

**STATE OF LOUISIANA**  
**CONTRACT**  
**OFFICE OF GROUP BENEFITS (OGB)**  
**AND**  
**BUCK CONSULTANTS, LLC**

This contract (hereinafter referred to as "Contract") is made between the Office of Group Benefits of the State of Louisiana within the Division of Administration, whose offices are located at 7389 Florida Blvd., Suite 400, Baton Rouge, Louisiana 70806 (hereinafter referred to as "OGB") and Buck Consultants, LLC (hereinafter referred to as "Contractor") whose offices are located at 500 Grant Street, Suite 2900, Pittsburgh, PA 15219.

**1.0 Scope of Service**

Contractor hereby agrees to furnish services to OGB as specified in Article 3.0 and in Attachment I (Statement of Work).

**1.1 Brief Description of Services/Goal and Objectives**

The OGB is operating a State of Louisiana self-insured health and life benefits plan for active and retired state and school employees and their dependents.

Goal: The Office of Group Benefit's goal is to be able to meets its responsibility to provide a health and life benefits program that is actuarially cost effective.

Objective: The Office of Group Benefit's objective is to establish a contract with a qualified health and life benefits actuarial consulting firm that possess the knowledge, skill, experience and credentials necessary to assist in the accomplishment of its goal.

**1.2 Complete Description of Services**

A full description of services is contained in Attachment I, which is made a part of this contract.

## **2.0 Administrative Requirements**

### **2.1 Effective Date and Duration**

- A. The initial term of the contract will be December 1, 2012 through December 31, 2013.
- B. This contract is not effective until approved by the Director of the Office of Contractual Review in accordance with La. R.S. 39:1502.

### **2.2 Insurance**

- A. Contractor shall procure and maintain for the duration of the 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 Contractor, its agents, representatives, employees or sub-contractors, including, but not limited to liability and worker's compensation insurance. Contractor shall, on request, furnish OGB with certificate(s) of insurance affecting coverage required by this Contract.
- B. During the term of the contract, the Contractor will maintain Errors And Omissions insurance coverage with limits of at least One Million (\$1,000,000) Dollars. Proof of coverage must be submitted to OGB within thirty (30) days of renewal or replacement of such coverage.

### **2.3 Warranties**

- A. Indemnification:  
The Contractor agrees to protect, defend, indemnify, and hold harmless the OGB and the State of Louisiana, its officers, directors, and employees (each a State Affiliated Indemnified Party) from and against any and all third party claims, demands, expense and liability to the extent directly arising out of any negligent or wrongful act or omission of the Contractor, its officers, directors, and employees, together with any and all costs, expenses and/or attorney fees reasonably incurred as a result of any such claim, demand, and/or cause of action except those claims, demands and/or causes of action arising out of the negligent or wrongful act or omission of the OGB, the State of Louisiana (any and all state entities), their respective officers, directors, agents, servants and employees including volunteers. The Contractor agrees to investigate, handle, respond to, provide defense for and defend any such claims, demand, or suit at its sole expense, provided that (1) the State Affiliated Indemnified Party has given reasonable notice to the Contractor of the claim or cause of action, and (b) no State Affiliated Indemnified Party has, by act or

failure to act, compromised the Contractor's position with respect to the resolution or defense of the claim or cause of action.

The OGB acknowledges that aspects of Contractor's work will be based on discussions and interviews with OGB personnel, and on other information provided by OGB, and that Contractor's performance on this engagement is dependent on OGB's timely and effective satisfaction of its own activities and responsibilities in connection with this contract, as well as timely decisions and approvals by OGB. Contractor shall be entitled to rely on all information provided by and decisions and approvals of OGB personnel in connection with their work. Contractor will not be responsible if any information provided by OGB is not complete, accurate or current. Because of the importance of OGB's representations to Contractor with respect to Contractor's ability to perform its services, OGB hereby releases Contractor and its personnel from any liability and costs relating to the services hereunder which liability and costs are attributable to any misrepresentation or omission made by OGB personnel.

- B. Original Development:  
Contractor warrants that all materials and/or products produced by the Contractor hereunder will not infringe upon or violate any patent, copyright, or trade secret right of any third party. In the event of any such claim by any third party against the OGB, the OGB shall promptly notify the Contractor, and the Contractor shall defend such claims in the OGB's name, but at the Contractor's expense, and shall indemnify OGB against any loss, expense, or liability arising out of such claim, whether or not such claim are successful.
  
- C. Causes beyond Control:  
Neither party shall be responsible for delays or failure in performance resulting from acts beyond the control of such party. Such acts shall include but not be limited to acts of God, strikes, riots, lockouts, acts of war, epidemics, governmental regulations superimposed after the fact, fire, communication line failures, power failures, earthquakes, or other disasters, or by reason of judgement, ruling or order of any court or agency of competent jurisdiction.
  
- D. Waiver of Breach  
The waiver by either party of a breach or violation of any provision of this contract shall not operate as, or be construed to be, a waiver of any subsequent breach of the contract.
  
- E. Severability  
The invalidity or unenforceability of any terms or conditions of this contract shall in no way affect the validity or enforceability of any other term or provision.

F. **Liability**

Contractor's total liability to OGB and State Affiliated Indemnified Parties for damages, whether in tort, contract, or any other theory of law, shall not exceed three times the professional fees paid to Contractor in the preceding twelve (12) months. In no event shall Contractor be liable for lost profits or other consequential or incidental or punitive damages. This limitation of liability shall not apply to Contractor's obligation to indemnify OGB and State Affiliated Indemnified Parties for claims for personal injury, physical property damage or intellectual property infringement.

**2.4 Licenses and Permits**

Contractor shall secure and maintain all licenses, certifications and permits, required to do the work required to complete this contract.

**2.5 Confidentiality**

The parties, their agents, staff members and employees agree to maintain as confidential all individually identifiable information regarding OGB's plan members, including but not limited to patient records, demographic information and claims history. All information obtained by Contractor from 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 not limited to all provisions relating to Business Associate.

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, or is required to be disclosed by law or legal process.

**2.6 Taxes**

Contractor is responsible for payment of all applicable taxes from the funds to be received under this contract. Contractor's federal tax identification number is 16-0468020.

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**2.7 Security**

Contractor will at all times comply with all security requirements in effect at the OGB's facilities which are made known in writing by OGB. Materials belonging to the OGB will be safeguarded by Contractor to at least the same extent as Contractor safeguards proprietary information relating to its own business.

**2.8 Governing Law**

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 law of the State of Louisiana and venue of any action brought under this contract shall be the Nineteenth (19<sup>th</sup>) Judicial District Court.

**3.0 Technical Requirements**

**3.1 Statement of Work**

Contractor will perform services according to the terms of this contract and according to the Statement of Work (SOW) in Attachment I.

**3.2 Project Management**

See Statement of Work (SOW) on Attachment I.

**3.3 Quality Assurance Reviews**

A. The OGB reserves the right to conduct Quality Assurance Reviews at appropriate checkpoints throughout the project. Contractor will facilitate the review process by making staff and information available as requested by the reviewers at no additional cost to the OGB. Personnel assigned by the Contractor to perform the services described in this contract will be qualified to perform assigned duties.

**3.4 Contractor Resources**

Contractor agrees to provide the following contract related resources:

- A. **Project Manager:**  
Contractor's designee shall act as the Project Manager to provide day-to-day management of project tasks and activities, coordination of Contractor support and administrative activities, and for supervision of Contractor employees or sub-contractors. The Project Manager shall possess the knowledge, skill and experience to direct all aspects of work for this project.
  
- B. **Key Personnel:**  
Contractor shall assign staff or sub-contractors who possess the knowledge, skill, and ability to successfully perform assigned tasks. Individuals to be assigned by the Contractor will be appropriate to the work plan as pre-approved by OGB.
  
- C. **Personnel Changes:**  
Contractor's Project Manager and other key personnel assigned to this contract may only be replaced by appropriately qualified personnel. In the event that any OGB or Contractor personnel become unavailable due to resignation, illness or other factors, excluding assignment to project outside this contract, outside of the OGB's or Contractor's reasonable control, as the case may be, OGB or the Contractor, as the case may be, shall be responsible for providing an adequately qualified replacement in time to avoid delays to the work plan.

### **3.6 State Project Director**

The OGB shall appoint a Project Director for this contract who will provide oversight of the activities conducted hereunder. Notwithstanding the Contractor's responsibility for total management during the performance of this contract, the assigned Project Director shall be the principal point contact for Contractor concerning Contractor's performance under this Contract. The agency's Chief Executive Officer or his designee shall fulfill this role for the OGB and will be responsible for the Performance Evaluation of the contracting services.

### **4.0 Acceptance Of Deliverables/Monitoring Plan**

See Statement of Work on Attachment I.

### **5.0 Payment**

- A. In consideration of the services required by this contract OGB shall pay Contractor Fifty Five Thousand Sixty Six Dollars (\$55,066.00) Per Month.
  
- B. OGB will make the above payment within (30) days of receipt of invoice and approval of Project Director.

- C. The maximum amount payable by OGB to Contractor pursuant to this contract will not exceed Seven Hundred Fifteen Thousand, Eight Hundred and Fifty Eight Dollars (\$715,858.00).

## **6.0 Termination**

### **6.1 Termination For Cause**

The OGB may terminate this contract for cause based upon the failure of Contractor to comply with the terms and/or conditions of this 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 the contract shall terminate on the date specified in such notice. Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the OGB to comply with the terms and conditions of this contract; provided that the Contractor shall give the OGB thirty (30) days written notice specifying the OGB's failure.

### **6.2 Termination For Convenience**

Either party may terminate this contract at any time without penalty by giving (30) days written notice of such termination or negotiate an effective date thereof. Contractor shall be entitled to payment for deliverables in progress, to the extent of work has been performed satisfactorily.

### **6.3 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.

## **7.0 Availability of Funds**

The continuation of this contract is contingent upon the appropriation of funds by the Legislature to fulfill the requirements of this contract. If the Legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, this 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.

## **8.0 Ownership of Product**

Upon completion of this contract, or if terminated earlier, the OGB will retain ownership of all copies of the following developed hereunder which are delivered to the OGB during the term of this agreement but only to the extent the same were prepared by Contractor specifically and exclusively for OGB pursuant to this Agreement: software, data files, documentation, records, worksheets, or any other materials prepared by Contractor specifically and exclusively for OGB and shall become the property of OGB excluding proprietary or unpublished Buck Consultants documents, models and worksheets.

All such records, worksheets or materials shall be delivered to the OGB within thirty days of the completion or termination of this contract. Any such materials shall be solely for the use of the OGB and should not be given to or shared with anyone else, or used for any purpose, other than as contemplated by this Agreement or required by law. Notwithstanding the foregoing, Contractor's workpapers shall remain the property of Contractor and Contractor shall retain all of its right in its own intellectual capital (such as methodologies, knowhow, models, tools and any graphic or digitized representation of any of these now possessed, or subsequently developed by Consultant.

## **9.0 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, which shall not be unreasonably withheld or delayed, 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.

## **10.0 Right To Audit**

Contractor hereby grants to the Office of Legislative Auditor of the State of Louisiana and/or the Office of the Governor, Division of Administration Auditors, and/ or OGB's Quality Assurance Division or anyone designated by OGB, the option of auditing all nonproprietary records of Contractor pertinent to this contract. Records will be made available during normal working hours for this purpose. Such audit shall be performed in a manner so as not too interfere unreasonably with Contractor's obligations and shall be performed at the OGB's expense.

**11.0 Record Retention**

The Contractor agrees to retain all books, records, and other documents Directly related to its performance of services under this contract hereunder for at least four (4) years after final payments or as described in 45 CFR74.21 (b) whichever is longer.

**12.0 Amendments In Writing**

Any alteration, variation, modification, or waiver of provisions of this contract shall be valid only when they have been reduced to writing and 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.

**13.0 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.

**14.0 Nondiscrimination**

Contractor agrees to abide by the requirements of the following as applicable to its performance of service herewith: Title VI an 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 1975, 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's 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.

**15.0 Headings**

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

**16.0 Anti-Kickback Clause**

Contractor agrees to adhere to the mandate dictated by the Copeland "Anti-Kickback" Act which provides that each Contractor or subguarantee shall be prohibited from inducing, by any means, any person employed in the completion of work, to give up any part of the compensation to which he is otherwise entitled.

**17.0 Entire Agreement**

This Contract and the Attachments constitutes the entire agreement between the parties with respect to the subject matter.

**WITNESSES:**

**BUCK CONSULTANTS, LLC**

Dennis J. Joseph  
Lelia Clark

Thomas S. Tomczyk  
Thomas S. Tomczyk  
Principal, Health & Productivity

**WITNESSES:**

**OFFICE OF GROUP BENEFITS (OGB)**

Debbie Jobse  
Dennis J. Joseph

Brenda St. Romain  
Brenda St. Romain  
Chief Operating Officer

APPROVED  
Office of the Governor  
Office of Contractual Review

NOV 20 2012

Pamela Bartfay Rice  
DIRECTOR

## ATTACHMENT I

### STATEMENT OF WORK (SOW)

#### INTRODUCTION

Contractor will perform services according to the terms of this contract and according to the deliverables as described below on an "as needed basis". The need for work and prior approval of services will be determined by the Project Director.

#### DESCRIPTION OF SERVICES/DELIVERABLES

The following list of services and deliverables may be required of the Contractor on an as needed basis:

A. Board Meetings

When requested, attendance and presentation of various reports by an assigned senior staff member at each meeting of the OGB Board Meeting.

B. Board Committee Meetings

When requested, attendance of an assigned senior staff member at Board Committee Meetings.

C. On Site Meetings

When requested, attendance on site in Baton Rouge with various staff members and with the Chief Executive Officer on such matters as they deem necessary. Your commitment in this area of consultation will require senior staff time. This on site time may be immediately preceding or following required attendance at the various board and committee meetings described above, but will also involve additional trips to Baton Rouge.

D. Remote Communication

Communication by telephone, e-mail or correspondence at Contractor's place of business between OGB and Contractor senior staff.

E. Experience Rating Eligible Entities

Upon request, the Contractor will analyze historic enrollment; claims experience, and benefit plans for any eligible entity not participating in the OGB which request information on enrollment in the OGB. Based upon the eligible entity's

loss experience, the Contractor will recommend a self-sustaining rate structure for the eligible entity to join the OGB.

F. Claims Projections, IBNR Liability

Projection of claims activity for each upcoming fiscal year and the reserve required at the close of each fiscal year. This will require a range estimate of the liability for incurred but not reported (IBNR) claims for the self-funded health and accident benefits plan, together with a Statement of Actuarial Opinion and an Actuarial Memorandum in support thereof, as required by the Legislative Auditor for the State of Louisiana.

G. Life Insurance Waiver of Premium, Reserve Valuation

Value the reserve for the self-insured waiver of premium provision of the group term life contract and calculate the premium due for the group term insurance on the disabled lives.

H. Premium Rates, Adjustments

The Contractor will prepare cost projections for modifications to the plan of benefits and recommendations for annual premium rate adjustments and/or fiscal impact of benefit modifications. The Contractor must develop a blended premium rate structure for participants in the self-funded medical plans. The Contractor is also required to monitor actual income and expenses against the projections to advise the OGB regarding any significant variations from the projections. The Contractor will also advise the OGB on the establishment of alternate mechanisms to equalize the risks and/or costs among the plans offered.

I. ASO Offerings, Fully Insured Offerings and Managed Prescription Drug Program

In regards to ASO, Fully Insured Offerings and the Managed Prescription Drug Program, the Contractor will assist OGB with development of the Request for Proposal (RFP) or Notice of Intent to Contract (NIC). Contractor will also assist with the evaluation of proposals received from the ASO, Fully Insured Offerings and Managed Prescription Drug Program. While the Fully Insured Medicare Risk contracts are not currently offered, OGB may choose to seek proposals for such coverage in the future.

The Contractor will provide the following services with regard to the ASO, Fully Insured and Managed Prescription Drug Program contracted vendors who provide services to OGB plan participants:

1. Evaluate the reasonableness of any annual premium rate increase/decrease requested by the contracted vendor.

#### Work Project/Meeting Attendance Process for Project Management:

The Project Manager will be notified by the Project Director or his designee to perform certain work projects or the need to attend a meeting. The Project Manager is responsible for the completion and submission of the work to the Project Director or his designee and to attend any meeting that he is requested to attend.

Contractor shall submit monthly progress reports signed by the Project Manager. Each progress report shall describe the status of the Contractor's performance since the preceding one, including projects delivered, description of problems encountered along with a plan for resolving it, the work to be accomplished in the coming report period and identifying issues requiring management attention, particularly those which may affect the scope of services or the deliverables to be provided by the Contractor. Each report shall identify activities by reference to the project.

Accompanying each Progress Report, the Contractor shall submit a table summarizing the number of hours worked on this assignment, by staff category, for each of the "services/deliverables", A through N, set out in this Attachment I.

Contractor shall develop and implement with State approval, procedures and forms to monitor the identification and resolution of key project issues or problems.

#### **PERFORMANCE MEASURES**

The Project Director will be responsible for the Performance Evaluation Report in regards to the Scope of Services provided by the Contractor pursuant to this Contract. The Performance Evaluation will be based on OGB's satisfaction of the results from implementation and utilization of the Deliverables as described in the contract.

**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 December 1, 2012, 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 Buck Consultants, LLC.
- 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 third party 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 1<sup>st</sup> day of December, 2012.**

**State of Louisiana,  
Division of Administration  
Office of Group Benefits**

**Buck Consultants LLC**

By: Brenda St. Romain

By: Thomas S. Tomczyk

Name: Brenda St. Romain

Name: Thomas S. Tomczyk

Title: Chief Operating Officer

Title: Principal, Health & Productivity

## Amendment to Agreement

Between

State Of Louisiana  
Office of Group Benefits (OGB)

And

Buck Consultants, LLC  
500 Grant Street, Suite 2900, Pittsburgh, PA 15219  
VIN# 13-3954297

---

### **ADD:**

#### **1.2 Complete Description of Services**

##### **Attachment I – Statement of Work**

##### **M. Auditing Services:**

- a. Clinical Audit of the Diabetes Program: This audit would focus on calendar year 2012 and would review the process used to reach out to the appropriate members, the number of members participating in the program, the process used to insure that members are getting their supplies, and the effectiveness of this program in controlling diabetic costs.
- b. Rebate Audit: This audit would be based on the rebate definition included in the OGB contract.
- c. Claims Audit: This audit would review actual claims paid and compare these to the benefit plan to insure benefits are being paid according to the plan design.
- d. Network Audit: This audit would check the actual reimbursements against the contractual discounts.
- e. Generic Performance Management Audit: This audit would check the contractor's performance in regards to management of generic utilization.

**Change:**

**Change From**

**5.0 Payment**

- A. In consideration of the services required by this contract OGB shall pay Contractor Fifty Five Thousand Sixty Six Dollars (\$55,066.00) Per Month.
- B. OGB will make the above payment within (30) days of receipt of invoice and approval of Project Director.
- C. The maximum amount payable by OGB to Contractor pursuant to this contract will not exceed Seven Hundred Fifteen Thousand, Eight Hundred and Fifty eight Dollars (\$715,858.00).

**Change To**

**5.0 Payment**

- A. In consideration of the services described in A. through L. in the Contract's Statement of Work (Attachment I) OGB shall pay Contractor Fifty Five Thousand Sixty Six Dollars (\$55,066.00) Per Month.
- B. In consideration of the services described in M. in the Contract's Statement of Work (Attachment I) OGB shall pay Contractor a fee in the amount of Forty Five Thousand Dollars (\$45,000.00).
- C. OGB will make the above payment within thirty (30) of receipt of invoice and approval of the Project Director.
- D. The maximum amount payable by OGB to Contractor pursuant to this contract will not exceed Seven Hundred Sixty Thousand, Eight Hundred and Fifty eight Dollars (\$760,858.00).

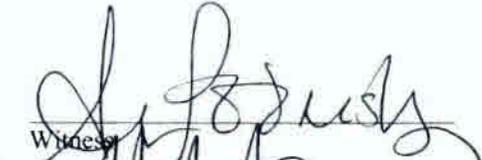
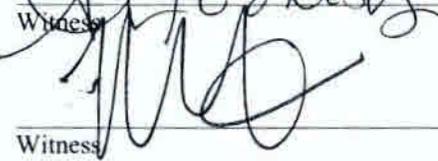
**Effective Date:** May 1, 2013

**Justifications for Amendment:** To add audit services to the contracted services.

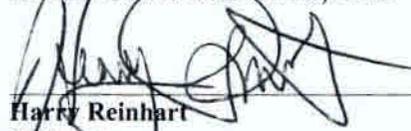
**No amendment shall be valid until it has been executed by all parties and approved by the Director of the Office of Contractual Review, Division of Administration.**

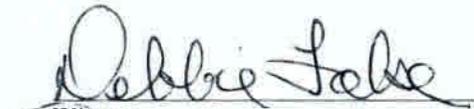
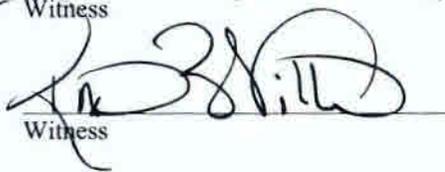
**All other provisions of the Agreement shall remain in full force and effect. Any conflict between the Contract and this Amendment regarding the subject matters of this Amendment shall be resolved in favor of this Amendment.**

This amendment contains or has attached hereto all revised terms and conditions agreed upon by contracting parties. IN WITNESS THEREOF, this amendment is signed and entered into on the date indicated below.

  
Witness  
  
Witness

BUCK CONSULTANTS, LLC

  
Harry Reinhart  
Office Manager  
6/23/13  
Date

  
Witness  
  
Witness

OFFICE OF GROUP BENEFITS

  
Pat Powers  
Chief Operating Officer  
Office of Group Benefits (OGB)  
6/3/13  
Date



JUN 25 2013



**Amendment to Agreement**

**Between**

**State Of Louisiana  
Office of Group Benefits (OGB)**

**And**

**Buck Consultants, LLC  
500 Grant Street, Suite 2900, Pittsburgh, PA 15219  
VIN# 13-3954297**

---

**ADD:**

**1.2 Complete Description of Services**

**Attachment I – Statement of Work**

**N. Implementation services for Managed Prescription Drug Program**

In regards to the Managed Prescription Drug Program for the ASO offerings, Contractor will provide actuarial and related services in connection with the implementation of the PBM/EGWP contract effective January 1, 2014.

**O. Nondiscrimination testing under 26 USC §105(h)**

Contractor will provide actuarial and related nondiscrimination testing services to determine, assess, and plan for compliance with 26 USC §105(h).

**Change FROM:**

**2.1 Effective Date and Duration**

A. The initial term of the contract will be December 1, 2012 through December 31, 2013.

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

**Change TO:**

**2.1 Effective Date and Duration**

- A. The term of the contract will be December 1, 2012 through December 31, 2014.
- B. This contract is not effective until approved by the Director of the Office of Contractual Review in accordance with La. R.S. 39:1502.

**Change FROM:**

**5.0 Payment**

- A. In consideration of the services described in A. through L. in the Contract's Statement of Work (Attachment I) OGB shall pay Contractor Fifty Five Thousand Sixty Six Dollars (\$55,066.00) Per Month.
- B. In consideration of the services described in M. in the Contract's Statement of Work (Attachment I) OGB shall pay Contractor a fee in the amount of Forty Five Thousand Dollars (\$45,000.00).
- C. OGB will make the above payment within thirty (30) of receipt of invoice and approval of the Project Director.
- D. The maximum amount payable by OGB to Contractor pursuant to this contract will not exceed Seven Hundred Sixty Thousand, Eight Hundred and Fifty eight Dollars (\$760,858.00).

**Change TO:**

**5.0 Payment**

- A. In consideration of the services described in A. through L. in the Contract's Statement of Work (Attachment I) OGB shall pay Contractor Fifty Five Thousand Sixty Six Dollars (\$55,066.00) Per Month.
- B. In consideration of the services described in M. in the Contract's Statement of Work (Attachment I) OGB shall pay Contractor a fee in the amount of Forty Five Thousand Dollars (\$45,000.00). *Auditing*
- C. In consideration of the services described in N. in the Contract's Statement of Work (Attachment I) OGB shall pay Contractor a fee in the amount of Two Hundred Thousand Dollars (\$200,000.00). *Implementation*

- D. In consideration of the services described in O. in the Contract's Statement of Work (Attachment I) OGB shall pay Contractor a fee in the amount of Fifteen Thousand Dollars (\$15,000.00). *Non discrimination testing*
- E. OGB will make the above payment within thirty (30) days of receipt of invoice and approval of the Project Director.
- F. The maximum amount payable by OGB to Contractor pursuant to this contract will not exceed One Million Six Hundred Thirty Six Thousand and Six Hundred Fifty Dollars (\$1,636,650.00).

**Effective Date:** October 29, 2013

**Justifications for Amendment:** To extend contract term to December 31, 2014 and increase maximum payable amount to One Million Six Hundred Thirty Six Thousand and Six Hundred Fifty Dollars (\$1,636,650.00). To add the following services to the contracted services: (1) actuarial and related services required for the implementation of the PBM/EGWP contract effective January 1, 2014; and, (2) actuarial and related nondiscrimination testing services to determine, assess, and plan for compliance with federal law, 26 USC §105(h).

**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.**

**All other provisions of the Agreement shall remain in full force and effect. Any conflict between the Contract and this Amendment regarding the subject matters of this Amendment shall be resolved in favor of this Amendment.**

**This amendment contains or has attached hereto all revised terms and conditions agreed upon by contracting parties. IN WITNESS THEREOF, this amendment is signed and entered into on the date indicated below.**

*[Signature]*  
 \_\_\_\_\_  
 Witness

BUCK CONSULTANTS, LLC  
*[Signature]* *10-29-13*  
 \_\_\_\_\_  
 Harry Reinhart Date  
 Office Manager

*Nancy Jeff*  
 \_\_\_\_\_  
 Witness

OFFICE OF GROUP BENEFITS  
*[Signature]* *11/1/13*  
 \_\_\_\_\_  
 Pat Powers Date  
 Chief Operating Officer  
 Office of Group Benefits (OGB)

*Debbie Lobse*  
 \_\_\_\_\_  
 Witness

*Patty Rahl*  
 \_\_\_\_\_  
 Witness

APPROVED  
 Office of the Governor  
 Office of Contractual Review

NOV 15 2013

*[Signature]*  
 \_\_\_\_\_  
 DIRECTOR