

**STATE OF LOUISIANA
OFFICE OF GROUP BENEFITS (OGB)**

NOTICE OF INTENT TO CONTRACT (NIC)

FOR

OFF-SITE CUSTOMER SERVICES

ISSUED DATE: JULY 13, 2005

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SECTION I

BACKGROUND AND SCOPE

A. Introduction

The State of Louisiana, through the Office of Group Benefits (OGB) is requesting proposals from service providers with Health Insurance or Health Plan Administration Customer Services experience to provide the following support services off-site to OGB.

B. Background

Office of Group Benefits:

The Office of Group Benefits (OGB) is an agency of the State of Louisiana within the Office of the Governor, Division of Administration. 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 currently administers a Preferred Provider Organization (PPO) which offers deductibles and multiple co-insurance levels. It covers approximately 54,000 enrolled employees/retirees with approximately 88,500 covered lives.

C. Scope of Services and Deliverables

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

The primary objective is to gather proposals from service providers with Health Insurance and/or Health Plan Administration Customer Services experience.

The successful Proposer will be expected to provide Off-Site Customer Services support to members of OGB PPO Health Plan and/or Medical Providers. The Proposer shall have demonstrated success in handling customer services calls related to enrollment, eligibility, benefit verification, claim status and claim disposition review.

Contractor will provide the services as listed below in accordance with additional information provided in Attachment A "Statement of Work" (page 25).

1. Provide all personnel, equipment, and facilities necessary to provide Customer Services support function for the OGB PPO Health Plan members and/or medical providers.

2. Jointly develop with OGB all work plans, including call distribution plan, scripts, transfers and routing process, call documentation and procedure for defining and ensuring the call types to be handled.
3. In conjunction with OGB, develop and implement procedures for defining and ensuring the prompt handling of calls, communication channels, service response parameters, and service workload tracking. Tracking will include the number of calls received weekly, call hold times, abandonment rates and talk time documentation.

D. Standard Contract

It is expected that a three year contract will be issued. Any contract resulting from this NIC will include the terms and conditions set forth in the Appendix (Page 18). OGB reserves the right to make revisions it determines are necessary. Suggested or requested modifications of the contract terms by the Proposer should be detailed in the Proposal, subject to negotiation upon award of a contract. The impact of such modifications will be considered in the review and evaluation of the proposals. The provisions of this NIC and the successful proposal will be incorporated by reference into the contract. Any additional provisions required by federal or state law or regulations in effect at the time of execution of the contract will be included.

E. MINIMUM REQUIREMENTS/QUALIFICATIONS

The Office of Group Benefits establishes the following minimum qualifications for a Proposer pursuant to services requested in this NIC:

1. Proposer must have at least three (3) years experience in providing healthcare call center customer service.
2. Proposer must have at least provided such healthcare customer service to a membership of at least 15,000 enrollees.

In lieu of the requirements of 1 & 2 above, Proposer will be considered a Qualified Proposer if it is a state licensed HMO, Health Insurer, or Third party Administrator.

SECTION II

RESPONSES TO THE NIC

A. Technical Proposal Format

Proposers should respond thoroughly, clearly and concisely to all of the points and questions set forth in the NIC. Answers should specifically address current capabilities separately from anticipated capabilities.

1. Submit one (1) original and (5) copies of a completed proposal placing each in a three-ring binder.
2. Use tabs to divide edge section and each attachment. The tabs should extend beyond the right margin of the paper so that they can be read from the side and are not buried within the document.
3. Order of presentation (technical proposal):

NOTE: Do not include any information relative to costs in the technical proposal.

Cover letter (Optional)

Tab 1. Contracting Parties

Tab 2. Qualifications and Experience of Proposer

Tab 3. Qualifications and Experience of Assigned Staff

Tab 4. Administrative Management and Coordination Strategy

Tab 5. Signature Page

4. Answer questions **directly**. Where you do not want to provide an answer, indicate not applicable or no response.

Do not answer a question by referring to the answer of a previous question. Restate or recopy the answer under the new question. If however, the question asks you to provide a copy of something, you may indicate where the copy can be found by reference to an attachment or exhibit to the proposal.

You are to state the question, then answer the question. Do not number answers without providing the question.

Each Proposer is solely responsible for the accuracy and completeness of its proposal.

B. Cost Proposal

Submit one (1) original and five (5) numbered copies of the completed Cost Proposal Form included in this NIC in a separate, **sealed** envelope clearly marked, "Cost Proposal - Customer Services NIC" on the outside of such envelope.

C. Ownership, Public Release and Costs of Proposals.

1. All proposals submitted in response to this NIC become the property of the OGB and will not be returned to the Proposers.
2. After award of the Contract, all proposals will be considered public record and will be available for public inspection during regular working hours.

If a proposal contain trade secrets and/or privileged or confidential commercial or financial information which the Proposer (or his SubContractor) does not want used or disclosed for any purpose other than evaluation of the proposal. The use and disclosure of such data may be restricted, provided the Proposer marks the cover sheet of the proposal with the following legend, specifying the pages of the proposal which are to be restricted in accordance with the conditions of the legend:

"The data contained in Pages _____ of the proposal have been submitted in confidence and contain trade secrets and/or privileged or confidential information and such data shall only be disclosed for evaluation purposes, provided that if a contract is awarded to this Proposer as a result of or in connection with the submission of this proposal, the State of Louisiana shall have the right to use or disclose the data therein to the extent provided in the contract. This restriction does not limit the State of Louisiana's right to use or disclose data obtained from any source, including the Proposer, without restrictions."

Further, to protect such data, each page containing such data shall be specifically identified and marked "**CONFIDENTIAL**".

It should be noted, however, that data bearing the aforementioned legend shall be subject to release under the provision of the Louisiana Public Records Law, L.R.S. 44.1 et. seq. The State of Louisiana/OGB assumes no liability for disclosure or use of unmarked data and may use or disclose such data for any purpose. It should be noted that any resultant contract will become a matter of public record.

However, the State/OGB, reserves the right to make any proposal, including proprietary information contained therein, available to the Office of the Governor, Division of Administration, Office of Contractual Review, or other state agencies or organizations for the sole purpose of assisting the State/OGB in its evaluation of the proposal. The State/OGB shall require said individuals to protect the confidentiality of any specifically identified proprietary information or privileged business information obtained as a result of their participation in these evaluations.

3. Costs of preparation, development and submission of the response to this NIC are entirely the responsibility of the proposer and will not be reimbursed in any manner.

SECTION III

SCHEDULE OF EVENTS

A. Time Line

Public notice by advertising in the official journal of the state	July 13, 2005
NIC distributed or made available to prospective proposers	July 13, 2005
Posted on OGB Website	July 13, 2005
Deadline for receipt of written questions	July 27, 2005
Mandatory Proposer's Conference	August 8, 2005
Issue answers to written questions	August 8, 2005
Proposals due	August 23, 2005
Follow-up discussions/Interviews	August 29, 2005
Probable selection and notification of award	TBD
Probable Contract effective date	September 5, 2005
Probable "Go Live"	October 3, 2005

NOTE: OGB reserves the right to deviate from this schedule.

B. Written Questions on the NIC

Written question regarding the NIC should be received in the office of the Chief Executive Officer of OGB not later than 4:00 p.m. (CDT) on the date indicated in the schedule of events. Written questions should be directed to:

A. Kip Wall
Chief Executive Officer
Louisiana Office of Group Benefits

Mailing Address:

Post Office Box 44036
Baton Rouge, Louisiana 70804

Delivery Address:

5825 Florida Blvd., 2nd Floor
Baton Rouge, LA 70806

Fax Number:

(225) 248-4311

E-Mail Address

bstromain@ogb.state.la.us

C. Mandatory Proposers Conference

A mandatory proposers conference will be held in the boardroom of the Office of Group Benefits at 5825 Florida Boulevard, Second Floor, in Baton Rouge, Louisiana, beginning at 10:00 a.m. (CDT) on the date indicated in the schedule of events.

OGB staff will be available to discuss the NIC, to provide responses to the written questions submitted in advance, and to respond to follow-up questions for further clarification. The Proposers Conference is an integral part of the NIC process. A representative of your organization must attend. **Proposals submitted by any organization that does not have a representative attend the Proposers Conference will not be considered for award.** Attendance by a subcontractor is permitted but will not be an acceptable substitute for a representative of the primary proposing organization.

D. Proposal Due Date

The original proposal must be signed by an authorized representative of your organization. Please send one (1) original and five (5) copies, which must be received not later than 4:00 p.m. (CDT) on the date indicated in the schedule of events. Submit proposals to:

A. Kip Wall
Chief Executive Officer
Louisiana Office of Group Benefits

Mailing Address:

Post Office Box 44036
Baton Rouge, Louisiana 70804

Delivery Address:

5825 Florida Blvd., 2nd Floor
Baton Rouge, LA 70806

SECTION IV
PROPOSAL EVALUATION

A. Proposal Evaluation

Proposals will be reviewed and evaluated by a Selection Committee. Each proposal will be reviewed to insure that all requirements and criteria set forth in the NIC have been met. Failure to meet all the requirements will result in rejection of the proposal.

After initial review and evaluation, the Selection Committee may invite those firms whose proposals are deemed reasonably susceptible of being selected for award for interviews and discussions at OGB's offices in Baton Rouge, Louisiana, or the Committee may make site visits to the firm's offices and conduct interviews and discussions on site. The interviews and/or site visits will allow the Committee to substantiate and clarify representations contained in the written proposals, evaluate the capabilities of each firm and discuss each firm's understanding of OGB's needs. The results of the interviews and/or site visits, if held, will be incorporated into the final scoring for each firm selected as a finalist.

Following interviews and discussions, if held, scoring will be finalized in accordance with the evaluation criteria below. The proposal receiving the highest total score will be recommended for contract award.

B. Evaluation Criteria

After determining that a proposal satisfies all requirements stated in the Notice of Intent to Contracts, an assessment of the relative benefits and deficiencies of each proposal, including information obtained during the interviews and discussions and/or site visits, if held, shall be made using the following criteria:

- | | |
|--|-------------------|
| 1. Qualifications and Experience of the Organization | 200 points |
| 2. Qualifications and Experience of Assigned Staff | 250 points |
| 3. Administrative Strategy/Coordination Strategy | 150 points |
| 4. Cost of Services – “Answered Calls” | <u>400 points</u> |

Maximum Points 1,000 points

NOTE: Amount paid by OGB shall be no less than an amount payable for 8,000 “answered calls” per month.

C. Cost Evaluation

The Proposer that provides the **lowest contract amount (cost per “answered call” – Amount paid by OGB shall be no less than an amount payable for 8,000 “answered calls” per month)** will be awarded the full points for cost of services.

NOTE: All compensation, costs, and expenses related to providing the services and deliverables requested in this NIC must be included in the proposed total amount.

Evaluation of Cost:

The total contract charge must be quoted on Cost Proposal Form (Attachment IV) of this NIC.

The maximum of 400 points shall be given to the proposal with the lowest total cost.

Points for the other proposals will be awarded using the following formula:

$$\frac{(X)}{N} \times 400 = Z$$

Where:

X = lowest computed cost for any proposal

N = actual computed cost awarded to the proposal

Z = awarded points

TAB 1

**CONTRACTING PARTIES AND
STATEMENT OF FULLFILLMENT OF REQUIRREMENTS/QUALIFICATIONS**

A. PRIMARY PROPOSER

Name of Organization _____

Address _____

Principals: _____

Date Founded _____

B. PARENT COMPANY

Name of Organization _____

Address _____

Principals: _____

Date Founded _____

C. SUBSIDIARIES/AFFILIATES TO PERFORM SIGNIFICANT SERVICES

(Provide the requested information for each such subsidiary or affiliate.)

Name of Organization _____

Address _____

Principals: _____

Date Founded _____

D. NIC COORDINATOR/CONTACT

Name _____

Title _____

Address _____

City/State _____

Direct Dial
Telephone Number _____

Fax Number _____

E-mail Address _____

Minimum Requirements/Qualifications Questionnaire

YES NO

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

a). Proposer has a minimum of three (3) years experience in providing Healthcare call center Customer Service, and

YES NO

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

b) Proposer has provided such Healthcare call center Customer Service to a membership of at least 15,000 enrollees.

YES NO

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

c) Proposer is a state-licensed HMO, Health insurer, or TPA.

TAB 2

QUALIFICATIONS AND EXPERIENCE OF PROPOSER

1. Provide a **brief** summary of the qualifications and experience of your organization and state why it is best qualified to provide the services requested in this NIC.
2. Identify and describe your organization's leadership in regards to the services requested in this NIC.
3. Define the resources within (a) your own organization and (b) your parent corporation that will provide expertise in providing the services requested in this NIC.
4. Provide documentation of your organization's financial condition by audited financial statements for the two most recent complete fiscal years or by prospectus.
5. List the clients for whom you are currently providing healthcare call center customer service. For each client, please describe the nature and scope of the services that you provide, the name, title, address, telephone number, fax number, and e-mail address of the contract administrator.
6. List the clients for whom you previously provided healthcare call center customer service and terminated your services within the previous two (2) years. For each such client please describe the nature and scope of the services that you provided, state the reason for termination, and provide the name, title, address, telephone number, fax number, and e-mail address of the contract administrator.

TAB 3

QUALIFICATIONS AND EXPERIENCE OF ASSIGNED STAFF

1. Identify all job titles who will be assigned any responsibility for providing services under this contract. For titles that have persons already assigned, please include copies of their resumes. For all positions which are yet to be filled, please include minimum hiring qualifications/standards.

Include in each résumé the individual's training and experience in providing the same or similar services, identifying clients for which such services have been performed.

2. What are your organization's requirements for continuing professional development of the staff who will provide services under the contract? Confirm that these requirements have been met during the past five (5) years.

TAB 4

ADMINISTRATIVE MANAGEMENT AND COORDINATION STRATEGY

1. Service approach: For each of the services/deliverables set forth in this NIC, detail the manner and form in which services will be provided. Identify the organizational structure, chain of command, and staff of the unit or group that will provide services. Please confirm and detail how your firm will initially implement this contract. Your implementation plan shall include a hiring and training timeline.
2. Do you anticipate subcontracting any component of the services requested in this NIC? If yes, please describe the services that will be subcontracted and how your firm will assure the continuing availability and control the quality of the services.
3. Describe your peer review (quality assurance) program.

TAB 5

SIGNATURE PAGE

STATE OF LOUISIANA

Office of Group Benefits (OGB)

Off – Site Customer Services NIC

This proposal, together with all attachments and the fee proposal form, is submitted on behalf of:

Proposer: _____

I hereby certify that:

1. This proposal complies with all requirements of the NIC. In the event of any ambiguity or lack of clarity, the response is intended to be in compliance.
2. This proposal was not prepared or developed using assistance or information illegally or unethically obtained.
3. I am solely responsible for this proposal meeting the requirements of the NIC.
4. I am solely responsible for its compliance with all applicable laws and regulations to the preparation, submission and contents of this proposal.
5. All information contained in this proposal is true and accurate.

Date: _____

Authorized Representative

Title

SECTION V

COST PROPOSAL FORM

(Proposer/Contractor) _____ proposes to provide Off – Site Customer Services to the Office of Group Benefits (OGB) in accordance with the requirements, terms, and conditions of the Notice of Intent to Contracts (NIC).

NOTE: All compensation, costs, supplies and expenses related to providing the services and deliverables requested in this NIC must be included in the proposed total amount.

1st Year of Contract

Cost Per Answered Call \$ _____

2nd Year of Contract

Cost Per Answered Call \$ _____

3rd Year of Contract

Cost Per Answered Call \$ _____

Date: _____

Authorized Representative

Title

**Amount paid by OGB shall be no less than an amount payable for 8,000
“answered calls” per month**

The original and five (5) copies of the Cost Proposal Form, together with the detailed breakdown of the cost proposal, are to be submitted in a separate, sealed envelope marked “Customer Services NIC” on the outside of such envelope.

Do not include the Cost Proposal Form or any information relative to costs in the three ring binder with your technical proposal.

APPENDIX

CONTRACT

STATE OF LOUISIANA DIVISION OF ADMINISTRATION OFFICE OF GROUP BENEFITS (OGB)

The STATE OF LOUISIANA, DIVISION OF ADMINISTRATION, OFFICE OF GROUP BENEFITS (OGB) located at 5825 Florida Blvd., Baton Rouge, LA 70806 (hereinafter sometimes referred to as "OGB") and _____, located at _____ (hereinafter sometimes referred to as "Contractor") do hereby enter into Contract under the following terms and conditions.

1. PURPOSE/SCOPE OF SERVICE/DELIVERABLES

Contractor shall provide the services as listed below in accordance with additional information provided in the Contract- Appendix - Attachment A "Statement of Work".

- Provide all personnel, equipment, and facilities necessary to provide off-site customer services support function for the OGB PPO Health Plan members and/or medical providers.
- Jointly develop with OGB all work plans, including all distribution plan, scripts, transfer and routing process, call documentation and procedures for defining and ensuring the call types to be handled.
- In conjunction with OGB, develop and implement procedures for defining and ensuring the prompt handling of calls, communication channels, service response parameters, and service workload tracking. Tracking will include the number of calls received weekly, call hold times, abandonment rates and talk time documentation.

2. TERM OF CONTRACT

This Contract shall begin To Be Determined and end To Be Determined.

This Contract is not effective until approved by the Director of Contractual Review in accordance with La. R.S. 39:1502.

3. PAYMENT TERMS

In consideration of the services described in this Contract the maximum the OGB will pay Contractor is _____ (\$_____).

NOTE: All payment terms will be completed at Contract negotiation/award.

4. STAFF INSURANCE

Contractor shall procure and maintain for the duration of this 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, his agents, representatives, employees or Sub-Contractors.

5. TAXES

Contractor hereby agrees that the responsibility for payment of taxes from the funds thus received under this Contract shall be the Contractor's obligation and identified under Federal tax identification number _____.

6. SECURITY

Contractor personnel will always comply with all security regulations in effect at the OGB premises, and externally for materials belonging to the OGB or to the project. Contractor is responsible for reporting any breach of security to the OGB promptly.

7. TERMINATION FOR CAUSE

OGB may terminate this Contract for cause based upon the failure of Contractor to comply with the material terms and/or conditions of the Contract; provided that the OGB shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) days after receipt of such notice, Contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the OGB may, at its option, place the Contractor in default and this Contract shall terminate on the date specified in such notice.

Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the OGB to comply with the terms and conditions of this Contract; provided that Contractor shall give the OGB written notice specifying the OGB's failure. Furthermore, the Contractor shall be entitled to suspend any and all services until such time as when the OGB is not in default of its obligations under this Contract.

8. TERMINATION FOR CONVENIENCE

The OGB may terminate the Contract at any time without penalty by giving thirty (30) days written notice to the Contractor. Upon any termination the Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.

9. AMENDMENTS IN WRITING

Any alteration, variation, modification, or waiver of provisions of this Contract shall be valid only when it has been reduced to writing, duly signed. No amendment shall be valid until it has been executed by all parties and approved by the Director of the Office of Contractual Review, Division of Administration.

10. REMEDIES FOR DEFAULT

Any claims or controversy arising out of this Contract shall be resolved in accordance with the provisions of La R.S. 39:1524-1526.

The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties hereunder, shall be construed pursuant to, and in accordance with, the laws of the State of Louisiana and venue of any action brought under this Contract shall be the Nineteenth (19th) Judicial District Court.

11. OWNERSHIP

All 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 OGB, and shall, upon request, be returned by Contractor to OGB, at Contractor's expense, at termination or expiration of this Contract.

12. INDEMNIFICATION

Notwithstanding the above, the Contractor shall protect, defend, indemnify, save and hold harmless the OGB of Louisiana, all OGB departments, agencies, boards and commissions, its officers, agents, servants and employees, including volunteers, from and against any and all claims, demands, expense and liability arising out of injury or death to any person or the damage, loss or destruction of any property which may occur or in any way grow out of any act or omission of the Contractor, its agents, servants, and employees and any and all costs, expense and/or attorney fees incurred by the Contractor as a result of any claim, demands, and/or causes of action except those for claims, demands, and/or causes of action arising out of the negligence of the OGB, its agents, representatives and/or employees. The Contractor agrees to investigate, handle, respond to, provide defense for and defend any such claims, demand or suit at its sole expense and agrees to bear all other costs and expenses related thereto, even if it is groundless, false or fraudulent.

13. CONFIDENTIALITY

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 Contractor from the Office of Group Benefits shall be maintained in accordance with OGB 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"). To that end, the parties anticipate amending this Agreement to be in full compliance with all relevant provisions of HIPAA, including but not limited to all provisions relating to Business Associates.

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 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 is applicable to the OGB and/or Contractor. Neither party shall 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.

14. SEVERABILITY; NON-WAIVER OF RIGHTS

Any part of this Agreement held to violate a law or regulation shall be deemed void and all remaining provisions shall continue in effect. Both Parties will act in good faith to replace any such voided provision with proper language matching the original intent of the Agreement as closely as possible. If either Party does not act in a particular instance to enforce its rights under this Agreement, such failure to act shall not prevent that Party from acting to enforce that same right or other rights on subsequent occasions.

15. ASSIGNMENT

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

16. RIGHT TO AUDIT

Contractor grants the Office of the Legislative Auditor, Inspector General's Office, the Federal Government, and any other duty authorized agency of the State the right to inspect and review all books and records pertaining to services rendered under this Contract. Contractor shall comply with federal and/or state laws authorizing an audit of Contractor's operation as a whole, or of specific program activities. Any audit shall be conducted during ordinary business hours and upon reasonable advance notice to the Contractor.

17. PROJECT MANAGEMENT/MONITORING PLAN

Contractor shall provide, at a minimum, the following project management functions:

Contractor will provide day-to-day project management using reasonable management practices for all tasks and activities necessary to complete the Statement of Work.

Contractor shall develop and maintain a Project Work Plan which breaks down the work to be performed into manageable phases, activities and tasks as appropriate. The Project Work Plan at a minimum will identify: activities/tasks to be performed, project personnel requirements (both State and Contractor), workdays and work times, and information regarding submission of required reports.

Contractor agrees to provide the following Contract related resources:

1. **Project Manager.** Contractor shall provide a Project Manager to provide day-to-day management of project tasks and activities, coordination of Contractor support and administrative activities, and for supervision of Contractor personnel. The Project Manager shall possess the technical and functional skills and knowledge to direct all aspects of the project.
2. **Key Personnel.** Contractor shall assign staff who possess the knowledge, skills, and abilities to successfully perform assigned tasks.
3. **Personnel Changes.** Contractor's Project Manager and other key personnel assigned to this Contract may not be replaced without the written consent of OGB. Such consent shall not be unreasonably withheld or delayed provided an adequately qualified replacement is offered. In the event that any OGB or Contractor personnel become unavailable due to resignation, illness or other factors, excluding assignment to project outside this Contract, outside of the State's or Contractor's reasonable control, as the case may be, the OGB or the Contractor, as the case may be, shall be responsible for providing an adequately qualified replacement in time to avoid delays to the Project Work Plan.

18. PERFORMANCE MEASURES

OGB shall appoint a Contract Supervisor for this Contract who will provide oversight of the activities conducted hereunder. The assigned Contract Supervisor shall be the principal point of contact on behalf of OGB and will be the principal point of contact for Contractor concerning Contractor's performance under this Contract.

The Contract Supervisor will be responsible for the Contract Performance Evaluation during the contract and at the end of the Contract.

See Appendix – Contract - ATTACHMENT C – Statement of Work regarding performance requirements and guarantees.

19. RECORD RETENTION

Contractor agrees to retain all books, records, and other documents relevant to this Contract and the funds expended hereunder for at least three years after project completion of Contract, or as required by applicable Federal and/or State law, whichever is longer.

20. FISCAL FUNDING

The continuation of this Contract is contingent upon the appropriation of funds to fulfill the requirements of the Contract by the legislature. 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 or Title 39 of the Louisiana Revised Statutes of 1950 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.

21. NON-DISCRIMINATION

The Contracting Party agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Right Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1972, and the Contracting party agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

Contractor shall keep informed of and comply with all federal, OGB and local laws, ordinances and regulations which affect his employees or prospective employees.

Any act of discrimination committed by the Contracting Party, or failure to comply with these statutory obligations, when applicable, shall be grounds for termination of this Contract.

22. HEADINGS

Descriptive headings in this Contract are for convenience only and shall not affect the construction or meaning of Contractual language.

23. ENTIRE AGREEMENT AND ORDER OF PRECEDENCE

This Contract, (together with the Notice of Intent to Contract (NIC) and addenda issued thereto by the OGB, the proposal submitted by the Contractor in response to the OGB's NIC, and any attachments specifically incorporated herein by reference) constitutes the entire agreement between the parties with respect to the subject matter.

This Contract shall, to the extent possible, be construed to give effect to all provisions contained therein: however, in the event of a conflict among documents, the order of precedence which shall govern is as follows: 1) the final Contract; 2) the Notice of Intent to Contract (NIC) and any addenda; and 3) the Contractor's proposal.

BY SIGNING BELOW, THE PARTIES AGREE TO ALL OF THE TERMS AND CONDITIONS SET FORTH ABOVE.

**STATE OF LOUISIANA
OFFICE OF GROUP BENEFITS (OGB)**

CONTRACTOR

SIGNATURE _____

SIGNATURE _____

NAME Brenda St.Romain

NAME _____

TITLE Deputy Assistant Secretary

TITLE _____

DATE _____

DATE _____

APPENDIX

CONTRACT

ATTACHMENT 1

BUSINESS ASSOCIATE AGREEMENT (BAA)

State of Louisiana, Division of Administration

Office of Group Benefits
Protected Health Information Addendum

I. Definitions

- a) "Administrative Safeguards" shall mean administrative actions, and policies and procedures, to manage the selection, development, implementation, and maintenance of security measures to protect electronic protected health information and to manage the conduct of the covered entity's workforce in relation to the protection of that information., as more particularly set forth in 45 CFR § 164.308.
- b) "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.
- c) "Business Associate" shall mean _____.
- d) "ePHI" shall have the same meaning as the term "electronic protected health information" in 45 CFR § 160.103, limited to the information created or received by Business Associate from or on behalf of OGB.
- e) "HIPAA" shall mean the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.
- f) "HIPAA Regulations" shall mean the Privacy Rule and the Security Rule.
- g) "Individual" shall have the same meaning as the term "individual" in 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).
- h) "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.
- i) "PHI" shall have the same meaning as the term "protected health information" in 45 CFR § 160.103, limited to the information created or received by Business Associate from or on behalf of OGB.
- j) "Physical Safeguards" shall mean physical measures, policies, and procedures to protect a covered entity's electronic information systems and related buildings and equipment, from natural and environmental hazards, and unauthorized intrusion as more particularly set forth in 45 CFR § 164.310.
- k) "Privacy Rule" shall mean the regulations promulgated pursuant to HIPAA regarding Privacy of Individually Identifiable Health Information at 45 CFR, Part 160 and Part 164, Subparts A and E.
- l) "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.103.
- m) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.
- n) "Security Incident" shall have the same meaning as the term "security incident" in 45 CFR § 164.304.
- o) "Security Rule" shall mean the regulations promulgated pursuant to HIPAA regarding Security Standards for Electronic Protected Health Information at 45 CFR, Part 160 and Part 164, Subparts A and C.

- p) "Technical Safeguards" shall mean the technology and the policy and procedures for its use that protect electronic protected health information and control access to it, as more particularly set forth in 45 CFR § 164.312.
- q) Any other terms used in this Addendum that are not defined herein but are defined in the HIPAA Regulations shall have the same meaning as given in the HIPAA Regulations.

II. Obligations and Activities of Business Associate

- a) Business associate agrees to comply with OGB policies and procedures regarding the use and disclosure of PHI.
- b) Business Associate agrees to not use or further disclose PHI other than as permitted or required by this Addendum, or as Required by Law.
- c) 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.
- d) Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Addendum.
- e) 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.
- f) 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.
- g) 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.
- h) 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.
- i) 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.
- j) 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.
- k) 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.

- l) 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.
- m) 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.
- n) 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.
- o) Business Associates shall relinquish to OGB all control over responses to subpoenas Business Associate receives related to PHI.
- p) Not later than April 20, 2005, the compliance date for the Security Rule, Business Associate shall:
 - 1. Implement and document Administrative Safeguards, Physical Safeguards, and Technical Safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the ePHI that it creates, receives, maintains, or transmits on behalf of OGB, specifically including, but not limited to, the following:
 - i) Ensuring the confidentiality, integrity, and availability of all ePHI that it creates, receives, maintains, or transmits on behalf of OGB;
 - ii) Protecting against any reasonably anticipated threats or hazards to the security or integrity of such information;
 - iii) Protecting against any reasonably anticipated uses or disclosures of such information that are not permitted or required by this Addendum or Required by Law; and
 - iv) Ensuring compliance with these requirements by its workforce;
 - 2. Ensure that any agent, including a subcontractor, to whom it provides ePHI agrees to implement reasonable and appropriate safeguards to protect it;
 - 3. Report to OGB any Security Incident of which it becomes aware. If no Security Incidents are reported, Business Associate shall certify to OGB in writing within ten (10) days of each anniversary date of the Agreement that there have been no Security Incidents during the previous twelve months.
- q) Business Associate shall not permit PHI to be disclosed to or used by any individual or entity outside of the territorial and jurisdictional limits of the fifty United States of America.

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 _____, 20_____.

State of Louisiana,
 Division of Administration
 Office of Group Benefits

By: _____

By: _____

Name: Brenda St. Romain

Name: _____

Title: Deputy Assistant Secretary

Title: _____

ATTACHMENT A
STATEMENT OF WORK
CUSTOMER SERVICES

1. Scope of Work

Project Overview

Provide courteous, and timely phone assistance to OGB Health Plan Members and/or medical providers for issues related to benefits, eligibility, claims status, and claim disposition and claim payment analysis.

Objective

- a. Answer calls with OGB Health Plan greeting.
- b. Probe for OGB Health Plan member and/or medical provider information and ask for service request.
- c. Research OGB Health Plan information to provide basic eligibility information, coverage verification, claim status information, and claim payment review. Primary research will be done on OGB's Impact and Discoverer databases. Other research will be done on OGB's Plan Document, Provider directory, website and other documents.
- d. Have the ability to transfer misdirected calls to the appropriate OGB department that provides the requested information or required service(s).
- e. Have staff ready to undergo rigorous training in the OGB PPO medical provider call Procedures, scripting, and use of OGB systems and OGB corporate culture that OGB will provide.
- f. Record calls and have an access system that will be available to OGB.
- g. Have the ability to support remote silent call monitoring for the OGB quality assurance purposes.
- h. Be able to assure OGB that calls are handled within the project performance standards even though call volumes vary over time.

2. Specifications and Requirements

Contractor Performance

- a. Shall have the ability to answer and complete approximately: 600 calls per day which represents approximately 50 % of customer service calls currently received on a daily basis. Occasionally, on an emergency basis, contractor may receive 1,000 call per day.

The Contractor would be expected to answer a greater or lesser volume of calls if OGB experiences a great increase or decrease in the volume of calls or if an emergency situation occurs.

Description of Internal Workflow Related to Customer Services

- Number of toll free lines: 2
- Number of local lines: 2

Description of call routing process: ACD – New Platform called “I-3”

Description of automated response system if any: Rightfax System

Contractor hardware, software systems, building security and all policies and procedures shall be HIPAA (Health Insurance Portability and Accountability Act) compliant.

- b. Should maintain an average live voice speed to answer of: less than 60 seconds Measured from caller’s prompt.
- c. Should maintain a call quality of 98% or better on monitored audits of phone calls. Measured on accuracy of information provided.
- d. Shall report 100% of calls received as outlined on Attachment “B.”
- e. Shall have the ability to handle all call types specified accurately and courteously.
- f. Shall have the ability to audit up to 100% of calls on a daily basis and provide performance feedback to OGB as requested by OGB.
- g. Shall have the ability to train additional staff, as business needs dictate, except that initial training shall be provided by OGB at OGB’s Baton Rouge, LA facility.

Contractor Guarantees

- a. Call Center shall be operational from 8:00 AM – 5:30 PM Central (Standard/Daylight Savings) Time , Monday through Friday.
- b. Shall be able to accept all calls directly from the toll free numbers identified.
- c. Should be able to provide telephone service consisting of a mean average of all calls answered within 60 seconds with a live voice.
- d. Shall submit Data Reports as outlined in Attachment "B" – 100% of all agreed upon reports will be received within the agreed upon time frames.

3. Quality and Performance Evaluation

- a. Call quality evaluation form to be agreed upon by Contractor and OGB Health Plan.
- b. Contractor and OGB will mutually agree upon the process to handle individual's whose call quality score falls below an acceptable level for each problem call. Call quality monitored daily, audited for each problem occurrence.
- c. OGB staff will utilize random call monitoring.

4. Contractor's Responsibilities

- a. Should monitor and coach representatives on an on going basis to insure OGB call quality standards are met and that accurate information is being provided.
- b. Shall provide a direct line to OGB call group manager.
- c. Contractor's hardware, software systems, building security and all policies and procedures shall be HIPAA compliant.

5. OGB's Responsibilities

- a. Provide initial training, training materials and technical support.
- b. Provide procedural updates in a consistent and timely manner.
- c. Provide training related to any changes from the initial project scope.
- d. Random monitoring and reporting to Contractor of call quality.

6. Required Reporting

- a. Shall submit daily and monthly reports of information as outlined in Attachment "B" and any other agreed upon reports.
- b. Should submit monthly results by operator of Contractor call monitoring/evaluation.

7. System Connection Requirements

- a. Contractor shall provide a satisfactory and secure connection to OGB network and mainframe to execute transactions appropriate to perform work required under this Contract.

This connection shall be a Point-To-Point T-1 connection between the Contractor and OGB.

ATTACHMENT B

CUSTOMER SERVICES REPORTS

Monthly Member Call Volumes by Call Type

Call Type	Call Volume	Follow-up Required for Call Completion
Eligibility		- - - -
Benefit Verification		- - - -
Claim Status		- - - -
Claim Disposition and Review		- - - -
TOTAL INCOMING		
Outgoing Calls		

Total Member Monthly Call Volumes (January, 2005)

<u>Month</u>	<u>Incoming Volume</u>	<u>Calls Handled/Number of Representatives</u>	<u>Abandonment Rate</u>

OTHER AGREED UPON REPORTS BY BOTH PARTIES