatrics; and
 - iii. Obstetrics/Gynecology.
- b. In addition to the primary care physician requirements, the physicians network shall include physicians practicing in the areas of Allergy, Anesthesiology, Cardiology, Cardiovascular Surgery, Chiropractic, Dermatology, Endocrinology, Gastroenterology, General Surgery, Hematology, Nephrology, Neurology, Neurosurgery, Oncology, Ophthalmology, Orthopedics, Otolaryngology, Pathology, Pulmonology, Radiology, and Urology. OGB may relax or enlarge this requirement based upon its contracting experience with a particular specialty.

E. Term of Contract, Fee Proposals, and Continued Provider Participation

The term of any Contract awarded pursuant to this NIC will be thirty-six (36) months commencing July 1, 2004 and ending June 30, 2007. All fee proposals shall be firm for the full term and all Participating Providers shall agree to continue participation for the 3 years except for reasons of suspension or revocation of required license or certification, retirement from practice.

F. Definitions

As used in this NIC, the following terms shall be defined as set forth below:

1. Covered Individual(s) means eligible employees, retirees and dependents.
2. Covered Services mean those health care services that may be provided to Covered Individuals by Participating Providers and for which benefits are provided pursuant to the EPO and PPO Plan Documents.
3. Participating Provider mean a Physician, Hospital, laboratory, mammography or other radiological service, or any other duly licensed institution or health care professional contracted to provide health care services to Covered Individuals.
4. Denied Services means services which have been denied as not usual, customary, reasonable or medically necessary or which are Non-Covered Services based on the OGB plan documents and policies and procedures.
5. Inpatient Services means any Covered Services which are provided to a Covered individual who is confined or placed under observation at the Participating Hospital for a period of twenty-four (24) hours or more. Inpatient Services include any Covered Services by a Participating Physician or other professional, who as his/her usual and customary practice, would charge a fee which is included within the Participating Hospital's billing.
6. Outpatient Services means all Covered Services rendered by Participating Providers other than Inpatient Services.
7. Utilization Review means procedures including prior authorization of identified outpatient services, pre-admission review and concurrent stay review for inpatient services, and other review to determine whether the health care services ordered, provided or rendered are usual, customary, reasonable or medically necessary.

G. Participating Provider Contractual Obligations

1. Participating Providers agree not to reject any Covered Individual as a patient for Covered Services solely by reason of the alleged inadequacy of any provision in the Contract. Participating Providers agree: (1) not to differentiate or discriminate in the treatment of or in the quality of services delivered to Covered Individuals on the basis of race, color, national origin, sex, age, religion, ancestry, marital status, sexual orientation, place of residence, disability, or health status; and (2) to render health services to all Covered Individuals in the same manner, in accordance with the same standards and within the same time availability as offered to other patients.
2. Participating Providers agree that they shall provide at their sole expense all personnel services, facilities, instruments, and supplies required for the rendering of Covered Services to Covered Individuals and shall devote such time and resources as is necessary to perform their obligations.

3. Participating Providers shall afford Covered Individuals at least the same quality of medical care as is provided to their other patients. Care provided to Covered Individuals shall be performed according to the usual and customary standards of competence as is required by community standards and in accordance with all laws, rules and regulations of all governmental authorities, both federal and state, which have governing authority with respect to reasonableness, medical necessity and quality of medical care.
4. Participating Hospitals represent and warrant that they are currently, and for the duration of the Contract shall remain, licensed as a hospital in accordance with applicable licensing laws, as amended from time to time.
5. Participating Hospitals shall comply with those laws and regulations promulgated pertinent to the operation of hospitals during the term of the Contract.
6. Participating Providers, prior to providing Covered Services, shall be responsible for verifying with OGB that an individual is a Covered Individual and eligible for Covered Services. Participating Providers further recognize OGB's right to coordination of benefits or subrogation for Covered Individuals.
7. In an Emergency, the Participating Provider shall immediately proceed to render medically necessary Emergency services to the Covered Individual.
8. Except in an Emergency, Participating Providers shall assure that Inpatient Services are provided to a Covered Individual only when the Participating Hospital receives certification from OGB or its utilization management contractor in advance of admission of such Covered Individual. However, pre-certification shall not be required for consultations, laboratory or radiological evaluations arising from routine obstetrical or gynecological services.
9. In the event Emergency inpatient care is required, Participating Providers shall verify said Covered Individual status and eligibility for service within two (2) business days from when Emergency treatment commenced and obtain appropriated precertifications.
10. In the event the Participating Provider renders health care services to individuals who are not Covered Individuals or eligible for Covered Services, the Participating Provider shall bill the individual directly and shall not submit a claim for payment to OGB.
11. Participating Providers shall participate for a term consistent with OGB's Plan Year (July 1 – June 30), except for reasons of suspension or revocation of required license or certification, retirement from practice.
12. Participating Providers shall cooperate with OGB's programs that monitor and evaluate whether Covered Services provided to Covered Individuals in accordance with the OGB plan documents are medically necessary and consistent with professional standards of medical care generally accepted in the medical community. Such programs include, but are not limited to, utilization management, quality assurance review, and grievance and appeal procedures.

13. Participating Hospitals and other contracted facilities shall submit to OGB completed bills for payment of claims on its UB92 summary billing form for charges for those Covered Services included in the Plan for each Covered Individual receiving such services. Participating Physicians and other contracted providers of professional services shall submit charges to OGB on a HCFA 1500 form. All claims must be submitted by June 30th of the year following the calendar year in which the expenses were incurred.
14. In addition to those amounts which OGB is obligated to pay, Participating Providers may bill and collect from a Covered Individual only the amount specified to be the Covered Individual's responsibility and the Participating Provider's billed charges for Non-Covered Services provided to a Covered Individual. The Participating Provider may not bill for Non-Covered Services unless the Covered Individual has consented to the services after being made aware that said services are Non-Covered Services and are not payable by OGB. Participating Providers may not otherwise balance bill Covered Individuals.
15. Participating Providers agree to comply with the Utilization Review requirements of OGB, including prior authorization of identified outpatient services, pre-admission certification and concurrent stay review for inpatient services, and case management. There shall be NO OBLIGATION FOR PAYMENT to the Participating Provider by OGB or by the Covered Individual for any services rendered for which certification has not been obtained as required.
16. Provider shall not submit duplicate claims to OGB for services rendered for Plan Participants. Any second or subsequent claim submitted by Provider within forty-five (45) days of previous claim for that service shall be deemed a duplicate claim in violation of this provision. In such event, OGB may, at its option, terminate the Contract for cause.

H. OGB's Contractual Obligations

1. OGB shall pay Contractor in accordance with the terms and conditions set forth in any contract awarded as a result of this NIC. OGB shall pay within thirty (30) calendar days of receipt of an invoice.
2. If Covered Services provided to Covered Individuals hereunder are covered, in whole or in part, under any state or federal medical care program or under another contractual entitlement program, including a private group health services or indemnification program wherein OGB would be the secondary payer, OGB shall only remit its pro rata share of payment pursuant to coordination of benefit rules adopted by the National Association of Insurance Commissioners. It shall be the responsibility of the Participating Provider to notify the Office of Group Benefits (OGB) of the same and collect payment from the primary or other payer(s), persons or entities, following the Participating Provider's customary collection practices. The Participating Provider shall report all such collections to OGB within thirty (30) days after receipt of such payment, and the Participating Provider shall remit any refund due to within thirty (30) days of collection or appropriate adjustment shall be made. This NIC will exclude all Medicare primary and COB primary members. Only those who have no other primary coverage will be included in this repricing contract.

3. OGB shall furnish each Covered Individual with an identification card and shall maintain a coverage verification system.
4. OGB will provide Contractor with a copy of the utilization review requirements and with copies of changes in the Utilization Review guidelines thirty (30) days prior to the effective date.

I. General Contractual Obligations

1. All Contractor participating providers will cooperate with management controls such as on site audits and utilization review. Contractor participating providers will comply with OGB's current utilization review procedures.
2. The Contract may be amended at any time by written agreement of the parties and approval of the Louisiana Office of Contractual Review.
3. Cancellation of the Contract
 - a. The Contract may be canceled at any time by written agreement of the parties.
 - b. If either party fails to fulfill in a timely and proper manner its material obligations under the Contract, or if either violates any of the material covenants, agreements, or stipulations of the Contract, the aggrieved party shall thereupon have the right to terminate the Contract by giving written notice to the other party of such termination and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination, during which time the breaching party shall have the right to cure the said breach. If the breach is not cured during the right to cure period, the agreement shall then be deemed terminated.
 - c. The Contract may be terminated upon one day's notice with regard to any Contractor participating provider whose medical license is revoked or suspended; who institutes insolvency or bankruptcy proceedings, or fails to maintain insurance coverage as required.
4. The parties hereby agree to cooperate in good faith to effectuate the provisions of the Contract.
5. The Contract shall be construed in accordance with and governed by the laws of the State of Louisiana, and the venue of any action brought in connection with the Contract will be the Parish of East Baton Rouge, State of Louisiana.
6. Neither party shall be responsible for delays or failure in performance resulting from acts beyond the control of such party. Such acts shall include but not be limited to acts of God, strikes, riots, lockouts, acts of war, epidemics, governmental regulations superimposed after the fact, fire, communication line failures, power failures, earthquakes, or other disasters.
7. Contractor and each Contractor participating provider hereby grant to the Legislative Auditor of the State of Louisiana, auditors, or those designated by , the option of auditing all nonproprietary and non-privileged records of Contractor and the Contractor participating providers pertinent to the Contract. Records will be made available during normal working hours and upon receipt of reasonable notice.

8. The parties, their agents, staff members and employees agree to maintain as confidential all individually identifiable information regarding Louisiana Office of Group Benefits plan members, including but not limited to patient records, demographic information and claims history. All information obtained by contractors from the Office of Group Benefits shall be maintained in accordance with state and federal law, specifically including but not limited to the Health Insurance Portability and Accountability Act of 1996, and any regulations promulgated thereunder (collectively, "HIPAA"), including but not limited to all provisions relating to Business Associates, as set forth in the attached Protected Health Information Addendum.

Further, the parties agree that all financial, statistical, personal, technical and other data and information relating to either party's operations which are designated confidential by such party and made available to the other party in order to carry out this Contract, or which becomes available to the other party in carrying out this Contract, shall be protected by the receiving party from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State and/or Contractor. Neither party shall not be required to keep confidential any data or information which is or becomes publicly available, is already rightfully in the party's possession, is independently developed by the party outside the scope of this Contract, or is rightfully obtained from third parties.

9. Contractor will designate one or more persons who shall have the duty of acting as a point of contact with OGB to assure the expeditious execution of the Contract.
10. Personnel assigned by the Contractor participating providers to perform the services described in the Contract will be qualified to perform the assigned duties. The provider will determine which personnel shall be assigned for any particular project and to replace and reassign such personnel at any time. Each provider shall assume the responsibility for personnel providing services hereunder and will make all deductions for social security and withholding taxes, contributions for employment compensation funds, and shall maintain, at Provider's expense, all necessary insurance for its employees, including but not limited to workmen's compensation and liability insurance for each of them.
11. Contractor agrees to retain all books, records, and other documents relevant to the Contract and the funds expended hereunder for at least four (4) years after final payment or as otherwise required by applicable law or regulation, whichever is longer.
12. Contractor and the Contractor participating providers shall abide by the requirements of all applicable local, state, and federal laws, and shall not discriminate against participants due to age, race, color, religion, sex or national origin. Furthermore, the provider shall take Affirmative Action pursuant to Executive Order 11246, and the Vocational Rehabilitation Act of 1973 to provide for a positive posture in employing and upgrading persons without regard to age, race, color, religion, sex, national origin, or handicap, and shall take Affirmative Action as provided in the Vietnam Era Veteran's Readjustment Act of 1974. Contractor and the Contractor participating providers shall also abide by the requirements of Title VI of the Civil Rights Act of 1964 and the Vocational Rehabilitation Act of 1973 and insure that all services are delivered without discrimination due to race, color, national origin or handicap. Contractor and the Contractor participating providers agree that they will not discriminate on the basis of sexual orientation in any matter relating to employment.

13. Expenditures under the Contract determined by audit or review to be ineligible for reimbursement and for which payment has been made to a provider shall be refunded to OGB by the provider.
14. The Contract shall be binding upon and shall adhere to the benefit of the parties hereto and their respective successors and assigns provided, however, that the Contract may not be assigned or transferred without the prior written consent of OGB and the State of Louisiana, Division of Administration, Office of Contractual Review.
15. Contractor and the Contractor participating providers agree that the responsibility for payment of taxes from the funds thus received under The Contract shall be the respective provider's responsibility and identified under the provider's Federal tax identification number.
16. The Contract is not a third party beneficiary contract and shall not in any manner whatsoever, increase the rights of any participant with respect to OGB or the duties of any participant or create any rights on behalf of participants regarding Contractor or the Contractor participating providers and Contractor reserve the right to amend or terminate the Contract as set forth herein without notice to, or consent of, any such participant.
17. OGB and Contractor hereby agree that the Contract, together with the referenced provisions and the attachments made a part hereof, constitute the sole agreement between them and that no other representations, either oral or written, are binding upon either party.

J. Claims Submissions

1. Claims for covered services for EPO plan participants must be transmitted to and from OGB in HIPAA compliant format via FTP with PGP encryption.
2. Claims for covered services for PPO plan participants will be transmitted via fax after approval by OGB's Medical Director.
3. Repricing a single claim multiple times will not be allowed.

K. Performance Measures, Evaluation, Penalty

Contractor will return to OGB all claims received from OGB, indicating the reduced amount of the bill or the non-network status of the provider. For electronic claims, Contractor shall return such claims not later than the third business day following receipt by Contractor. For paper claims, Contractor shall return such claims not later than the fifth business day following receipt by Contractor. OGB may audit Contractor's performance with respect to such requirements, using statistically significant samples. If a OGB audit indicates that Contractor did not meet the average turnaround requirements for any month, the OGB may assess penalties against Contractor subject to the following:

1. Within 20 calendar days after the end of the month, OGB shall notify Contractor in writing that Contractor was deficient for that month, and provide Contractor with its audit findings supporting such conclusion.

2. After delivery of such notice, OGB may assess a penalty for each batch of claims not returned by Contractor within the required timeframes. The penalty shall be \$1,000.00 for each business day that a batch of claims remains un-returned beyond the due date.
3. Contractor shall continue to be subject to the penalty provision in subsection (b) above until it meets the required average standard for a month, as measured by an Contractor or OGB audit, at which time the penalty shall cease to apply. The penalty provisions shall not apply again unless the audit and notice provisions above are met.

L. Required Reports

In order to assist OGB in monitoring and evaluating the effectiveness of this contract in meeting its prescribed goals and objectives Contractor will submit to OGB the following monthly reports, in Contractor's standard format:

1. Claims -- Number of Claims received, number of network claims re-priced, number of non-network claims, indicating the number of non-network claims for which bill review services were performed;
2. Network Practitioner Claims – The practitioner's original billed charges on each claim submitted for re-pricing, the original allowed amount (if reported by OGB), the amount of the reduced bill, and the difference. Data should be broken out by state.
3. Network Facility Claims— The facility's original billed charges on each claim submitted for re-pricing, the original allowed amount (if reported by OGB), the amount of the reduced bill, and the difference. Data should be broken out by state..

OGB must receive reports within thirty (30) calendar days following the end of the month. If a required report is not received within five (5) business days of the due date, OGB may assess a penalty of \$300 for each business day beyond the due date that a report is received, provided that OGB notifies Contractor within ten (10) calendar days from the date on which the penalty accrues.

M. NIC Process and Submission –

1. Schedule of Events

NIC Issued	January 21, 2004
Deadline for submitting written questions	February 4, 2004
Mandatory Proposers Conference	February 11, 2004
Response provided to written questions	February 11, 2004
Proposals due	February 27, 2004
Contract award date (tentative)	March 12, 2004
Contract effective date	July 1, 2004

2. Mandatory Proposers Conference

A representative of your organization must attend the Mandatory Proposers Conference. OGB staff will be available to discuss the proposal specifications with you and answer any questions you may have in regards to submitted questions. The Proposer Conference is considered an integral part of the NIC process. **Any Proposer which does not have a representative attend the Mandatory Proposers Conference will not be eligible to submit a proposal.** Attendance by a subcontractor is welcome, but will not be an acceptable substitute for a representative of the primary proposing firm/organization.

3. Written Questions on the NIC

Written questions regarding the NIC are to be submitted and received in the Office of the Chief Executive Officer for the Office of Group Benefits not later than 4:30 p.m. on the date set forth in the schedule of events above. **Please submit any and all questions regarding the NIC in writing. OGB representatives will not be able to respond to individual telephone inquiries.**

4. Proposal Due Date

Originals and five copies of your response to the NIC must be delivered to the Office of the Chief Executive Officer no later than 4:30 p.m. on the date set forth in the schedule of events above. All proposals should be clearly marked: "National Health Provider Proposal".

5. Mailing and Delivery Address

A. Kip Wall, CEO
State of Louisiana
Office of Group Benefits

Delivery: 5825 Florida Blvd., 2nd Floor
Baton Rouge LA 70804

Mailing: P. O. Box 44036
Baton Rouge LA 70806

Fax: (225)925-4721

E-Mail dbrownleader@ogb.state.la.us
Address:

Internet www.groupbenefits.org
Address:

N. Proposal Evaluation and Criteria

1. Proposal Evaluation

Proposals will be evaluated to assure that all minimum requirements have been met. Failure to meet the requirements will result in rejection of the entire proposal without further consideration. Failure to provide any information requested in this NIC may also result in disqualification of the proposal.

Minimum Requirements Include:

During the evaluation process oral and/or written discussions will be conducted with proposers whose proposals are determined to be reasonably susceptible of being selected for award. You may be asked to provide additional information which was not asked in the NIC or clarify a proposal response.

2. Evaluation Criteria

After determining that a proposal satisfies the minimum requirements, a comparative assessment of the relative benefits and deficiencies of each proposal, including information obtained during oral or written discussions, will be made using the following criteria:

Category	Points	Major Areas to be Addressed
Financial	60	Cost of Services, Practitioner and Facility Fee Proposals
Market Acceptability	40	Claims data will be used to determine the market share factors to be used in awarding points for market acceptability.
Total Points	100	

Financial (60 points) – Each fee proposals will be factored for projected utilization. The respondent whose cost proposal is determined to be lowest will be awarded the full 60 points for this category. Points will be awarded to other bidder’s proposals through proportionate comparisons to the lowest cost proposal.

Market Acceptability (40 points) – Claims data will be used to determine the market share factors to be used in awarding points for market acceptability.

O. Instructions on Proposal Content and Format

Proposers should respond thoroughly to all questions and statements noted in this NIC. Proposers should follow the instructions below when compiling your NIC response:

1. Please place your NIC response in a three ring binder.
2. Use a tab to divide your NIC response into the appropriate tabbed sections. The tab must extend beyond the right margin of the paper so that it can be read from the side and is not buried within the document.
3. Order of Presentation:

Tab 1

Cover Letter - must include a clear statement of the services for which the proposal is submitted.

Tab 2

Please provide responses to the Narrative Questions below.

1. Please provide the following information regarding the Proposal Coordinator/Contact Person for this NIC:

	Response
Name	
Title	
Address	
Telephone Number	
Facsimile Number	
E-Mail Address	

2. Please provide the name of the individual(s) responsible for negotiating and executing contracts on behalf of your organization:

	Response
Name	
Title	
Address	
Telephone Number	
Facsimile Number	
E-Mail Address	

3. Please provide the following:

	Response
Type of Business Entity	
Corporate/Tax Status	
Federal Tax Identification Number	
State of Domicile*	

*Note: If not domiciled in the State of Louisiana, please attach a certificate of authority from the Louisiana Secretary of State indicating authority to do business in this state.

4. Please identify and provide the state and/or federal licensing or regulatory entity(ies) that exercise jurisdiction over your firm or organization.
5. Please provide utilization for the time period of July 1, 2002 – June 30, 2003 utilizing the format below:

Category	# of Admissions, Cases or Total \$ Paid
Inpatient Admissions	#
Ambulatory Surgical Cases (ASC)	#
Outpatient \$ Paid	\$

Tab 3

Signed Compliance Statement Acknowledging Services Required in this NIC.

Tab 4

Signed Compliance Statement Acknowledging Contractual Obligations Required in this NIC.

Tab 5

Provider Files

Two files must accompany your NIC response.

Full names (including first and last), complete and accurate full addresses, and tax identification numbers of all participating providers, including type of practice (specialty) must be provided where applicable. Both files must be in Excel or ascii, delimited text format. Paper copies WILL NOT be accepted.

A.) Please provide a file which lists all FACILITIES in your network. Please utilize the format represented below when providing your response.

Tax ID #	Facility Name	Type of Facility	Complete Address	Region	City	Zip Code
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B.) Please provide a file which lists all PHYSICIANS (individually) in your network that have admitting privileges to the facilities represented in A. above. Please utilize the format represented below when providing your response.

Tax ID #	Full Name	Complete Address	Region	City	Zip Code	Specialty	Board Certification (Indicate "Yes" or "No")
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Tab 6

A.) Please provide a copy of the agreement authorizing the proposing firm or organization to submit a proposal and NIC response and enter into a contract for and on behalf of the participating providers, together with a copy of the signature page for each participating provider.

B.) For each provider listed in Attachment 5 (A & B), you must provide a signature page acknowledging their agreement to enter into this contract with. Your organization's name must be noted on the signature page of each signature page.

Tab 7

Proposed Pricing

Proposed fees must include all services described in this NIC, including all necessary reports and any start-up fees. No pass-through of costs will be permitted.

Proposed fees must be guaranteed for the full term of the contract. Add-ons or changes will not be permitted during the term of the contract, except in the event of benefit modifications which would materially affect the contractor's responsibilities.

Submit your proposed fee quotation on a savings sharing basis. Proposers are asked to quote a percent of savings (sharing the savings generated by enhanced discounts on a per claim basis). **You must provide a detailed description of how the percentage of savings is calculated.**

State of Louisiana, Division of Administration
Office of Group Benefits
Protected Health Information Addendum

I. Definitions

- a) Business Associate. “Business Associate” shall mean _____.
- b) OGB. “OGB” shall mean the State of Louisiana, Division of Administration, Office of Group Benefits, which is a covered entity under the Privacy Rule, as defined below.
- c) Agreement. “Agreement” shall mean the agreement between Business Associate and OGB, dated _____, pursuant to which Business Associate is to provide certain services to OGB involving the use or disclosure of PHI, as defined below.
- d) Individual. “Individual” shall have the same meaning as the term “individual” in 45 CFR § 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).
- e) Privacy Rule. “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.
- f) PHI. “PHI” shall have the same meaning as the term “protected health information” in 45 CFR § 164.501, limited to the information created or received by Business Associate from or on behalf of OGB.
- g) Required By Law. “Required By Law” shall have the same meaning as the term “required by law” in 45 CFR § 164.501.
- h) Secretary. “Secretary” shall mean the Secretary of the Department of Health and Human Services or his designee.
- i) Any other terms used in this Addendum that are not defined herein but are defined in the Privacy Rule shall have the same meaning as given in the Privacy Rule.

II. Obligations and Activities of Business Associate

- a) Business Associate agrees to not use or further disclose PHI other than as permitted or required by this Addendum or as Required By Law.
- b) Business Associate agrees to limit all requests to OGB for PHI to the minimum information necessary for Business Associate to perform functions, activities, or services for or on behalf of OGB as specified in the Agreement.
- c) Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Addendum.
- d) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Addendum.
- e) Business Associate agrees to report to OGB any use or disclosure of the PHI not provided for by this Addendum of which it becomes aware. Such report shall be made within two (2) business days of Business Associate learning of such use or disclosure.
- f) Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate on behalf of, OGB agrees to the same restrictions and conditions that apply through this Addendum to Business Associate with respect to such information. However, Business Associate shall not enter into any subcontractor or other agency relationship with any third party that involves use or disclosure of such PHI without the advance written consent of OGB.
- g) Business Associate agrees to provide access, at the request of OGB, and in the time and manner designated by OGB, to PHI maintained by Business Associate in a Designated Record Set, to OGB or, as directed by OGB, to an Individual in order to meet the requirements under 45 CFR § 164.524.

- h) Business Associate agrees to make any amendment(s) to PHI maintained by Business Associate in a Designated Record Set that OGB directs or agrees to pursuant to 45 CFR § 164.526 at the request of OGB or an Individual, and in the time and manner designated by OGB.
- i) Business Associate agrees to make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, OGB available to OGB, or at the request of OGB to the Secretary, in a time and manner designated by OGB or the Secretary, for purposes of the Secretary determining OGB's compliance with the Privacy Rule.
- j) Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for OGB to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528.
- k) Business Associate agrees to provide to OGB or an Individual, in a time and manner designated by OGB, information collected in accordance with Section II.j of this Addendum, to permit OGB to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528.
- l) At any time(s) requested by OGB, Business Associate agrees to return to OGB or destroy such PHI in its possession as directed by OGB.
- m) Business Associate shall defend and indemnify OGB from and against any and all claims, costs, and/or damages arising from a breach by Business Associate of any of its obligations under this Addendum. Any limitation of liability provision set forth in the Agreement, including but not limited to any cap on direct damage liability and any disclaimer of liability for any consequential, indirect, punitive, or other specified types of damages, shall not apply to the defense and indemnification obligation contained in this Addendum.
- n) Business Associates shall relinquish to OGB all control over responses to subpoenas Business Associate receives related to PHI.

III. Permitted Uses and Disclosures by Business Associate

- a) Except as otherwise limited in this Addendum, Business Associate may use or disclose PHI to perform functions, activities, or services for or on behalf of OGB as specified in the Agreement, provided that such use or disclosure would not violate the Privacy Rule if done by OGB or the minimum necessary policies and procedures of OGB.
- b) Except as otherwise limited in this Addendum, Business Associate may use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.
- c) Except as otherwise limited in this Addendum, Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that such disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the PHI is disclosed that it will remain confidential and be used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person promptly notifies the Business Associate of any known instances of breach of the confidentiality of the PHI
- d) Except as otherwise limited in this Addendum, Business Associate may use PHI to provide Data Aggregation services to OGB as permitted by 45 CFR § 164.504(e)(2)(i)(B), provided that such services are contemplated by the Agreement.
- e) Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR § 164.502(j)(1).

IV. Obligations and Activities of OGB

- a) With the exception of Data Aggregation services as permitted by 45 CFR § 164.504(e)(2)(i)(B), OGB shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by OGB.
- b) OGB shall notify Business Associate of any limitation(s) in OGB's Notice of Privacy Practices in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

- c) OGB shall notify Business Associate of any changes in, or revocation of, permission by any Individual to use or disclose PHI, to the extent such changes may affect Business Associate's use or disclosure of PHI.
- d) OGB shall notify Business Associate of any restriction to the use or disclosure of PHI that OGB has agreed to in accordance with 45 CFR § 164.522, to the extent such restriction may affect Business Associate's use or disclosure of PHI.

V. Term and Termination

- a) Term. The Term of this Addendum shall commence on the effective date set forth below, and shall terminate when all of the PHI provided by OGB to Business Associate, or created or received by Business Associate on behalf of OGB, is destroyed or returned to OGB, or, if it is not feasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.
- b) Termination of Agreement for Cause. In the event that OGB learns of a material breach of this Addendum by Business Associate, OGB shall, in its discretion:
 - 1. Provide a reasonable opportunity for Business Associate to cure the breach to OGB's satisfaction. If Business Associate does not cure the breach within the time specified by OGB, OGB may terminate the Agreement for cause; or
 - 2. Immediately terminate the Agreement if Business Associate has breached a material term of this Addendum and cure is not possible; or
 - 3. If neither termination nor cure is feasible, OGB may report the violation to the Secretary.
- c) Effect of Termination.
 - 1. Except as provided in paragraph (2) below, upon termination of the Agreement for any reason, Business Associate shall return or destroy all PHI received from OGB, or created or received by Business Associate on behalf of OGB. Business Associate shall retain no copies of the PHI. This provision shall also apply to PHI that is in the possession of subcontractors or agents of Business Associate.
 - 2. In the event that Business Associate determines that returning or destroying the PHI is not feasible, Business Associate shall provide to OGB written notification of the conditions that make return or destruction not feasible. Upon mutual agreement of the parties that return or destruction of PHI is not feasible, Business Associate shall extend the protections of this Addendum to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction not feasible, for so long as Business Associate maintains such PHI.

VI. Miscellaneous

- a) A reference in this Addendum to a section in the Privacy Rule means the section as in effect or as amended, and for which compliance is required.
- b) The parties agree to amend this Addendum from time to time as necessary for OGB to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act, Public Law 104-191.
- c) If applicable, the obligations of Business Associate under Section V.c.2 of this Addendum shall survive the termination of this Addendum.
- d) Any ambiguity in this Addendum shall be resolved in favor of a meaning that permits OGB to comply with the Privacy Rule. It is the intent of the parties that neither this Addendum, nor any provision in this Addendum, shall be construed against either party pursuant to the common law rule of construction against the drafter.
- e) Except as expressly stated herein, the parties to this Addendum do not intend to create any rights in any third parties. Nothing in this Addendum shall confer upon any person other than the parties and their respective successors or assigns any rights, remedies, obligations, or liabilities whatsoever.
- f) In the event of any conflict between the terms of the Agreement and the terms of this Addendum, the terms of this Addendum will control, with the exception that if the Agreement contains any provisions relating to the use or disclosure of PHI that are more protective of the confidentiality of

PHI than the provisions of this Addendum, then the more protective provisions will control. The provisions of this Addendum are intended to establish the minimum limitations on Business Associate's use and disclosure of PHI.

- g) The terms of this Addendum shall be construed in light of any applicable interpretation or guidance on HIPAA and/or the Privacy Rule issued from time to time by the Department of Health and Human Services or the Office for Civil Rights.
- h) This Addendum may be modified or amended only by a writing signed by the party against which enforcement is sought.
- i) Neither this Addendum nor any rights or obligations hereunder may be transferred or assigned by one party without the other party's prior written consent, and any attempt to the contrary shall be void. Consent to any proposed transfer or assignment may be withheld by either party for any or no reason.
- j) Waiver of any provision hereof in one instance shall not preclude enforcement thereof on future occasions.
- k) For matters involving the Privacy Rule, this Addendum and the Agreement will be governed by the laws of the State of Louisiana, without giving effect to choice of law principles.

In witness whereof, the parties have executed this Addendum through their duly authorized representatives. This Addendum shall be effective as of the _____ day of _____, 2003.

State of Louisiana,
Division of Administration
Office of Group Benefits

By: _____ By: _____

Name: A. Kip Wall Name: _____

Title: Chief Executive Officer Title: _____