



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

**NOTICE OF INTENT TO CONTRACT (NIC)**

**FOR**

**DISEASE MANAGEMENT SERVICES**

**ISSUED**

**August 23, 2011**

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# SECTION I

## GENERAL INFORMATION AND INSTRUCTIONS OF PROPOSAL FORMAT

### **A. Introduction/Purpose**

The State of Louisiana, Office of Group Benefits (hereinafter called "OGB" or the "Program") requests proposals from any qualified Organization (hereinafter called "Proposer") to provide Disease Management services.

Disease Management services include the following conditions:

- Asthma
- Diabetes
- Coronary Artery Disease (CAD)
- Chronic Pulmonary Obstructive Disease (COPD)
- Chronic Heart Failure (CHF)

### **B. General Information**

The State of Louisiana through OGB is authorized by statute to provide health and accident benefits and life insurance to state employees, retirees and their dependents. Plan member eligibility includes employees of state agencies, institutions of higher education, local school boards that elect to participate and certain political subdivisions. Eligibility does not include local government entities, parishes or municipalities.

OGB offers two self-insured benefits plans that provide Disease Management services. The PPO plan is administered by OGB and the HMO plan is currently administered by Blue Cross Blue Shield of Louisiana.

Active, COBRA and retirees without Medicare primary are eligible to participate in the disease management program. Medicare eligible retirees do not qualify to participate in the Disease Management program. Census information for active employees, COBRA participants and non-Medicare retirees as of 7/1/2011:

<u>OGB Plan of Benefits</u>	<u>Employee/Retiree(Pre-65)</u>	<u>Covered Lives</u>
Preferred Provider Organization (PPO)	21,506	34,486
Health Maintenance Organization (HMO)	79,651	150,939
TOTAL	101,157	185,424

The Mental Health and Substance Abuse (MHSA) benefits are carved out of the basic benefits plan and are currently provided by ValueOptions on a fully insured basis.

The Pharmacy Benefit Manager (PBM) services are currently provided by Catalyst Rx.

The Utilization Management/Case Management Services (UM/CM) are provided by KePRO for the OGB administered PPO Plan and the HMO that is currently administered by Blue Cross Blue Shield of Louisiana.

OGB currently contracts with Health Dialog for Disease Management for its PPO and HMO plan of benefits. The Disease Management contract, as a result of this NIC, will include disease management for eligible participants of OGB's self-administered PPO plan and the HMO plan currently being administered by Blue Cross Blue Shield of Louisiana.

All Proposals must be prepared in accordance with the provisions of this Notice of Intent to Contract (NIC). Proposer must agree to meet the Proposer Requirements as delineated in the Proposer Requirements section of the NIC.

### **C. OGB Information Technology Architecture**

Desktop: Dell 450 Workstations running Windows XP  
LAN: 10/100/1000 Ethernet using Cisco switches  
Servers: Windows servers, AIX UNIX servers, and LINUX servers  
WAN: VPN Tunnel using Cisco routers, switches, and firewalls. In addition, Fujitsu scanners, and various laser printers are used

### **D. Term of Contract**

The effective date of the contract will be January 1, 2012 with an initial term of one year. The contract will include an option to renew for a maximum of up to two additional one-year terms, exercisable by OGB.

### **E. Standard Contract Provisions**

See Exhibit 3 for the State of Louisiana, OGB Contract/Business Associate Agreement. Any deviation sought by a Proposer from these contract terms should be specifically and completely set forth in the NIC response to be considered by OGB. The provisions of the NIC and the winning proposal will be incorporated by reference into the contract. Any additional clauses or provisions, required by Federal or State law or regulation in effect at the time of execution of the contract, will be included.

### **F. Instructions on Proposal Format**

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

1. Submit an original (clearly marked "original") and eight (8) copies of a completed, numbered proposal placing each in a three-ring binder. Please include a copy of the proposal response in CD format with your "original" version.

2. Use tabs to divide each section and each attachment. The tabs should extend beyond the right margin of the paper so they can be read from the side and not buried within the document.
3. Order of presentation:

**Cover Letter and Executive Summary:**

Your Executive Summary should not exceed three (3) pages. Please highlight in your Executive Summary what sets you apart from your competitors and state the reason(s) you believe you are qualified to partner with OGB.

**Section IV** – Proposer Requirements

Tab 1: Audited Financial Statements

**Section V**

Tab 2: Proposer Information

**Section VI**

Tabs 3 – 6: Proposer Qualification/Experience

**Section VII**

Tab 7: Mandatory Signature Page

**Section VIII**

Tab 8: Cost Quotation Proposal Form (Include in three-ring binder)

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 or attachment of an item, 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.

**G. 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. 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.
3. Proprietary, Privileged, Confidential Information in Proposals: After award of the Contract, all proposals will be considered public record and will be available for public inspection during regular working hours.

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 NIC 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 the 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, the 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.”

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

You are advised to use such designation only when appropriate and necessary. A blanket designation of an entire proposal as Confidential is NOT appropriate. Your fee proposal may not be designated as 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 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.

The 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 purpose of assisting the OGB in its evaluation of the Proposal. The 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.

**In addition, you are to provide a redacted version of your proposal omitting those responses (or options 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.**

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

## **SECTION II**

### **SCHEDULE OF EVENTS**

#### **A. Time Line**

NIC Issued – Public Notice by Advertising in the Official Journal of the State/Posted OGB Website/Posted to LAPAC	August 23, 2011
NIC Mailed or Available to Prospective Proposers Posted to OGB Website; Posted to LAPAC	August 23, 2011
Deadline to Notify OGB of Interest to Submit a Proposal (MANDATORY)	August 30, 2011
Data Sent to Interested Proposers	September 1, 2011
Deadline to Receive Written Questions	September 8, 2011
Proposer Conference – Attendance in Person (MANDATORY)	September 13, 2011
Response to Additional Questions	September 20, 2011
Proposals Due to OGB	September 30, 2011
Finalist's Interviews/Site Visits	TBD
Probable Selection and Notification of Award	TBD
Contract Effective Date	January 1, 2012

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

#### **B. Mandatory – Notification to OGB of Interest to Submit a Proposal**

All interested Proposers shall notify OGB of its interest in submitting a proposal on or before the date listed in the Schedule of Events. Notification should be sent to:

Physical Address:

Chief Executive Officer  
Office of Group Benefits  
7389 Florida Blvd., Suite 400  
Baton Rouge, LA 70806  
Fax: (225) 925-6716  
E-Mail: patty.rahl@la.gov

Mail Address:  
Office of Group Benefits  
P.O. Box 44036  
Baton Rouge, LA 70804

**C. Written Questions**

Written questions regarding the NIC are to be submitted to and received on or before 4:00 p.m. CDT on the date listed in the Schedule of Events. Written questions should be directed to the address listed above (Section B).

**D. Mandatory – Proposers Conference**

The Proposers Conference will be held at 10:00 a.m. CDT at the following location:

Office of Group Benefits  
7389 Florida Boulevard, Suite 400  
Baton Rouge, LA 70806

A representative of your organization must participate in person at the Mandatory Proposers Conference scheduled for approximately 10:00 a.m. CDT on the date listed in the Schedule of Events. OGB staff will be available to discuss the proposal specifications with you and answer any questions you may have in regards to submitted questions.

Proposals will only be accepted from Proposers that have met this mandatory requirement. Attendance by a subcontractor is welcome, but will not be an acceptable substitute for a representative of the primary proposing firm/organization.

**E. Proposal Due Date**

The original proposal must be signed by an authorized representative of your firm/organization and delivered, together with eight (8) numbered copies, between the hours of 8:00 a.m. and 4:00 p.m. CDT on or before the date listed in the Schedule of Events at the address listed above (Section B).

## SECTION III

### PROPOSAL EVALUATION

#### **A. Proposal Evaluation**

Proposals will be evaluated by a Selection Committee. Each proposal will be evaluated to insure all requirements and criteria set forth in the NIC have been met. Failure to meet all of the Proposer 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 the Program's offices in Baton Rouge, Louisiana, or the Committee may make site visits to the firm's office 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 the Program'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, scoring will be finalized in accordance with the mandatory requirements and evaluation criteria below. The proposal receiving the highest total score will be recommended for contract award.

#### **B. Evaluation Criteria**

After determining a proposal satisfies the minimum requirements stated in the NIC, an assessment of the relative benefits and deficiencies of each proposal, including information obtained during the interviews and discussions and/or site visits, shall be made using the following criteria:

1. Qualifications and Experience of the Firm and Assigned Staff	150 points
2. Functional Business Strategy/Program Delivery	150 points
3. Reporting Capabilities	150 points
4. Assessment of Projected Program Three-Year Savings	150 points
5. Cost Proposal (Fee Quote) and Fees at Risk	400 points
Total Points	1,000 points

## C. Required Evaluation and Savings Calculation

### Evaluation of Three Year Savings

All proposals will be evaluated on their projected three year savings to the program. The vendor shall specifically and clearly state a projected cost savings to the OGB based on the following assumptions:

- Baseline medical and prescription paid claims data will be provided
- For the sake of these projections:
  - Program year 1 is defined as 1/1/12 – 12/31/12
  - Program year 2 is defined as 1/1/13 – 12/31/13
  - Program year 3 is defined as 1/1/14 – 12/31/14
- Cost savings = (projected claims cost without disease management) minus (projected claims cost with disease management)
  - Show per-member-per-month cost savings and aggregate savings
  - Claims costs include both medical and prescription data
  - Use a population-based approach (cost savings are calculated based on costs for the entire population, not just program participants)
  - See bullets below for definition of key variables
- Calculating projected claims cost without disease management
  - Use baseline claims data and client-specific trend provided
    - Program year 1 trend: 7.8%
    - Program year 2 trend: 7.8%
    - Program year 3 trend: 7.8%
  - Project claims costs (medical + prescription) for the entire population
- Calculating projected claims cost with disease management
  - Use baseline claims data provided
  - Run claims data through your predictive model to project participation in the following disease management programs: 1. Asthma, 2. Coronary Artery Disease, 3. Chronic Obstructive Pulmonary Disease, 4. Chronic Heart Failure and 5. Diabetes
  - Assign projected cost to program participants based on your book of business average savings
  - Use the client-specific trend provided (see above) for any estimations of what claims costs would look like in future years without participation in the disease management program
  - Project claims costs (medical + prescription) for the entire population

## **SECTION IV**

### **PROPOSER REQUIREMENTS**

#### **A. Proposers Requirements**

**To be eligible for consideration, a Proposer must provide documentation of the following:**

1. Have a minimum of three (3) years of operational experience in providing Disease Management services.
2. Must have a representative of your organization attend the Mandatory Proposer's Conference.
3. Must submit your firm's audited financial statements for your most recent two (2) fiscal years.
4. Have at least one (1) current client with 100,000 or more covered lives (including dependents) for which your organization provides Disease Management services and documented experience with Medicare population.
5. Have the ability to demonstrate impact and financial outcomes consistent with the methodology outlined in Section III C.
6. Have used OGB-specific medical and pharmacy claims for pricing and disease prevalence determination. Book of Business pricing is not acceptable.
7. Use an "Opt In" model, meaning identified program candidates must verbally agree and actively participate in the Disease Management program in order to be considered a participant. The level of participation may vary depending on the member's current risk level.
8. Use of the following definition for a participant in Disease Management:

An eligible employee, or their eligible dependent, who agrees to engage in a Disease Management program, completes an initial assessment with a nurse health coach and engages in one or more interactions with a health coach.

## **SECTION V**

### **PROPOSER INFORMATION**

#### **TAB 1 of Proposal      Audited Financial Statements**

Please submit your firm's audited financial statements for your most recent two (2) fiscal years.

#### **TAB 2 of Proposal      Proposer Information** **(Please be sure to include all requested information)**

##### **A.      PRIMARY PROPOSER**

Please provide the following for your Organization:

- Name
- Address
- Principals
- Date Founded
- Contact Person Name and Title
- Telephone Number and Extension
- Fax Number
- E-mail Address

##### **B.      PARENT COMPANY**

SAME INFORMATION AS LISTED IN (A).

##### **C.      SUBSIDIARIES/AFFILIATES TO PERFORM SIGNIFICANT SERVICES**

SAME INFORMATION AS LISTED IN (A) FOR EACH SUBSIDIARY AND AFFILIATE.

**SECTION VI**

**PROPOSERS QUALIFICATIONS/EXPERIENCE**

**Tab 3 – 6 of Proposal**

### TAB 3

#### **QUALIFICATIONS AND EXPERIENCE OF PROPOSER AND ASSIGNED STAFF (SCORING APPLIES)**

1. Please provide a **brief** summary of the background and history of your organization and the characteristics you believe differentiate your organization from your competitors in your ability to provide the services pursuant to this NIC and resulting contract.
2. Please identify all key personnel who will be assigned any responsibility under a Contract pursuant to the services of this NIC and resulting contract, defining the role and providing credentials of each. Include a biography which includes the individual's education, training and experience in providing the same or similar services identifying clients for which such services have been performed. Specifically include information regarding the designated account manager and key disease management personnel.
3. Describe the role(s) and qualifications of individuals who will have direct interface with members. Please include qualifications for both clinical and non-clinical staff.
4. Describe the oversight process for non-clinical staff who may interface with members.
5. What are your requirements for continuing professional development of the staff that will provide services pursuant to this NIC and resulting contract? Confirm that these requirements have been met during the past (5) five years.
6. Has your firm undergone any reorganization/restructuring within the past five (5) years? If yes, explain.
7. Does your firm anticipate any reorganization/restructuring, mergers or acquisitions in the next year? If yes, explain.
8. Provide at least one (1) current client organization that may be contacted as a reference with a group size of 100,000 covered lives (including dependents) for which your firm has provided/are providing Disease Management services.
9. If available, provide at least two (2) current governmental client organizations that may be contacted as a reference for which your firm has provided/are providing Disease Management services. Provide the name, title, address and telephone number of your principal contact and the effective dates of the contract.
10. If available, provide at least two (2) other **current** client organizations that may be contacted as a reference for which your firm has provide/are providing Disease Management services. Provide the name, title, address, and telephone number of your principal contact and the effective dates of the contract.

11. List the client organizations for which you previously provided Disease Management services that have terminated your services within the previous two (2) years. For each such client, please describe the nature and scope of the services which you provided, state the reason for termination and provide the name, title, address, and telephone number of your principal contact.

**TAB 4**

**ASSESSMENT OF PROJECTED PROGRAM THREE-YEAR COST SAVINGS  
(SCORING APPLIES)**

Proposing vendors shall state specifically in the format outlined below what the vendor's projected three-year cost savings is with implementation of the vendor's proposal.

In stating the Projected Program Three-year Cost Savings, the vendor must use the assumptions outlined in Section III C (Evaluation of Three-year Cost Savings).

In addition to using the stated assumptions, the vendor must complete the following Table of Projected Three-year Cost Savings.

**Disease Management program including the following conditions:**

- **Asthma**
- **Coronary Artery Disease**
- **Chronic Obstructive Pulmonary Disease**
- **Chronic Heart Failure**
- **Diabetes**

**TABLE OF PROJECTED THREE-YEAR COST SAVINGS**

YEAR	BASELINE YEAR COSTS (year end 06/30/2011 data provided by OGB)	PROJECTED COSTS	PROJECTED SAVINGS
YEAR 1 Jan '12 THRU Dec '12			
YEAR 2 Jan '13 THRU Dec '13			
YEAR 3 Jan '14 THRU Dec '14			

**A. Please provide a narrative that details the specific means by which the projected savings will be achieved. Additionally, provide historical and empirical data which substantiates the methods will work for the OGB population.**

## TAB 5

### Functional Business Proposers' Questionnaire

1. Confirm which of the following programs or services are available through your organization, which services you are bidding on, and if your organization is the provider of these services.

Program or Service	Operational (List date it became operational)	In Development (List date it will become operational)	We are bidding on the following:	Delivery	List Sub-contractor/ Strategic Partner. Please describe your relationship if Strategic Partner.
Disease Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Internal Subcontracted Strategic partner	
Comprehensive Health Promotion Website	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Internal Subcontracted Strategic partner	
Member and Provider Communications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Internal Subcontracted Strategic partner	
Incentive tracking and administration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Internal Subcontracted Strategic partner	

2. Service approach: Provide program description for each of the following Disease Management Programs: (1) Cardiovascular (CAD, CHF); (2) Diabetes; (3) Pulmonary Diseases including COPD and Asthma.
3. Provide Sample Reports including: Financial Outcomes and ROI, Clinical Outcomes, Impact on utilization statistics, Impact on member Functional Status, Satisfaction (Member, Provider, Client).
4. What evidence-based clinical guidelines does your organization utilize for treatment decisions and developing a plan of care? If your guidelines are proprietary, please share how they were developed and the process and frequency of updates.
5. Provide a sample 90-day implementation plan for OGB including OGB staff and resource requirements.

## Disease Management

6. Please complete the following table by providing information for Disease Management services.

Program	Delivery	Accreditation (JCAHO, URAC and/or NCQA)
Asthma	Internally provided or Subcontracted to _____	N/A NCQA URAC JCAHO Other: _____
Congestive Heart Failure (CHF)	Internally provided or Subcontracted to _____	N/A NCQA URAC JCAHO Other: _____
Chronic Obstructive Pulmonary Disease (COPD)	Internally provided or Subcontracted to _____	N/A NCQA URAC JCAHO Other: _____
Coronary Artery Disease (CAD)	Internally provided or Subcontracted to _____	N/A NCQA URAC JCAHO Other: _____
Diabetes	Internally provided or Subcontracted to _____	N/A NCQA URAC JCAHO Other: _____

If you anticipate subcontracting any service or requirement of this Contract, please describe the services that will be subcontracted and how your firm will maintain quality oversight and guarantee performance standards.

Please describe how individuals are identified for Disease Management. Please provide the acuity levels your organization typically identifies in a client population and describe the criteria for acuity classification.

7. What type of activity would cause a member's stratification level to be modified? Be specific.

Please describe the data sources and information (health care utilization, health care claims and costs, co-morbid conditions, psychosocial factors, self-reported information, biometric and HRA information) used to identify and stratify program candidates.

How frequently is the data collected and refreshed (weekly, monthly, annually, real time as reported, per event, etc.)

8. Please indicate the expected prevalence and participation by condition for the OGB population. It is a requirement of this proposal that you complete the table below with estimated prevalence and participation for OGB based on their demographics: DO NOT USE BOOK OF BUSINESS ESTIMATES.

	Estimated Prevalence (%)	Estimated Lives with Condition Prevalence (#)	Estimated Participation (%)	Estimated Number of Participants (#)
Asthma				
Congestive Heart Failure (CHF)				
Chronic Obstructive Pulmonary Disease (COPD)				
Coronary Artery Disease (CAD)				
Diabetes				

9. For members who indicate they do not wish to participate in the program, what process is in place to ensure they do not receive mailings, phone calls, or repeatedly contacted to join the program?
10. Please provide “graduation” criteria for Disease Management services where applicable. If participants do not “graduate”, please describe your model for reaching specific milestones and successfully managing their health.
11. OGB would like to understand your organization’s participation rates in Disease Management that you administer. Please complete the table below according to your Book of Business.

	Average rate of participation among all employer sizes	Average rate of participation among large employers (>100,000 covered lives)
Disease Management		

12. Does your Disease Management program use a team approach or a dedicated health coaching model?

13. How is clinical staff (disease managers) assigned to a particular participant (e.g., risk level, condition, geography)? At what point in the identification and program invitation process is clinical staff assigned to a particular participant (e.g., stratification, initial contact)?
14. What languages do you support besides English? Please indicate
15. What is your annual turnover rate for clinical staff?
16. What is your annual turnover rate for non-clinical support staff?

Administration/Operations	Total # of FTE's	Required Education & Experience	Average Years of Experience	2011 Turnover to date	Comments:
Account Management					
Quality Improvement					
Call Center Management					
Communications Support					
IT/IS Staff					
Customer Service					
Physicians					
Pharmacists					
Registered Nurses					
LPN's					
Social Workers					
Nutritionists					
Exercise Physiologists					
Program Management					
Other					

17. Please describe the training requirements for your staff by completing the table below.

Provider	Annual Training Required Yes/No	Number of Hrs. Required Annually	Type of Training (Online, classroom, other)
Physician	Yes / No		
Pharmacists	Yes / No		
RNs	Yes / No		
Respiratory Therapists	Yes / No		
Registered Dieticians	Yes / No		
Customer Service/ Communications Staff	Yes / No		
Other:	Yes / No		

18. OGB would like to understand the delivery of Disease Management education and outreach to program participants. Please complete the following table according to your standard program operation. If more than a three-tiered approach, please add additional risk levels.

Delivery	Low Risk	Moderate Risk	High Risk
Percent of program delivery that is mail-based			
Percent of program delivery that is online/electronic			
Percent of program delivery that is telephonic			
Percent of program delivery that is performed onsite			

19. Describe the frequency and type of outreach/educational support provided to program participants based on risk level. Please complete the table below according to standard program operation. Responses may include 1x per week, 4x per year, etc. as needed. If more than a three-tiered approach, please add additional risk levels.

Method	Low Risk	Moderate Risk	High Risk
Frequency of mail-based contact			
Frequency of electronic contact			
Frequency of telephonic contact			
Other			

20. OGB believes building patient-provider relationships is a key element of successful Disease Management. Please describe how your organization encourages the development of patient-provider relationships. Include in your discussion a description of resources and outreach to providers (patient statistic updates, outcomes of health coach/condition management calls, preventative guidelines, etc.). Please add rows to the table below to describe greater than three (3) communication pieces.

Education/Communication Piece - Name/Brief Description	Mode of Delivery	Frequency
[Name/Brief Description]	Mail-based E-mail Web-based Telephonic Print On site	One time Weekly Monthly As needed Other: _____

Education/Communication Piece – Name/Brief Description	Mode of Delivery	Frequency
[Name/Brief Description]	Mail-based E-mail Web-based Telephonic Print On site	One time Weekly Monthly As needed Other: _____
[Name/Brief Description]	Mail-based E-mail Web-based Telephonic Print On site	One time Weekly Monthly As needed Other: _____

21. How do you track and report physician interaction events?

### Communications

22. Please describe the options for customer-branded communication campaigns you would provide to OGB (print, online, on site, etc.). Please be specific as to what communication support you provide within your pricing [e.g., list annual deliverables (such as annual assessments), periodic deliverables (such as newsletters or e-newsletters), meetings].
23. Please provide samples of communication materials you can provide for each product or component of the program(s) contained in your quote.
24. Please provide a sample communications plan for Year One of the programs. OGB would like weekly communication in months one and two after program launch and monthly thereafter. Please consider communications for new hires and special campaigns in your communications package and pricing. Please provide a quote for these materials in the financial proposal section.
25. Please provide your value proposition for how communications affects participation (i.e., how a postcard mailing can provide an x% increase in participation).

### Program Integration

26. Complete the following chart to identify the level of integration between Disease Management. Please use the following legend to indicate the current level of integration:

Level A:

- Some program coordination
- Some ongoing or ad hoc data linkages

Level B:

- One integrated strategy and ongoing management
- Some consistency in care protocols
- Some programs communicated in integrated manner

Level C:

- Integrated management team
- Coordinated plans provisions and policies to reinforce appropriate behavior, consistent message, simplified understanding
- Simplified administration
- Full data integration, providing total cost and health outcomes perspective
- Integrated communications and nurse/coach training

Please fill in A, B or C to indicate the level of integration:

	Health Promotion	HRA	At Risk Targeted Intervention	Nurse line/Health Advocacy	Disease mgmt	Maternity mgmt	Community Resources	Case Management	Onsite Offerings	EAP	Behavioral Health	Workers Comp
Health Promotion												
HRA												
At Risk Targeted Intervention												
Nurse line/Health Advocacy												
Disease Management												
Maternity Management												
Community Resources												
Case Management												
Onsite Offerings												
EAP												
Behavioral Health												
Workers Compensation												

27. Please describe how all programs are linked, specifically addressing the following:

- a. How the Disease Management and case management programs are linked?
- b. How hand-offs/referrals occur between programs (e.g., from Disease Management to Case Management)?

Please attach any necessary flow charts or visual aids to clearly explain the level and type of integration between programs.

28. How will you address the issue of cultural diversity and meet these special target needs and challenges within the OGB population? Please explain your programs and how diversity will be incorporated in program integration for OGB. What programs have been successful (site examples) and is any additional staff required?

### Savings Methodology

29. Please describe your standard savings/ROI methodology (include definitions of all terms).
30. Describe any and all criteria a participant must achieve in order to be considered compliant and program eligible.
31. Please provide a blinded copy of a client report.
32. How often is a savings/ROI study performed for each client?
33. Please confirm your organization agrees to conduct a savings analysis using methodology guidelines outlined below. In addition, you may propose an alternative. If you do propose an alternative approach, please provide rationale for proposing this alternative.
- Eligibility
    - Members categorized into Chronic and Non-Chronic members
    - Continuously enrolled in different populations for at least 6 months
  - Baseline costs
    - Service categories to be included in the claims analysis include inpatient hospital, emergency room, outpatient surgical, outpatient non-surgical, radiology, laboratory, professional office visits, professional other, prescription drugs.
    - Converted to per member per month
    - Propose trend methodology to be used from baseline to first year and subsequent years
  - Program year costs
    - Eligible member total medical and Rx claims for at least six months within the program year being measured
    - Converted to per member per month
  - Economic impact/ROI
    - Project chronic costs in baseline period to intervention period. Propose trend to us with justification for this trend
    - Compare trended chronic costs from baseline to actual chronic costs in the intervention period.
    - Difference between these costs represents the savings per chronic member.
  - ROI = Total chronic cost savings per member per month times chronic member months divided by the amount paid for disease management services.
  - 100% transparency included in savings analysis report

## Quality Assurance

34. With regards to call center management, please explain the infrastructure in place to support the monitoring and measurement of call center quality.
35. What are your key measures of quality?
36. How do you track, measure and report on key measures of quality? How do you use this information organizationally to improve care delivery, quality and efficiency?
37. What type of call monitoring do you use to monitor in-bound calls for speed of answer and hang ups?
38. What percent of staff calls are monitored/reviewed for quality and training purposes?
39. How are quality of care complaints handled?
40. What type of monitoring system do you have in place for tracking questions, complaints and issue resolution, and providing customer-specific results back to the customer?
41. Is there an automated mechanism to track issues/complaints/grievances to resolution?
42. What is the turnaround time for problem resolution?
43. Who is responsible for monitoring customer satisfaction?
44. Do you record calls? If so, what percentage of calls are recorded? How long are they retained?

## Systems and Data Reporting

45. Please identify the types of reporting you are able to provide OGB for your organization's Disease Management programs.
46. What is the current system platform used to support the delivery of your Disease Management programs? Address the following in your response: Tools used to facilitate the delivery of your programs including data management, program monitoring, tracking and reporting. Is the system owned or leased? Are you able to make changes/upgrades at will? If yes, is there a cost for requested changes/upgrades?
47. How does technology help you and/or your staff manage cases across the continuum of care?
48. What capabilities do your systems have to interface with another vendor's systems?

49. If web-based technology for patients and/or providers is used in the delivery of your programs, what services are offered online? Are these services included in or at additional cost to the proposed Disease Management program? Please include in your response current use and future expansion intentions.
50. What is your financial investment in IT systems? Please provide evidence of investment for the past three (3) years as well the next three (3) years.
51. Please identify the reporting variables you are able to provide OGB for your organization's Disease Management programs.

	Accessible via secure Internet site/web database?	Variable is currently measured	Will provide OGB-Specific Reporting		Reporting - If Yes, How Often?		
			Yes	No	Monthly	Quarterly	Annually
Number of at-risk identified individuals by condition and risk level							
Number of enrolled participants by condition							
Number of enrolled participants by condition and risk level							
Number of participants who have voluntarily dropped out							
Number of participants who have completed the program							
Participation							
Participation frequency – % of recommended contacts per enrollee							
Health risk change							
Health risk reduction							
Clinical outcomes							
Utilization statistics							
Participant satisfaction							
Physician satisfaction							
Claims savings – prescription drug only							
Claims savings – diagnosis specific							
Claims savings – total							
Absenteeism							
Occupational or non-occupational disability							
Productivity							
Quality of life							
Functional Capacity (e.g., SF-36)							
ROI (defined as program savings divided by program cost)							

	Accessible via secure Internet site/web database?	Variable is currently measured	Will provide OGB-Specific Reporting		Reporting - If Yes, How Often?		
			Yes	No	Monthly	Quarterly	Annually
Administration							
Other: [_____]							

## TAB 6

### PERFORMANCE MEASURES

OGB anticipates that a portion of your fees will be placed at risk to demonstrate a commitment to the effective delivery of their Disease Management services.

Please describe specific metrics, measurement objective, and if you are willing to place fees at risk, indicate the % of total fees. We have included some sample measures for both operational and clinical performance. Please respond to these measures and indicate any additional measures you are willing to consider.

Category or Metric	Perform. Measure	Objective/Goal	Perform. Guarantee	% Fee at Risk
<b>Outreach</b>				
Disease Management Assessment	<input type="checkbox"/> Yes <input type="checkbox"/> No	Ninety-eight (98%) of members who are successfully reached will have a documented clinical assessment based on disease state	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Engagement</b>				
First Attempt	<input type="checkbox"/> Yes <input type="checkbox"/> No	First attempt to outreach new candidate will occur within five (5) working days after receipt of referral	<input type="checkbox"/> Yes <input type="checkbox"/> No	
# of attempted calls by acuity level	<input type="checkbox"/> Yes <input type="checkbox"/> No	No guarantee – reporting only	<input type="checkbox"/> Yes <input type="checkbox"/> No	
# of completed calls by acuity level	<input type="checkbox"/> Yes <input type="checkbox"/> No	Describe your standard outreach frequency based on member acuity level:  High –  Moderate -  Low -	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Recording of Calls	<input type="checkbox"/> Yes <input type="checkbox"/> No	100% of calls will be recorded Recorded calls will be kept for a minimum of 60 days	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Website/Web Portal Services</b>				
Website Functionality	<input type="checkbox"/> Yes <input type="checkbox"/> No	Website is technically operational and functional by launch date	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Web Portal Registration	<input type="checkbox"/> Yes <input type="checkbox"/> No	At least sixty (60%) of the End Users will register for the Web Portal during Contract Year One	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Tracking and Resolution of Issues	<input type="checkbox"/> Yes <input type="checkbox"/> No	Initial responses to issues related to website services within 24 hours or escalated to the appropriate parties	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Category or Metric	Perform. Measure	Objective/Goal	Perform. Guarantee	% Fee at Risk
<b>Satisfaction</b>				
Account Management	<input type="checkbox"/> Yes <input type="checkbox"/> No	Develop and maintain detailed Program Work Plan Conduct weekly conference calls to review status of Program Work Plan Meet in-person on a quarterly basis to review program progress, discuss process improvement opportunities and set strategy for future program years	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Year-end participant satisfaction survey (timeliness of services, responsiveness, reporting, accuracy, directional and meaningful measures)	<input type="checkbox"/> Yes <input type="checkbox"/> No	Ninety (95%) or more satisfied or very satisfied with program experience	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Clinical Performance Measures</b>				
<b>Evidence-Based Guideline Compliance</b>				
Asthma – ER Usage Emergency Room Visits /1000 members for asthma – last 12 months	<input type="checkbox"/> Yes <input type="checkbox"/> No	10% improvement (reduced use) of ER utilization after twelve months of enrollment compared to previous measurement period (year-to-year comparison)	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Asthma – Use of Appropriate Medications (Long-term Controller Meds)	<input type="checkbox"/> Yes <input type="checkbox"/> No	Vendor please propose	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Chronic Obstructive Pulmonary Disease – ER Usage	<input type="checkbox"/> Yes <input type="checkbox"/> No	10% improvement (reduced use) of ER utilization after twelve months of enrollment compared to previous measurement period (year-to-year comparison)	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Chronic Obstructive Pulmonary Disease – Tobacco Cessation	<input type="checkbox"/> Yes <input type="checkbox"/> No	10% improvement in patients identified as tobacco users who received cessation intervention during the two-year measurement period comparing measurement year to previous year	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Chronic Obstructive Pulmonary Disease – Percentage with Adherent Use of Short-Acting Bronchodilator Medications	<input type="checkbox"/> Yes <input type="checkbox"/> No	Vendor please propose	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Chronic Heart Failure Management	<input type="checkbox"/> Yes <input type="checkbox"/> No	Vendor please propose/define	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Category or Metric	Perform. Measure	Objective/Goal	Perform. Guarantee	% Fee at Risk
- % of members with CHF taking ACEI/ARB				
Chronic Heart Failure Management – % readmitted within 30 days of last hospitalization	<input type="checkbox"/> Yes <input type="checkbox"/> No	Improvement of 10% or more from the baseline or previous measurement period once baseline established	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Coronary Artery Disease – Beta Blocker Use After AMI	<input type="checkbox"/> Yes <input type="checkbox"/> No	Vendor please propose/define	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Coronary Artery Disease – % of members with CAD taking ACEI/ARB	<input type="checkbox"/> Yes <input type="checkbox"/> No	Vendor please propose/define	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Coronary Artery Disease – LDL Cholesterol Testing	<input type="checkbox"/> Yes <input type="checkbox"/> No	Vendor please propose/define	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Coronary Artery Disease – Cholesterol Management	<input type="checkbox"/> Yes <input type="checkbox"/> No	Vendor please propose/define	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Coronary Artery Disease Management	<input type="checkbox"/> Yes <input type="checkbox"/> No	Vendor please propose/define	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Coronary Artery Disease Management	<input type="checkbox"/> Yes <input type="checkbox"/> No	85% of enrolled members with hypertension will self-report reduced blood pressure levels	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Coronary Artery Disease Management	<input type="checkbox"/> Yes <input type="checkbox"/> No	30% will report improved physical function	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Diabetes – Annual A1c screening	<input type="checkbox"/> Yes <input type="checkbox"/> No	Vendor please propose/define	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Diabetes – A1c results demonstrating BG control	<input type="checkbox"/> Yes <input type="checkbox"/> No	Vendor please propose/define	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Diabetes – Annual Lipid Screening	<input type="checkbox"/> Yes <input type="checkbox"/> No	Vendor please propose/define	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Diabetes – Use of Lipid lowering Rx	<input type="checkbox"/> Yes <input type="checkbox"/> No	Vendor please propose/define	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Diabetes – Nephropathy Monitoring (annual microalbumin testing)	<input type="checkbox"/> Yes <input type="checkbox"/> No	Vendor please propose/define	<input type="checkbox"/> Yes <input type="checkbox"/> No	

<b>Category or Metric</b>	<b>Perform. Measure</b>	<b>Objective/Goal</b>	<b>Perform. Guarantee</b>	<b>% Fee at Risk</b>
Diabetes – Annual Eye (Retinal) Exam	<input type="checkbox"/> Yes <input type="checkbox"/> No	Vendor please propose/define	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Utilization</b>				
Admissions – Reduce disease specific hospital admissions (combined for all disease programs)	<input type="checkbox"/> Yes <input type="checkbox"/> No	Overall inpatient days and admissions per 1,000 members will be reduced (TBD based on baseline)	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Re-Admissions – Reduce disease specific hospital re-admissions within 30 days of discharge (combined for all disease programs)	<input type="checkbox"/> Yes <input type="checkbox"/> No	Overall readmission rates (within 30 days) for patients enrolled in a Disease Management program will be reduced (TBD based on baseline)	<input type="checkbox"/> Yes <input type="checkbox"/> No	
ER Visits	<input type="checkbox"/> Yes <input type="checkbox"/> No	Reduction in ER visits for those enrolled in the DM program (TBD based on baseline)	<input type="checkbox"/> Yes <input type="checkbox"/> No	

**SECTION VII**

**MANDATORY SIGNATURE PAGE**

**Tab 7 of Proposal**

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: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

**SECTION VIII**

**COST QUOTATION FORM**

**Tab 8 of Proposal**

\_\_\_\_\_ proposes to provide Disease Management services for the State of Louisiana, Office of Group Benefits, in accordance with the requirements, terms and conditions of the NIC.

For the purposes of pricing the program, Participant is defined as an eligible employee, or their eligible dependent, who verbally agrees to engage in a disease management program, completes an initial assessment with a health coach and engages in one or more interactions with a chronic condition health coach.

**Disease Management services (Asthma, Diabetes, Coronary Artery Disease (CAD), Chronic Obstructive Pulmonary Disease (COPD), Chronic Heart Failure (CHF) – Cost should be quoted on a Per Participant Per Month basis for each year.**

Year 1 Program Cost (Fees Only)                      \$\_\_\_\_\_ PPPM

Year 2 Program Cost (Fees Only)                      \$\_\_\_\_\_ PPPM

Year 3 Program Cost (Fees Only)                      \$\_\_\_\_\_ PPPM

**All expenses (personal compensation, travel, office supplies, copies, stock for printed materials, telephone tolls, etc.) should be included in the proposed total amount.**

Proposer \_\_\_\_\_

By (Print Name) \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

**Completion of Tables**

Please use the tables below to provide more details regarding the assumptions behind your financial quote. Please be as complete and thorough as possible. In preparing your financial response make sure to include all assumptions, as the client will not incur any additional fees throughout the duration of this contract if not addressed in the NIC response.

If your organization is not proposing a program component or condition listed below, please specify in the corresponding space, "Not Proposed".

**Disease Management Assumptions**

Please indicate expected prevalence, participation, gross savings, ROI and fees by condition. It is a requirement of this proposal that you complete the table below. **Please ensure you complete the last line of this table.**

Conditions Under Management	Estimated Lives with Condition Prevalence (#)	Estimated Number of Participants (#)	Total Cost of Diseased Participants (\$)	Estimated Gross Dollar Savings (\$)	Total Fees (\$)	Estimated ROI	Fees Per Condition
							PPPM (\$)
Asthma							
Congestive Heart Failure (CHF)							
Coronary Artery Disease (CAD)							
Chronic Obstructive Pulmonary Disease (COPD)							
Diabetes							
<b>Total (Cumulative)</b>							

Please complete the chart below with respect to your assumptions. Of the total participation, what percentage will be in high, moderate or low acuity programs? It is a requirement that you complete this table.

Conditions Under Management	Assumptions for Percentage Managed in High, Moderate and Low Acuity Programs		
	High	Moderate	Low
Asthma			
Congestive Heart Failure (CHF)			
Coronary Artery Disease (CAD)			
Chronic Obstructive Pulmonary Disease (COPD)			
Diabetes			

Please indicate the Disease Management components your organization is proposing for OGB in the base fee above by checking the appropriate “included in summary pricing “ or “additional fee” box next to the component listed below and provide the fee, all assumptions and partner/subcontractor where applicable. Also, under “Low Acuity,” “Moderate Acuity,” and “High Acuity,” indicate what type(s) of participant outreach will be utilized in your proposed at risk targeted intervention programs (i.e., print, online, telephonic).

Incl. in Summary Pricing	Addtl Fee		Year 1 Fee and Unit Fee Basis	Estimated Number of Units/ Participants	Assumptions and Partner/ Subcontractor if Applicable
		<b>Disease Management</b>			
<input type="checkbox"/>	<input type="checkbox"/>	Low Acuity <input type="checkbox"/> Mail-based <input type="checkbox"/> Online <input type="checkbox"/> Telephonic Outreach			
<input type="checkbox"/>	<input type="checkbox"/>	Moderate Acuity <input type="checkbox"/> Mail-based <input type="checkbox"/> Online <input type="checkbox"/> Telephonic Outreach			
<input type="checkbox"/>	<input type="checkbox"/>	High Acuity <input type="checkbox"/> Mail-based <input type="checkbox"/> Online <input type="checkbox"/> Telephonic Outreach			
<input type="checkbox"/>	<input type="checkbox"/>	Communication Strategy/ Campaign			
<input type="checkbox"/>	<input type="checkbox"/>	Total Population Standard Communication Materials			
<input type="checkbox"/>	<input type="checkbox"/>	Standard Communication Materials			
<input type="checkbox"/>	<input type="checkbox"/>	Total Population Customized Communication Materials			

Incl. In Summary Pricing	Addtl Fee		Year 1 Fee and Unit Fee Basis	Estimated Number of Units/ Participants	Assumptions and Partner/ Subcontractor if Applicable
<input type="checkbox"/>	<input type="checkbox"/>	Customized Communication Materials			
<input type="checkbox"/>	<input type="checkbox"/>	Standard Management Reports			
<input type="checkbox"/>	<input type="checkbox"/>	Customized Management Reports			
<input type="checkbox"/>	<input type="checkbox"/>	Ad Hoc Management Reports			
<input type="checkbox"/>	<input type="checkbox"/>	Online Set-up			
<input type="checkbox"/>	<input type="checkbox"/>	Online Maintenance			
<input type="checkbox"/>	<input type="checkbox"/>	Data Transfer – Inbound			
<input type="checkbox"/>	<input type="checkbox"/>	Data Transfer – Outbound			
<input type="checkbox"/>	<input type="checkbox"/>	Other: [_____]			

## **SECTION IX**

### **EXHIBITS**

- EXHIBIT 1      Definitions
  
- EXHIBIT 2      Pharmacy and Medical Claims Experience
  
- EXHIBIT 3      Proposed Contract/Business Agreement/Reporting Requirements

## **EXHIBIT 1**

### **DEFINITIONS**

Care Management in this NIC is used to define services including health promotion, health risk assessments, targeted at-risk intervention programs, Disease Management, incentives and communications.

The following clarifies how each care management program is defined:

Care Management Program	Definition
Disease Management	Intensive, targeted counseling services for individuals with confirmed serious illnesses and/or chronic disease/conditions. Objective of the intervention is to support appropriate clinical management, compliance with testing and medication and prevention of health crises.
Incentives	Motivators to increase program participation.
Communications	Communication materials are to support initial and ongoing promotion and education. Communications will be distributed weekly for the first two months and monthly thereafter. Additional communications are considered for subgroups including new hires and campaigns.

**EXHIBIT 2**

**PHARMACY AND MEDICAL CLAIMS EXPERIENCE**

**Data will be sent to all interested proposers  
on September 1, 2011**

**EXHIBIT 3**

**PROPOSED CONTRACT**

**INCLUDES: BUSINESS ASSOCIATES AGREEMENT (BAA)**  
**AND REPORTING REQUIREMENTS**

**PROPOSED  
CONTRACT**

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

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

**1.0 PURPOSE/SCOPE OF SERVICES/DELIVERABLES**

**Scope of Services/Deliverables**

(To Be Determined pursuant to the NIC and Proposal).

**2.0 TERM OF CONTRACT**

The effective date of the contract will be January 1, 2012 with an initial term of one year. The contract will include an option to renew for a maximum of up to two additional one-year terms, exercisable by OGB.

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

**3.0 PAYMENT TERMS**

In consideration of the services described in this contract the maximum the OGB will pay Contractor is  (To Be Determined) .

FEE RATE

(To Be Determined per the Proposal)

Payment shall be made by OGB at the end of each month for which services are provided by Contractor. Contractor shall invoice OGB and OGB shall remit payment within 5 business days of receipt of the invoice. Contractor shall detail the number of eligible members for which OGB is billed.

#### **4.0 INSURANCE**

##### 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 subcontractors.

##### Liability Insurance

Contractor shall procure and maintain for the duration of the contract liability insurance and comprehensive liability insurance, with a combined single limit liability of not less than \$1,000,000. The State of Louisiana, Office of Group Benefits must be named as an additional insured.

Contractor shall on request furnish OGB with certificate(s) of insurance affecting coverage required by the contract. The certificate(s) for each insurance policy is to be signed by a person authorized by that insurer to bind coverage on its behalf. OGB reserves the right to require complete, certified copies of all required insurance policies, at any time.

#### **5.0 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\_\_\_\_\_.

#### **6.0 SECURITY**

Contractor personnel will always comply with all security regulations in effect at the OGB's 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.

#### **7.0 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 contractors from the OGB shall be maintained in accordance with state and federal law, specifically including but not limited to the Health Insurance Portability and Accountability Act of 1996, and any regulations promulgated thereunder (collectively, "HIPAA"). To that end, the parties have executed and hereby make a part of this Agreement a Protected Health Information (Business Associate) Addendum to be in full compliance with all relevant provisions of HIPAA, including but 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 are 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.

## **8.0 PROJECT MANAGEMENT**

Basic Reports: Contractor will provide reports of performance activities under this Contract as designated in writing by OGB. Said reports shall be provided in a format and within timeframes agreed upon by the parties in writing.

Special Reports: Subject to the limits of its capabilities, Contractor agrees to provide such special reports as requested in writing by OGB. If Contractor incurs additional expense in preparing such special reports, then Contractor will promptly provide a written cost estimate and schedule, and obtain OGB's approval of such cost prior to preparing any such reports.

Personnel: Personnel assigned by Contractor to perform the services pursuant to this contract will be qualified to perform the assigned duties, and Contractor will determine which personnel will be assigned for any particular project and to replace and reassign such personnel doing such project. Contractor assumes responsibility for its personnel providing services pursuant to this contract.

Meeting Requirements: Contractor's Account Executive will be available to attend and participate in monthly management meetings with OGB staff as deemed necessary and other such meetings designated from time to time by OGB.

## **9.0 PERFORMANCE MEASURES**

Contractor shall be evaluated based upon the successful delivery of services and deliverables pursuant to this contract. Additionally, the Contractor recognizes and accepts that the anticipated activities as described in the NIC and the Contractor's proposal are hereby made part of this contract.

OGB shall have the option to penalize the Contractor \$1,000 for each instance that the Contractor submits any of the deliverables later than their due dates.

## **10.0 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, the 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 them 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 the 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.

#### **10.1 TERMINATION FOR CONVENIENCE**

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

#### **10.2 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 19<sup>th</sup> Judicial District Court.

#### **11.0 INDEMNIFICATION**

Contractor agrees to protect, defend, indemnify and hold harmless OGB, the State of Louisiana, all State Departments, Agencies, Boards and Commissions, their respective officers, directors, agents, servants and employees, including volunteers (each a State Affiliated Indemnified Party), from and against any and all claims, demands, expense and liability arising out of or in any way growing out of any negligent act or omission of Contractor, its agents, servants, and employees, together with any and all costs, expenses and/or attorney fees reasonably incurred as a result of any such claim, demands, and/or causes of action, **except** those claims, demands and/or causes of action arising out of the negligent act or omission of a State Affiliated Indemnified Party. Contractor agrees to investigate, handle, respond to, provide defense for and defend any such claim, demand or suit at its sole expense, even if such claim, demand or suit is groundless, false or fraudulent, provided that (a) the State Affiliated Indemnified Party has given reasonable notice to Contractor of the

claim or cause of action, and (b) no State Affiliated Indemnified Party has, by act or failure to act, compromised Contractor's position with respect to the resolution or defense of the claim or cause of action.

OGB agrees to protect, defend, indemnify and hold harmless Contractor, its affiliates, contractors, shareholders, directors, officers, employees, and agents (each a Contractor Indemnified Party), from and against any and all claims, demands, expense and liability arising out of or in any way growing out of any negligent act or omission of OGB, its agents, servants, and employees, or arising out the actions or inactions of Contractor taken or not taken at the direction of the OGB, together with any and all costs, expenses and/or attorney fees reasonably incurred as a result of any such claim, demands, and/or causes of action, **except** those claims, demands and/or causes of action arising out of the negligent act or omission of a Contractor Indemnified Party. OGB agrees to investigate, handle, respond to, provide defense for and defend any such claim, demand or suit at its sole expense, even if such claim, demand or suit is groundless, false or fraudulent, provided that (a) the Contractor Indemnified Party has given reasonable notice to OGB of the claim or cause of action, and (b) no Contractor Indemnified Party has, by act or failure to act, compromised OGB's position with respect to the resolution or defense of the claim or cause of action.

## **12.0 OWNERSHIP OF PRODUCT**

All records, reports, documents and other material delivered or transmitted to Contractor by OGB shall remain the property of OGB, and shall be returned by Contractor to OGB, at Contractor's expense, at termination or expiration of this contract. Contractor may retain one copy of such records, documents or materials for archival purposes and to defend its work product. All records, reports, documents, or other material related to this contract and/or obtained or prepared by Contractor specifically and exclusively for the OGB in connection with the performance of the services contracted for herein shall become the property of the OGB, and shall, upon request, be returned by Contractor to OGB, at Contractor's expense, at termination or expiration of this contract.

## **13.0 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 the 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.

#### **14.0 RIGHT TO AUDIT**

Contractor grants to the Office of the Legislative Auditor, Inspector General's Office, the Federal Government, and any other duly 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.

#### **15.0 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 (3) years after project completion of contract, or as required by applicable Federal law, whichever is longer.

#### **16.0 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.

#### **17.0 FUND USE**

Contractor agrees not to use funds received for services rendered under this contract to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition on any election ballot or a proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority.

#### **18.0 NON-DISCRIMINATION**

Contractor agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights 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 Act of 1972, 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, national origin, veteran status, political affiliation, disabilities, or because of an individual's sexual orientation. Any act of discrimination committed by Contractor, or failure to comply with these obligations

when applicable shall be grounds for termination of this contract.

## **19.0 AVAILABILITY OF FUNDS**

The continuation of this contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the Contract. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by veto of the Governor or by any means provided in the appropriation 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 reductions 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 have not been appropriated. Such termination shall be without penalty or expense to the OGB except for payments which have been earned prior to the termination.

## **20.0 ACKNOWLEDGEMENT OF PRIORITY POSITION**

Contractor acknowledges that OGB is a primary responsibility of the organization, and such acknowledgement places performance of its contractual duties for the State of Louisiana, Office of Group Benefits, in a high priority position relative to other clients of the organization.

## **21.0 MOST FAVORED CUSTOMER GUARANTEE**

Contractor certifies and guarantees that the retention or other administrative charges to the OGB, as forth in this contract, are comparable to or better than the equivalent fees or charges being offered by Contractor to any present or future customer or group of customers having a similar product design and of a comparable or lesser size. If Contractor shall, during the term of this contract, enter into a Disease Management agreement with any other customer or group of customers having a similar product design to administer a comparable plan for a similar or lesser number of Participants in Contractor's service area which provides for a lower retention or other administrative charges, this contract shall be deemed thereupon amended to provide the same to the OGB, with a retroactive finance adjusted to the OGB dating back to the effective date of such lower retention or other administrative charge. An officer of the Contractor shall certify annually that, to the best of his or her knowledge, information and belief, and predicated on his or her familiarity with the billing practices of Contractor, the fees being charged to the OGB by Contractor are in full and complete compliance, in all respects, with the provisions of this Section. Contractor shall provide such annual notice during the first quarter of each calendar year.

## **20.0 HEADINGS**

Descriptive headings in this contract are for convenience only and shall not affect the Construction or meaning of contractual language.

## **21.0 WAIVER OF BREACH**

The waiver by either party of a breach or violation of any provision of the contract shall not operate as, or be construed to be, a waiver or any subsequent breach of the contract.

## **22.0 INDEPENDENT CONTRACTOR RELATIONSHIP**

No provision of this contract is intended to create nor shall it be deemed or construed to create any relationship between Contractor and OGB other than that of independent entities contracting with each other hereunder solely for the purpose of effecting the provisions of this contract. The terms "Contractor" and "OGB" shall include all officers, directors, agents, employees or servants of each party.

## **23.0 COOPERATION WITH OTHER OGB CONTACTORS**

Contractor understands that OGB have Administrative Services Only (ASO) Contractors that administers OGB's Health Maintenance Organization (HMO), Exclusive Provider Organization (EPO) and Managed Care Organization (MCO) Plan of Benefits. OGB also have Contractors for the following services: Utilization Management (UM), Pharmacy Benefits Management (PBM) and Mental Health/Substance Abuse (MHSA).

Contractor agrees to coordinate services with the Contractors listed in the Section.

## **24.0 WORKER'S COMPENSATION**

Contract is not in lieu of and does not affect any requirements of coverage under the Louisiana's Worker's Compensation Act or any other federal or state mandated employer liability law.

## **25.0 SUBCONTRACTORS**

Upon approval of OGB Contractor can use its affiliates or subcontractors to perform its services under this contract. However, Contractor will be responsible for those services to the same extent that Contractor would have been had Contractor performed those services without the use of an affiliate or subcontractor.

## **26.0 SEVERABILITY**

The invalidity or unenforceability of any terms or conditions of the contract shall in no way effect the validity or enforceability of any other terms or provisions.

**27.0 ENTIRE AGREEMENT AND ORDER OF PRECEDENCE**

This contract (together with the NIC issued thereto by the OGB, the Proposal submitted by the Contractor in response to the OGB's NIC, and any exhibits 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 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 NIC and the Proposal; second priority shall be given to the provisions of the NIC and amendments thereto; and third priority shall be given to the provisions of the Proposal.

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

**THUS DONE AND SIGNED ON THE DATE(S) LISTED BELOW:**

**STATE OF LOUISIANA  
OFFICE OF GROUP BENEFITS**

**CONTRACTOR**

**SIGNATURE** \_\_\_\_\_

**SIGNATURE** \_\_\_\_\_

**NAME** \_\_\_\_\_

**NAME** \_\_\_\_\_

**TITLE** Chief Executive Officer

**TITLE** \_\_\_\_\_

**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 \_\_\_\_\_, 20\_\_\_, pursuant to which Business Associate is to provide certain services to OGB involving the use or disclosure of PHI, as defined below.
- c) "ARRA" shall mean the American Recovery and Reinvestment Act of 2009, Public Law 111-5.
- d) "Business Associate" shall mean \_\_\_\_\_.
- e) "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.
- f) "HIPAA" shall mean the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.
- g) "HIPAA Regulations" shall mean the Privacy Rule, the Security Rule, and the regulations promulgated pursuant to ARRA.
- h) "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).
- i) "OGB" shall mean the State of Louisiana, Division of Administration, Office of Group Benefits, which is a covered entity under HIPAA, ARRA and the HIPAA Regulations, as defined below.
- j) "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.
- k) "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.
- l) "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.
- m) "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.103.
- n) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.
- o) "Security Incident" shall have the same meaning as the term "security incident" in 45 CFR § 164.304.

- p) "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.
- q) "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.
- r) Any other terms used in this Addendum that are not defined herein but are defined in the HIPAA Regulations or ARRA shall have the same meaning as given in the HIPAA Regulations or ARRA.

## **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 HIPAA Regulations an ARRA.
- 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 Associate shall immediately notify OGB when Business Associate receives a subpoena related to PHI and shall cooperate with OGB, at OGB's expense, in any attempt to obtain a protective order. Business Associate shall immediately notify OGB when Business Associate discloses PHI in response to a subpoena. Such notice shall include all information that would be required for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528.
  - p) 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.
- r) Business Associate shall report to OGB any unauthorized acquisition, access, use or disclosure of PHI by Business Associate or its workforce or subcontractors immediately, but no later than five (5) business days after discovery or the date the breach should have been known to have occurred, and include with that report the remedial action taken or proposed to be taken with respect to such use or disclosure and account for such disclosure. Business Associate is responsible for any and all costs related to notification of individuals or next of kin (if the individual is deceased) of any security or privacy breach reported by Business Associate to OGB.
- s) In the event of a breach of PHI, Business Associate shall provide a report to OGB including the date the breach was discovered, the plan participant(s) name(s), contact information, nature/cause of the breach, PHI breached and the date or period of time during which the breach occurred. Business Associate understands that such a report must be provided to OGB immediately but no later than five (5) business dates from the date of the breach or the date the breach should have been known to have occurred.

### **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).
- f) Business Associate may not use PHI to make any communications about a product or service that encourages recipients of the communication to purchase or use the product or service unless the communication is made as described in subparagraph (i), (ii) or (iii) of the definition of "Marketing" in 45 CFR 164.501. Such communication must be permitted under and consistent with the Agreement, including this Addendum.

#### **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 HIPAA Regulations 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 HIPAA, ARRA and the HIPAA Regulations.
- 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 HIPAA, ARRA and the HIPAA Regulations. 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, ARRA and/or the HIPAA Regulations 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 HIPAA, ARRA and the HIPAA Regulations, 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

CONTRACTOR

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Chief Executive Officer

Title: \_\_\_\_\_

**ADDENDUM – B**  
**REPORTING REQUIREMENTS**

**REPORTING REQUIREMENTS**

Contractor will provide the outcomes tracking and reporting to OGB as outlined below.

“Quarterly” shall mean within 45 days after the close of the quarter.

“Annually” shall mean within 90 days for program utilization reporting.

The foregoing report delivery time frames are contingent upon the accuracy, readability and timely delivery of the data supplied by OGB.

**1. Activity Reports by Disease State:**

<b>Description</b>	<b>Frequency</b>
Participation: <ul style="list-style-type: none"><li>▪ Number of referrals and referral source</li><li>▪ Number of identified (by acuity)</li><li>▪ Number of engaged (by acuity)</li><li>▪ Number of mailings</li><li>▪ Number of successful contacts</li></ul>	Monthly
Performance measures	Quarterly
Clinical activity report	Quarterly
Web portal usage	Quarterly
Clinical outcomes report with executive summary and recommendations	Annually

**2. Other Reports as deemed necessary by OGB.**