

State of Vermont
 Green Mountain Care Board
 Montpelier VT
 United States

CONTRACT



Vendor ID 0000259813
Lewis & Ellis Inc
2929 N Central Expressway Ste 200
Richardson TX 75080
United States

Contract ID 000000000000000000025955		Page 1 of 2
Contract Dates 01/01/2014 to 12/31/2014		Origin GMC
Description: GMCB HEALTH INS ACTUARIAL ANAL		Contract Maximum \$400,000.00
Buyer Name Wortman, Linda	Buyer Phone 828-5684	Contract Status Approved

Phone #:

Line #	Item ID	Item Desc	UOM	Unit Price	Max Qty	Max Amt
1		HEALTH INSURANCE ACTUARIAL ANALYSIS	EA	0.01000	0.00	400,000.00

CONTRACT TERMS AND ADDITIONAL INFORMATION

1. Parties. This is a contract for services between the State of Vermont, Green Mountain Care Board (the Board), and Lewis and Ellis, Inc., (L&E Actuaries and Consultants) (hereafter called "Contractor") with its principal place of business at 2929 N Central Expressway, Suite 200, Richardson, Texas 75080. Contractor's form of business organization is a corporation. It is the Contractor's responsibility to contact the Vermont Department of Taxes to determine if, by law, the Contractor is required to have a Vermont Department of Taxes Business Account number.

2. Subject Matter. The subject matter of this contract is services on the subject of health insurance actuarial analysis. Detailed services to be provided by the Contractor are described in Attachment A.

3. Maximum Amount. In consideration of the services to be performed by Contractor, the State agrees to pay Contractor, in accordance with the payment provisions specified in Attachment B, a sum not to exceed \$400,000. The Board does not guarantee the assignment of any minimum number of hours or any other work under the contract.

4. Contract Term. The period of Contractor's performance shall begin on January 1, 2014 and end on December 31, 2014. The period may be extended to December 31, 2016 upon agreement of both parties.

5. Prior Approvals. If approval by the Attorney General's Office, Secretary of Administration or the CIO/Commissioner DII is required (under current law, bulletins, and interpretations), neither this contract nor any amendment to it is binding until it has been approved by any or all such persons.

Approval by the Attorney General's Office is required.
 Approval by the Secretary of Administration is required.
 Approval by the CIO/Commissioner DII is not required.

6. Amendment. No changes, modifications, or amendments in the terms and conditions of this contract shall be effective unless reduced to writing, numbered and signed by the duly authorized representative of the Board and Contractor.

7. Cancellation. This contract may be canceled by the Board by giving written notice at least 30 days in advance. The Contractor may cancel this contract by giving 120 days written notice in advance.

8. Attachments. This contract consists of ten (10) pages including the following attachments which are incorporated herein:

- Attachment A - Specifications of Work to be Performed
- Attachment B - Payment Provisions
- Attachment C - Standard State Contract Provisions for Contracts and Grants, a preprinted form (revision dated 11/7/2012), except that the following changes shall be made to the text of that document: Paragraph 7 (Insurance) shall be amended to add: Professional Liability - Before commencing work on this contract and throughout the term of this contract, the Party shall procure and maintain professional liability insurance for any and all services performed under this contract, with minimum coverage of \$1,000,000.00 per occurrence.

Attachment D - Other Provisions

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Wortman, Linda	828-5684	Approved

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Line #	Item ID	Item Desc	UOM	Unit Price	Max Qty	Max Amt
WE THE UNDERSIGNED PARTIES AGREE TO BE BOUND BY THIS CONTRACT						

By the STATE of VERMONT

Date: 2/19/14
 Signature: [Signature]
 Name: Susan Barrett

Title: Susan.Barrett@state.vt.us
 Email: _____
Executive Director
GMCB

By the CONTRACTOR

Date: 2/18/14
 Signature: [Signature]
 Name: DAVID DILLON

Title: Vice President
 Email: ddillon@lewisellis.com

Attachment A
Work to be Performed

The Contractor shall perform health insurance actuarial analysis for the Board as requested. The nature of the work may include satisfactory performances of one or more of the following:

1. Provide actuarial review of group and individual major medical health rate filings, including:
 - a. The preparation of written reports, analyses, and opinions commenting upon the actuarial methods and rate changes requested by the insurer's filing.
 - b. Verbal or written explanations of reasons behind any critical comments.
 - c. Summaries of issues raised by the filing and possible resolutions.
2. Actuarial review and initial requests for additional information and/or interrogatories shall be completed within (two) weeks for 90% of the filings and (three) weeks for 100% of the filings, depending on their size and complexity. The Contractor will keep the Board informed regarding the status of all filings submitted for review.
3. Assist the Board with targeted examinations to validate or change assumptions used by carriers in rate filings.
4. Assist the Board with the development of standards to be used for carrier rate filings.
5. Attend public Board meetings and meetings with members of the Board and staff in Montpelier as requested.
6. Attend and testify at public or legislative hearings as requested.
7. Assist the Board in analyzing and drafting legislation, regulations, bulletins, and other written policies or procedures.
8. Examine the cost effect of legislation, proposed legislation, or potential legislation on Vermont's health insurance market.
9. Assist the Board in health care reform analysis and implementation.
10. Assist the Board with the integration of historical rate information with current reporting information, including but not limited to VHCURES data, in order to better understand rate and market trends over time
11. Respond to phone calls and emails from the Board on the same business day as received 90% of the time, and within 2 days 100% of the time.
12. Perform other work as requested by the Board.

Attachment B
Payment Provisions

1. The maximum amount payable under this contract for service and expenses shall not exceed \$400,000. The Board does not guarantee the assignment of any minimum number of hours or other work under this contract. The hourly rates for assigned staff are as follows:

Staff Member Category	Hourly Rate
	1/1/14-12/31/14
Senior Actuary (FSA, MAAA Designations)	\$350
Actuary (ASA, MAAA Designations)	\$225

2. Payments for subcontractors will only be made upon approval (See Attachment C, #15).
3. Contractor will not charge the Board for any travel costs associated with any services provided onsite. Other expenses will not be reimbursed without prior written approval from the State.
4. Contractor will submit an invoice on a quarterly basis to the Board for services provided and expenses incurred during the previous quarter. Each invoice must include a unique invoice number, dates of service, itemized hours being invoiced with a description of work performed, and a list of allowable expenses incurred and the address for remittance of payment. A billing for mileage shall include the points of origin and destination and the number of miles traveled. Only actual charges will be paid.
5. Invoices shall be submitted to:

Janet Richard
Green Mountain Care Board
89 Main Street
Montpelier, VT 05620-3101

6. Upon full payment by the State, all products of the Contractor's work, including outlines, reports, charts, sketches, drawings, art work, plans, photographs, specifications, estimates, computer programs, or similar documents, become the sole property of the State of Vermont and may not be copyrighted or resold by Contractor.

**Attachment C: Standard State Provisions
For Contracts and Grants**

1. **Entire Agreement:** This Agreement, whether in the form of a Contract, State Funded Grant, or Federally Funded Grant, represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
2. **Applicable Law:** This Agreement will be governed by the laws of the State of Vermont.
3. **Definitions:** For purposes of this Attachment, "Party" shall mean the Contractor, Grantee or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement.
4. **Appropriations:** If this Agreement extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this Agreement, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority. In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, and in the event federal funds become unavailable or reduced, the State may suspend or cancel this Grant immediately, and the State shall have no obligation to pay Subrecipient from State revenues.
5. **No Employee Benefits For Party:** The Party understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers compensation or other benefits or services available to State employees, nor will the state withhold any State or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The Party understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Party, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
6. **Independence, Liability:** The Party will act in an independent capacity and not as officers or employees of the State.

The Party shall defend the State and its officers and employees against all claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit.

After a final judgment or settlement the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party.

The Party shall indemnify the State and its officers and employees in the event that the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Party.

7. **Insurance:** Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the State through the term of the Agreement. No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.

Workers' Compensation: With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the contract, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations
Products and Completed Operations
Personal Injury Liability
Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Per Occurrence
\$1,000,000 General Aggregate
\$1,000,000 Products/Completed Operations Aggregate
\$ 50,000 Fire/ Legal/Liability

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

Automotive Liability: The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than: \$1,000,000 combined single limit.

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

Professional Liability: Before commencing work on this contract and throughout the term of this contract, the Party shall procure and maintain professional liability insurance for any and all services performed under this contract, with minimum coverage of \$1,000,000.00 per occurrence.

8. **Reliance by the State on Representations:** All payments by the State under this Agreement will be made in reliance upon the accuracy of all prior representations by the Party, including but not limited to bills, invoices, progress reports and other proofs of work.

9. **Requirement to Have a Single Audit:** In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, the Subrecipient will complete the Subrecipient Annual Report annually within 45 days after its fiscal year end, informing the State of Vermont whether or not a single audit is required for the prior fiscal year. If a single audit is required, the Subrecipient will submit a copy of the audit report to the granting Party within 9 months. If a single audit is not required, only the Subrecipient Annual Report is required.
- A single audit is required if the Subrecipient expends \$500,000 or more in federal assistance during its fiscal year and must be conducted in accordance with OMB Circular A-133. The Subrecipient Annual Report is required to be submitted within 45 days, whether or not a single audit is required.
10. **Records Available for Audit:** The Party will maintain all books, documents, payroll papers, accounting records and other evidence pertaining to costs incurred under this Agreement and make them available at reasonable times during the period of the Agreement and for three years thereafter for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved. The State, by any authorized representative, shall have the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this Agreement.
11. **Fair Employment Practices and Americans with Disabilities Act:** Party agrees to comply with the requirement of Title 21V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990 that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement. Party further agrees to include this provision in all subcontracts.
12. **Set Off:** The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.
13. **Taxes Due to the State:**
- a. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
 - b. Party certifies under the pains and penalties of perjury that, as of the date the Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
 - c. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.
 - d. Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.

- 14. Child Support:** (Applicable if the Party is a natural person, not a corporation or partnership.) Party states that, as of the date the Agreement is signed, he/she:
- is not under any obligation to pay child support; or
 - is under such an obligation and is in good standing with respect to that obligation; or
 - has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.
- Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.
- 15. Sub-Agreements:** Party shall not assign, subcontract or subgrant the performance of this Agreement or any portion thereof to any other Party without the prior written approval of the State. Party also agrees to include all subcontract or subgrant agreements and a tax certification in accordance with paragraph 13 above.
- 16. No Gifts or Gratuities:** Party shall not give title or possession of anything of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this Agreement.
- 17. Copies:** All written reports prepared under this Agreement will be printed using both sides of the paper.
- 18. Certification Regarding Debarment:** Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs, or programs supported in whole or in part by federal funds. Party further certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, Party is not presently debarred, suspended, nor named on the State's debarment list at: <http://bgs.vermont.gov/purchasing/debarment>.
- 19. Certification Regarding Use of State Funds:** In the case that Party is an employer and this Agreement is a State Funded Grant in excess of \$1,001, Party certifies that none of these State funds will be used to interfere with or restrain the exercise of Party's employee's rights with respect to unionization.

(End of Standard Provisions)

Attachment D
Other Contract Provisions

1. Confidentiality. Contractor agrees to keep information related to the State and all agencies and companies related to this contract confidential and agrees not to use any information obtained in relation to the services performed under this contract for any purpose other than as authorized by the State. Contractor agrees not to publish, reproduce, or otherwise divulge such information in whole or in part, in any manner or form or authorize or permit others to do so. Contractor will take reasonable measures as are necessary to restrict access to confidential information in the Contractor's possession to those employees who must have the information to perform their job. Contractor agrees to immediately notify, in writing, the State's authorized representative in the event Contractor determines or has reason to suspect a breach of this requirement.
2. Obligations Regarding Protected Information. Contractor shall assure compliance by the State and Contractor of any and all obligations the State or Contractor may have under HIPAA and any other applicable state or federal law regarding protected health, personal, or otherwise confidential information.
3. Security. Contractor shall maintain security and confidentiality policies and procedures consistent with industry standards with regard to the information obtained from regulated entities. Contractor shall have recovery procedures in place to handle replacement of data in the event of a disaster.
4. Conflicts of Interest. If the State determines that a conflict of interest, as defined by the State, exists between a regulated entity and a member or members of the Contractor's staff, the Contractor shall substitute similarly qualified individuals for the conflicted members. If the State determines that a conflict of interest, as determined by the State, exists between Contractor and a regulated entity, the State may immediately remove that assignment from the Contractor, or may invoke its right to terminate this contract pursuant to paragraph 7 on page 1 of this contract. The State reserves the right to make the ultimate determination as to whether a conflict of interest exists.
5. Protection of Personal Information. Contractor agrees to establish and maintain policies and procedures designed to ensure compliance with 9 V.S.A. Chapter 62 (Protection of Personal Information) with respect to data collected in connection with Contractor's activities pursuant to the Contract.
6. Prior Approval of Workers. The state shall have the right to approve any personnel the Contractor proposes to assign to work requested by the State prior to the commencement of such work. If the proposed personnel of the Contractor are not acceptable to the State, the State may choose to withdraw the assignment of such work from the Contractor, and Contractor will assign personnel acceptable to the State.

7. Intellectual Property/Work Product Ownership. All data, technical information, materials first gathered, originated, developed, prepared, or obtained as a condition of this agreement and used in the performance of this agreement—including, but not limited to all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and printouts, notes and memoranda, written procedures and documents, which are prepared for or obtained specifically for this agreement, or are a result of the services required under this grant—shall be considered “work for hire” and remain the property of the State of Vermont, regardless of the state of completion, unless otherwise specified in this agreement. Such items shall be delivered to the State of Vermont upon 30 days notice by the State. With respect to software computer programs and/or source codes first developed for the State, all the work shall be considered “work for hire,” i.e., the State, not the Contractor, shall have full and complete ownership of all software computer programs, documentation and/or source codes developed.

The Contractor shall not sell or copyright a work product or item produced under this agreement without explicit permission from the State. If the Contractor is operating a system or application on behalf of the State of Vermont, then the Contractor shall not make information entered into the system or application available for uses by any other party than the State of Vermont, without prior authorization by the State. Nothing herein shall entitle the State to pre-existing Contractor’s materials.