



**STATE OF LOUISIANA
OFFICE OF THE GOVERNOR
DIVISION OF ADMINISTRATION
OFFICE OF GROUP BENEFITS (OGB)**

**REQUEST FOR PROPOSALS (RFP)
FOR
SERVICES OF A FINANCIAL ADVISER**

Proposal Due Date/Time: JUNE 6, 2011 / 4:00 PM (Central Time)

ISSUED

May 6, 2011

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SECTION I

BACKGROUND AND SCOPE

A. Introduction/Purpose

The Office of Group Benefits (OGB) is a component unit of the State of Louisiana created within the Office of the Governor, Division of Administration, pursuant to R.S. 42:801, et seq., as amended and reenacted by Act 1178 of 2001. OGB is vested with the general administration of all aspects of the employee benefits programs authorized under the provisions of Chapter 12, Title 42, of the Louisiana Revised Statutes, including group health benefits, group life insurance, and an IRS qualified cafeteria plan for employees and retirees (and their dependents) of all governmental and administrative subdivisions, departments, agencies, boards and commissions of the executive, legislative, and judicial branches of the state, all institutions of higher education and the governing boards, and approximately two-thirds of the public elementary and secondary school systems in the State.

OGB wishes to explore alternative methods of carrying out its statutory responsibilities through contract(s) for the provision of basic health care services and other health care services to the OGB program's covered persons and/or for any other health care plan or systems, including but not limited to, any health care service, delivery system, benefits programs, insurance, or any other plan or programs that may be authorized by law. This may include any transaction or contract involving the book of business and services provided by OGB.

In furtherance of this effort, OGB seeks the services of a qualified financial adviser:

- A. To assess the market value of the book of business and services provided by OGB; and
- B. To negotiate for and on behalf of the OGB alternative methods by which OGB may perform its statutory responsibilities in accordance with La.R.S. 42:802.

B. General Information

In fulfillment of its statutory responsibilities, OGB currently maintains a self-insured and self-administered health and accident benefits plans (the PPO plan) with its own network of contracted participating providers. Pursuant to administrative service contracts with OGB, Blue Cross/Blue Shield of Louisiana administers a self-insured HMO plan and United HealthCare administers a self-insured consumer directed (high deductible) health plan with a health savings account. Vantage Health Plan, pursuant to contract with OGB for a pilot program, provides a fully insured medical home HMO plan in certain regions of the state.

In addition, the Louisiana State University (LSU) System, as authorized by interagency agreement with OGB, administers a separate consumer directed health plan with a health reimbursement account that is available to employees and retirees (and their

dependents) of LSU and the Legislature of Louisiana.

A contracted behavioral health firm provides and administers the mental health and substance abuse benefits. A pharmacy benefits management firm administers prescription benefits. Another contractor provides disease management services, A utilization management firm provides hospital pre-admission certification, concurrent stay review, and case management services.

OGB also administers an IRS qualified cafeteria plan offering optional benefits such as dental, eye care, cancer and catastrophic illness coverage, long term disability, and health care and child care flexible spending accounts.

C. OGB Information Technology

Desktop: 450 Dell Workstations running Windows XP
LAN: 10/100/1000 Ethernet using Cisco switches
Servers: Windows servers, VMware, AIX UNIX servers, and LINUX servers.
WAN: VPN over DSL switches, and firewalls.
Scanners: Fujitsu scanners.
Printers: Lexmark and Xerox laser printers.

Computer Applications: Impact (claims adjudication, customer services, provider contracting and eligibility processes), Discoverer (Oracle report writer), MS Office, MS Exchange, FileNet (Oracle based imaging and document management system). OGB uses Oracle databases as its standard.

OGB uses Imprivata – Bio-login, single-sign-on and centralized security system

D. Goals and Objectives

The State of Louisiana, through the OGB provides health benefits to state employees, retirees, and their dependents. By statute, plan participation eligibility includes employees of state agencies, institutions of higher education, local school boards that elect to participate in the program and certain political subdivisions. OGB is pursuing the services of a Consultant to assist it in exploring other methods by which to perform its statutory responsibilities through a transaction or contract involving the book of business or services provided by OGB.

Consultant shall assess the market value of the book of business and services provided by OGB and assist in the formulation of alternative methods of benefit delivery while retaining the same or improved level of services and benefits for plan members. In conjunction with and supervised by OGB, Consultant will devise and utilize a Solicitation for Offers process to identify potential contractors that match the alternative method(s) selected by OGB. After selection of the winning proposer, Consultant shall assist OGB in the negotiation process to confect a contract for implementation of the selected alternative method(s), the start date of which shall be at the beginning of the

plan year beginning on January 1, 2012.

E. Scope of Services and Deliverables

The minimum services and deliverables to be provided pursuant to any contract awarded pursuant to this RFP include the following:

1. Assess the market value of the book of business and/or services provided by OGB;
2. Assist OGB in the formulation of alternative methods of benefit delivery while retaining the same or improved level of services and benefits for plan members.
3. Identify potential contractors based on the alternative methods developed and assist OGB with negotiation of contracts, in accordance with OGB's authority pursuant to La.R.S. 42:802, for the provision of basic health care services and other health care services to the OGB program's covered persons and/or for any other health care plan or systems, including but not limited to, any health care service, delivery system, benefits programs, insurance, or any other plan or programs that may be authorized by law which may include any transaction or contract for the book of business and/or the provision of services currently provided by OGB;
4. Provide recommendations to OGB for contracting in light of the assessment and negotiations;
5. Assist in the drafting and final execution of any contract resulting from the assessment and negotiations; and
6. Provide testimony before any committee of the Louisiana legislature or other tribunal that may conduct hearings regarding any contract resulting from the assessment and negotiations.

The scope of the assessment shall include any and all health benefits programs offered by the State of Louisiana, including but not limited to the OGB PPO Plan, the self-insured HMO Plan, and the self-insured consumer directed (high deductible) health plan with a health savings account.

The negotiations, as well as any resulting contract, may include any or all of these plans. Any proposal for plan alternatives and/or combination of services may be acceptable if OGB finds that the proposed plan alternatives and/or combinations of services are advantageous to the state.

F. Minimum Requirement for Proposers

Proposers must demonstrate a clear understanding of the goals and objectives by proposing a workable plan presented in the *Statement of Work (SOW)*. Additionally the proposer must have at least five (5) years experience in the valuation and sale of entities in the health insurance market with enterprise values exceeding \$100 million.

G. Determination of Responsibility

Determination of the proposer's responsibility relating to this RFP shall be made according to the standards set forth in Louisiana Administrative Code LAC 34:V.136. The State must find that the selected proposer:

- A. Has adequate financial resources for performance, or has the ability to obtain such resources as required during performance;
- B. Has the necessary experience, organization, technical qualifications, skills and facilities, or has the ability to obtain them;
- C. Is able to comply with the proposed or required time of delivery or performance schedule;
- D. Has a satisfactory record of performance, based upon previous projects that were delivered on schedule and within budget;
- E. Is otherwise qualified and eligible to receive an award under applicable laws and regulations.

Proposer(s) should ensure that their proposals contain sufficient information for OGB to make its determination by presenting acceptable evidence of the above to perform the contracted services.

H. Right to Prohibit Award

In accordance with the provisions of R.S. 39:2192, any public entity is authorized to reject a proposal or bid from, or not award the contract to, a business in which any individual with an ownership interest of five percent or more, has been convicted of, or has entered a plea of guilt or nolo contendere to any state felony or equivalent federal felony crime committed in the solicitation or execution of a contract or bid award under the laws governing public contracts under the provisions of Chapter 10 of Title 38 of the Louisiana Revised Statutes of 1950, professional, personal, consulting, and social services procurement under the provisions of Chapter 16 of this Title, or the Louisiana Procurement Code under the provisions of Chapter 17 of this Title.

I. RFP Addenda

OGB reserves the right to change the schedule of events or revise any part of the RFP by issuing an addendum to the RFP at any time. Addenda, if any, will be posted at <http://www.prd.doa.louisiana.gov/osp/lapac/pubmain.asp> and to <https://www.groupbenefits.org>. It is the responsibility of the proposer to check the website for addenda to the RFP, if any.

J. Waiver of Administrative Informalities

The OGB reserves the right, at its sole discretion, to waive administrative informalities contained in any proposal.

K. Proposal Rejection/Cancellation

Issuance of this RFP in no way constitutes a commitment by the OGB to award a contract. OGB reserves the right to accept or reject, in whole or part, all proposals submitted and/or cancel this announcement if it is determined to be in the OGB's best interest.

L. Withdrawal of Proposal

A proposer may withdraw a proposal that has been submitted at any time up to the date and time the proposal is due. To accomplish this, a written request signed by the authorized representative of the proposer must be submitted to the CEO for OGB

M. Subcontracting Information

OGB intends to contract with a single prime contractor as the result of any contract negotiation, and that prime contractor shall be responsible for all deliverables specified in the RFP and proposal. This general requirement notwithstanding, proposers may enter into subcontractor arrangements. However, the prime contractor should acknowledge in its proposal total responsibility for the entire contract.

If the proposer intends to subcontract for portion of the work the proposer should identify any subcontractor relationships, and include specific designations of the tasks to be performed by the subcontractor. Information required of the proposer under the terms of this RFP is also required for each subcontractor. The prime contractor shall be the single point of contract for all subcontract work.

Unless provided for in the contract with the State, the prime contractor shall not contract with any other party for any of the services herein contracted without the express prior written approval of the State.

N. Standard Contract

- a. The selected Proposer shall be expected to enter into a contract that is substantially the same as the sample contract included in Attachment I. In no event shall a Proposer submit its own standard contract terms and conditions as a response to this RFP. Each Proposer shall submit with its proposal any exceptions or exact contract deviations that its firm wishes to negotiate. Negotiations may begin with the announcement of the selected Proposer.

- b. OGB reserves the right to enter into a contract without further discussion of the proposal submitted based on the initial offers received. OGB also reserves the right to enter into discussions with any and all Proposers in an effort to select the most advantageous proposal for OGB. OGB reserves the right to negotiate reduced payment terms with the awarded Proposer. The RFP and proposal of the selected Proposer shall become part of any contract initiated by OGB. The contract will be subject to all applicable federal and state statutes and regulations.
- c. If the contract negotiation period exceeds 15 days or if the selected Proposer fails to sign the final contract within 10 business days of delivery of the contract, OGB may elect to cancel the award and award the contract to the next-highest-ranked Proposer. Extension of these dates, if any, shall be solely at the discretion of OGB.
- d. This RFP and any contract entered into between OGB and Proposer shall be governed by and construed in accordance with the laws of Louisiana. Any claim or controversy arising out of this Agreement shall be resolved under the processes set forth in La. R.S. 39:1524-1526. Exclusive venue and jurisdiction shall be vested in the Nineteenth Judicial District Court, Parish of East Baton Rouge.

O. Code of Ethics

Proposers are responsible for determining that there will be no conflict or violation of the Ethics Code (<http://www.ethics.state.la.us/BoardOfEthics.aspx>) if their company is awarded the contract. The Louisiana Board of Ethics is the only entity which can officially rule on ethics issues.

P. Equal Employment Opportunity

The Contractor hereby agrees to adhere to the provision that requires compliance with all applicable standards, orders, or requirements issued under Executive Order 11246 "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented by the Department of Labor Regulations (41 CFR Part 60).

Q. Americans with Disabilities Act

The Contractor hereby agrees to adhere to the provisions that require compliance with all applicable standards, orders, or requirements issued under the Americans with Disability Act (28 CFR Part 35, Title II, Subtitle A) in all services, programs, and activities provided to the public by State and local governments, except public transportation services.

R. Drug Free Workplace

Proposer must certify that they will provide drug-free workplaces for their employees and adhere to the following guidelines:

- A. The unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the work place.
- B. Violators may be terminated or requested to seek counseling from an approved rehabilitation service.
- C. Employees must notify their employer of any conviction of a crime drug statute no later than five days after such conviction.
- D. Although alcohol is not a controlled substance, it is nonetheless a drug. Abuse of this drug will also not be tolerated in the workplace.

S. Product Ownership

All data records, reports, documents, or other material related to any contract that results from this RFP and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of the State and shall, upon request, be returned by Contractor to the State, at Contractor's expense, at termination or expiration of the contract.

SECTION II

INFORMATION AND INSTRUCTIONS ON THE RFP PROCESS

A. Schedule of Events

RFP Issued - Public Notice by Advertising in the Official Journal of the State/Posted OGB Website/Posted to LAPAC.....	Friday, May 6, 2011
RFP Mailed or Available to Prospective Proposers Posted to OGB Website; Posted to LAPAC.....	Friday, May 6, 2011
Deadline to Receive Written Questions.....	Friday, May 13, 2011
Response to Written Questions.....	Friday, May 18, 2011
Proposer Conference- Attendance in Person(if necessary).....	Monday, May 23, 2011
Proposals Due to OGB.....	Monday, June 6, 2011
Probable Selection and Notification of Award.....	Wednesday, June 15, 2011
Contract Effective Date.....	To be determined

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

B. Written Questions on the RFP

All questions or requests for clarification concerning the meaning or interpretation of this RFP must be received in the office of the Chief Executive Officer of OGB not later than 4:00 PM (Central Time) on the date indicated in the Schedule of Events above. Written questions should be directed to:

Scott Kipper
Chief Executive Officer
Office of Group Benefits

Delivery:
7389 Florida Blvd., Ste. 400
Baton Rouge, LA 70806

Fax: (225) 922-0282

Mail:
Post Office Box 44036
Baton Rouge, LA 70804

E-Mail: Patty.Rahl@La.Gov

OGB will record its responses to inquires and any supplemental instructions in the form of written addenda. OGB will issue all addenda in the same manner in which the RFP was posted. It is the responsibility of the Proposer to ascertain whether any addenda has been issued. Failure to do so could result in an unresponsive proposal.

All Proposers are expected to carefully examine the proposal documents. Any ambiguities or inconsistencies should be brought to the attention of OGB through written communication with OGB prior to the opening of the proposals.

Only Scott J. Kipper, OGB Chief Executive Officer, has the authority to officially respond to proposer's questions on behalf of the State. Such communications are facilitated by Patty Rahl, OGB Contract Reviewer. Any communications from any other individuals are not binding to the State.

C. Proposers Conference

A representative of the Proposer may be required to participate in person at the potential Proposers Conference scheduled for 10:00 AM (Central Time) on the date listed in the Schedule of Events at the following location:

Office of Group Benefits
7389 Florida Blvd., Ste. 400
Baton Rouge, LA. 70806

OGB staff will be available to discuss the proposal specifications, clarify the written responses to submitted questions, and address follow-up questions. Any representations by OGB staff are not binding unless incorporated in RFP by addendum.

D. Proposal Submittal

The original proposal must be signed by an authorized representative of your organization. Submit one (1) original together with eight (8) complete copies and one (1) redacted copy [see Section II(F)(3)(g), below] , which must be received not later than 4:00 p.m. (Central Time) on the date indicated in the Schedule of Events.

IMPORTANT- Clearly mark the outside of the envelope or package with the following information: **Proposal Name: Financial Services Adviser (OGB)**

Proposals should be directed to:

Scott Kipper
Chief Executive Officer
Office of Group Benefits

Delivery:
7389 Florida Blvd., Ste. 400
Baton Rouge, LA 70806

Mail:
Post Office Box 44036
Baton Rouge, LA 70804

Fax: (225) 922-0282

E-Mail: Patty.Rahl@La.Gov

A proposer must submit the proposal by personal delivery or by mail, but not by facsimile or email. A proposal received by OGB after the due date will be returned unopened to the Proposer. Please note that this **due date** is for **actual** proposals received by OGB, not by **postmark**.

E. Proposer Responsibilities

Proposer is solely responsible for ensuring that its courier service provider makes inside deliveries to our physical location. OGB is not responsible for any delays caused by the Proposer's chosen means of proposal delivery.

Proposer is solely responsible for the timely delivery of its proposal. Failure to meet the proposal due date and time shall result in rejection of the proposal.

If the Proposer fails to comply with any of the mandatory requirements, OGB shall consider the proposal to be unacceptable and reject it from further consideration.

The Proposer must be the prime contractor on this project, and will be responsible for any subcontractor's performance.

The prime contractor must be designated in the proposal, and the proposal must be submitted under the prime contractor's name.

Proposals must be submitted on or before the date and time specified in the Schedule of Events of this RFP.

The Proposer must assure OGB that the proposal submitted was developed without collusion with other proposers.

The proposal must be complete so that an evaluation of the Proposer's proposal can be conducted solely based on proposal contents.

Proposal must be signed by an individual authorized to bind the firm to the commitment required in the RFP as well as the price offered in the proposal.

F. Instructions on Proposal Format

Proposers should respond thoroughly, clearly and concisely to all of the questions set forth in the Request for Proposals (RFP). Answers should specifically address current capabilities separately from anticipated capabilities.

1. Answer questions directly. Where you cannot provide an answer, indicate “not applicable” or “no response”.
2. Do not answer a question by referring to the answer of a previous question; restate the answer or recopy the answer under the new question. If however, the question asks you to provide a copy of something, you may indicate where this copy can be found by an attachment/exhibit number, letter or heading. You are to state the question, then answer the question. Do not number answers without providing the question.

NOTE: All pages of each proposal volume must be consecutively numbered from beginning to end or within sections.

3. Proposers must submit a proposal which includes enough information to satisfy evaluators that the proposer has the appropriate experience and qualifications to perform the scope of services as described herein.
4. Proposals must conform to all instructions, conditions, and requirements included in the Request for Proposal. Proposer should examine all documentation and other requirements. Failure to observe all terms and conditions in completion of the proposal will be at the Proposer’s risk.
5. The signed original will be retained for incorporation by reference in any contract resulting from this RFP. Proposals must be signed by those company officials or agents duly authorized to sign proposals or contracts on behalf of their respective organizations.

G. Ownership, Public Release and Costs of Proposals

1. All proposals submitted in response to this RFP will become the property of the OGB and will not be returned to the Proposers.
2. Costs of preparation, development and submission of the response to this RFP are entirely the responsibility of the Proposer and will not be reimbursed in any manner.
3. Proprietary, Privileged, Confidential Information in Proposals:
 - a. As a general rule, after award of the Contract, all proposals are considered public record and are available for public inspection and copying pursuant to the Louisiana Public Records Law, La.R.S. 44.1 et.seq. OGB recognizes that proposals submitted in response to the RFP may contain trade secrets and/or privileged commercial or financial information that the Proposer 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 following legend, specifying the pages of the

proposal which are to be restricted in accordance with the conditions of the legend:

"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, OGB shall have the right to use or disclose the data therein to the extent provided in the contract. This restriction does not limit the right of OGB to use or disclose data obtained from any other source, including the Proposer, without restrictions.

- b. Further, to protect such data, each response containing such data shall be specifically identified and marked "CONFIDENTIAL".
- c. You are advised to use such designation only when appropriate and necessary. A blanket designation of an entire proposal as confidential is NOT permitted. Your fee proposal may not be designated as confidential.
- d. It should be noted, however, that data bearing the aforementioned legend may be subject to release under the provision of the Louisiana Public Records Law. OGB assumes no liability for disclosure or use of unmarked data and may use or disclose such data for any purpose. Any resultant contract will become a matter of public record.
- e. OGB reserves the right to make any proposal, including proprietary information contained therein, available to its consulting actuary, and to personnel of the Office of the Governor, Division of Administration, Office of Contractual Review, or other state agencies or organizations to the extent that such consulting actuary and personnel are involved in the evaluation of the proposal. OGB will require such individuals to protect the confidentiality of any specifically identified proprietary information or privileged business information obtained as a result of their participation.
- f. **In addition, you are to provide a redacted version of your proposal omitting those responses (or portions thereof) and attachments that you determine are within the scope of the exception to the Louisiana Public Records Law. In a separate document, please provide the justification for each omission.**

OGB will make the redacted proposal available for inspection and/or copying upon the request of any individual pursuant to the Louisiana Public Records Law without notice to you.

H. Proposal Information

- a. OGB will not be liable for any errors in proposals. OGB reserves the right to

make corrections or amendments due to errors identified in proposals by the OGB or the Proposer. OGB, at its option, has the right to request clarification or additional information from the Proposers.

- b. Issuance of this RFP in no way constitutes a commitment by OGB to award a contract. OGB reserves the right to accept or reject, in whole or in part, all proposals submitted and/or cancel this announcement if it is determined to be in the State's best interest. OGB reserves the right, at its sole discretion, to waive administrative informalities contained in any proposal.

SECTION III

PROPOSAL EVALUATION

A. Proposal Evaluation

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

In no event shall a Proposer submit its own standard contract terms and conditions as a response to this RFP. The Proposer must address the specific language in the sample contract attached and submit with their proposal any exceptions or exact contract deviations that their firm wishes to negotiate. The terms for both of these documents may be discussed during the negotiation process.

B. Evaluation Criteria

After determining that a proposal satisfies all requirements stated in the Request for Proposals, 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 Consulting Firm	20 points
2. Qualifications and Experience of Assigned Staff	30 points
3. Service Approach and Coordination Strategy	25 points
4. Cost of Services	25 points
Maximum Points	100

C. Cost Evaluation

The Proposer must provide an estimated cost of services encompassing total expenses anticipated for the provision of services under the contract. The cost must be supported, in detail, by similar transactions completed by the Proposer in the health insurance market.

The Cost Proposal (Tab 5) must contain a completed Proposal Cost Summary. The total cost must be stated to be a firm fixed price and valid for 90 days. The Cost Proposal must contain narrative and must contain additional itemized charts to assist OGB in understanding all costs associated with the approach adopted and resources required to successfully complete the project.

The Proposer must prepare cost charts that are comprehensive, adequately detailed, and clearly relevant to the project requirements.

As the State is requiring a fixed fee contract for deliverables and fixed hourly rates for change request work, the Proposer shall provide pricing with all direct and travel costs factored in and thus shall not be entitled to receive reimbursement for any other expenses. The types of information required of Proposer to assist OGB's analysis of costs and Proposer's budget strategies are:

- A. Cost and number of staff-hours by month; and
- B. Itemized cost for miscellaneous direct cost items such as office facilities, utilities, equipment, supplies, communications, travel, lodging, subsistence, etc.

OGB reserves the right to negotiate the final cost structure, billing and payment terms with the selected Financial Adviser during contract negotiations.

Evaluation of Cost:

The total contract charge must be quoted on the Cost Proposal Form included in this RFP. The maximum score of 30 points will be awarded to the proposal with the lowest total cost.

Points for the other proposals will be determined by calculating cost points using the following formula:

Cost points = (lowest total cost proposal/specific proposer's total cost proposal) x cost point factor.

D. Successful Contractor Requirements

a. Corporation Requirements

If the Contractor is a corporation not incorporated under the laws of the State of Louisiana, the contractor shall have obtained a certificate of authority pursuant to R.S. 12:301-302 from the Secretary of the State of Louisiana.

If the contractor is a for-profit corporation whose stock is not publicly traded, the contractor shall ensure that a disclosure of ownership form has been properly filed with the Secretary of State of Louisiana.

b. Confidentiality

All financial, statistical, personal, technical and other data and information relating to the OGB's operation which are designated confidential by OGB and made available to the Contractor in order to carry out this contract, or which become available to the contractor in carrying out this contract, shall be protected by the contractor from unauthorized use and disclosure through the observance of the same or more effective

procedural requirements as are applicable to OGB. The identification of all such confidential data and information as well as the OGB's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by OGB in writing to the contractor. If the methods and procedures employed by the contractor for the protection of the contractor's data and information are deemed by OGB to be adequate for the protection of OGB's confidential information, such methods and procedures may be used, with the written consent of OGB, to carry out the intent of this paragraph. The contractor shall not be required under the provisions of the paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the contractor's possession, is independently developed by the contractor outside the scope of the contract, or is rightfully obtained from third parties.

Under no circumstance shall the contractor discuss and/or release information to anyone concerning this project without prior express written approval of the OGB.

SECTION IV
PROPOSALS

TAB 1 – PROPOSER INFORMATION

A. PRIMARY PROPOSER

Name of Organization _____

Address _____

Principals: _____

Date Founded _____

B. PARENT COMPANY

Name of Organization _____

Address _____

Principals: _____

Date Founded _____

C. SUBSIDIARIES, AFFILIATES AND/OR SUBCONTRACTORS THAT WILL PERFORM SIGNIFICANT SERVICES (Provide the requested information for each such organization.)

Name of Organization _____

Address _____

Principals: _____

Date Founded _____

D. RFP COORDINATOR/CONTACT

Name _____

Title _____

Address _____

City/State _____

Direct Dial
Telephone Number _____

Fax Number _____

E-mail Address _____

TAB 2 – QUALIFICATIONS AND EXPERIENCE OF PROPOSER

1. Provide a description and background of your company, including a brief history, full legal name, corporate structure and organization, date of establishment, number of years in business, current firm ownership, any recent and/or materially significant proposed change in ownership, and copies of its latest three years of financial statements, preferably audited.
2. 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 RFP. Include in your response details and references demonstrating at least five (5) years experience in the valuation and sale of entities in the health insurance market with enterprise values exceeding \$100 million.
3. Define the resources within (a) your own organization, (b) as applicable, your parent organization, subsidiaries, affiliates and/or subcontractors that will provide expertise in rendering the services requested in this RFP.
4. Describe successful transactions that you have completed that might be comparable to OGB's situation.
5. On engaged sales or mergers and/or acquisitions assignments in the past two years, how many did not close and why?
6. Identify any potential conflicts of interest which might impact the state and/or this transaction.

TAB 3 – QUALIFICATIONS AND EXPERIENCE OF ASSIGNED STAFF

Identify all persons who will be assigned any responsibility for providing the services requested in this RFP, defining the role, planned level of effort, and providing credentials of each. Your response must clearly identify and differentiate:

1. Those individuals who will perform the “hands-on” tasks and directly interface with OGB personnel and third parties in the course of the project; and
2. Those who will serve in a supervisory and/or advisory capacity.

TAB 4 – SERVICE APPROACH AND COORDINATION STRATEGY

1. Describe your approach to assessing the value of the book of business and services provided by the Office of Group Benefits.
2. Describe your approach to assisting OGB in the development of alternative methods of benefit delivery while retaining the same or improved level of services and benefits for OGB Plan Members. Include in your response a detailed explanation on your approach to fulfilling all of the requirements in Paragraph E, Scope of Services and Deliverables, on Page 5 of this RFP.
3. Explain your approach for assisting OGB, through a Solicitation for Offers process, in attracting potential health insurance contractors to achieve its goals and objectives as stated in Paragraph D on Page 4 of this RFP. Formulate your proposed approach in accordance with OGB's statutory authority to contract, as provided for in La. R.S. 42:802.
4. Identify potential health insurance contractors which may have interest in contracting for the book of business of OGB for a period of time and/or providing the services now being delivered by OGB for a period of time. How will you identify and communicate with potential contractors? With how many potential contractors do you anticipate communicating?
5. Explain your method for assisting OGB in the negotiation process with potential contractors.
6. How much time and effort should OGB's management team expect to devote to the valuation and transaction process?
7. If applicable, state in detail any and all suggested or requested modifications of the contract terms set forth in the standard contract attached to the RFP (Attachment 1). **NOTE:** This contract will set forth all rights and responsibilities of the parties with respect to this undertaking. OGB will not execute a separate service agreement, engagement letter, or other similar document prepared by the successful proposer. To the extent that your organization proposes to include in the final contract any terms or conditions in addition to, or at variance with, the terms and conditions set forth in Attachment 1, those additional terms and/or variances are to be fully disclosed, explained, and justified in your response.

TAB 5 – COST PROPOSAL

_____ proposes to provide Financial Advisory Services for the State of Louisiana, Office of the Governor, Division of Administration, Office of Group Benefits, in accordance with the requirements, terms, and conditions of the Request for Proposals issued May 6, 2011.

Total Contract Amount Not to Exceed \$

NOTE: A detailed breakdown of costs and expenses related to providing the services and deliverables requested in the RFP must be included with the proposed total amount, including, but not limited to:

Fixed fee per deliverable:

Fixed hourly rate(s) for change request work:

Cost and number of staff hours by month:

Itemized cost for miscellaneous direct expense items:

Narrative and additional itemized charts:

Date: _____

Authorized Representative

Title

TAB 6 – CERTIFICATION STATEMENT

The undersigned hereby acknowledges she/he has read and understands all requirements and specifications of the Request for Proposals (RFP), including attachments.

OFFICIAL CONTACT. The State requests that the Proposer designate one person to receive all documents and the method in which the documents are best delivered. Identify the Contact name and fill in the information below: (Print Clearly)

Date _____ Official Contact Name: _____

- A. E-mail Address: _____
- B. Facsimile Number with area code: () _____
- C. US Mail Address: _____

Proposer certifies that the above information is true and grants permission to the State or Agencies to contact the above named person or otherwise verify the information provided.

By its submission of this proposal and authorized signature below, Proposer certifies that:

1. The information contained in its response to this RFP is accurate;
2. Proposer complies with each of the mandatory requirements listed in the RFP and will meet or exceed the functional and technical requirements specified therein;
3. Proposer accepts the procedures, evaluation criteria, mandatory contract terms and conditions, and all other administrative requirements set forth in this RFP.
4. Proposer's quote is valid for at least 90 days from the date of proposal's signature below;
5. Proposer understands that if selected as the successful Proposer, he/she will have _____ business days from the date of delivery of final contract in which to complete contract negotiations, if any, and execute the final contract document. (Agency insert number of days to correspond to same number referenced in RFP section number 3.12 Contract Award and Execution.)
6. Proposer certifies, by signing and submitting a proposal for \$25,000 or more, that their company, any subcontractors, or principals are not suspended or debarred by the General Services Administration (GSA) in accordance with the requirements in OMB Circular A-133. (A list of parties who have been suspended or debarred can be viewed via the internet at www.epls.gov .)

Authorized Signature: _____

Typed or Printed Name: _____

Title: _____

Company Name: _____

Address: _____

City: _____ State _____ Zip: _____

_____ :

SIGNATURE of Proposer's Authorized Representative

DATE

ATTACHMENTS TO THE RFP

ATTACHMENT 1 –Standard Contract

**STATE OF LOUISIANA
CONTRACT**

The **STATE OF LOUISIANA, OFFICE OF THE GOVERNOR, DIVISION OF ADMINISTRATION, OFFICE OF GROUP BENEFITS** (hereinafter sometimes referred to as the State or OGB) located at 7389 Florida Blvd., Suite 400, Baton Rouge, LA 70806 and _____, located at _____ (hereinafter sometimes referred to as "Contractor") do hereby enter into a Contract under the following terms and conditions:

WHEREAS, OGB is a state agency and pursuant to La. R.S. 42:801, et seq vested with general administration of all aspects of the employee benefits program;

WHEREAS, OGB seeks alternative methods by which to perform its statutory responsibilities through sale, lease or other transfer of tangible and/or intangible assets of OGB;

WHEREAS, in furtherance of this effort, OGB requires the services of a qualified financial adviser to assess the market value of the tangible and/or intangible assets of OGB and negotiate for and on behalf of OGB such alternative methods; and

WHEREAS, the Contractor, in consideration of the promises contained herein, the parties agree as follows:

1. SCOPE OF SERVICES AND DELIVERABLES

- a. The goal of the OGB is to fulfill its delegated responsibility to serve the State of Louisiana by meeting the needs of its past, present and future employees for an innovative approach to health, life, and related benefits.
- b. The objective of the OGB is to provide quality, cost-effective hospital and health care services to Plan Participants.

[Scope of Services and Deliverables defined in accordance with the RFP and the successful proposal.]

1.2 GOALS AND OBJECTIVES

[LIST GOALS AND OBJECTIVES OF THIS CONTRACT]

1.3 PERFORMANCE MEASURES

The performance of the contract will be measured by the TITLE, authorization on behalf of the State, to evaluate the Contractor's performance against the criteria in the Statement of Work and are identified as:

[LIST PERFORMANCE MEASURES WHICH SHOULD BE MEASURABLE AND TIME BOUND]

1.4 MONITORING PLAN

[NAME AND TITLE OR POSITION] will monitor the services provided by the Contractor and the expenditure of funds under this contract. [NAME AND TITLE OR POSITION] will be primarily responsible for the day-to-day Contact with the Contractor and day-to-day monitoring of the Contractor's performance. The monitoring plan is the following:

(PROVIDE MONITORING PLAN)

1.5 DELIVERABLES

The Contract will be considered complete when Contractor has delivered and State has accepted all deliverables specified in the Statement of Work.

1.6 SUBSTITUTION OF KEY PERSONNEL

The Contractor's personnel assigned to this contract may not be replaced without the written consent of the State. Such consent shall not be unreasonably withheld or delayed provided an equally qualified replacement is offered. In the event that any State 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 State or the Contractor, shall be responsible for providing an equally qualified replacement in time to avoid delays in completing tasks. The Contractor will make every reasonable attempt to assign the personnel listed in his proposal.

2. STANDARD OF CARE

Contractor shall exercise the same degree of care, skill, and diligence in the performance of the Services as is ordinarily provided by a professional Contractor under similar circumstances and Contractor shall, at no additional cost to the OGB, re-perform services which fail to satisfy the foregoing standard of care.

3. TERM OF CONTRACT

- a. This Contract shall begin on (beginning date) and shall terminate on (ending date).
- b. Notwithstanding, this Contract is not effective until approved by the Director of the Office of Contractual Review in accordance with La. R.S. 39:1502.

- c. Each party has had the opportunity to review this Agreement as part of an arms-length transaction, and therefore, this Agreement shall be interpreted and construed according to its fair meaning without consideration as to which party drafted it.

4. TERMINATION FOR CAUSE

OGB may terminate this Contract for cause based upon the failure of the Contractor to comply with the terms and/or conditions of the Contract; provided that OGB shall give the Contractor written notice specifying the Contractor's failure. If within seven (7) days after receipt of such notice, the Contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in seven (7) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then OGB may, at its option, place the Contractor in default and the Contract shall terminate on the date specified in such notice. The Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of OGB to comply with the terms and conditions of this Contract; provided that the Contractor shall give OGB written notice specifying OGB's failure and a reasonable opportunity for OGB to cure the defect.

5. TERMINATION FOR CONVENIENCE

OGB may terminate the Contract at any time by giving thirty (30) days written notice to the Contractor. The Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.

6. PAYMENT TERMS

In consideration of the services required by this contract, State hereby agrees to pay to Contractor a maximum fee of \$[TO BE INSERTED]. Payments are predicated upon successful completion and written approval by the State of the described tasks and deliverables.

OGB reserves the right to negotiate the final cost structure, billing and payment terms with the selected Financial Adviser during contract negotiations.

Such payment amounts for work performed must be based on at least equivalent services rendered, and to the extent practical, will be keyed to clearly identifiable stages of progress as reflected in written reports submitted with the invoices. Contractor will not be paid more than the maximum amount of the Contract.

7. TAXES

Contractor hereby agrees that the responsibility for payment of taxes from the funds thus received under this Contract and/or legislative appropriation shall be

Contractor's obligation and identified under Federal tax identification number _____.

8. 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 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.

9. REMEDIES FOR DEFAULT

- a. Any claim or controversy arising out of this Contract shall be resolved by the provisions of LSA- R.S. 39:1524-1526.
- b. 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 except where preempted by federal law. The venue of any such action brought under this Contract shall be the Nineteenth (19th) Judicial District Court, State of Louisiana.
- c. It is explicitly agreed that this agreement does not grant either party the right to demand arbitration or mediation. This provision shall survive the termination of this agreement.

10. OWNERSHIP

All records, reports, documents and other material delivered or transmitted to Contractor by State shall remain the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this Contract. All records, reports, documents, or other material related to this Contract and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of State, and shall, upon request, be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract.

11. NONASSIGNABILITY

Contractor shall not assign any interest in this contract by assignment, transfer, or novation, without prior written consent of OGB. This provision shall not be construed to prohibit the Contractor from assigning to a bank, trust company, or other financial

institution any money due or to become due from approved Contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to OGB.

12. RIGHT TO AUDIT

It is hereby agreed that the Legislative Auditor of the State of Louisiana and/or the Office of the Governor, Division of Administration auditors shall have the option of auditing all accounts of Contractor which relate to this Contract for a period of three (3) years from the date of the last payment under this Contract records shall be made available during normal business hours for this purpose.

13. NON-DISCRIMINATION

The Contractor agrees to abide by the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, Federal Executive Order 11246 as amended, the 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 1975, the Fair Housing Act of 1968 as amended, and Contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

Contractor agrees not to discriminate in its employment practices, and will render services under this Contract without regard to race, color, religion, sex, or, national origin, . Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this Contract.

14. 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 competition of Contract, or as required by applicable Federal law, whichever is longer.

15. CONFIDENTIALITY OF DATA

All financial, statistical, personal, technical and other data and information relating to the State or OGB's operation which are designated confidential by the OGB and made available to the Contractor in order to carry out this Contract, or which become available to the Contractor in carrying out this Contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the OGB. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from

unauthorized use and disclosure shall be provided by the OGB in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor's data and information are deemed by the OGB to be adequate for the protection of the OGB's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this paragraph. The Contractor shall not require under the provisions of the paragraphs to keep confidential any data or information which is or becomes publicly available, is already rightfully in the Contractor's possession, is independently developed by the Contractor outside the scope of the Contract, or is rightfully obtained from third parties.

16. 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.

17. SUBCONTRACTORS

The Contractor may, with the prior written permission from the OGB, enter into subcontracts with third parties for the performance of any part of the Contractor's duties and obligations. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to the OGB and/or State Agency for any breach in the performance of the Contractor's duties. The Contractor will be the single point of contact for all subcontractor work.

Subcontractor's Insurance: The Contractor shall require that any and all subcontractors, which are not protected under the Contractor's own insurance policies, take and maintain insurance of the same nature and in the same amounts as required of the Contractor.

18. INDEMNIFICATION CLAUSE:

Contractor agrees to faithfully discharge the duties herein set forth and shall indemnify, hold harmless and, not excluding the State's right to participate, defend the State, its officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against all liabilities, claims, actions, damages, losses, and expenses including without limitation reasonable attorneys' fees and costs, (hereinafter referred to collectively as "claims") from and against any and all claims resulting from the acts, omissions and negligent conduct of Contractor or any of its owners, officers, directors, agents, employees or subcontractors with respect to the Contractor's Scope of Work.- This indemnity includes any claim or amount arising out of the failure of the Contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for claims arising solely

from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State.

19. INSURANCE REQUIREMENTS:

Contractor and subcontractors, if any, shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Agreement are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The OGB in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this Agreement by the Contractor, his agents, representatives, employees or subcontractors and Contractor is free to purchase additional insurance as may be determined necessary.

A. MINIMUM SCOPE AND LIMITS OF INSURANCE

Contractor shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a "following form" basis.

1. Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage and broad form contractual liability coverage.

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Each Occurrence \$1,000,000

- a. The policy shall be endorsed to include the following additional insured language:
"The State of Louisiana, Office of Group shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor".

2. Worker's Compensation and Employers' Liability

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$100,000
Disease – Each Employee	\$100,000
Disease – Policy Limit	\$500,000

- a. Policy shall contain a waiver of subrogation against the State of Louisiana.
- b. This requirement shall not apply when a contractor or subcontractor is exempt under state law **AND** when such contractor or subcontractor executes the appropriate sole proprietor waiver form.

3. Professional Liability (Errors and Omissions Liability)

The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Services of this contract.

Annual Aggregate	\$1,000,000
------------------	-------------

- a. In the event that the that the professional liability insurance required by this Agreement is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Agreement; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years from the time work under this Agreement is completed.

20. ADDITIONAL INSURANCE REQUIREMENTS

The policies shall include, or be endorsed to include, the following provisions:

- a. On insurance policies where the State of Louisiana is named as an additional insured, the State of Louisiana shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Agreement.
- b. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

21. NOTICE OF CANCELLATION

Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided or canceled except after thirty (30) days prior written notice has been given to the State, except when

cancellation is for non-payment of premium, then ten (10) days prior notice may be given. Such notice shall be sent directly to **(State of Louisiana Department Representative's Name & Address)**.

22. ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers duly licensed or authorized to do business in the state of Louisiana and with an "A.M. Best" rating of not less than A-VII. The State in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

23. VERIFICATION OF COVERAGE

Contractor shall furnish the State with certificates of insurance as required by this Agreement. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State before work commences. Each insurance policy required by this Agreement must be in effect at or prior to commencement of work under this Agreement and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Agreement or to provide evidence of renewal is a material breach of contract.

All certificates and any required endorsement shall be sent directly to **(State Department Representative's Name and Address)**. The State project/contract number and project description shall be noted on the certificate of insurance. The State reserves the right to require complete, certified copies of all insurance policies required by this Agreement at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATES RISK MANAGEMENT DIVISION.**

24. APPROVAL

Any modification or variation from the insurance requirements in this Agreement shall be made by the Attorney General's Office or the Risk Manager, whose decision shall be final. Such action will not require a formal contract amendment, but may be made by administrative action.

25. CAUSES BEYOND CONTROL

Neither party shall be responsible for delays 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 failure,

earthquakes, or other disasters, or by reason of judgment, ruling, or order of any court or agency of competent jurisdiction.

26. ENTIRE AGREEMENT AND ORDER OF PRECEDENCE

- a. This Contract (together with the RFP issued thereto by the OGB, the Proposal submitted by the Contractor in response to the OGB's RFP, and any exhibits specifically incorporated herein by reference) constitutes the entire agreement between the parties with respect to the subject matter.
- b. This Contract shall, to the extent possible, be constructed to give effect to all provisions contained therein: however, where provisions are in conflict, first priority shall be given to the provisions of the Contract, excluding the RFP and the Proposal; second priority shall be given to the provisions of the RFP and its amendments thereto; and third priority shall be given to the provisions of the Proposal.

IN WITNESS WHEREOF, the parties have executed this Agreement as of this _____ day of _____ 2011.

**STATE OF LOUISIANA,
OFFICE OF THE GOVERNOR,
DIVISION OF ADMINISTRATION,
OFFICE OF GROUP BENEFITS**

Company Name:

Contractor's Signature

Name: _____

Title: _____

Scott Kipper
Chief Executive Officer

Federal Taxpayers Identification Number
or Social Security Number of Contractor

ATTACHMENT 2: OGB Financials, FY 06 – FY 10

**OFFICE OF GROUP BENEFITS
BALANCE SHEET
JUNE 30, 2006
ACCRUAL**

ASSETS

Cash	\$ 54,566,709
Receivables for premiums	15,326,975
	<hr/>
TOTAL ASSETS	\$ 69,893,684
	<hr/> <hr/>

LIABILITIES AND FUND EQUITY

Current Liabilities:

Accounts payable	\$ 38,939,322
Advance from State Treasury for Imprest Account	50,000
Deferred Revenue	457,886
Estimated Liability for IBNR Claims	63,000,000
	<hr/>
Total Current Liabilities	\$ 102,447,208

FUND BALANCE JUNE 30, 2006	\$ (32,553,524)
	<hr/>
TOTAL LIABILITIES AND FUND EQUITY	\$ 69,893,684
	<hr/> <hr/>

**OFFICE OF GROUP BENEFITS
STATEMENT OF REVENUES, EXPENDITURES , AND CHANGES IN FUND BALANCE
FOR THE PERIOD JULY 1, 2005 - JUNE 30, 2006
ACCRUAL**

REVENUES:

Premiums - PPO	\$ 453,954,530
Premiums - United EPO	\$ 77,128,390
Premiums - Humana - HMO - Fully Insured	\$ 334,926,417
Premiums-Vantage- HMO- Fully Insured	\$ 7,688,812
Premiums - FARA - MCO	\$ 192,294,312
Premiums - Life	\$ 28,098,671
Interest	1,274,821
Miscellaneous	37,776
Cafeteria	168,944
TOTAL REVENUES	<u>\$ 1,095,572,673</u>

EXPENSES:

OGB - PPO Claims	248,538,798
Recoveries of OGB - PPO Claims	(4,274,559)
United Health - EPO	53,931,494
United Health - Administrative Fees	2,687,052
Fara - MCO Claims	179,404,806
Fara - MCO Administrative Fees	8,183,862
Humana - HMO	309,566,509
Vantage - HMO	20,654,793
Catalyst	141,855,283
Catalyst - Administrative Fees	5,728,279
Catalyst Rebates	(7,526,660)
Advance PCS Rebates	(234,156)
Medco Settlement	(2,300,000)
Prudential	26,566,226
United Behavioral Health	7,561,668
Capella Group Inc.	173,656
Cafeteria	107,611
SUB-TOTAL	<u>\$ 990,624,662</u>

ADMINISTRATIVE EXPENSES:

Personal services	18,098,614
Travel	72,699
Operating services	4,665,498
Supplies	206,840
Professional Services	7,835,197
Other Charges	166,036
Capital Acquisitions	577,108
IAT	3,472,940

TOTAL ADMINISTRATIVE EXPENSES **35,094,932**

TOTAL EXPENSES **\$ 1,025,719,594**

TOTAL SURPLUS (DEFICIT) FOR JULY 1 - JUNE 30, 2006 **\$ 69,853,079**

FUND BALANCE AT JUNE 30, 2005 (102,406,603)

FUND BALANCE AT JUNE 30, 2006 **\$ (32,553,524)**

**OFFICE OF GROUP BENEFITS
BALANCE SHEET
JUNE 30, 2007
ACCRUAL**

ASSETS

Cash	\$ 182,640,878
Receivables for premiums	16,917,412
	<hr/>
TOTAL ASSETS	\$ 199,558,290
	<hr/> <hr/>

LIABILITIES AND FUND EQUITY

Current Liabilities:

Accounts Payables	\$ 17,920,850
Advance from State Treasury for Imprest Account	50,000
Deferred Revenue	128,337
Estimated Liability for IBNR Claims	87,212,086
	<hr/>
Total Current Liabilities	\$ 105,311,273

FUND BALANCE JUNE 30, 2007	\$ 94,247,017
	<hr/>
TOTAL LIABILITIES AND FUND EQUITY	\$ 199,558,290
	<hr/> <hr/>

**OFFICE OF GROUP BENEFITS
STATEMENT OF REVENUES, EXPENDITURES , AND CHANGES IN FUND BALANCE
FOR THE PERIOD JULY 1, 2006 - JUNE 30, 2007
ACCRUAL**

REVENUES:

Premiums - PPO	\$ 423,168,498
Premiums- United - EPO	\$ 93,524,937
Premiums- Vantage- HMO- Fully Insured	\$ 22,236,914
Premiums- FARA- MCO	\$ 169,359,586
Premiums-Humana- HMO- Self Insured	\$ 385,186,776
Premiums- Life	\$ 27,738,967
Medicare Pt. D Subsidy	\$ 20,560,632
Interest	5,604,179
Miscellaneous	14,380
Cafeteria	278,194
ASI Premiums-Pass Thru	238,436

TOTAL REVENUES **\$ 1,147,911,499**

EXPENSES:

OGB - PPO Claims	234,259,179
Recoveries of OGB - PPO Claims	(2,576,795)
United Health - EPO	68,327,605
United Health - Administrative Fees	3,043,351
Fara - MCO Claims	157,887,625
Fara - MCO Administrative Fees	6,415,774
Humana - ASO	300,605,754
Humana - ASO- Administrative Fees;	14,898,835
Humana- HMO-PY Premium Adjustments	(973,381)
Vantage - HMO	23,174,679
Catalyst	150,930,972
Catalyst - Administrative Fees	5,766,610
Catalyst Rebates	(7,303,296)
Advance PCS Rebates	(1,850,000)
Prudential	25,977,701
United Behavioral Health	7,334,894
Cafeteria	199,626
Beech Street	44,746
ASI- Premiums Pass Thru	<u>238,436</u>
SUB-TOTAL	<u>\$ 986,402,315</u>

ADMINISTRATIVE EXPENSES:

Personal services	18,675,987
Travel	87,535
Operating services	4,648,849
Supplies	1,449,654
Professional Services	5,312,090
Other Charges	560,963
Capital Acquisitions	1,671,095
IAT	2,302,476

TOTAL ADMINISTRATIVE EXPENSES **34,708,649**

TOTAL EXPENSES **\$ 1,021,110,964**

TOTAL SURPLUS (DEFICIT) FOR JULY 1, 2006 - JUNE 30, 2007 **\$ 126,800,535**

FUND BALANCE AT JUNE 30, 2006 **(32,553,520)**

FUND BALANCE AT JUNE 30, 2007 **\$ 94,247,015**

**OFFICE OF GROUP BENEFITS
BALANCE SHEET
JUNE 30, 2008
ACCRUAL**

ASSETS

Cash	\$	340,690,874
Receivables for premiums	\$	32,036,826
		<hr/>
TOTAL ASSETS	\$	<u><u>372,727,700</u></u>

LIABILITIES AND FUND EQUITY

Current Liabilities:

Accounts payable	\$	18,089,540
Advance from State Treasury for Imprest Account	\$	50,000
Deferred Revenue	\$	523,715
Estimated Liability for IBNR Claims	\$	83,543,663

Total Current Liabilities **\$** **102,206,918**

FUND BALANCE JUNE 30, 2008 **\$** **270,520,782**

TOTAL LIABILITIES AND FUND EQUITY **\$** **372,727,700**

**OFFICE OF GROUP BENEFITS
STATEMENT OF REVENUES, EXPENDITURES , AND CHANGES IN FUND BALANCE
FOR THE PERIOD JULY 1, 2007 - JUNE 30, 2008
ACCRUAL**

REVENUES:

Premiums	\$ 1,172,440,606
Interest	\$ 10,376,507
Cafeteria	\$ 415,841
Miscellaneous	\$ 278,744
Medicare Part D Subsidy	\$ 17,424,540
ASI Premiums - Pass Thru	\$ 281,902
DHH Premiums - Family Opportunity Act	\$ 12,504
DHH Premiums - LaCHIP	15,592

TOTAL REVENUES **\$ 1,201,246,236**

EXPENSES:

OGB - PPO Claims	240,844,004
Recoveries of OGB - PPO Claims	(3,449,463)
Fara - MCO Claims	(3,930,036)
Fara - MCO Administrative Fees	2,091,020
Humana - ASO	327,187,678
Humana - ASO Administrative Fees	15,024,635
Humana Medicare Advantage	2,245,354
United - EPO	154,583,586
United - EPO Administrative Fees	5,648,906
United Settlement of O/S Checks	1,295,533
Catalyst	217,715,751
Catalyst - Administrative Fees	4,649,335
Catalyst Rebates	(13,110,087)
Prudential	28,943,477
United Behavioral Health	12,609,488
Beech Street	33,845
ASI Premiums - Pass Thru	281,902
Cafeteria	415,840
DHH Premiums - Family Opportunity Act	8,394
DHH - LaCHIP	<u>11,929</u>

SUB-TOTAL **\$ 993,101,091**

ADMINISTRATIVE EXPENSES:

Personal services	20,350,848
Travel	120,739
Operating services	5,249,096
Supplies	282,467
Professional Services	2,666,632
Other Charges	292,252
Capital Acquisitions	1,251,201
IAT	1,658,145

TOTAL ADMINISTRATIVE EXPENSES **31,871,380**

TOTAL EXPENSES **\$ 1,024,972,471**

TOTAL SURPLUS (DEFICIT) FOR JULY 1 - JUNE 30, 2008 **\$ 176,273,765**

FUND BALANCE AT JULY 1, 2007 **94,247,017**

FUND BALANCE AT JUNE 30, 2008 **\$ 270,520,782**

**OFFICE OF GROUP BENEFITS
BALANCE SHEET
JUNE 30, 2009
ACCRUAL**

ASSETS

Cash	\$ 487,332,973
Receivables for premiums	15,552,253
	<hr/>
TOTAL ASSETS	\$ 502,885,226
	<hr/> <hr/>

LIABILITIES AND FUND EQUITY

Current Liabilities:

Accounts payable	\$ 22,737,883
Advance from State Treasury for Imprest Account	50,000
Estimated Liability for IBNR Claims	81,875,321

Total Current Liabilities	\$ 104,663,204
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FUND BALANCE JUNE 30, 2009	\$ 398,222,022
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TOTAL LIABILITIES AND FUND EQUITY	\$ 502,885,226
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**OFFICE OF GROUP BENEFITS
STATEMENT OF REVENUES, EXPENDITURES , AND CHANGES IN FUND BALANCE
FOR THE PERIOD JULY 1, 2008 - JUNE 30, 2009
ACCRUAL**

REVENUES:

Premiums	\$ 1,216,110,857
Interest	6,998,746
Cafeteria	571,124
Miscellaneous	735,768
Medicare Part D Subsidy	17,964,834
DHH Premiums - Family Opportunity Act	46,034
DHH Premiums - LaCHIP	2,404,926
DHH Premiums - Medicaid Purchase Plan	38,285

TOTAL REVENUES **\$ 1,244,870,574**

EXPENSES:

OGB - PPO Claims	246,142,390
Recoveries of OGB - PPO Claims	(3,385,256)
Fara - MCO Claims	64,225
Fara - MCO Administrative Fees	27,290
Humana - ASO	390,603,159
Humana - ASO Administrative Fees	18,524,928
United - EPO	142,275,612
United - EPO Administrative Fees	6,023,877
Catalyst	242,003,011
Catalyst - Administrative Fees	4,602,085
Catalyst Rebates	(12,556,612)
Humana Medicare Advantage	2,304,357
UHC Medicare Advantage	398,592
Vantage Medicare Advantage	2,874,548
N.O. Reg. Phys. Hosp. Medicare Advantage	252,902
Pyramid Life Medicare Advantage	35,037
Prudential	28,893,961
United Behavioral Health	12,264,787
Beech Street	91,038
Cafeteria	571,124
DHH Premiums - Family Opportunity Act	43,612
DHH - LaCHIP Claims	2,412,272
DHH - Medicaid Purchase Plan	22,910

SUB-TOTAL **\$ 1,084,489,849**

ADMINISTRATIVE EXPENSES:

Personal services	21,900,854
Travel	139,170
Operating services	5,332,784
Supplies	265,567
Professional Services	2,618,699
Other Charges	356,872
Capital Acquisitions	684,694
IAT	1,380,845

TOTAL ADMINISTRATIVE EXPENSES **32,679,485**

TOTAL EXPENSES **\$ 1,117,169,334**

TOTAL SURPLUS (DEFICIT) FOR JULY 1 - JUNE 30, 2009 **\$ 127,701,240**

FUND BALANCE AT JULY 1, 2008 270,520,782

FUND BALANCE AT JUNE 30, 2009 **\$ 398,222,022**

**OFFICE OF GROUP BENEFITS
BALANCE SHEET
JUNE 30, 2010
ACCRUAL**

ASSETS

Cash	\$ 529,498,647
Receivables for premiums	<u>22,511,617</u>
TOTAL ASSETS	<u><u>\$ 552,010,264</u></u>

LIABILITIES AND FUND EQUITY

Current Liabilities:

Accounts payable	\$ 21,926,104
Advance from State Treasury for Imprest Account	50,000
Deferred Revenue	325,789
Estimated Liability for IBNR Claims	73,725,839
Total Current Liabilities	<u>\$ 96,027,732</u>

FUND BALANCE JUNE 30, 2010	<u>\$ 455,982,533</u>
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TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 552,010,265</u></u>
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**OFFICE OF GROUP BENEFITS
STATEMENT OF REVENUES, EXPENDITURES , AND CHANGES IN FUND BALANCE
FOR THE PERIOD JULY 1, 2009 - JUNE 30, 2010
ACCRUAL**

REVENUES:

Premiums	\$ 1,261,114,050
Interest	2,532,937
Cafeteria	349,413
Miscellaneous	967,419
Medicare Part D Subsidy	18,167,351
DHH Premiums - Family Opportunity Act	72,144
DHH Premiums - LaCHIP	4,688,772
DHH Premiums - Medicaid Purchase Plan	144,004

TOTAL REVENUES **\$ 1,288,036,090**

EXPENSES:

OGB - PPO Claims	247,896,138
Recoveries of OGB - PPO Claims	(3,805,160)
Fara - MCO Claims	(28,857)
Fara - MCO Administrative Fees	5,190
Vantage MHHP	14,970,188
Humana - ASO	435,638,130
Humana - ASO Administrative Fees	19,929,133
United - EPO	151,767,426
United - EPO Administrative Fees	6,290,561
Catalyst	274,172,200
Catalyst - Administrative Fees	4,609,679
Catalyst Rebates	(13,786,259)
Humana Medicare Advantage	2,471,203
UHC Medicare Advantage	344,936
Vantage Medicare Advantage	4,484,738
N.O. Reg. Phys. Hosp. Medicare Advantage	314,814
Prudential	28,350,559
United Behavioral Health	11,451,578
Beech Street	74,751
Cafeteria	349,413
DHH Premiums - Family Opportunity Act	73,824
DHH - LaCHIP Claims	4,758,871
DHH - Medicaid Purchase Plan	146,330

SUB-TOTAL **\$ 1,190,479,386**

ADMINISTRATIVE EXPENSES:

Personal services	22,793,521
Travel	109,438
Operating services	5,989,038
Supplies	185,642
Professional Services	8,754,999
Other Charges	306,397
Capital Acquisitions	212,924
IAT	1,444,234

TOTAL ADMINISTRATIVE EXPENSES **39,796,193**

TOTAL EXPENSES **\$ 1,230,275,579**

TOTAL SURPLUS (DEFICIT) FOR JULY 1 - JUNE 30, 2010 **\$ 57,760,511**

FUND BALANCE AT JULY 1, 2009 398,222,022

FUND BALANCE AT JUNE 30, 2010 **\$ 455,982,533**