

Contract Number 133760

**STATE OF OREGON
INFORMATION TECHNOLOGY SERVICES AGREEMENT
(Software as a Service)**

In compliance with the Americans with Disabilities Act, this document is available in alternate formats such as Braille, large print, audiotape, oral presentation and electronic format. To request an alternate format, please send an e-mail to DHS.Forms@state.or.us or contact the Office of Document Management at 503-378-3486, and TTY at 503-378-3523.

The parties acknowledge and agree that, effective July 1, 2011, all references herein to DHS shall mean OHA and any right or obligation of DHS under this Agreement shall be a right or obligation of OHA.

This Information Technology Products and Services Contract (this "Contract") is entered into by and between the State of Oregon acting by and through its Department of Human Services ("DHS"), on behalf of the Oregon Health Authority ("Agency") and

**Milliman Incorporated
1301 Fifth Avenue, Suite 3800
Seattle, Washington 98101
Telephone: 206-504-5977
Facsimile: 206-447-6909**

hereinafter referred to as "Contractor."

Work to be performed under this Contract relates principally to the following Agency:

**The Office for Oregon Health Policy and Research (OHPR)
General Services Building
1225 Ferry Street SE, 1st Floor
Salem, OR 97301
Contract Administrator: Sean Kolmer or delegate
Telephone: 503-373-1824
Facsimile: 503-378-5511**

RECITALS

- A. Agency desires to engage a Contractor to collect data from insurance carriers, health plans, third-party administrators, pharmacy benefit managers, Medicaid, and Medicare to allow OHA to begin to improve the understanding of the cost, quality and access of health care and services in Oregon (the "Services" as defined below) to enable Agency to achieve specific business and Agency mission objectives defined in this Contract, including implementation and testing of the System (as defined below). To that end, Agency issued RFP #3078.
- B. Contractor is the successful Proposer in connection with the RFP #3078 and Agency desires to engage the Contractor to deliver the Products and perform the Services.
- C. Contractor desires to deliver the Products to and perform the Services for the Agency.

AGREEMENT

In consideration of the foregoing recitals and the mutual terms and conditions set forth below, Agency and Contractor agree as follows:

1. DEFINITIONS.

“Acceptance” means written confirmation by Agency that Contractor has completed a Deliverable according to the Acceptance Criteria and it is accepted for purposes of interim payment. The term is distinct from “Final Acceptance.”

“Acceptance Criteria” means the criteria for accepting Deliverables required by this Contract, including but not limited to all specifications and requirements in the Statement of Work, and the Performance Warranties set forth in Section 8.2.

“Acceptance Tests” means those tests which are intended to determine compliance of Deliverables with the Acceptance Criteria of this Contract.

“Agency Intellectual Property” means any intellectual property that is owned by Agency. Agency Intellectual Property includes any derivative works and compilations of any Agency Intellectual Property.

“Application Services” means the software provided by Contractor as a service, which includes the hosting of the software, all license fees for the software, maintenance and support of the software. Data Warehouse Services and Data Collection Services are Application Services under this Contract.

“Authorized Representative” means a person representing a party to this Contract who is authorized to make commitments and decisions on behalf of the party regarding the performance of this Contract. Contractor’s Authorized Representative is the person so identified in Exhibit E. Agency’s Authorized Representative is the person so identified in Exhibit F.

“Business Days” means Monday through Friday, 8:00 a.m. to 5:00 p.m., Pacific Time, excluding State of Oregon holidays.

“Change Order” means a form of Contract amendment pursuant to Article 17 that makes changes or modifications to the Statement of Work within the Scope of this Contract.

“Confidential Information” is defined in Section 7.1.

“Contract” means all terms and conditions herein and all Exhibits attached hereto.

“Contractor Intellectual Property” means any intellectual property that is owned by Contractor and contained in or necessary for the use of the Deliverables. Contractor Intellectual Property includes Documentation owned by the Contractor and derivative works and compilations of any Contractor Intellectual Property.

“DAS” means the State of Oregon acting through its Department of Administrative Services.

“Deliverables” means all items that Contractor is required to deliver to Agency under this Contract, including Work Product.

“Delivery Schedule” means that attribute of the Statement of Work setting forth the completion date of each Milestone and the delivery date for each Deliverable.

“Documentation” means all documents, including documents that are Deliverables described in the Statement of Work and includes, but is not limited to, any and all operator’s and user’s manuals, training materials, guides, commentary, listings, requirements traceability matrices and other materials for use in conjunction with and for the operation of the System and its components that are to be delivered by Contractor under this Contract.

“DOJ” means the State of Oregon acting through its Department of Justice.

“Effective Date” means the date on which this Contract is fully executed and approved, according to applicable laws, rules and regulations.

“Final Acceptance” is defined in Section 2.5.

“Go-Live” is the Milestone reached by Agency notice to begin using the Application Services in a live environment following completion of User Acceptance Testing.

“Intellectual Property Rights” is defined in Section 10.2.

“Key Persons” means Contractor’s Authorized Representative, the Project Manager and all other Contractor personnel designated as key persons in Exhibit E.

“Maximum Not-To-Exceed Compensation” is defined in Section 5.1.

“Milestone” means the completion date for a specific group of Tasks or Deliverables identified as a Milestone in the Statement of Work.

“Operating Environment” means the hardware, programming languages, software, including, but not limited to, operating system software, the system architecture and firmware necessary for the System to operate in accordance with its specifications.

“Project Manager” means Contractor’s representative who manages the processes and coordinates the Services with Agency’s Authorized Representative to ensure delivery of the Deliverables and completion of Milestones. Contractor’s Project Manager is the person so identified in Exhibit E.

“Proposal” means Contractor’s proposal in response to the RFP.

“RFP” means the Request for Proposal #3078.

“Schedule of Deliverables” means that attribute of the SOW that describes each Task, Deliverable, measurable attributes of each Deliverable and Milestone with identification of the Services that are associated with them, and a completion date for each Milestone and Deliverable.

“Services” means all effort to be expended by Contractor as set forth in the Statement of Work and Exhibit H, “Application Services Agreement”, including but not limited to installation, configuration, implementation, support, warranty, maintenance and support of the Application Services.

“Services Retention Amount” is defined in Section 5.3.1.

“Statement of Work” or “SOW” means the document that describes the Services to be provided by Contractor including the Tasks, Deliverables and Milestones, the measurable attributes of each Deliverable, identification of the Deliverables and Services that are associated with each Task, and a completion date for each Milestone and Deliverable, the Payment Schedule for each Deliverable and Milestone, and any other items as agreed by the parties including Amendments pursuant to section 17.15, all attached hereto as Exhibit A.

“System” means the sum total of the Services, the Developments, the Contractor Intellectual Property, the Third Party Intellectual Property, the Application Services, the Operating System and the Documentation described in the Statement of Work that comprise the information system that Contractor will develop, configure and implement under this Contract.

“Task” means a segment of the Services to be provided by Contractor under this Contract.

“Third Party Intellectual Property” means any intellectual property owned by parties other than Agency or Contractor and contained in or necessary for the use, or optimal use, of the Deliverables. Third Party Intellectual Property includes derivative works and compilations of any Third Party Intellectual Property.

“Work Product” means every invention, modification, discovery, design, development, customization, configuration, improvement, process, software program, work of authorship, documentation, formula, datum, technique, know how, secret, or intellectual property right whatsoever or any interest therein (whether patentable or not patentable or registerable under copyright or similar statutes or subject to analogous protection) that is specifically made, conceived, discovered, or reduced to practice by Contractor or Contractor’s subcontractors or agents (either alone or with others) pursuant to the Contract. Notwithstanding anything in the immediately preceding sentence to the contrary, Work Product does not include any Agency Intellectual Property, Contractor Intellectual Property or Third Party Intellectual Property.

2. SCOPE OF SERVICES.

2.1. Performance and Delivery.

Contractor shall perform the Services as set forth in the Statement of Work, according to the Delivery Schedule and the standards and methodologies set forth in the Statement of Work.

2.2. If this Contract requires Agency to provide any resources, and Agency fails to provide the requisite quality or quantity of such resources, or fails to provide such resources in a timely manner but for a period not to exceed 30 days, Contractor’s sole remedy shall be an extension of the applicable delivery dates corresponding to the delay caused by Agency’s failure. If Agency’s failure to provide such resources exceeds thirty (30) days and Contractor can show to the reasonable satisfaction of Agency that the Agency’s failure has resulted in an unavoidable increase in the cost of the Services required for the Statement of Work, then Contractor shall be

entitled to recover from Agency the reasonable amount of such increased costs. Contractor's right to delay applicable delivery dates may be exercised only if Contractor provides Agency with reasonable notice of Agency's failure and Contractor uses Commercially Reasonable Efforts to perform notwithstanding Agency's failure to perform.

2.3. Delivery and Review of Deliverables.

- 2.3.1. Contractor shall deliver Deliverables and complete Milestones as set forth in the Statement of Work by no later than the date or dates set for delivery in the Statement of Work. Delivery dates, both critical and non-critical, are set forth in the Statement of Work and are subject to Agency performing its responsibilities in a timely manner.
- 2.3.2. Contractor shall provide written notice to Agency upon delivery of a completed Deliverable to Agency. By no later than (i) fifteen (15) days after receipt of such notice, or (ii) the date set forth in the Delivery Schedule for Agency's review, whichever is later, Agency shall determine whether the Deliverable meets Acceptance Criteria set forth in the Contract including the Statement of Work. With respect to any Deliverables that are susceptible to Acceptance Testing, Agency shall conduct Acceptance Testing as set forth in Section 2.3.3 and the Statement of Work. If Agency determines that the Deliverable meets, in all material respects, Acceptance Criteria, Agency shall notify Contractor of Agency's Acceptance.
- 2.3.3. If the Agency determines that a Deliverable does not meet, in all material respects, the Acceptance Criteria, Agency shall notify Contractor in writing of Agency's rejection of the Deliverable, and describe in reasonable detail in such notice the Agency's basis for rejection of the Deliverable. Upon receipt of notice of non-acceptance, Contractor shall, within a fifteen (15) day period, modify or improve the Deliverable at Contractor's sole expense so that the Deliverable meets, in all material respects, Acceptance Criteria, and notify the Agency in writing that it has completed such modifications or improvements and re-tender the Deliverable to Agency. Agency shall thereafter review the modified or improved Deliverable within fifteen (15) days of receipt of the Contractor's delivery of the Deliverable. Failure of the Deliverable to meet the Acceptance Criteria in all material respects after the second set of Acceptance Tests shall constitute a default by Contractor. In the event of such default, Agency may either (i) notify Contractor of such default and instruct Contractor to modify or improve the Deliverables as set forth in this section 2.3.3, or (ii) notify Contractor of such default and instruct Contractor to cease work on the Deliverable, in which case Contractor shall refund to Agency all amounts paid by Agency related to such Deliverable. Such refund shall be in addition to, and not in lieu of, any other remedies Agency may have for Contractor's default.

2.4. Acceptance Testing.

- 2.4.1. User Acceptance Testing. Contractor shall provide written notice to the Agency upon complete customization, installation and configuration of the System, as set forth in Exhibit A. Agency will test the entire System ("User Acceptance Testing") by using it in a test environment in order to determine if it meets, in all material respects, the Acceptance Criteria. If the System fails to conform to or perform according to the Acceptance Criteria, Agency will notify Contractor, in writing, specifying the manner in which it fails to comply. Upon receipt of such written notice, Contractor shall correct

any such failure within ten (10) business days from the date of receipt of Agency's notice or such later date as Agency shall specify in its notice, and shall resubmit the corrected System to Agency for retesting according to this section, all at no additional charge to Agency.

2.4.2. Acceptance Period. Upon completion of User Acceptance Testing, Agency shall use the System for the transformation and processing of System data in a live production environment for a period of ninety (90) days. At the end of such ninety (90) day period, there shall be no known unresolved System Errors, as communicated in writing from Agency to Contractor. For the purpose of this Section 2.4.2, "Unresolved System Errors" are errors that prevent the System from meeting the Acceptance Criteria of this Contract. If the System materially fails to conform to or perform in the Acceptance Criteria, Agency will notify Contractor, in writing, specifying in reasonable detail the manner in which it fails to comply. Upon receipt of such written notice, Contractor shall correct any such failure within five (5) business days from the date of receipt of Agency's notice or such later date as Agency shall specify in its notice, and shall resubmit the System to Agency for reevaluation, all at no additional charge to Agency. Thereafter, if the System fails to conform or perform as required, Agency may allow Contractor to continue to correct the System or Agency may declare a material breach of this Contract by Contractor.

2.5. Final Acceptance. "Final Acceptance" of the System will occur when the following events have occurred or conditions exist:

2.5.1. Agency has notified Contractor that the System meets all Acceptance Criteria and all Acceptance Tests required pursuant to Section 2.4 have been successfully completed for the System;

2.5.2. All System database inventories and configuration files are complete and operating correctly;

2.5.3. All items of System Documentation are complete, inventoried and accepted by the Agency. Contractor shall provide all text Documentation both in hard copy and in an electronic format as specified in the Statement of Work;

2.5.4. All Documentation, configuration data, and System configuration information are complete and are stored and controlled under a configuration management system as specified in the Statement of Work; and

2.5.5. Contractor has delivered all source code and Documentation in accordance with the terms of the Contract including the Statement of Work.

2.6. Application Services.

2.6.1. Upon Go-Live, Contractor shall provide the Application Services in accordance with the Application Services Agreement, a copy of which is attached hereto as Exhibit H.

3. CONTRACTOR'S PERSONNEL.

- 3.1. Project Manager. Contractor shall designate one of the Key Persons as Project Manager for the Services. The Project Manager shall be familiar with Agency's business operations and objectives. The Project Manager shall participate with Agency in periodic review sessions and shall provide at Agency's request detailed progress reports that identify completed tasks and the status of the remaining Services as set forth in the Statement of Work.
- 3.2. Contractor's Employees and Subcontractors. Contractor shall not use subcontractors to perform the Services unless specifically authorized to do so by Agency. Contractor represents that any employees assigned to perform the Services, and any authorized subcontractors performing the Services shall perform the Services in accordance with the warranties set forth in Article 8 of this Contract.
- 3.3. Key Persons. Contractor acknowledges and agrees that Agency selected Contractor, and is entering into this Contract, because of the special qualifications of Contractor's Key Persons identified in Exhibit E. Contractor's Key Persons shall not delegate performance of their powers and responsibilities they are required to provide under this Contract to another Contractor employee(s) without first obtaining the written consent of the Agency. Further, Contractor shall not re-assign or transfer the Key Persons to other duties or positions such that the Key Persons are no longer available to provide the Agency with their expertise, experience, judgment, and personal attention, without first obtaining the Agency's prior written consent to such re-assignment or transfer, which Agency shall not unreasonably withhold or delay. Notwithstanding the foregoing, Contractor may replace Key Persons without Agency's consent in the event any Key Persons are no longer available due to death, illness or termination of employment with Contractor. In the event Contractor requests that the Agency approve a re-assignment or transfer of the Key Persons, or if Contractor must replace Key Persons due to death, illness or termination of employment with the Contractor, the Agency shall have the right to review the qualifications of, and approve or disapprove the proposed replacement(s) for the Key Persons. Any such replacement shall have substantially equivalent or better qualifications than the Key Person being replaced. Any replacement personnel approved by Agency shall thereafter be deemed a Key Person for purposes of this Contract and Exhibit E shall be deemed amended to include such Key Person.

4. TERM.

This Contract shall be effective on the Effective Date, and shall expire **five (5) years** from the Go Live date unless renewed according to the terms of this Contract. Notwithstanding the foregoing, the term for any Application Service Agreements attached hereto shall be as specified in those agreements.

5. COMPENSATION.

- 5.1. Maximum Payment Amount. Notwithstanding any other provision of this Contract to the contrary, the maximum, not-to-exceed compensation that Agency will pay to Contractor is **\$4,856,675** (the "Maximum Not-To-Exceed Compensation"), which includes payment for any allowable expenses for which Contractor may request reimbursement under this Contract.

5.2. Payments.

- 5.2.1. Payment of Fixed Prices. Subject to the requirements of Sections 5.3 and 5.5, Agency shall pay to Contractor the fixed price for each Deliverable completed, delivered to and Accepted by Agency according to the Statement of Work.

5.2.2. Application Services. Subject to sections 5.5 and 5.6, upon successful completion of User Acceptance Testing, Contractor shall invoice Agency for the quarterly fees for the Application Services. Thereafter, Contractor shall no later than 30 days from the expiration of any Application Services period invoice Agency for the next period of Application Services in accord with the pricing set forth in Exhibit A.

5.3. Retention Amount.

5.3.1. Retention Amount for Services. Agency shall in all events be permitted to hold back an amount (the "Services Retention Amount") of not more than ten percent (10%) of any amount that is payable by Agency to Contractor prior to Final Acceptance, other than the amounts due for the Application Services. Agency shall pay the then accrued Services Retention Amount to Contractor within thirty (30) days following Final Acceptance.

5.4. Expenses. Agency will not pay or reimburse any expenses incurred by Contractor during the completion of the Services except as authorized in the Statement Work. Any such authorized expenses shall comply with the Oregon Travel Policy.

5.5. Invoices. Agency shall pay Contractor not more than once each month upon Contractor's submission of a detailed invoice that sets forth the Services performed and Deliverables accepted by Agency. Such invoices shall comply with the requirements of Sections 5.2, 5.3, and 5.4 and shall identify the Deliverables completed and Accepted by Agency for which Contractor seeks compensation and shall itemize and explain all authorized expenses for which reimbursement is claimed. The invoices also shall include the total amount invoiced to date by Contractor prior to the current invoice. Contractor shall submit invoices to Agency's Authorized Representative. Agency will have the right to review each such invoice for compliance with the requirements of this Section 5.5 and any other relevant provisions of this Contract. All payments to Contractor are subject to ORS 293.462.

5.6. Limit on Payments. Contractor shall not submit invoices for, and Agency shall not pay, any amount in excess of the Maximum Not-To-Exceed Compensation. If this maximum amount is increased by amendment of this Contract, pursuant to Section 17.15, the amendment must be fully effective before Contractor performs Services or delivers goods subject to the amendment. No payment will be made for any Services performed or goods delivered before the Effective Date or after termination of this Contract.

6. OWNERSHIP AND LICENSE IN DELIVERABLES.

6.1. Contractor Intellectual Property. Contractor retains ownership of all Contractor Intellectual Property pursuant to the Services performed under this Contract. Contractor grants Agency a license to Contractor Intellectual Property as set forth in Exhibit H.

6.2. Work Product. Contractor owns all Work Product. Contractor grants Agency a perpetual non-exclusive, irrevocable royalty-free, world-wide license to use, copy, display, distribute, transmit and prepare derivative works of Work Product, and to authorize others to do the same on Agency's behalf.

6.3. Third Party Intellectual Property. Unless otherwise specified in Exhibit A that Agency, on its own, will acquire and obtain a license to Third Party Intellectual Property, Contractor shall secure on Agency's behalf, in the name of Agency and subject to Agency's approval, a license to Third Party Intellectual Property sufficient to fulfill the business objectives, requirements and specifications identified in this Contract.

6.4. Agency Intellectual Property. Data and Background Information. Agency owns all Agency Intellectual Property and Agency data and background information provided to Contractor pursuant to this Contract. Agency grants Contractor a non-exclusive, royalty-free, world-wide license to use, copy, display, distribute, transmit and prepare derivative works of Agency Intellectual Property and Agency data and background information only to fulfill the purposes of this Contract. Agency's license to Contractor is limited by the term of the Contract and the confidentiality obligations of this Contract.

6.5. No Rights. Except as expressly set forth in this Contract, nothing in this Contract shall be construed as granting to or conferring upon Contractor any right, title, or interest in any intellectual property that is now owned or subsequently owned by Agency. Except as expressly set forth in this Contract, nothing in this Contract shall be construed as granting to or conferring upon Agency any right, title, or interest in any Contractor Intellectual Property that is now owned or subsequently owned by Contractor.

6.6. Competing Services. Subject to the provisions of this Article 6, and Contractor's obligations with respect to Confidential Information, as defined in Article 7, nothing in this Contract shall preclude or limit in any way the right of Contractor to: (i) provide services similar to those contemplated in this Contract, or consulting or other services of any kind or nature whatsoever to any individual or entity as Contractor in its sole discretion deems appropriate; or (ii) develop for Contractor or for others deliverables or other materials that are competitive with those produced as a result of the Services provided hereunder, irrespective of their similarity to the Deliverables. Each party shall be free to utilize any concepts, processes, know-how, techniques, improvements or other methods it may develop during the course of performance under this Contract free of any use restriction or payment obligation to the other.

6.7. Neither party grants the other the right to use its trademarks, trade names, service marks or other designations in any promotion or publication without prior written consent. Each party grants only the licenses and rights specified in this Contract.

7. CONFIDENTIALITY AND NON-DISCLOSURE.

7.1. Confidential Information. Contractor acknowledges that it and its employees or agents may, in the course of performing the Services under this Contract, be exposed to or acquire information that is confidential to Agency or Agency's clients. Any and all information of any form obtained by Contractor or its employees or agents in the performance of this Contract shall be deemed to be confidential information of Agency ("Confidential Information"). Any reports or other documents or items (including software) that result from the use of the Confidential Information by Contractor shall be treated in the same manner as the Confidential Information. Confidential Information shall be deemed not to include information that (a) is or becomes (other than by disclosure by Contractor) publicly known; (b) is furnished by Agency to others without restrictions similar to those imposed by this Contract; (c) is rightfully in Contractor's possession without the obligation of nondisclosure prior to the time of its disclosure under this

Contract; (d) is obtained from a source other than Agency without the obligation of confidentiality, (e) is disclosed with the written consent of Agency, or; (f) is independently developed by employees, agents or subcontractors of Contractor who can be shown to have had no access to the Confidential Information.

- 7.2. Non-Disclosure. Contractor agrees to hold Confidential Information in confidence, using at least the same degree of care that Contractor uses in maintaining the confidentiality of its own confidential information, and not to copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties (other than its subcontractors solely for the provision of Services to Agency hereunder), or use Confidential Information for any purposes whatsoever other than the provision of Services to Agency hereunder, and to advise each of its employees and agents of their obligations to keep Confidential Information confidential. Contractor shall use commercially reasonable efforts to assist Agency in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the generality of the foregoing, Contractor shall advise Agency immediately in the event Contractor learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract and Contractor will at its expense cooperate with Agency in seeking injunctive or other equitable relief in the name of Agency or Contractor against any such person. Contractor agrees that, except as directed by Agency, Contractor will not at any time during or after the term of this Contract disclose, directly or indirectly, any Confidential Information to any person, except in accordance with this Contract, and that upon termination of this Contract or at Agency's request, Contractor will turn over to Agency all documents, papers, and other matter in Contractor's possession that embody Confidential Information. Notwithstanding the foregoing, Contractor may keep one copy of such Confidential Information necessary for quality Assurance, audits and evidence of performance of the Services.
- 7.3. Identity Theft. In the performance of the Contract, Contractor may have possession or access to documents, records or items that contain "Personal Information" as that term is used in ORS 646A.602(11), including Social Security numbers. Personal Information is a type of Confidential Information that is highly sensitive and subject to additional protection. Therefore, prior to the receipt of, and during the period in which Contractor has possession of or access to, any Personal Information, Contractor shall have in place a formal written information security program that provides safeguards to protect Personal Information from loss, theft, and disclosure to unauthorized persons, as required by the Oregon Consumer Identity Theft Protection Act, ORS 646A.600-646A.628.
- 7.3.1. In addition to and without limiting the generality of Sections 7.1 and 7.2, Contractor shall not breach or permit breach of the security of any Personal Information that is contained in any document, record, compilation of information or other item to which Contractor receives access, possession, custody or control under this Contract. Contractor shall not disclose, or otherwise permit access of any nature, to any unauthorized person, of any such Personal Information. Contractor shall not use, distribute or dispose of any Personal Information other than as expressly permitted by the Agency, Agency, required by applicable law, or required by an order of a tribunal having competent jurisdiction.
- 7.3.2. Contractor shall promptly report to the Agency any breach of security, use, disclosure, theft, loss, or other unauthorized access of any document, record, compilation of

information or other item that contains Personal Information to which the Contractor receives access, possession, custody or control in the performance of this Contract.

7.3.3. Contractor shall require the compliance of its employees and agents (including any permitted subcontractors) with this Section 7.

7.4. Security Policies / Non-Disclosure Agreement. Contractor at all times shall comply with Agency's privacy and information security policies AS-090-001 through AS-090-006; AS-100-01 through AS-100-06; and AS-100-09. Copies of these policies are available from the Agency's web sites:

- Security policies: <http://www.dhs.state.or.us/policy/admin/infosecuritylist.htm>
- Privacy policies: <http://www.dhs.state.or.us/policy/admin/privacylist.htm>

Contractor shall upon Agency's request provide a written non disclosure agreement and obtain such from Contractor's employees and subcontractors (if any) performing Services under this Contract.

7.5. Injunctive Relief. Contractor acknowledges that breach of this Article 7, including disclosure of any Confidential Information, will cause irreparable injury to Agency that is inadequately compensable in damages. Accordingly, Agency may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies that may be available. Contractor acknowledges and agrees that the covenants contained herein are necessary for the protection of the legitimate business interests of Agency and are reasonable in scope and content.

7.6. Publicity. Contractor agrees that news releases and other publicity relating to the subject of this Contract will be made only with the prior written consent of Agency.

8. CONTRACTOR'S REPRESENTATIONS AND WARRANTIES.

8.1 General Representations and Warranties. Contractor represents and warrants to Agency that:

- 8.1.1. Contractor has the power and authority to enter into and perform this Contract;
- 8.1.2. This Contract, when executed and delivered, will be a valid and binding obligation of Contractor enforceable according to its terms;
- 8.1.3. Contractor will, at all times during the term of this Contract, be qualified to do business in the State of Oregon, professionally competent and duly licensed to perform the Services;
- 8.1.4. Contractor is not in violation of, charged with nor, to the best of Contractor's knowledge, under any investigation with respect to violation of, any provision of any federal, state or local law, ordinance or regulation or any other requirement or order of any governmental or regulatory body or court or arbitrator applicable to provision of the Services, and Contractor's provision of the Services shall not violate any such law, ordinance, regulation or order.
- 8.1.5. Contractor's performance under this Agreement to the best of Contractor's knowledge creates no potential or actual conflict of interest, as defined by ORS 244, for either

Contractor or any Contractor personnel that will perform the Services under this Agreement.

8.1.6. The Contractor Data and Tax Certification in the form attached hereto as Exhibit C and the Certification Statement For Independent Contractor in the form attached hereto as Exhibit D, if applicable, are true and accurate as of the Effective Date, and Contractor will notify Agency in writing if any such data or certifications change during the term of this Contract such that the attached Exhibits C or D, if applicable, are no longer true and accurate.

8.2. Contractor's Performance Warranties. Contractor represents and warrants to Agency that:

8.2.1. Contractor has the skill and knowledge possessed by well-informed members of its trade or profession and Contractor will apply that skill and knowledge with care and diligence so Contractor and Contractor's employees and any authorized subcontractors perform the Services described in this Contract in accordance with the highest standards prevalent in the industry or business most closely involved in providing the Services that Contractor is providing to Agency pursuant to this Contract.

8.2.2. Except as otherwise provided in this Contract, including as provided in Article 6, all Deliverables supplied by Contractor to Agency shall be transferred to Agency free and clear of any and all restrictions on or conditions of transfer, modification, licensing, sublicensing, direct or indirect distribution, or assignment, and free and clear of any and all liens, claims, mortgages, security interests, liabilities, and encumbrances of any kind.

8.2.3. Except as otherwise set forth in this Contract, any subcontractors performing work for Contractor under this Contract have assigned all of their rights in the Deliverables to Contractor or Agency and no third party has any right, title or interest in any Deliverables supplied to Agency under this Contract.

8.2.4. Contractor represents and warrants that it will maintain, operate and enforce, prior to the receipt of, and during the period in which Contractor has possession of or access to, any Personal Information, an active and effective information security program that at minimum complies with the requirements of the Oregon Identity Theft Protection Act (ORS 646A.600 to .628) to preserve the security and confidentiality of all Personal Information that is contained in any document, record, compilation of information or other item to which Contractor receives access, possession, custody or control.

8.2.5. The Contractor represents and warrants that the Application Services provided through this Contract and Statement of Work shall be free of what are commonly defined as viruses, backdoors, worms, spyware, malware and other malicious code that will hamper performance of the Application Services, collect unlawful personally identifiable information on users, or prevent the Application Services from performing as required under the terms and conditions of this Contract. Notwithstanding the foregoing, this representation and warranty does not include a disabling device that limits, suspends or ends use of the Application Services expressly permitted by the terms and conditions by the license under which it was provided.

8.3. WARRANTIES EXCLUSIVE; DISCLAIMERS. THE WARRANTIES SET FORTH IN THIS CONTRACT ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, AND CONTRACTOR EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. CONTRACTOR DOES NOT WARRANT THAT THE AGENCY'S USE OF THE SYSTEM WILL BE UNINTERRUPTED OR ERROR FREE.

8.4. The warranties stated above will not apply to the extent that there has been misuse (including, but not limited to, any use of the System capacity or capability other than that authorized by Contractor in writing), accident, modification, unsuitable physical or operating environment, operation in other than the specified operating environment, improper maintenance by Agency or a third party, or failure or damage caused by a product for which Contractor is not responsible. With respect to third-party products, Contractor is responsible under this paragraph for those third-party products that it provides or otherwise recommends to Agency.

9. LIMITATION OF LIABILITY.

9.1. EXCEPT FOR LIABILITY ARISING OUT OF OR RELATED TO (i) SECTION 10.1, (ii) SECTION 10.2, (iii) ARTICLE 7 OR (iv) CLAIMS FOR PERSONAL INJURY, INCLUDING DEATH, OR DAMAGE TO REAL PROPERTY OR TANGIBLE PERSONAL PROPERTY ARISING FROM THE NEGLIGENCE, RECKLESS CONDUCT OR INTENTIONAL ACTS OF CONTRACTOR, ITS OFFICERS, EMPLOYEES OR AGENTS, CONTRACTOR'S LIABILITY FOR DAMAGES TO THE STATE FOR ANY CAUSE WHATSOEVER SHALL BE LIMITED TO THE MAXIMUM-NOT-TO-EXCEED AMOUNT OF THE CONTRACT.

9.2. EXCEPT FOR LIABILITY TO THIRD PERSONS ARISING OUT OF OR RELATED TO (i) SECTION 10.1, (ii) SECTION 10.2, (iii) ARTICLE 7 OR (iv) CLAIMS FOR PERSONAL INJURY, INCLUDING DEATH, OR DAMAGE TO REAL PROPERTY OR TANGIBLE PERSONAL PROPERTY ARISING FROM THE NEGLIGENCE, RECKLESS CONDUCT OR INTENTIONAL ACTS OF CONTRACTOR, ITS OFFICERS, EMPLOYEES OR AGENTS. NEITHER PARTY IS LIABLE FOR ANY LOST PROFITS, LOST SAVINGS, LOST DATA, PUNITIVE, INDIRECT, EXEMPLARY CONSEQUENTIAL OR INCIDENTAL DAMAGES.

10. INDEMNITIES.

10.1. General Indemnity. Contractor shall defend, save, hold harmless, and indemnify the State of Oregon and Agency and their officers, employees and agents from and against all third party claims, suits, actions, losses, damages, liabilities, statutory penalties, costs and expenses for personal injury, including death, damage to real property and damage to tangible personal property resulting from, arising out of, or relating to the intentional, reckless or negligent acts or omissions of Contractor or its officers, employees, subcontractors, or agents under this Contract; provided that Contractor shall have only indemnify Agency or the State of Oregon from and against claims, suits, actions, losses, damages, liabilities, costs and expenses to the extent attributable to the acts or omissions of Agency or the State of Oregon, and their officers, employees or agents.

10.2. IP Indemnity. In addition to and without limiting the generality of Section 10.1, Contractor expressly agrees to indemnify, defend and hold the State of Oregon and its agencies, subdivisions, officers, directors, employees and agents harmless from any and all third party claims, suits, actions, losses, damages, liabilities, costs and expenses of any nature whatsoever resulting from, arising out of or relating to any claims that the Deliverables or the System or use thereof infringe or violate any patent, copyright, trade secret, trademark, trade dress, mask work, utility design, or other proprietary right (collectively, "Intellectual Property Rights") of any third party. If Contractor believes at any time that the Deliverables or the System infringe a third party's Intellectual Property Rights, Contractor may upon receipt of Agency's prior written consent, which Agency shall not unreasonably withhold, (i) replace an infringing item with a non-infringing item that meets or exceeds the performance and functionality of the replaced item; or (ii) obtain for Agency the right to continue to use the infringing item; or (iii) modify the infringing item to be non-infringing, provided that, following any replacement or modification made pursuant to the foregoing, the System continues to function in material conformance with the specifications set forth in this Contract. Contractor's failure or inability to accomplish any of the foregoing shall be deemed a material breach of this Contract, and Agency may pursue any rights and remedies available to it under this Contract, including termination. Contractor shall not be liable under this section 10.2 for any claim for infringement based solely on the following:

- Agency's modification of the Deliverables or the System other than as contemplated by this Contract or a Deliverable's or the System specifications; or, as otherwise authorized by Contractor in writing.
- Use of the Deliverables or the System in a manner other than as contemplated in this Contract or a Deliverable or the System specifications; or, as otherwise authorized by Contractor in writing.
- Use of the Deliverables or the System in combination, operation, or use of with other products other than as contemplated by this Contract or a Deliverable's or the System specifications; or, as otherwise authorized by Contractor in writing.

10.3. Control of Defense and Settlement. Contractor's obligation to indemnify Agency as set forth in Sections 10.1 and 10.2 is conditioned on Agency providing to Contractor prompt notification of any claim or potential claim of which Agency becomes aware that may be the subject of those Sections. Contractor shall have control of the defense and settlement of any claim that is subject to Section 10.1 or Section 10.2; however, neither Contractor nor any attorney engaged by Contractor shall defend the claim in the name of the State of Oregon or any agency of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without the approval of the Attorney General, nor shall Contractor settle any claim on behalf of the State of Oregon without the approval of the Attorney General. The State of Oregon may, at its election and expense, assume its own defense and settlement in the event that the State of Oregon determines that Contractor is prohibited from defending the State of Oregon, is not adequately defending the State of Oregon's interests, or that an important governmental principle is at issue and the State of Oregon desires to assume its own defense.

10.4. Damages to State Property and Employees. Contractor shall be liable for all claims, suits, actions, losses, damages, liabilities, costs and expenses for personal injury, including death, damage to real property and damage to tangible personal property of the State of Oregon or any

of its employees resulting from, arising out of, or relating to the intentional, reckless or negligent acts or omissions of Contractor or its officers, employees, subcontractors, or agents under this Contract.

10.5. Insurance. Contractor shall provide insurance as required by Exhibit B.

11. EVENTS OF DEFAULT.

11.1. Default by Contractor. Contractor shall be in default under this Contract if:

11.1.1. Contractor institutes or has instituted against it insolvency, receivership or bankruptcy proceedings which are not dismissed within 60 days of their commencement, makes an assignment for the benefit of creditors, or ceases doing business on a regular basis; or

11.1.2. Contractor no longer holds a license or certificate that is required for Contractor to perform the Services and Contractor has not obtained such license or certificate within thirty (30) business days after delivery of Agency's notice or such longer period as Agency may specify in such notice; or

11.1.3. Contractor commits any material breach of any covenant, warranty, obligation or certification under this Contract, fails to perform the Services in conformance with the specifications and warranties provided herein, or clearly manifests an intent not to perform future obligations under this Contract, and such breach or default is not cured, or such manifestation of an intent not to perform is not corrected by reasonable written assurances of performance within thirty (30) business days after delivery of Agency's notice or such longer period as Agency may specify in such notice.

11.2. Default by Agency. Agency shall be in default under this Contract if:

11.2.1. Agency fails to pay Contractor any amount pursuant to the terms of this Contract, and Agency fails to cure such failure within thirty (30) business days after delivery of Contractor's notice or such longer period as Contractor may specify in such notice; or

11.2.2. Agency commits any material breach or default of any covenant, warranty, or obligation under this Contract, fails to perform its commitments hereunder within the time specified or any extension thereof, and Agency fails to cure such failure within thirty (30) business days after delivery of Contractor's notice or such longer period as Contractor may specify in such notice.

12. REMEDIES FOR DEFAULT.

12.1. Agency's Remedies. In the event Contractor is in default under Section 11.1, Agency may, at its option, pursue any or all of the remedies available to it under this Contract and at law or in equity, which include, without limitation:

12.1.1. termination of this Contract under Section 13.2;

12.1.2. withholding all monies due for Services that Contractor is obligated but has failed to perform within thirty (30) days after Agency has notified Contractor of the nature of Contractor's default;

12.1.3. initiation of an action or proceeding for damages, specific performance, declaratory or injunctive relief; and

12.1.4. exercise of its right of setoff.

12.2. Remedies Cumulative. These Agency remedies are cumulative to the extent the remedies are not inconsistent, and Agency may pursue any remedy or remedies singly, collectively, successively or in any order whatsoever. If it is determined for any reason that Contractor was not in default under Section 11.1, the rights and obligations of the parties shall be the same as if this Contract was terminated pursuant to Section 13.1.

12.3. Contractor's Remedies. In the event Agency terminates this Contract as set forth in Section 13.1, or in the event Agency is in default under Section 11.2 and whether or not Contractor elects to exercise its right to terminate the Contract under Section 13.3, Contractor's sole monetary remedy shall be a claim for (i) any unpaid invoices for Deliverables completed, delivered and Accepted; and, (ii) for all other Deliverables an amount calculated by determining the percentage of Services completed for each unpaid Deliverable and applying that percentage to the fixed price for the Deliverable as set forth in the Statement of Work and any authorized expenses incurred. For those Deliverables that Contractor submits as completed but have not yet been Accepted, the fixed price payable for each such Deliverable will be reduced by multiplying it by the percentage of the completed Deliverable that is acceptable under that Deliverable's acceptance criteria set forth in the Statement of Work. If previous amounts paid to Contractor exceed the amount due to Contractor under this Section 12.3, Contractor shall pay any excess to Agency upon written demand.

13. TERMINATION.

13.1 Agency's Right to Terminate. Agency may, at its sole discretion, terminate this Contract, as follows:

13.1.1. Agency may terminate this Contract for its convenience upon thirty (30) days' prior written notice to Contractor.

13.1.2. Agency may terminate this Contract if Agency fails to receive funding, appropriations, limitations or other expenditure authority at levels sufficient to pay for Contractor's Services;

13.1.3. Agency may terminate this Contract if Federal or state laws, regulations, or guidelines are modified or interpreted in such a way that the performance of the Services under this Contract is prohibited or Agency is prohibited from paying for such Services from the planned funding source;

13.2. Agency's Right to Terminate for Cause. In addition to any other rights and remedies Agency may have under this Contract, Agency may terminate this Contract, in whole or in part, immediately upon Contractor's default under Section 11.1.

13.3. Contractor's Right to Terminate for Cause. Contractor may terminate this Contract upon Agency's default under Section 11.2

13.4. Return of Property. Upon termination of this Contract for any reason whatsoever, Contractor shall immediately deliver to Agency all of Agency's property (including without limitation Agency's Confidential Information or any Deliverables for which Agency has made payment in whole or in part) that are in the possession or under the control of Contractor in whatever stage of development and form of recordation such Agency property is expressed or embodied at that time. Contractor shall not retain any copy of Agency property, unless otherwise directed by Agency. Any property or Deliverable returned or delivered to Agency pursuant to this Section shall be provided without the warranties set forth in Section 8.2, unless Agency has accepted the Deliverable pursuant to Section 2.3.

14. INDEPENDENT CONTRACTOR; TAXES AND WITHHOLDING.

14.1. Independent Contractor. Contractor shall perform all Services as an independent contractor. Although Agency reserves the right to evaluate the quality of the completed performance, Agency cannot and will not control the means or manner of Contractor's performance. Contractor is responsible for determining the appropriate means and manner of performing the Services.

14.2. Declaration and Certification. Contractor by execution of this Contract declares and certifies that (i) its performance of the Services creates no potential or actual conflict of interest as defined by ORS Chapter 244, for Contractor or any Contractor personnel who will perform Services under this Contract, and (ii) in the event that Contractor or its personnel are either employed by or performing services for the federal government, that no rules or regulations of the agency for which Contractor or its personnel work or are employed prohibit Contractor or its personnel from providing the Services under this Contract. Contractor also declares and certifies by execution of this Contract that it is not an "officer," "employee," or "agent" of Agency, as those terms are used in ORS 30.265.

14.3. Responsible for Taxes. Contractor shall be responsible for all federal and state taxes applicable to compensation and other payments paid to Contractor under this Contract and, unless Contractor is subject to backup withholding, Agency will not withhold from such compensation and payments any amount to cover Contractor's federal or state tax obligations. Contractor is not eligible for any social security, unemployment insurance, or workers' compensation benefits from compensation or payments paid to Contractor under this Contract, except as a self-employed individual.

15. COMPLIANCE WITH APPLICABLE LAW. Compliance with Law Generally. Contractor shall comply with all federal, state and local laws, regulations, executive orders and ordinances applicable to the Contract. Without limiting the generality of the foregoing, Contractor expressly agrees to comply with the following laws, regulations and executive orders to the extent they are applicable to the Contract: (i) Titles VI and VII of the Civil Rights Act of 1964, as amended; (ii) Sections 503 and 504 of the Rehabilitation Act of 1973, as amended; (iii) the Americans with Disabilities Act of 1990, as amended; (iv) Executive Order 11246, as amended; (v) the Health Insurance Portability and Accountability Act of 1996; (vi) the Age Discrimination in Employment Act of 1967, as amended, and the Age Discrimination Act of 1975, as amended; (vii) the Vietnam Era Veterans' Readjustment

Assistance Act of 1974, as amended; (viii) ORS Chapter 659, as amended; (ix) all regulations and administrative rules established pursuant to the foregoing laws; and (x) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations. These laws, regulations and executive orders are incorporated by reference herein to the extent that they are applicable to the Contract and required by law to be so incorporated. Agency's performance under the Contract is conditioned upon Contractor's compliance with the obligations of contractors under ORS 279B.220, 279B.230 and 279B.235, which are incorporated by reference herein.

16. DISPUTE RESOLUTION.

16.1. Litigation. Any claim, action, suit, or proceeding (collectively, "Claim") between Agency (or any other agency or department of the State of Oregon) and Contractor that arises from or relates to this Contract shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. In no event shall this section be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court. CONTRACTOR BY EXECUTION OF THIS CONTRACT HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF THE COURTS REFERENCED IN THIS SECTION 16.1.

16.2. Governing Law. This Contract shall be governed by and construed according to the laws of the State of Oregon without regard to principles of conflict of laws.

17. MISCELLANEOUS PROVISIONS.

17.1. Order of Precedence. This Contract consists of the following documents that are listed in descending order of precedence: (a) the terms and conditions of this Contract, less its Exhibits; (b) Exhibit G; (c) the Statement of Work, Exhibit A; (d) Exhibit H, and (e) Exhibits B, C, D, E, and F. The aforementioned Exhibits are by this reference incorporated in the Contract.

17.2. Recycling. Contractor shall, to the maximum extent economically feasible in the performance of the Contract, use recycled paper (as defined in ORS 279A.010(1)(gg)), recycled PETE products (as defined in ORS 279A.010(1)(hh)), and other recycled plastic resin products and recycled products (as "recycled product" is defined in ORS 279A.010(1)(ii)).

17.3. Subcontracts and Assignment. Contractor shall not enter into any subcontracts for any of the Services required by this Contract or assign or transfer any of its interest in this Contract without Agency's prior written consent. Any proposed use of a subcontractor which is located outside the United States or use of subcontract labor or facilities located outside the United States must be called to the specific attention of Agency. Agency's consent to any subcontract or assignment shall be timely and not unreasonably withheld. Agency consent to a subcontract or assignment does not relieve Contractor of any of its duties or obligations under this Contract.

17.4. Successors and Assigns. The provisions of this Contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns, if any.

- 17.5. No Third-Party Beneficiaries. Agency and Contractor are the only parties to this Contract and are the only parties entitled to enforce its terms. Nothing in this Contract gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly, or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Contract.
- 17.6. Funds Available and Authorized. Contractor shall not be compensated for Services performed under this Contract by any other agency or department of the State of Oregon. Agency believes it has sufficient funds currently available and authorized for expenditure to finance the costs of this Contract within Agency's biennial appropriation or limitation. Contractor understands and agrees that Agency's payment of amounts under this Contract is contingent on Agency receiving appropriations, limitations, or other expenditure authority sufficient to allow Agency, in the exercise of its reasonable administrative discretion, to continue to make payments under this Contract.
- 17.7. Records Maintenance; Access. Contractor shall maintain all financial records and other records relating to its performance under this Contract in accordance with generally accepted accounting principles and in such a manner as to clearly document Contractor's performance. Contractor acknowledges and agrees that Agency, the Oregon Secretary of State and the federal government and their duly authorized representatives shall have reasonable access, at their own cost and expense and only following reasonable notice to Contractor, to such records, in paper or electronic form, to perform examinations and audits and make excerpts and transcripts. Contractor shall retain and keep accessible all such records for a minimum of three (3) years, or such longer period as may be required by applicable law, following termination of this Contract, or until the conclusion of any audit, controversy, or litigation arising out of or related to this Contract, whichever date is later.
- 17.8. Foreign Contractor. If Contractor is not domiciled in or registered to do business in the State of Oregon, Contractor shall promptly provide to the Oregon Department of Revenue and the Secretary of State, Corporation Division, all information required by those agencies relative to this Contract. Contractor shall demonstrate its legal capacity to perform the Services under this Contract in the State of Oregon before entering into this Contract.
- 17.9. Survival. All rights and obligations shall cease upon termination or expiration of this Contract, except for the rights and obligations and declarations set forth in Articles V, VI, VII, VIII, IX, X, XII, XIII, XIV and XVI, and Sections 14.3, 17.1, 17.4, 17.5, 17.7, 17.9, 17.12, 17.13, 17.18, 17.19, 17.20 and 17.21.
- 17.10. Time Is of the Essence. Contractor agrees that time is of the essence under this Contract for critical path Deliverables or Milestones as identified in the Statement of Work.
- 17.11. Force Majeure. Neither Agency nor Contractor shall be liable to the other for any failure or delay of performance of any obligations hereunder when such failure or delay shall have been wholly or principally caused by acts or events beyond its reasonable control, including without limitation acts of God, acts of civil or military authority, fires, floods, earthquakes or other natural disasters, war, riots or strikes. Both parties shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon the cessation of the cause, diligently pursue performance of its obligations under this Contract.

17.12. Notices. Except as otherwise expressly provided in this Contract, any communications between the parties hereto or notices to be given hereunder shall be given in writing by personal delivery of, facsimile transmission of, or mailing the same, postage prepaid, to Contractor at the address or number set forth on Exhibit E, and to Agency at the address or number set forth on Exhibit F, or to such other addresses or numbers as either party may hereafter indicate pursuant to this Section 17.12. Any communication or notice so addressed and mailed shall be deemed to be given five (5) calendar days after mailing. Any communication or notice delivered by facsimile shall be deemed to be given when the transmitting machine generates receipt of the transmission. To be effective against Agency, such facsimile transmission must be confirmed by telephone notice to the Agency Authorized Representative. Any communication or notice by personal delivery shall be deemed to be given when actually received by the appropriate Authorized Representative.

17.13. Severability. The parties agree that if any term or provision of this Contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Contract did not contain the particular term or provision held to be invalid.

17.14. Counterparts. This Contract may be executed in several counterparts, all of which when taken together shall constitute one contract binding on all parties, notwithstanding that all parties are not signatories to the same counterpart. Each copy of this Contract so executed shall constitute an original.

17.15. Amendments.

17.15.1. Generally. This Contract may be amended, modified, or supplemented only by a written amendment signed by Agency and Contractor that has been approved by DAS and DOJ, if required by applicable law. Any amendment that provides for additional goods or Services may only provide for goods or Services directly related to the scope of goods and Services described in the RFP, and no amendment shall be effective until all requisite signatures and approvals are obtained.

17.15.2. Anticipated Amendments. The parties have determined that during the term of the Contract, the parties may need to modify selected terms, conditions, price(s) and types of Services under circumstances related to the following illustrative, although not exhaustive, categories of anticipated amendments:

17.15.2.1. Amendments required as a result of necessary changes in the state's business process that may restructure a state Agency;

17.15.2.2. Amendments to the Statement of Work of a Contract to add Services within the scope of the RFP and the Contract;

17.15.2.3. Amendments to delete Services from the Statement of Work of a Contract;

17.15.2.4. Amendments to extend the term of the term of a Contract; and

17.15.2.5. Amendments to change pricing.

17.15.3. Change Control Procedures.

17.15.3.1. Written Change Requests. Either Agency or Contractor may request a change to this Contract, including all Exhibits hereto, by submitting a written change request describing the change requested. Agency's and Contractors' Authorized Representatives will review the written change request and either mutually approve it for further analysis or reject it.

17.15.3.2. Analysis of Change Requests; Change Orders. The party to whom the written change request has been submitted, if it has not been rejected pursuant to Section 17.15.3.1, shall analyze such change request to determine the effect that the implementation of the change will have on the Statement of Work. If Contractor requests to make changes in its design or implementation of the System to enable the System to meet the requirements of the Statement of Work, such changes will be made at no cost to Agency, unless such changes are due to the failure of Agency or its agents to perform their responsibilities in a timely manner. If any change is approved, the party that submitted the request for the change shall prepare a written change order, detailing all modifications to the scope, price, Delivery Schedule or other terms (the "Change Order"). A Change Order at a minimum shall contain the following information:

17.15.3.2.1. The date of issuance of the Change Order;

17.15.3.2.2. A detailed description of the Services to be performed under the Change Order;

17.15.3.2.3. The particular specification or matter set forth in the applicable Statement of Work which will be altered and the precise scope of that alteration;

17.15.3.2.4. The cost of the Services to be performed pursuant to the Change Order;

and

17.15.3.2.5. The cumulative cost of all Change Orders previously issued.

17.15.4. A Change Order shall alter only that portion of the Statement of Work to which it expressly relates and shall not otherwise affect the terms and conditions of this Contract. Both parties must sign the Change Order to authorize the Services described therein and incorporate the changes into this Contract. No Services shall be performed pursuant to the Change Order and no payment shall be made on account of the Change Order until the Change Order is fully executed and approved as set forth in Section 17.15.

17.15.5. Payments. Subject to the foregoing Sections of this Section 17.15 and performance of the Services, Agency shall pay for Services performed pursuant to a Change Order according to the acceptance and payment procedures set forth in this Contract.

- 17.16. Disclosure of Social Security Number. Contractor must provide Contractor's Social Security number unless Contractor provides a federal tax identification number. This number is requested pursuant to ORS 305.385, OAR 125-246-0330(2)(d), and OAR 150-305.100. Social Security numbers provided pursuant to this authority will be used for the administration of state, federal, and local tax laws.
- 17.17. Waiver. The failure of either party to enforce any provision of this Contract or the waiver of any violation or nonperformance of this Contract in one instance shall not constitute a waiver by the party of that or any other provision nor shall it be deemed to be a waiver of any subsequent violation or nonperformance. No waiver, consent, modification, or change of terms of this Contract shall bind either party unless in writing and signed by both parties and, with respect to Agency's waiver or consent, all necessary State of Oregon approvals have been obtained. Such waiver, consent, modification, or change, if made, shall be effective only in the specific instance and for the specific purpose given.
- 17.18. Headings. The headings in this Contract are included only for convenience and shall not control or affect the meaning or construction of this Contract.
- 17.19. Integration. This Contract and attached Exhibits constitute the entire agreement between the parties on the subject matter hereof. There are no understandings, agreements or representations, oral or written, not specified herein regarding this Contract.
- 17.20. No Partnership. This Contract is not intended, and shall not be construed, to create a partnership or joint venture between Agency and Contractor. Nothing in this Contract shall be construed to make Agency and Contractor partners or joint venture participants.
- 17.21. Publicity. Contractor agrees that it will not disclose the form, content or existence of this Contract or any Deliverable in any advertising, press releases or other materials distributed to prospective customers, or otherwise attempt to obtain publicity from its association with Agency or the State of Oregon, whether or not such disclosure, publicity or association implies an endorsement by Agency or the State of Oregon of Contractor's services, without the prior written consent of Agency.
- 17.22. Stop-Work Order. Agency may, at any time, by written notice to the Contractor, require the Contractor to stop all, or any part of the work required by this Contract for a period of up to 90 days after the date of the notice, or for any further period to which the parties may agree through a duly executed amendment. Upon receipt of the notice, Contractor shall immediately comply with the Stop-Work Order terms and take all necessary steps to minimize the incurrence of costs allocable to the work affected by the stop work order notice. Within a period of 90 days after issuance of the written notice, or within any extension of that period to which the parties have agreed, DHS shall either:
- Cancel or modify the stop work order by a supplementary written notice; or
 - Terminate the work as permitted by either the Default or the Convenience provisions of Section 11 through 13, Events of Default; Remedies for Default; Termination.

If the Stop Work Order is canceled, DHS may, after receiving and evaluating a request by the Contractor, make an adjustment in the time required to complete this Contract and the Contract price by a duly executed amendment.

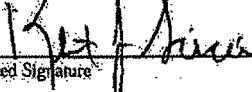
17.23.Information Privacy / Security / Access. If the Work performed under this contract requires Contractor or, when allowed, its subcontractor(s), to have access to or use of any Agency computer system or other Agency Information Asset for which Agency imposes security requirements, and Agency grants Contractor or its subcontractor(s) access to such Agency Information Assets or Network and Information Systems, Contractor shall comply and require all subcontractor(s) to which such access has been granted to comply with OAR 407-014-0300 through OAR 407-014-0320, as such rules may be revised from time to time. For purposes of this section, “Information Asset” and “Network and Information System” have the meaning set forth in OAR 407-014-0305, as such rule may be revised from time to time.

CONTRACTOR, BY EXECUTION OF THIS CONTRACT, HEREBY ACKNOWLEDGES THAT CONTRACTOR HAS READ THIS CONTRACT, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

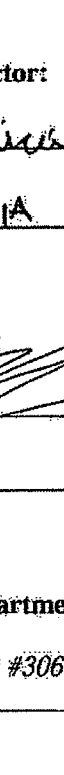
CONTRACTOR: YOU WILL NOT BE PAID FOR SERVICES RENDERED BEFORE NECESSARY AGENCY APPROVALS.

Signatures:

Approved by Contractor:


Authorized Signature
KENT J. SACIA PRINCIPAL 01/26/2011
Name Title Date

Approved by Agency:


Authorized Signature
Sean Kolmer Deputy Administrator, OHPR 1-27-11
Name Title Date

Approved by the Department of Administrative Services:

Exempt per Delegation #306-08, as amended

Authorized Signature

Name Title Date

Approved for Legal Sufficiency:

Approved by email per ORS 291.047 by Jack MacDonald, Assistant Attorney General 01/24/2011

Name Assistant Attorney General Date

DHS Office of Contracts and Procurement:



Authorized Signature
Christopher I. Hoffman Contract Specialist, OPBC, OCAC 1/27/2011
Name Title Date

EXHIBIT A

Part 1 Statement of Work

1. General.

Pursuant to ORS 279B.055(2) DHS requires that the Contractor meets the highest standards prevalent in the industry or business most closely involved in providing the appropriate goods or services.

1.1. Introduction

The Oregon Health Authority (OHA) is a new state agency created by House Bill 2009 and set to open in July 2011. The OHA will transform the state's system to make quality health care accessible and affordable for every Oregonian. The ultimate aim of the OHA is to ensure access to health care while making changes that will stem rising costs, improve quality and promote good health. Although the state is in the planning stages for organizing the new agency, work to change the health care system already has begun.

In the public sector, the OHA will consolidate most of the state's health care programs, including the Public Health Division (PHD), the Oregon Health Plan, the Healthy Kids program, state and employee and educator benefits and public-private partnership programs. This will give the state greater purchasing and market power to begin tackling issues of cost, quality, lack of preventive care and health care access.

In both the public and the private sector, OHA will be working to fundamentally improve how health care is delivered and paid for, but because poor health is only partially due to lack of medical care, the OHA will be working to reduce health disparities and to broaden the state's public health focus as well. And ultimately, OHA is charged with delivering a plan to the Legislature to ensure that all Oregonians have access to affordable health care.

As part of the OHA, the Office for Oregon Health Policy and Research (OHPR) conducts impartial, non-partisan policy analysis, research and evaluation, and provides technical assistance to support health reform planning and implementation in Oregon. OHPR serves in an advisory capacity to Oregon Health Policy Board, the Oregon Health Authority, the Governor and the Legislature and focuses on these four areas:

- Policy Design and Development — OHPR conducts analyses and makes recommendations on health policies to achieve the goals of the Oregon Health Authority. OHPR provides staff support, policy coordination, and project management in support of the Oregon Health Policy Board and a variety of committees including: Health Information Technology Oversight Committee; Medicaid Advisory Committee; the Safety Net Advisory Council; and the Health Care Workforce Committee.
- Policy Research and Evaluation — OHPR compiles and analyzes technical and statistical information about Oregon's health care system that can be used by policy makers both inside and outside of state government. OHPR also conducts research and evaluation to educate policy development, evaluate OHA programs, and provide data to support health system and program planning. Through the Oregon Health Research and Evaluation Collaborative

(OHREC), the office facilitates independent research and evaluation of the Oregon health care system.

- Clinical Services and Comparative Effectiveness Research — OHPR provides comparative effectiveness and benefit design research to inform OHA and private sector development efforts. The work is conducted by the Health Services Commission, which manages the Oregon Health Plan’s Prioritized List of Health Services, and the Health Resources Commission, which analyzes and disseminates information on the effectiveness and costs of medical technologies.
- Community Health Initiatives — OHPR provides technical assistance and coordination for OHA primary care, safety net initiatives and grant programs.

In order to further OHA’s mission of being a data driven organization, the all payer all claims data reporting program is a foundational element to allow OHA to begin to improve the understanding of the cost, quality and access of health care and services in Oregon.

1.2. Background

The current health care delivery system in Oregon does not consistently deliver high-quality care or recommended evidence-based care to Oregonians. For instance, only 44% of adults over age 50 receive recommended preventive care, and only 90% of hospitalized patients receive recommended care for myocardial infarction, congestive heart failure, and pneumonia.¹ Yet over \$25 billion dollars is being spent on health care in Oregon each year.

For employers who purchase health insurance, health care providers and consumers, information to compare quality, cost and efficiency is limited, making it difficult to assess value. Although health care quality varies across the state and patients sometimes receive unnecessary or inadequate care, it is not currently possible to identify where unexplained variations exist in Oregon’s health care system. In order to provide a complete picture of a person’s experience with the health care system, a data collection system of all health care claims paid by all payers across the state is needed.

Collecting and distributing uniform and complete information would:

- Provide a basis on which to make policy decisions and target investments;
- Set standards for system improvement;
- Assess quality improvement initiatives at the community level; and
- Provide the information needed for individuals, patients and business to make appropriate and informed decisions.

The Oregon All Payer All Claims Reporting Program (OAPACRP), through OHPR, will collect data from insurance carriers, health plans, third-party administrators, pharmacy benefit managers, Medicaid, and Medicare. The data will include eligibility and provider information, and medical, pharmacy, and dental claims. Oregon already collects some of this information. For example, the state collects discharge-level hospital utilization data that allows us to compare hospital quality measures and to assist disease surveillance by the Public Health Division of the Oregon Health

¹ D. McCarthy, S.K.H. How, C. Schoen, J.C. Cantor, D. Beloff. Aiming Higher: Results from a State Scorecard on Health System Performance, 2009, The Commonwealth Fund, October 2009.

Authority. In addition, the Oregon Healthcare Quality Corporation (Q-Corp), a multi-stakeholder health care coalition, is collecting and report outpatient primary care measures of quality through a voluntary program involving both private and public payers. The proposed OAPACRP is intended to compliment public and private efforts and provide sustained data over time to help drive delivery system change and improvement. Outlined in the enabling legislation, 2009 Oregon Laws Chapter 595 (HB 2009, Sections 1200 to 1206), the OAPACRP is intended for:

- Determining the maximum capacity and distribution of existing resources allocated to health care.
- Identifying the demands for health care.
- Allowing health care policymakers to make informed choices.
- Evaluating the effectiveness of intervention programs in improving health outcomes.
- Comparing the costs and effectiveness of various treatment settings and approaches.
- Providing information to consumers and purchasers of health care.
- Improving the quality and affordability of health care and health care coverage.
- Assisting the administrator in furthering the health policies expressed by the Legislative Assembly in ORS 442.025.
- Evaluating health disparities, including but not limited to disparities related to race and ethnicity.

1.3. Definitions

For purposes of this Contract and the resulting contract, the terms below shall have the following meanings:

OHA	Oregon Health Authority
OAPACRP	Oregon All Payer All Claims Reporting Program
OHPR	Oregon Health Policy and Research
Q-Corp	Oregon Healthcare Quality Corporation
PHD	Public Health Division
OHREC	Oregon Health Research and Evaluation Collaborative
PHQC	An Oregon program for quality in health care as set forth in ORS 442.466. Q-Corp is a PHQC.

1.4. Overview

The program is being implemented through publication of administrative rules in Chapter 409, Oregon Administrative Rules (OAR), specifically OAR 409-025-0100 through OAR 409-025-0170. The following appendices and associated documents are referenced by rule:

- Appendix A (Medical claims data file layout and dictionary)
- Appendix B (Medical eligibility data file layout and dictionary)
- Appendix C (Medical provider data file layout and dictionary)
- Appendix D (Pharmacy claims data file layout and dictionary)
- Appendix E (Pharmacy eligibility data file layout and dictionary)
- APAC 1 (Request for Waiver of Reporting Requirements)
- APAC 2 (Request for Exception to Healthcare Claims Data File Requirements)
- APAC 3 (Request for Exception to Healthcare Claims Data Submission Requirements)
- Schedule A (Healthcare Claims Data File Submissions)

The appendices and associated documents are published on OHP's web site:

http://www.oregon.gov/OHPPR/RSCH/All_Payer_All_Claims.shtml

Approximately 36 carriers and 9 third party administrators will be subject to the rule for calendar year 2010 data submissions. Additional pharmacy benefit managers that are subject to the rule will be identified.

2. Authority

DHS issues this Contract under the authority of Department of Administrative Services (DAS) Delegation #306-08 (as amended), "Level IV Procurement Authority Over \$150,000 and up to \$5,000,000 for Non-Client Services."

3. Statement of Work

Pursuant to ORS 279B.055(2)(c); the Contractor shall meet the highest standards prevalent in the industry or business most closely involved in providing the appropriate goods or services.

Contractor shall perform all Work in accordance with the Project Plan set forth in Part 3 to this Statement of Work.

This Contract is done under the authority found in ORS 442.466(6) authorizing the Agency to contract with the Contractor to collect and process the health care data reported under ORS 442.466. As specified in ORS 442.466(6):

- (1) Contractor must not collect Social Security numbers in work performed under this Contract;
- (2) Contractor must prohibit the disclosure or use of the data for any purpose other than those specifically authorized by this Contract;
- (3) Contractor shall transmit all data collected and processed under the Contract to the Agency.

Work to be performed under the Contract, includes:

3.1. Tasks

3.1.1. Task One: Recommendations.

A. Contractor shall deliver a plan with the following recommendations:

- (1) Format and coding for data elements listed in Appendices A-E, referenced in Oregon Administrative Rule 409-025-0120. This shall include mapping to the appropriate ANSI X-12N or NCPDP data elements.
- (2) The methods for transmitting data files to Contractor that comply with OAR 409-025-0130. Contractor shall make reasonable efforts to assure that methods can be implemented with minimal disruption for data submitters.
- (3) A protocol for testing submission of data files with data submitters. This shall include consulting with the OHA to test transmission of a small sample data file from the OHA to Contractor as soon as feasible, but not later than the date specified in C).

- (4) Types of claims subject to state or federal privacy protections that are stricter than HIPAA privacy protections.
- (5) In consultation with the Division of Medical Assistance Programs, methods for extracting Medicaid claims and encounter data from the Medicaid Management Information System (MMIS) and solutions to problems encountered during the extraction.
- (6) Comprehensive data file quality assurance, validations and edit checks both within and across payers which shall include, but not be limited to:
 - a. Incomplete records.
 - b. Duplicate records.
 - c. Submission of excluded claims.
 - d. Missing values.
 - e. Invalid values.
- (7) Thresholds for completeness, quality assurance, validations, and edit checks for the purpose of identifying data submissions that require closer inspection or correction. Contractor's recommendations should balance the need for timely submission and processing with achieving accuracy and completeness in reporting.
- (8) An algorithm for creating unique patient identifiers from data elements selected for mandatory submission. The purpose of the identifier is to allow aggregation of patient claims across payers, including pharmacy.
- (9) An algorithm for creating a unique healthcare facility identifier. The purpose of the identifier is to allow facility-level aggregation of claims across payers.
- (10) An algorithm for uniquely identifying healthcare providers across payers. The purpose of uniquely identifying providers is to aggregate claims across payers.
- (11) A protocol for assuring that claims link to eligibility records and provider records.
- (12) A plan to implement encryption methods including, but not limited to:
 - a. Implementing methods that allow each data submitter to encrypt files that will be transferred to Contractor in A) (2). This shall include a process for handling data files that are submitted without appropriate encryption.
 - b. Implementing methods that allow data files to be encrypted for storage, backup, and transfer to the OHA and other contractors.
 - c. Implementing methods that allow certain identifiable data fields to be populated with encrypted values so that the true values are not known,

and allow Contractor to decrypt these same fields for purposes specified by the OHA.

- d. Providing a process for data submitters to get technical assistance to resolve encryption issues.
- e. Periodically assessing and, in consultation with the OHA, updating methods to assure that they meet the highest industry standards.

(13) Methods for grouping patient claims into distinct episodes of care.

- B.** Contractor shall share its preliminary recommendations with a technical advisory group convened by the OHA no later than 30 days after executing the final contract. Contractor shall summarize stakeholder feedback in writing and incorporate stakeholder input into final recommendations.
- C.** Contractor shall submit as a deliverable all final recommendations, which will include a timeline for implementation, no later than 60 days after executing the final contract. If Deliverable 1.1 is approved by OHA, the recommendations become part of the specifications for implementation. This deliverable for Task 1 is a fixed price deliverable.

3.1.2. Task Two: Data Warehouse Services

- A.** Contractor shall develop a data warehouse plan, along with a timeline for implementation, to deliver scalable data warehouse services to the OHA throughout the duration of the contract. The plan shall provide details about how the services support the OHA's data collection program including, but not limited to:
 - (1) Description of infrastructure and capabilities for the secure receipt, management, storage, authorized release and transmission of data, including a process for archiving original data submissions and data products provided to OHA.
 - (2) Description of infrastructure and capabilities for providing secure backups and recovery of the OHA data. Contractor shall also describe the steps to be taken for disposing of defective or end-of-life hardware or media that contain OHA data.
 - (3) Description of infrastructure and capabilities for maintaining data security and preventing unauthorized disclosures of OHA data, including a notification process that is compliant with State and Federal rules, regulations, and statutes related to the unauthorized release of protected data.
 - (4) Description of infrastructure and capabilities for developing and testing an OHA-specific database in which to perform analyses of the submitted data. This database shall be operational and available for testing no later than thirty days following the Effective Date.

- (5) Description of infrastructure and capabilities for providing a customized dashboard to provide high-level summaries of the data for ten authorized OHA staff.
- (6) Description of infrastructure and capabilities for providing OHA customized data sets (i.e. inpatient hospital, outpatient, emergency department, etc.).
- (7) Description of infrastructure and capabilities to provide a secure analytical portal with which ten authorized OHA staff can perform analyses on the data using OHA's licensed third party statistical software.

- B.** Contractor shall submit the data warehouse plan developed in A) to the OHA for final approval no later than 60 days after executing the final contract. Upon acceptance of the data warehouse plan by OHA, the data warehouse plan becomes part of the specifications for implementation.
- C.** Contractor shall implement the data warehouse plan (to provide "the Data Warehouse Services") subsequent to the OHA approval in B).
- D.** Upon successful User Acceptance Testing of the Data Warehouse Services, the Contractor shall provide Data Warehouse Services in a production environment.
- E.** Contractor shall periodically re-evaluate the plan and propose improvements to the OHA.

3.1.3. Task Three: Data Collection Services

- A.** Contractor shall develop a data collection plan, along with a timeline for implementation, to collect the claims, enrollment, provider and other related data files from all reporters as required by the OHA. The plan shall provide details about how the Contractor is to deliver the data collection services including, but not limited to the following requirements:
 - (1) Contractor shall administer any rules, policies and procedures for the collection of OHA data that are established by the OHA.
 - (2) Contractor shall establish a process for providing communications and technical assistance to data submitters, including logging, tracking, and resolving problems. Contractor shall work diligently with the OHA and data submitters to troubleshoot data submission problems and develop timely solutions.
 - (3) Contractor shall implement the protocol for testing data submission, based on approved by recommendations from Contractor in Task One A) (3), no later than ninety days following Effective Date.
 - (4) Contractor shall collect claims data sets from data submitters beginning February 1, 2011 (or a later date specified by the OHA) for adjudicated

claims with service dates beginning January 1, 2010 (or other service date specified by the OHA).

- (5) Contractor shall perform quality assurance, validations, and edit checks on all submitted data, based on approved recommendations from Contractor in Task One A) (6).
 - (6) For each data submission Contractor shall provide an audit of quality assurance, validations and edit checks to each data submitter, and shall provide a copy to the OHA. The audit shall include, but not be limited to, the submission date, the number of records processed, the types and counts of data errors, and if further investigation or corrections are required from the reporter.
 - (7) Contractor shall identify data submissions that require correction and request resubmission from the data submitter.
 - (8) Contractor shall receive and process corrected data sets from prior periods that are resubmitted by reporters, replacing or deleting records as needed. All corrections or modifications to submitted data performed by Contractor shall be documented and a summary provided to the OHA.
 - (9) Contractor shall maintain documentation of the data submissions, including requests for and responses to requests for corrections and resubmission of data. Contractor shall make such documentation available to the OHA upon request.
 - (10) Contractor shall provide the OHA status reports for each data submitter at least quarterly. The status report is intended to support the OHA's notification and enforcement activities related to non-filing or substandard data filings, and Contractor shall develop the content in consultation with the OHA. Status reports shall be updated as warranted by changes in the status of data submissions.
 - (11) Contractor shall, in consultation with the OHA, notify data submitters who are non-compliant with data submission rules, policies, or procedures and make reasonable efforts to regain compliance.
- B.** Contractor shall submit the data collection plan developed in A) to the OHA for final approval by no later than 60 days after executing the final contract. Upon acceptance of the data collection plan by OHA, the data collection plan becomes part of the specifications for implementation.
- C.** Contractor shall implement the data collection plan (to provide the "Data Collection Services") subsequent to the OHA approval in B).
- D.** Upon successful User Acceptance Testing of the Data Collection Services, the Contractor shall provide Data Collection Services in a production environment.

- E. Contractor shall periodically re-evaluate the plan and propose improvements to the OHA.

3.1.4. Task Four: Analytical Services

I. Implement Unique Identifiers

- A. Contractor shall develop a unique identifiers plan, which includes a timeline for implementation, to test, refine, and implement unique identifiers based on recommendations in Task One (A) (8), (9), and (10). The plan shall include, but not be limited to:
 - (1) Data submission strategies to maximize the success of unique identifiers.
 - (2) Periodically testing aggregation of claims into distinct episodes of care, and reporting results to the OHA.
 - (3) Periodically testing facility-level aggregation of claims across payers, and reporting results to the OHA.
 - (4) Periodically testing practitioner-level aggregation of claims across payers, and reporting results to the OHA.
 - (5) Specifying the limitations of implementing the unique identifiers.
 - (6) Suggesting improvements to the unique identifiers.
- B. Contractor shall submit the unique identifiers plan developed in A) to the OHA for final approval no later than 60 days after executing the final contract.
- C. Contractor shall implement the unique identifiers plan developed in A) subsequent to approval from the OHA in B).
- D. Contractor shall periodically re-evaluate the plan and propose improvements to the OHA.

II. Provide Aggregate Data Sets

- A. Contractor shall develop a aggregate data set plan, along with a timeline for implementation, to aggregate claims across payers into distinct quarterly and annual data sets and provide documentation of the layout, format, and coding. The data sets may include, but are not be limited to:
 - (1) Medical claims
 - (2) Medical eligibility
 - (3) Medical providers
 - (4) Pharmacy claims
 - (5) Pharmacy eligibility
 - (6) De-identified, HIPPA compliant public use data sets
 - (7) Inpatient discharges: hospital inpatient claims aggregated to the discharge-level
 - (8) Emergency department: claims from hospital emergency departments

- (9) Commercial outpatient: outpatient claims from commercial carriers or TPAs
- (10) Medicaid FFS: fee-for-service Medicaid outpatient claims
- (11) Medicaid encounter: outpatient claims from MCOs
- (12) PEBB/OEBB: outpatient claims from PEBB/OEBB groups
- (13) Medicare Advantage: outpatient claims from Medicare Advantage plans
- (14) Master index of de-duplicated patients

- B.** Contractor shall submit the aggregate data set plan developed in A) to the OHA for final approval no later than 60 days after executing the final contract.
- C.** Contractor shall implement the aggregate data set plan developed in A) subsequent to approval from the OHA in B).
- D.** Contractor shall periodically re-evaluate the plan and propose improvements to the OHA.

3.1.5. Task Five: Project Management. The Contractor shall manage the project using formal project methodologies, such as those based on the Project Management Institute's (PMI) A Guide to the Project Management Body of Knowledge, Fourth Edition.

- A.** Contractor shall identify a Project Manager to oversee the project and serve as point of contact for the OHA.
- B.** Contractor shall identify the point(s) of contact for data submitters.
- C.** Contractor shall maintain and update contact information for all data submitters with adequate detail to support any OHA need to directly contact data submitters.
- D.** Contractor shall assure that the project stays on schedule, the desired outcomes are achieved, obstacles (and solutions) are quickly identified, and progress is reported to the OHA in a timely manner. This shall include periodically submitting written project status reports to the OHA, containing at least the following information:
 - (1) A review of accomplishments during the reporting period, including a description of any milestones or other major activities completed since the last status report. When data submission begins, this should also include a high-level summary of new/updated data received, as well as an outline of problems encountered and whether and how they were solved.
 - (2) A review of activities that are proceeding as or better than expected. For activities that are proceeding better than expected, Contractor shall consult with the OHA to determine if the applicable timelines may be expedited with minimal disruption to data submitters.
 - (3) A detailed review of key obstacles encountered along with the resolution strategy. This shall describe any key issues or problems affecting the project plan and the action plan for resolving them.

- (4) An update on cost status, including cost type, approved plan amounts, actual costs to date, and estimate at completion.
 - (5) A schedule status update, which shall include unmet major milestones, the date by which those milestones are planned to be completed, and any anticipated challenges that could potentially impact the project timelines.
 - (6) A review of risks to the project, which shall identify key risks and the status of proactive efforts to mitigate these risks.
- E.** Contractor shall request changes to the scope of work or time lines. All changes to the scope of work or timelines are subject to the prior approval of the OHA.
 - F.** Contractor shall provide the OHA with any information, data or technical assistance as perceived to be useful by the Contractor or that might be requested by the OHA in order to improve ongoing collection, processing, consolidation, management and reporting efforts.
 - G.** The OHA shall own the data per applicable state and federal law and any data use agreements in place with the Centers for Medicare and Medicaid Services (CMS) pertaining to Medicare or Medicaid data. Contractor shall be strictly prohibited from disclosing or using data or information obtained in its capacity as a contractor to the OHA unless specifically authorized in writing by the OHA.

3.2. User Acceptance Testing and Production

- 3.2.1.** Contractor shall deliver the System to OHA for User Acceptance Testing. OHA shall conduct User Acceptance Testing to determine if the System meets the requirements and specifications, including the data warehouse plan, the data collection plan, the unique identifiers plan and the aggregate data plan.
- 3.2.2.** Upon successful User Acceptance Testing, the Contractor shall place the System in a Production environment (“Go-Live”). Go-Live is deemed acceptance of the fixed-price development/implementation deliverables of Task 4.I, Task 4.II, and Task 5, as set forth in Part 2 of the Statement of Work. Go-Live is the beginning of the period for payment of the Application Services (periodic payments) of Tasks 2, 3, 4, 5.

3.3. Additional Services.

- 3.3.1** For the purposes of this provision:
 - A.** “Reporting Entity” means a reporting entity as defined in ORS 442.464.
 - B.** “Limited Data Set” means a limited data set as defined in OAR 409-025-0100(46);

- 3.3.2** Agency may, at its discretion, provide written revocable authorization for Contractor to release Limited Data Sets associated with a Reporting Entity to a PQHC subject to the following:
- A.** The Contractor demonstrates to Agency that there is a HIPAA-compliant business associate agreement between Contractor and the PQHC.
 - B.** The Contractor demonstrates to Agency that there is a HIPAA-compliant business associate agreement between the PQHC and that Reporting Entity.
 - C.** Such authorization is revocable and is only applicable for release to the same Reporting Agency to which the Limited Data Set is associated. Neither the PQHC nor the Reporting Entity is a third-party beneficiary under this provision.
 - D.** Such authorization will describe the information allowed to be released in a Limited Data Set.
 - E.** Agency has the right to request from Contractor a report of any Limited Data Sets released by Contractor to a PQHC.
- 3.3.3** If Contractor has the written authorization described in 3.3.2 above, Contractor is authorized to release to a PQHC a Limited Data Set associated with a Reporting Entity, provided:
- A.** Contractor continues to have in place a HIPAA-compliant business associate agreement with the PQHC
 - B.** Contractor has ensured that the PQHC continues to have in place a HIPAA-compliant business associate agreement with the Reporting Entity;
 - C.** The Limited Data Set is limited to information authorized by Agency in the Authorization set forth in Section 3.3.2 or as otherwise specifically authorized in writing by DHS; and
 - D.** Contractor may not charge Agency for costs in of providing the Limited Data Set to a PQHC under this provision. However, Contractor may arrange for payment from the PQHC for the cost of providing the Limited Data Set to a PQHC under this provision.
- 3.3.4** Agency may from time to time direct Contractor to release a Limited Data Set to a third party by a written change order issued pursuant to this Agreement. Any cost such a release will be set forth in the change order. Change orders may be written up to the cumulative limit set forth in the Consideration Table in Part 2 of this SOW for Data Set Services for the corresponding year of service without amending the Maximum Not-To-Exceed Consideration of this Contract. Contractor is authorized to release such Limited Data Set subject to any limitations in the change order. The third party specified in a change order is not a third-party beneficiary under this provision.

EXHIBIT A

**Part 2
Consideration**

1. Payment Provisions:

- a. The maximum, not-to-exceed compensation payable to Contractor under this Contract, which includes any allowable expenses, is defined in Article 5 of this Contract. DHS will not pay Contractor any amount in excess of the not-to-exceed compensation of this Contract for completing the Work, and will not pay for Work performed before the date this Contract becomes effective or after the termination or expiration of this Contract. If the maximum compensation is increased by amendment of this Contract, the amendment must be fully effective before Contractor performs Work subject to the amendment.
- b. Interim payments to Contractor shall be subject to ORS 293.462, and shall be made in accordance with the payment schedule and requirements in Exhibit A, Part 2, Consideration.
- c. DHS will pay only for completed Work under this Contract. For purposes of this Contract, “Work” means the tasks or services and deliverables accepted by DHS, and which are described in Exhibit A, Part 1, Statement of Work.

Item	Development / Implementation	Year 1	Year 2	Year 3	Year 4	Year 5	Total cost
Task 1: Recommendations	\$80,000						\$80,000
Task 2: Data Warehouse Services		\$260,000	\$267,800	\$275,834	\$284,109	\$292,632	\$1,380,375
Task 3: Data Collection Services		\$400,000	\$412,000	\$424,360	\$437,091	\$450,204	\$2,123,655
Task 4: Analytical Services							
I. Implement unique identifiers	\$95,000	\$40,000	\$41,200	\$42,436	\$43,709	\$45,020	\$307,365
II. Provide aggregate data sets	\$57,000	\$55,000	\$56,650	\$58,350	\$60,100	\$61,903	\$349,003
Task 5: Project management	\$65,000	\$85,000	\$87,550	\$90,177	\$92,882	\$95,668	\$516,277
Subtotal	\$297,000	\$840,000	\$865,200	\$891,157	\$917,891	\$945,457	\$4,756,675
Other / Additional (specify)							
Data Set Services	\$	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000
	\$	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$	\$
Total	\$297,000	\$860,000	\$885,200	\$911,157	\$937,891	\$965,457	\$4,856,675

* Price proposal based on payment for year 1 to begin upon acceptance of implemented system and subsequent years to begin on the anniversary of the start of year 1.

OTHER/ADDITIONAL PRICING INFORMATION

Tiered hourly rates:

Functional Area	Hourly Range
Principal	\$330-400
Healthcare Technology Consultant	\$225-325
Healthcare Management Consultant	\$225-325
Data Analysis Consultant	\$160-275
Department Manager	\$250-325
ASP Data Management	\$160-275
Administrative Assistant	\$100-120

Prices for additional licensing:

Pricing above includes standard Milliman methodologies (such as benchmarks), and incorporated Symmetry ETG episode grouper license. Many other methodological approaches are available depending on OAPACRP's preferences, to be determined in consultation with Milliman.

Prices for optional services:

Additional services beyond the scope described in the final agreement between OHA and Milliman will be priced separately.

Breakdown of ASP Service Fees:

For the purpose of calculating ASP Service Fees and Service Level Credits as described in Exhibit H, ASP Service Fees represent thirty percent (30%) of Task Two and Task Three above only. In addition, ASP Service Fees are calculated on a monthly basis. Consistent with Exhibit H 1(r) of this Agreement, the total Service Level Credits applicable to any given month may not exceed the monthly ASP Service Fee for that month.

Tasks Two and Three, Data Warehouse Services and Data Collection Services respectively, are defined as Application Services under this Contract.

Travel and Other Expenses

DHS shall not reimburse Contractor for any travel or additional expenses under this Contract.

EXHIBIT A

Part 3 – Project Plan

Initial plan from Proposal. Updated project plan to be provided by Contractor, and be subject to OHA-approved changes.

(Project Plan begins on next page, remainder of this page intentionally left blank.)

Milliman will work with the OHA, in the development of a final project plan at the time of contract execution. Based on the current timeline, we have assumed a contract execution date of 9/30/10. The attached plan is an example of the implementation tasks and the move to production. The post production 90 day period will be accounted for by the production team.

ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
1	OAPACRP Project	261 days	Wed 9/1/10	Wed 8/31/11		
2						
3	Execution of contract	22 days	Wed 9/1/10	Thu 9/30/10		
4						
5	IMPLEMENTATION PLANS	49 days	Fri 10/1/10	Wed 12/8/10		
6	TASK 1 - RECOMMENDATIONS	49 days	Fri 10/1/10	Wed 12/8/10		
7	Approach Determination	18 days	Fri 10/1/10	Tue 10/26/10		
8	Format and coding of data elements	11 days	Fri 10/8/10	Fri 10/22/10		
9	Meet with workgroups	4 days	Fri 10/8/10	Wed 10/13/10	268SS	Milliman,OHA
10	Obtain all data formats	1 day	Thu 10/14/10	Thu 10/14/10	9	Milliman,OHA
11	Review data formats	4 days	Fri 10/15/10	Wed 10/20/10	10	Milliman
12	Leverage existing mapping materials for OR CSV	2 days	Thu 10/21/10	Fri 10/22/10	11	Milliman
13	Provide approach to map to ANSI or NCPDP formats	2 days	Thu 10/21/10	Fri 10/22/10	11	Milliman
14	Transmission of data	18 days	Fri 10/1/10	Tue 10/26/10		
15	Review OAR 409-025-0130 and Attachment 4	15 days	Fri 10/1/10	Thu 10/21/10		Milliman
16	Provide data supplier contact information	8 days	Fri 10/1/10	Tue 10/12/10		OHA,Data Suppliers
17	Leverage transmissions with existing data suppliers	1 day	Fri 10/22/10	Fri 10/22/10	15	Milliman,OHA
18	Suggest transmission method	2 days	Mon 10/25/10	Tue 10/26/10	15,17	Milliman,OHA
19	Test of data transmission	15 days	Fri 10/1/10	Thu 10/21/10		
20	Consult with OHA on data transmission test	10 days	Fri 10/1/10	Thu 10/14/10		Milliman
21	Recommend transmission test approach	5 days	Fri 10/15/10	Thu 10/21/10	20	OHA
22	Claim Data Security	18 days	Fri 10/1/10	Tue 10/26/10		
23	Provide data security standards	18 days	Fri 10/1/10	Tue 10/26/10		Milliman
24	Methods for extracting Medicaid claims and encounter data	18 days	Fri 10/1/10	Tue 10/26/10		
25	Consult with the Division of Medical Assistance Programs	15 days	Fri 10/1/10	Thu 10/21/10		Milliman
26	Obtain data dictionaries and layouts on MMIS	15 days	Fri 10/1/10	Thu 10/21/10		Milliman,OHA
27	Obtain prior issues gathering data	15 days	Fri 10/1/10	Thu 10/21/10		Milliman,OHA
28	Recommend extraction methods	3 days	Fri 10/22/10	Tue 10/26/10	25,26,27	
29	Quality assurance and data file validations and edit checks	18 days	Fri 10/1/10	Tue 10/26/10		
30	Review data formats	7 days	Fri 10/1/10	Mon 10/11/10		Milliman
31	Recommended approach	11 days	Tue 10/12/10	Tue 10/26/10	30	
32	Incomplete records	11 days	Tue 10/12/10	Tue 10/26/10		Milliman
33	Duplicate records	11 days	Tue 10/12/10	Tue 10/26/10		Milliman
34	Submission of excluded claims	11 days	Tue 10/12/10	Tue 10/26/10		Milliman
35	Missing values	11 days	Tue 10/12/10	Tue 10/26/10		Milliman
36	Invalid values	11 days	Tue 10/12/10	Tue 10/26/10		Milliman
37	Thresholds for data file completeness	18 days	Fri 10/1/10	Tue 10/26/10		
38	Provide recommendations on accuracy	18 days	Fri 10/1/10	Tue 10/26/10		Milliman
39	Plan for production timing	18 days	Fri 10/1/10	Tue 10/26/10		Milliman
40	Algorithm for unique patient ids	18 days	Fri 10/1/10	Tue 10/26/10		
41	Review file format and data dictionaries	7 days	Fri 10/1/10	Mon 10/11/10		Milliman
42	Provide approach for unique patient id cross walk	11 days	Tue 10/12/10	Tue 10/26/10	41	Milliman
43	Algorithm for unique healthcare facility id	18 days	Fri 10/1/10	Tue 10/26/10		
44	Review test files and quality of the data	7 days	Fri 10/1/10	Mon 10/11/10		Milliman
45	Determine other sources if required	7 days	Fri 10/1/10	Mon 10/11/10		Milliman,OHA
46	Provide approach for unique healthcare facility id cross walk	11 days	Tue 10/12/10	Tue 10/26/10	44,45	Milliman
47	Algorithm for unique healthcare provider id	18 days	Fri 10/1/10	Tue 10/26/10		
48	Review test files and quality of the data	7 days	Fri 10/1/10	Mon 10/11/10		Milliman
49	Determine other sources if required	7 days	Fri 10/1/10	Mon 10/11/10		Milliman,OHA
50	Provide approach for unique healthcare provider id cross walk	11 days	Tue 10/12/10	Tue 10/26/10	48,49	Milliman

ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
51	Linkage of eligibility and provider records	18 days	Fri 10/1/10	Tue 10/26/10		
52	Review file format and data dictionaries	7 days	Fri 10/1/10	Mon 10/11/10		Milliman
53	Recommend linkage approach	11 days	Tue 10/12/10	Tue 10/26/10	52	Milliman
54	Encryption methods	11 days	Fri 10/1/10	Fri 10/15/10		
55	Review file formats for data suppliers	7 days	Fri 10/1/10	Mon 10/11/10		Milliman
56	Propose implementing method of file/data submission, storage, and support	11 days	Fri 10/1/10	Fri 10/15/10		
57	Encrypted and non encrypted files	11 days	Fri 10/1/10	Fri 10/15/10		Milliman
58	Storage, backup and transfer	11 days	Fri 10/1/10	Fri 10/15/10		Milliman
59	Encryption and decryption of certain data fields	11 days	Fri 10/1/10	Fri 10/15/10		Milliman
60	Technical assistance process for encryption	11 days	Fri 10/1/10	Fri 10/15/10		Milliman
61	Encryption standard updates	11 days	Fri 10/1/10	Fri 10/15/10		Milliman
62	Provide episode of care methodology	18 days	Fri 10/1/10	Tue 10/26/10		Milliman
63	Author and summarize Initial Recommendations Plan	2 days	Wed 10/27/10	Thu 10/28/10	7	Milliman
64	Peer Review of Recommendation Plan	1 day	Fri 10/29/10	Fri 10/29/10	63	Milliman
65	Submission of Recommendation Plan	0 days	Fri 10/29/10	Fri 10/29/10	64	Milliman
66	Review of Initial Recommendation Plan	10 days	Mon 11/1/10	Fri 11/12/10	65	OHA
67	Author Final Recommendation Plan	5 days	Mon 11/15/10	Fri 11/19/10	66	Milliman
68	Peer Review	2 days	Mon 11/22/10	Tue 11/23/10	67	Milliman
69	Submit Final Recommendation Plan	1 day	Wed 11/24/10	Wed 11/24/10	68	Milliman
70	Approval of Final Recommendation Plan	10 days	Thu 11/25/10	Wed 12/8/10	69	OHA
71						
72	TASK-2 DATA WAREHOUSE SERVICES	43 days	Fri 10/1/10	Tue 11/30/10		
73	Infrastructure/Capabilities Descriptions	36 days	Fri 10/1/10	Fri 11/19/10		
74	Data storage and transmission	36 days	Fri 10/1/10	Fri 11/19/10	3	Milliman
75	Backups and recoveries	36 days	Fri 10/1/10	Fri 11/19/10	3	Milliman
76	Data security	36 days	Fri 10/1/10	Fri 11/19/10	3	Milliman
77	Developing/testing OHA databases	36 days	Fri 10/1/10	Fri 11/19/10	3	Milliman
78	Customized dashboard	36 days	Fri 10/1/10	Fri 11/19/10	3	Milliman
79	Customized datasets	36 days	Fri 10/1/10	Fri 11/19/10	3	Milliman
80	Secure portal	36 days	Fri 10/1/10	Fri 11/19/10	3	Milliman
81	Author Data Warehouse Plan	5 days	Mon 11/22/10	Fri 11/26/10	73	Milliman
82	Peer Review	2 days	Mon 11/29/10	Tue 11/30/10	81	Milliman
83	Submit Final Data Warehouse Plan	0 days	Tue 11/30/10	Tue 11/30/10	82	Milliman
84						
85	TASK 3 - DATA COLLECTION SERVICES	43 days	Fri 10/1/10	Tue 11/30/10		
86	Data Collection Processes	36 days	Fri 10/1/10	Fri 11/19/10		
87	Adherence to OHA rules and policies	36 days	Fri 10/1/10	Fri 11/19/10	3	Milliman,OHA
88	Process for communication and technical assistance to data suppliers and OHA	36 days	Fri 10/1/10	Fri 11/19/10	3	Milliman
89	Protocol for testing data submission	36 days	Fri 10/1/10	Fri 11/19/10	3	Milliman
90	Plans for the collection of claim data sets	36 days	Fri 10/1/10	Fri 11/19/10	3	Milliman
91	Plan for quality assurance, validations and edit checks	36 days	Fri 10/1/10	Fri 11/19/10	3	Milliman
92	Plan for data audit and submission of data suppliers	36 days	Fri 10/1/10	Fri 11/19/10	3	Milliman
93	Identification and resubmission process for data requiring correction from suppliers	36 days	Fri 10/1/10	Fri 11/19/10	3	Milliman
94	Plan for processing data history	36 days	Fri 10/1/10	Fri 11/19/10	3	Milliman
95	Method for maintaining documentation	36 days	Fri 10/1/10	Fri 11/19/10	3	Milliman
96	Plan for providing quarterly data suppliers	36 days	Fri 10/1/10	Fri 11/19/10	3	Milliman
97	Process for notification of data suppliers who are non-compliant	36 days	Fri 10/1/10	Fri 11/19/10	3	Milliman
98	Author Data Collection Plan	5 days	Mon 11/22/10	Fri 11/26/10	86	Milliman
99	Peer Review	2 days	Mon 11/29/10	Tue 11/30/10	98	Milliman
100	Submit Final Data Collection Plan	0 days	Tue 11/30/10	Tue 11/30/10	99	Milliman

ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
101						
102	TASK 4 - ANALYTICAL SERVICES	43 days	Fri 10/1/10	Tue 11/30/10		
103	Plan to test and refine unique identifiers	36 days	Fri 10/1/10	Fri 11/19/10		
104	Data submission strategies (and determine which analytics)	36 days	Fri 10/1/10	Fri 11/19/10		Milliman
105	Plan for periodic testing of episodes of care	36 days	Fri 10/1/10	Fri 11/19/10		Milliman
106	Plan for periodic testing of facility-level aggregation	36 days	Fri 10/1/10	Fri 11/19/10		Milliman
107	Plan for periodic testing of practitioner-level aggregation	36 days	Fri 10/1/10	Fri 11/19/10		Milliman
108	Approach for specifying the limits of unique identifiers	36 days	Fri 10/1/10	Fri 11/19/10		Milliman
109	Suggestions for improvements to unique identifiers	36 days	Fri 10/1/10	Fri 11/19/10		Milliman
110	Plan for data set aggregation	36 days	Fri 10/1/10	Fri 11/19/10		
111	Method for claim data set aggregation (quarterly and annual)	36 days	Fri 10/1/10	Fri 11/19/10		Milliman
112	Author Data Collection Plan	5 days	Mon 11/22/10	Fri 11/26/10	103,110	Milliman
113	Peer Review	2 days	Mon 11/29/10	Tue 11/30/10	112	Milliman
114	Submit Final Data Collection Plan	0 days	Tue 11/30/10	Tue 11/30/10	113	Milliman
115						
116	IMPLEMENTATION TIMELINE	239 days	Fri 10/1/10	Wed 8/31/11		
117	TASK 2 - DATA WAREHOUSE SERVICES	228 days	Fri 10/1/10	Tue 8/16/11		
118	Hardware and Software	14 days	Fri 10/1/10	Wed 10/20/10		
119	Determine Hardware & Software required	1 day	Fri 10/1/10	Fri 10/1/10	3	OHA, Milliman
120	Order and Acquire Hardware & Software	7 days	Mon 10/4/10	Tue 10/12/10	119	Milliman
121	Install Hardware & Software	1 day	Wed 10/13/10	Wed 10/13/10	120	Milliman
122	Install MedInsight databases	1 day	Thu 10/14/10	Thu 10/14/10	121	Milliman
123	Load MedInsight reference tables	3 days	Fri 10/15/10	Tue 10/19/10	122	Milliman
124	Test New Hardware/Software	1 day	Wed 10/20/10	Wed 10/20/10	123	Milliman
125	Install Portal	12 days	Fri 10/1/10	Mon 10/18/10		
126	Set-up portal	3 days	Thu 10/14/10	Mon 10/18/10	121	Milliman
127	Identify initial users	1 day	Fri 10/1/10	Fri 10/1/10		OHA
128	Set up users	2 days	Mon 10/4/10	Tue 10/5/10	127	Milliman
129	Dashboard	20 days	Wed 7/20/11	Tue 8/16/11		
130	Design dashboard	10 days	Wed 7/20/11	Tue 8/2/11	235	Milliman, OHA
131	Determine dashboard users and roles	5 days	Wed 7/20/11	Tue 7/26/11	235	OHA
132	Develop dashboard	7 days	Wed 8/3/11	Thu 8/11/11	236FF-5 days, 1	Milliman
133	Test dashboard	3 days	Fri 8/12/11	Tue 8/16/11	132	Milliman
134						
135	TASK 3 - DATA COLLECTION & TASK 4. II. - DATA AGGREGATION)	193 days	Fri 10/1/10	Tue 6/28/11		
136	Review and implement OHA rules and procedures	5 days	Wed 12/1/10	Tue 12/7/10	100	Milliman
137	Implement communication/technical assistance policy for data suppliers	3 days	Wed 12/1/10	Fri 12/3/10	100	
138	Data Transmission	26 days	Thu 12/9/10	Thu 1/13/11		
142	Data Collection	88 days	Thu 1/27/11	Mon 5/30/11		
143	Obtain data formats and data dictionaries	3 days	Thu 1/27/11	Mon 1/31/11		
144	Medical claims	3 days	Thu 1/27/11	Mon 1/31/11		Milliman, OHA, Data Suppliers
145	Medical eligibility	3 days	Thu 1/27/11	Mon 1/31/11	144FF	Milliman, OHA, Data Suppliers
146	Medical providers	3 days	Thu 1/27/11	Mon 1/31/11	144FF	Milliman, OHA, Data Suppliers
147	Pharmacy claims	3 days	Thu 1/27/11	Mon 1/31/11	144FF	Milliman, OHA, Data Suppliers
148	Pharmacy eligibility	3 days	Thu 1/27/11	Mon 1/31/11	144FF	Milliman, OHA, Data Suppliers
149	HIPAA (de-identified)	3 days	Thu 1/27/11	Mon 1/31/11	144FF	Milliman, OHA, Data Suppliers
150	Inpatient discharges	3 days	Thu 1/27/11	Mon 1/31/11	144FF	Milliman, OHA, Data Suppliers

ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
151	Emergency department claims	3 days	Thu 1/27/11	Mon 1/31/11	144FF	Milliman,OHA,Data Suppliers
152	Commercial outpatient claims	3 days	Thu 1/27/11	Mon 1/31/11	144FF	Milliman,OHA,Data Suppliers
153	Medicaid FFS (outpatient claims)	3 days	Thu 1/27/11	Mon 1/31/11	144FF	Milliman,OHA,Data Suppliers
154	Medicaid encounter (outpatient claims)	3 days	Thu 1/27/11	Mon 1/31/11	144FF	Milliman,OHA,Data Suppliers
155	PEBB/OEBB claims (outpatient claims)	3 days	Thu 1/27/11	Mon 1/31/11	144FF	Milliman,OHA,Data Suppliers
156	Medicare Advantage (outpatient) claims	3 days	Thu 1/27/11	Mon 1/31/11	144FF	Milliman,OHA,Data Suppliers
157	Master index of de-duplicated patients	3 days	Thu 1/27/11	Mon 1/31/11	144FF	Milliman,OHA,Data Suppliers
158	Obtain test files from data suppliers	5 days	Tue 2/1/11	Mon 2/7/11		
159	Medical claims	5 days	Tue 2/1/11	Mon 2/7/11	144	Milliman,Data Suppliers
160	Medical eligibility	5 days	Tue 2/1/11	Mon 2/7/11	145	Milliman,Data Suppliers
161	Medical providers	5 days	Tue 2/1/11	Mon 2/7/11	146	Milliman,Data Suppliers
162	Pharmacy claims	5 days	Tue 2/1/11	Mon 2/7/11	147	Milliman,Data Suppliers
163	Pharmacy eligibility	5 days	Tue 2/1/11	Mon 2/7/11	148	Milliman,Data Suppliers
164	HIPAA (de-identified)	5 days	Tue 2/1/11	Mon 2/7/11	149	Milliman,Data Suppliers
165	Inpatient discharges	5 days	Tue 2/1/11	Mon 2/7/11	150	Milliman,Data Suppliers
166	Emergency department claims	5 days	Tue 2/1/11	Mon 2/7/11	151	Milliman,Data Suppliers
167	Commercial outpatient claims	5 days	Tue 2/1/11	Mon 2/7/11	152	Milliman,Data Suppliers
168	Medicaid FFS (outpatient claims)	5 days	Tue 2/1/11	Mon 2/7/11	153	Milliman,Data Suppliers
169	Medicaid encounter (outpatient claims)	5 days	Tue 2/1/11	Mon 2/7/11	154	Milliman,Data Suppliers
170	PEBB/OEBB claims (outpatient claims)	5 days	Tue 2/1/11	Mon 2/7/11	155	Milliman,Data Suppliers
171	Medicare Advantage (outpatient) claims	5 days	Tue 2/1/11	Mon 2/7/11	156	Milliman,Data Suppliers
172	Master index of de-duplicated patients	5 days	Tue 2/1/11	Mon 2/7/11	157	Milliman,Data Suppliers
173	Validation and Load of test files for data suppliers	22 days	Tue 2/8/11	Wed 3/9/11		
174	Load source data	10 days	Tue 2/8/11	Mon 2/21/11	158	Milliman
175	Validate to control totals	2 days	Tue 2/22/11	Wed 2/23/11	174	Milliman
176	Remediation for changes with data suppliers	10 days	Thu 2/24/11	Wed 3/9/11	175	Milliman,Data Suppliers
177	Obtain files from data suppliers	6 days	Thu 3/10/11	Thu 3/17/11		
178	Medical claims	6 days	Thu 3/10/11	Thu 3/17/11	176	Milliman,Data Suppliers
179	Medical eligibility	6 days	Thu 3/10/11	Thu 3/17/11	176	Milliman,Data Suppliers
180	Medical providers	6 days	Thu 3/10/11	Thu 3/17/11	176	Milliman,Data Suppliers
181	Pharmacy claims	6 days	Thu 3/10/11	Thu 3/17/11	176	Milliman,Data Suppliers
182	Pharmacy eligibility	6 days	Thu 3/10/11	Thu 3/17/11	176	Milliman,Data Suppliers
183	HIPAA (de-identified)	6 days	Thu 3/10/11	Thu 3/17/11	176	Milliman,Data Suppliers
184	Inpatient discharges	6 days	Thu 3/10/11	Thu 3/17/11	176	Milliman,Data Suppliers
185	Emergency department claims	6 days	Thu 3/10/11	Thu 3/17/11	176	Milliman,Data Suppliers
186	Commercial outpatient claims	6 days	Thu 3/10/11	Thu 3/17/11	176	Milliman,Data Suppliers
187	Medicaid FFS (outpatient claims)	6 days	Thu 3/10/11	Thu 3/17/11	176	Milliman,Data Suppliers
188	Medicaid encounter (outpatient claims)	6 days	Thu 3/10/11	Thu 3/17/11	176	Milliman,Data Suppliers
189	PEBB/OEBB claims (outpatient claims)	6 days	Thu 3/10/11	Thu 3/17/11	176	Milliman,Data Suppliers
190	Medicare Advantage (outpatient) claims	6 days	Thu 3/10/11	Thu 3/17/11	176	Milliman,Data Suppliers
191	Master index of de-duplicated patients	6 days	Thu 3/10/11	Thu 3/17/11	176	Milliman,Data Suppliers
192	Validation and Load for data suppliers	52 days	Fri 3/18/11	Mon 5/30/11		
193	Load source data	15 days	Fri 3/18/11	Thu 4/7/11	177	Milliman
194	Validate to control totals	2 days	Fri 4/8/11	Mon 4/11/11	193	Milliman
195	Perform data mapping	10 days	Tue 4/12/11	Mon 4/25/11	194	Milliman
196	Resolve any data issues/remediation with data suppliers	15 days	Tue 4/26/11	Mon 5/16/11	195	Milliman
197	Process corrected data sets	3 days	Tue 5/17/11	Thu 5/19/11	196	Milliman
198	Run data audits	4 days	Fri 5/20/11	Wed 5/25/11	197	Milliman
199	Validate data audits	1 day	Thu 5/26/11	Thu 5/26/11	198	Milliman
200	Write load scripts	2 days	Fri 5/27/11	Mon 5/30/11	199	Milliman

ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
201	Data aggregation	193 days	Fri 10/1/10	Tue 6/28/11		
202	Finalize aggregation methods	177 days	Fri 10/1/10	Mon 6/6/11		
203	Determine planned aggregation method for data supplier information	5 days	Tue 5/31/11	Mon 6/6/11	200	Milliman, OHA
204	Review provider and facility information	3 days	Tue 5/31/11	Thu 6/2/11	103,200	Milliman
205	Implement approved approach facility and provider aggregation process	10 days	Fri 10/1/10	Thu 10/14/10		Milliman
206	Determine other unique identifiers	5 days	Tue 5/31/11	Mon 6/6/11	103,200	Milliman
207	Implement approved approach for improving unique identifiers	10 days	Fri 10/1/10	Thu 10/14/10		Milliman
208	Implement planned method of aggregation for varous data sets	5 days	Tue 5/31/11	Mon 6/6/11		
209	Medical claims	5 days	Tue 5/31/11	Mon 6/6/11	200	Milliman
210	Medical eligibility	5 days	Tue 5/31/11	Mon 6/6/11	200	Milliman
211	Medical providers	5 days	Tue 5/31/11	Mon 6/6/11	200	Milliman
212	Pharmacy claims	5 days	Tue 5/31/11	Mon 6/6/11	200	Milliman
213	Pharmacy eligibility	5 days	Tue 5/31/11	Mon 6/6/11	200	Milliman
214	HIPAA (de-identified)	5 days	Tue 5/31/11	Mon 6/6/11	200	Milliman
215	Inpatient discharges	5 days	Tue 5/31/11	Mon 6/6/11	200	Milliman
216	Emergency department claims	5 days	Tue 5/31/11	Mon 6/6/11	200	Milliman
217	Commercial outpatient claims	5 days	Tue 5/31/11	Mon 6/6/11	200	Milliman
218	Medicaid FFS (outpatient claims)	5 days	Tue 5/31/11	Mon 6/6/11	200	Milliman
219	Medicaid encounter (outpatient claims)	5 days	Tue 5/31/11	Mon 6/6/11	200	Milliman
220	PEBB/OEBB claims (outpatient claims)	5 days	Tue 5/31/11	Mon 6/6/11	200	Milliman
221	Medicare Advantage (outpatient) claims	5 days	Tue 5/31/11	Mon 6/6/11	200	Milliman
222	Master index of de-duplicated patients	5 days	Tue 5/31/11	Mon 6/6/11	200	Milliman
223	Validation and Load for aggregate information	16 days	Tue 6/7/11	Tue 6/28/11		
224	Load to tables	4 days	Tue 6/7/11	Fri 6/10/11	208	Milliman
225	Validate table Loads	4 days	Mon 6/13/11	Thu 6/16/11	224	Milliman
226	Create reporting tables	4 days	Fri 6/17/11	Wed 6/22/11	225	Milliman
227	Load reporting tables	4 days	Thu 6/23/11	Tue 6/28/11	226	Milliman
228						
229	TASK 4 - ANALYTICAL SERVICES	47 days	Thu 6/23/11	Fri 8/26/11		
230	Coding and testing system and reports	22 days	Thu 6/23/11	Fri 7/22/11		
231	Run Engines	17 days	Thu 6/23/11	Fri 7/15/11		
232	Finalize analytics needed	3 days	Thu 6/23/11	Mon 6/27/11	226	Milliman, OHA
233	Run, test, and fix engines.	17 days	Thu 6/23/11	Fri 7/15/11	226	Milliman
234	Cubes and Reports	2 days	Mon 7/18/11	Tue 7/19/11		
235	Build and test cubes	2 days	Mon 7/18/11	Tue 7/19/11	231	Milliman
236	Build and test reports	2 days	Mon 7/18/11	Tue 7/19/11	231	Milliman
237	System Test reports/cubes	3 days	Wed 7/20/11	Fri 7/22/11		
238	Review facility level aggregation	3 days	Wed 7/20/11	Fri 7/22/11	235	Milliman
239	Review practioner level aggregation	3 days	Wed 7/20/11	Fri 7/22/11	235	Milliman
240	Review unique identifiers	3 days	Wed 7/20/11	Fri 7/22/11	235	Milliman
241	Peer Review cubes	1 day	Wed 7/20/11	Wed 7/20/11	235	Milliman
242	Peer Review reports	1 day	Wed 7/20/11	Wed 7/20/11	236	Milliman
243	Training	5 days	Thu 7/21/11	Wed 7/27/11		
244	Identify UAT users and setup IDs	3 days	Thu 7/21/11	Mon 7/25/11	241	OHA, Milliman
245	Develop training materials	2 days	Thu 7/21/11	Fri 7/22/11	241	Milliman
246	Peer Review of training materials	1 day	Mon 7/25/11	Mon 7/25/11	245	Milliman
247	Schedule training for UAT users	3 days	Thu 7/21/11	Mon 7/25/11	241	OHA, Milliman
248	Train UAT users	2 days	Tue 7/26/11	Wed 7/27/11	246	Milliman
249	Delivery of system for UAT	0 days	Wed 7/27/11	Wed 7/27/11	248	Milliman
250	User Acceptance Testing	18 days	Thu 7/28/11	Mon 8/22/11		

ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
251	Perform user acceptance testing	15 days	Thu 7/28/11	Wed 8/17/11	248	OHA
252	Adjust for user acceptance findings	2 days	Thu 8/18/11	Fri 8/19/11	251	Milliman
253	Sign-off on user acceptance testing	1 day	Mon 8/22/11	Mon 8/22/11	252	OHA
254	Production	24 days	Tue 7/26/11	Fri 8/26/11		
255	Write production handoff documentation	7 days	Thu 7/28/11	Fri 8/5/11	249	Milliman
256	Hand off system to Production	15 days	Mon 8/8/11	Fri 8/26/11	255	Milliman
257	Verify Production	3 days	Tue 7/26/11	Thu 7/28/11	247	OHA, Milliman
258	Signoff of MedInsight Implementation	0 days	Thu 7/28/11	Thu 7/28/11	257	OHA
259						
260	TASK 5- PROJECT MANAGEMENT	239 days	Fri 10/1/10	Wed 8/31/11		
261	Meetings	239 days	Fri 10/1/10	Wed 8/31/11		
262	Hold initial project meeting	2 days	Fri 10/1/10	Mon 10/4/10	3	Milliman, OHA
263	Schedule ongoing meetings	5 days	Tue 10/5/10	Mon 10/11/10	262	Milliman, OHA
264	Hold routine meetings	232 days	Tue 10/12/10	Wed 8/31/11	263	Milliman, OHA
265	Work groups	239 days	Fri 10/1/10	Wed 8/31/11		
266	Create data supplier workgroup leveraging existing	2 days	Tue 10/5/10	Wed 10/6/10	262	Milliman, OHA
267	Schedule ongoing meetings	5 days	Fri 10/1/10	Thu 10/7/10	3	Milliman, OHA, Data Suppliers
268	Hold routine meetings	234 days	Fri 10/8/10	Wed 8/31/11	267	Milliman, OHA, Data Suppliers
269	Contact Information	7 days	Tue 10/5/10	Wed 10/13/10		
270	Identify team members and roles	5 days	Tue 10/5/10	Mon 10/11/10	262	Milliman, OHA
271	Provide data supplier contacts	5 days	Tue 10/5/10	Mon 10/11/10	262	OHA
272	Create contact list	2 days	Tue 10/12/10	Wed 10/13/10	270	Milliman
273	Reporting	239 days	Fri 10/1/10	Wed 8/31/11		
274	Project Plan/Work Breakdown Structure	239 days	Fri 10/1/10	Wed 8/31/11		
275	Initial Project Plan	43 days	Fri 10/1/10	Tue 11/30/10		
276	Data Warehouse Services	43 days	Fri 10/1/10	Tue 11/30/10	3	Milliman
277	Data Collection Services	43 days	Fri 10/1/10	Tue 11/30/10	3	Milliman
278	Analytical Services	43 days	Fri 10/1/10	Tue 11/30/10	3	Milliman
279	Project Management	43 days	Fri 10/1/10	Tue 11/30/10	3	Milliman
280	Review of Initial Project Plan	10 days	Wed 12/1/10	Tue 12/14/10	275	OHA
281	Approved Project Plan	0 days	Tue 12/14/10	Tue 12/14/10	280	OHA
282	Updates	186 days	Wed 12/15/10	Wed 8/31/11	281	Milliman
283	Status reports	234 days	Fri 10/8/10	Wed 8/31/11	267	Milliman
284	Risk Log	234 days	Fri 10/8/10	Wed 8/31/11	267	Milliman
285	Issues Log	234 days	Fri 10/8/10	Wed 8/31/11	267	Milliman
286	Action Item Log	234 days	Fri 10/8/10	Wed 8/31/11	267	Milliman
287	Cost/Budget review	234 days	Fri 10/8/10	Wed 8/31/11	267	Milliman
288	Change Management	234 days	Fri 10/8/10	Wed 8/31/11		
289	Identify scope item	234 days	Fri 10/8/10	Wed 8/31/11	267	Milliman, OHA
290	Estimate timing and cost	234 days	Fri 10/8/10	Wed 8/31/11	267	Milliman
291	Create Change order	234 days	Fri 10/8/10	Wed 8/31/11	267	Milliman
292	Change order review and approval	234 days	Fri 10/8/10	Wed 8/31/11	267	OHA

EXHIBIT A

Part 4 Special Provisions

1. Vendor or Sub-Recipient Determination

In accordance with the State Controller's Oregon Accounting Manual, policy 30.40.00.102, and DHS procedure "Contractual Governance," DHS' determination is that:

Contractor is a sub-recipient; OR Contractor is a vendor.

Catalog of Federal Domestic Assistance (CFDA) #(s) of federal funds to be paid through this Contract: [93.778, 93.256]

2. Anticipated Amendments

- a. DHS reserves the right to amend or extend the Contract under the following general circumstances:
 - (1) DHS may extend the Contract for additional periods of time up to a total contract period of **five (5) years**, and for additional money associated with the extended period(s) of time. The determination for any extension for time may be based on DHS' satisfaction with performance of the work or services provided by the Contractor under this Contract.
 - (2) DHS may periodically amend any payment rates throughout the life of the Contract proportionate to increases in Portland Metropolitan Consumer Price Index; and to provide Cost Of Living Adjustments (COLA) if DHS so chooses. Any negotiation of increases in rates to implement a COLA will be as directed by the Oregon State Legislature.
- b. DHS further reserves the right to amend the Statement of Work based on the original scope of work of RFP #3078 for the following:
 - (1) Programmatic changes/additions or modifications deemed necessary to accurately reflect the original scope of work that may not have been expressed in the original Contract or previous amendments to the Contract;
 - (2) Implement additional phases of the Work; or
 - (3) As necessitated by changes in Code of Federal Regulations, Oregon Revised Statutes, or Oregon Administrative Rules which, in part or in combination, govern the provision of services provided under this Contract.
- c. Any amendment to this Contract that does not meet the intent of Exhibit A, Part 4, Section 2, "Anticipated Amendments," either Subsections a. or b., above, shall be deemed an unanticipated amendment and shall be handled according to Oregon Administrative Rules.
- d. Upon identification, by any party to this Contract, of any circumstance which may require an amendment to this Contract, either anticipated or unanticipated, the parties may enter into negotiations regarding the proposed modifications. Any resulting amendment must be in writing and be signed by all parties to the Contract before the

modified or additional provisions are binding on either party. All amendments must comply with Section 17.15, "Amendments" of this Contract.

3. Criminal History Checks

Contractor shall verify that any employee working with clients referred by DHS has not been convicted of any of the following crimes: child or elderly abuse, offenses against persons, sexual offenses, child neglect, or any other offense bearing a substantial relation to the qualifications, functions or duties of an employee scheduled to work with DHS' client. Contractor shall establish verification by:

- (1) having the applicant as a condition of employment, apply for and receive a criminal history check from a local Oregon State Police (OSP) office, which will be shared with Contractor, OR
- (2) Contractor as an employer will contact the local OSP for an "Oregon only" criminal history check on the applicant/employee. Contractor will need to give to OSP the applicant's name, birth date and social security number.

Contractor shall determine after receiving the criminal history check, whether the employee has listed convictions, and whether these convictions pose a risk to working safely with DHS clients. If Contractor notes a conviction from any of the above listed crimes on the applicant/employee's record, and Contractor chooses to hire the employee/applicant, Contractor shall confirm in writing, the reasons for hiring the individual.

These reasons shall address how the applicant/employee is presently suitable or able to work with referred DHS clients in a safe and trustworthy manner. Contractor will place this information, along with the applicant/employee's criminal history check, in the employee's personnel file.

The criminal history check procedures listed above also apply to Contractor. Contractor shall establish a personal personnel file and place Contractor's criminal history check in named file for possibility of future DHS review.

EXHIBIT B

INSURANCE

A. REQUIRED INSURANCE. Contractor shall obtain at Contractor's expense the insurance specified in this Exhibit B prior to performing under this Contract and shall maintain it in full force and at its own expense throughout the duration of this Contract and all warranty periods. Contractor shall obtain the following insurance from insurance companies or entities that are authorized to transact the business of insurance and issue coverage in State and that are acceptable to Agency.

i. WORKERS COMPENSATION. All employers, including Contractor, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017 and shall provide workers' compensation insurance coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). Contractor shall require and ensure that each of its subcontractors complies with these requirements.

ii. PROFESSIONAL LIABILITY

Required by Agency Not required by Agency.

Professional Liability. Contractor shall obtain and maintain at its own expenses for the duration of this Contract Professional Liability Insurance with a combined single limit, or the equivalent, as set forth below. This is to cover damages caused by error, omission or negligent acts related to the professional services to be provided under this Contract. Full limits can be obtained by the purchase of one primary policy or a primary and excess policy as needed to provide the full policy limits. Such policy shall include coverage for losses arising from the breach of information security or cyber liability (including Technology Errors & Omissions, Network Security and Privacy Liability and Media Liability), whether combined with the Professional Liability policy or placed as a separate policy, but carrying the same limits of liability. Such coverage shall insure damage caused by error, omission, or negligent acts, including all prior acts without limitation, related to the professional services to be provided under this Contract. The Policy shall be amended to include Independent Contractors providing Professional Services on behalf of or at the direction of Contractor. The definition of Contractual Liability shall be amended to state that liability under a contract of professional services is covered. Further, coverage shall be afforded for fraudulent acts, misappropriation of trade secrets, internet professional services, computer attacks, personal injury, regulatory actions, known wrongful acts, contractual liability, privacy policy, and insured versus insured.

\$2,000,000 Per occurrence limit for any single claimant; and
\$5,000,000 Per occurrence limit for any number of claimants

iii. COMMERCIAL GENERAL LIABILITY.

Required by Agency Not required by Agency.

Commercial General Liability. Commercial General Liability Insurance covering bodily injury, death and property damage in a form and with coverages that are satisfactory to the State. This insurance shall include personal injury liability, products and completed operations. Coverage shall be written on an occurrence basis. Contractor shall provide proof of insurance of not less than the following amounts as determined by the Agency:

Bodily Injury/Death:

\$2,000,000 Per occurrence limit for any single claimant; and
\$4,000,000 Per occurrence limit for any number of claimants:

AND

Property Damage:

\$100,000 Per occurrence limit for any single claimant; and
\$500,000 Per occurrence limit for any number of claimants

iv. AUTOMOBILE LIABILITY INSURANCE: AUTOMOBILE LIABILITY.

Required by Agency **Not required by Agency.**

Automobile Liability. Automobile Liability Insurance covering all owned, non-owned, or hired vehicles. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for “Commercial General Liability” and “Automobile Liability”). Contractor shall provide proof of insurance of not less than the following amounts as determined by the Agency:

Bodily Injury/Death:

\$2,000,000 Per occurrence limit for any single claimant; and
\$4,000,000 Per occurrence limit for any number of claimants

AND

Property Damage:

\$100,000 Per occurrence limit for any single claimant; and
\$500,000 Per occurrence limit for any number of claimants

v. EMPLOYERS' LIABILITY.

Required by Agency **Not required by Agency.**

If Contractor is a subject employer, as defined in ORS 656.023, Contractor shall obtain employers' liability insurance coverage. Contractor shall provide proof of insurance of not less than the following amounts as determined by the Agency:

\$2,000,000 Per occurrence limit for any single claimant; and
\$4,000,000 Per occurrence limit for any number of claimants

B. ADDITIONAL INSURED.

The Commercial General Liability insurance and Automobile Liability insurance required under this Contract shall include the State of Oregon, its officers, employees and agents as Additional Insureds but only with respect to Contractor's activities to be performed under this Contract. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

C. "TAIL" COVERAGE.

If any of the required professional liability insurance is on a "claims made" basis, Contractor shall either maintain either "tail" coverage or continuous "claims made" liability coverage, provided the effective date of the continuous "claims made" coverage is on or before the effective date of this Contract, for a minimum of 24 months following the later of (i) Contractor's completion and Agency's acceptance of all Services required under this Contract, or, (ii) The expiration of all warranty periods provided under this Contract. Notwithstanding the foregoing 24-month requirement, if Contractor elects to maintain "tail" coverage and if the maximum time period "tail" coverage reasonably available in the marketplace is less than the 24-month period described above, then Contractor shall maintain "tail" coverage for the maximum time period that "tail" coverage is reasonably available in the marketplace for the coverage required under this Contract. Contractor shall provide to Agency, upon Agency's request, certification of the coverage required under this section 4.C.

D. NOTICE OF CANCELLATION OR CHANGE.

There shall be no cancellation, material change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without thirty (30) days' written notice from this Contractor or its insurer(s) to Agency. Any failure to comply with the reporting provisions of this clause shall constitute a material breach of Contract and shall be grounds for immediate termination of this Contract by Agency.

E. CERTIFICATE(S) OF INSURANCE.

Contractor shall provide to Agency Certificate(s) of Insurance for all required insurance before delivering any Goods and performing any Services required under this Contract. The Certificate(s) must specify all entities and individuals who are endorsed on the policy as Additional Insured (or Loss Payees). Contractor shall pay for all deductibles, self-insured retention and self-insurance, if any.

EXHIBIT C

CONTRACTOR DATA AND TAX CERTIFICATION

1. Contractor Insurance Information. Contractor shall provide information set forth below. This information is requested pursuant to ORS 305.385 and OAR 125-246-0333(5).

Please print or type the following information

Name (exactly as filed with the IRS) Milliman, Inc.

Address 1301 Fifth Ave, Suite 3800, Seattle, WA 98101

E-mail address: Sheri.Fairchild@milliman.com

Telephone: (206) 624 - 7940 Facsimile: (206) 447 - 6909

Nonresident alien [] YES [X] NO

Federal Tax Number 91-0675641

Oregon Tax Number 486990

DUNS Number: 071835985

Proof of Insurance:

Workers Compensation Insurance Company Federal Insurance Company

Policy # 71719457 Expiration Date: 06/30/11

Professional Liability Insurance Company Indian Harbor Insurance Company

Policy # MPP 0032180 Expiration Date: 07/01/2011

General Liability Insurance Company Federal Insurance Company

Policy # 3582 Expiration Date: 06/30/11

Auto Insurance Company Federal Insurance Company

Policy # 73525432 Expiration Date: 06/30/11

Business Designation:

[] Professional Corporation [] Partnership [] Limited Partnership

[] Limited Liability Company [] Limited Liability Partnership

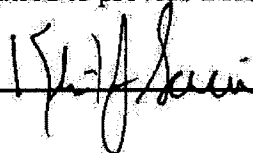
[X] Corporation [] Sole Proprietorship [] Other _____

The above information must be provided prior to Contract execution. Contractor shall provide proof of Insurance upon request by DHS or DHS designee.

2. Certification. By signature on this Contract, the undersigned hereby certifies under penalty of perjury that:

- (1) The undersigned is authorized to act on behalf of Contractor and that Contractor is, to the best of the undersigned's knowledge, not in violation of any Oregon Tax Laws. For purposes of this certification, "Oregon Tax Laws" means a state tax imposed by 403.200 to 403.250 (Tax for Emergency Communications), 118 (Inheritance Tax), 314 (Income Tax), 316 (Personal Income Tax), 317 (Corporation Excise Tax), 318 (Corporation Income Tax), 320 (Amusement Device and Transient Lodging Taxes), 321 (Timber and Forestland Tax), 323 (Cigarettes and Tobacco Products Tax), and the elderly rental assistance program under ORS 310.630 to 310.706; and any local taxes administered by the Department of Revenue under ORS 305.620;
- (2) The information shown in Section 5., Contractor Data and Certification, above is Contractor's true, accurate and correct information;
- (3) Contractor is not subject to backup withholding because:
 - (a) Contractor is exempt from backup withholding;
 - (b) Contractor has not been notified by the IRS that Contractor is subject to backup withholding as a result of a failure to report all interest or dividends;
or
 - (c) The IRS has notified Contractor that Contractor is no longer subject to backup withholding; and
- (4) Contractor is an independent contractor as defined in ORS 670.600.
- (5) Contractor is required to provide their Federal Employer Identification Number (FEIN) or Social Security Number (SSN) as applicable to DHS. By Contractor's signature on this Contract, Contractor hereby certifies that the FEIN or SSN provided on the DHS CP385 form is true and accurate. If this information changes, Contractor is also required to provide DHS with the new FEIN or SSN within 10 days.

Contractor Signature



Date

1/26/11

EXHIBIT D

CERTIFICATION STATEMENT FOR INDEPENDENT CONTRACTOR
(Contractor completes if Contractor is not a corporation or is a professional corporation.)

A. CONTRACTOR IS INDEPENDENT CONTRACTOR.

Contractor certifies he/she meets the following standards:

1. I am registered under ORS chapter 701 to provide labor or services for which such registration is required.
2. I have filed federal and state income tax returns in the name of my business or a business Schedule C as part of the personal income tax return, for the previous year, or expect to file federal and state income tax returns, for labor or services performed as an independent contractor in the previous year.
3. I will furnish the tools or equipment necessary for the contracted labor or services.
4. I have the authority to hire and fire employees who perform the labor or services.
5. I represent to the public that the labor or services are to be provided by my independently established business as four (4) or more of the following circumstances exist. (Please check four or more of the following:)
 - a. The labor or services are primarily carried out at a location that is separate from my residence or is primarily carried out in a specific portion of my residence, which is set aside as the location of the business.
 - b. Commercial advertising or business cards are purchased for the business, or I have a trade association membership;
 - c. Telephone listing is used for the business that is separate from the personal residence listing.
 - d. Labor or services are performed only pursuant to written contracts.
 - e. Labor or services are performed for two or more different persons within a period of one year.
 - f. I assume financial responsibility for defective workmanship or for service not provided as evidenced by the ownership of performance bonds, warranties, errors and omission insurance or liability insurance relating to the labor or services to be provided.

Contractor Signature *Keith J. Lucin* Date 1/31/11

(Agency completes B below when Contractor completes Section A above.)

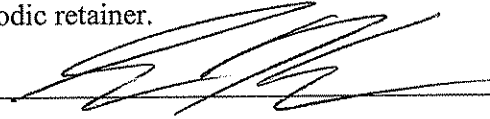
B. AGENCY APPROVAL.

ORS 670.600. Independent Contractor Standards. As used in various provisions of ORS chapters 316, 656, 657 and 701, an individual or business entity that performs labor or services

for remuneration shall be considered to perform the labor or services as an "independent contractor" if the standards of this section are met. Agency certifies the contracted work meets the following standards:

1. The Contractor is free from direction and control over the means and manner of providing the labor or services, subject only to the specifications of the desired results.
2. The Contractor is responsible for obtaining all assumed business registrations or professional occupation licenses required by state law or local ordinances.
3. The Contractor furnishes the tools or equipment necessary for the contracted labor or services.
4. The Contractor has the authority to hire and fire employees to perform the labor or services.
5. Payment to the Contractor is made upon completion of the performance or is made on the basis of a periodic retainer.

Agency Signature



Date 2-1-11

(Agency's certification is solely for the Agency's benefit and internal use)

EXHIBIT E
CONTRACTOR'S PERSONNEL

Authorized Representative:

Kent Sacia
Principal

Project Manager:

Lynn McLaren
PMP

Other Key Persons:

Rich Moyer
Peer Reviewer/Managing Principal

Patty Jones
Subject Matter Experts (Clinical)

Roger Connolly
Manager of Technical Development

Bill Walton
Implementation Consultant

Eliseo Badillo
Implementation Consultant

Barb Ward
Healthcare Data Analyst

Michael Bush
Account Manager

EXHIBIT F

AGENCY PERSONNEL

Authorized Representative:

Sean Kolmer
Oregon Health Authority, Oregon Health Policy and Research Division

Project Manager:

James Oliver
Oregon Health Authority, Oregon Health Policy and Research Division

EXHIBIT G

REQUIRED FEDERAL TERMS AND CONDITIONS

Unless exempt under 45CFR Part 87 for Faith-Based Organizations (Federal Register, July 16, 2004, Volume 69, #136), or other federal provisions, Contractor shall comply and, as indicated, cause all subcontractors to comply with the following federal requirements to the extent that they are applicable to this Contract, to Contractor, or to the Work, or to any combination of the foregoing. For purposes of this Contract, all references to federal and state laws are references to federal and state laws as they may be amended from time to time.

1. **Miscellaneous Federal Provisions**

Contractor shall comply and require all subcontractors to comply with all federal laws, regulations, and executive orders applicable to the Contract or to the delivery of Work. Without limiting the generality of the foregoing, Contractor expressly agrees to comply and require all subcontractors to comply with the following laws, regulations and executive orders to the extent they are applicable to the Contract: (a) Title VI and VII of the Civil Rights Act of 1964, as amended, (b) Sections 503 and 504 of the Rehabilitation Act of 1973, as amended, (c) the Americans with Disabilities Act of 1990, as amended, (d) Executive Order 11246, as amended, (e) the Health Insurance Portability and Accountability Act of 1996, (f) the Age Discrimination in Employment Act of 1967, as amended, and the Age Discrimination Act of 1975, as amended, (g) the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, (h) all regulations and administrative rules established pursuant to the foregoing laws, (i) all other applicable requirements of federal civil rights and rehabilitation statutes, rules and regulations, (j) all federal law governing operation of Community Mental Health Programs, including without limitation, all federal laws requiring reporting of Client abuse. These laws, regulations and executive orders are incorporated by reference herein to the extent that they are applicable to the Contract and required by law to be so incorporated. No federal funds may be used to provide Work in violation of 42 USC 14402.

2. **Equal Employment Opportunity**

If this Contract, including amendments, is for more than \$10,000, then Contractor shall comply and require all subcontractors to comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60).

3. **Clean Air, Clean Water, EPA Regulations**

If this Contract, including amendments, exceeds \$100,000 then Contractor shall comply and require all subcontractors to comply with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. 1857(h)), the Federal Water Pollution Control Act as amended (commonly known as the Clean Water Act) (33 U.S.C. 1251 to 1387), specifically including, but not limited to Section 508 (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (2 CFR Part

1532), which prohibit the use under non-exempt Federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. Violations shall be reported to DHS, HHS and the appropriate Regional Office of the Environmental Protection Agency. Contractor shall include and require all subcontractors to include in all contracts with subcontractors receiving more than \$100,000, language requiring the subcontractor to comply with the federal laws identified in this section.

4. Energy Efficiency

Contractor shall comply and require all subcontractors to comply with applicable mandatory standards and policies relating to energy efficiency that are contained in the Oregon energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94 163).

5. Truth in Lobbying

The Contractor certifies, to the best of the Contractor's knowledge and belief that:

- a. No federal appropriated funds have been paid or will be paid, by or on behalf of Contractor, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.
- b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan or cooperative agreement, the Contractor shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying" in accordance with its instructions.
- c. The Contractor shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients and subcontractors shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this Contract was made or entered into. Submission of this certification is a prerequisite for making or entering into this Contract imposed by section 1352, Title 31 of the U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

6. HIPAA Compliance

DHS is a Covered Entity for purposes of the Health Insurance Portability and Accountability Act and the federal regulations implementing the Act (collectively referred to as HIPAA). DHS must comply with HIPAA to the extent that any Work or obligations of DHS arising under this Contract are covered by HIPAA. Contractor shall determine if Contractor is

subject to HIPAA in the performance of any Work or other obligations under this Contract. To the extent that Contractor is subject to HIPAA, Contractor shall comply and cause all subcontractors to comply with the following:

- a. Privacy and Security of Individually Identifiable Health Information. Individually Identifiable Health Information about specific individuals is confidential. Individually Identifiable Health Information relating to specific individuals may be exchanged between Contractor and DHS for purposes directly related to the provision of services to Clients which are funded in whole or in part under this Contract. However, Contractor shall not use or disclose any Individually Identifiable Health Information about specific individuals in a manner that would violate DHS Privacy Rules, OAR 407-014-0000 et. seq., or DHS Notice of Privacy Practices, if done by DHS. A copy of the most recent DHS Notice of Privacy Practices is posted on the DHS web site at <http://dhsforms.hr.state.or.us/Forms/served/DE2090.pdf>, or may be obtained from DHS.
 - b. Data Transactions Systems. If Contractor intends to exchange electronic data transactions with DHS in connection with claims or encounter data, eligibility or enrollment information, authorizations or other electronic transaction, Contractor shall execute an EDI Trading Partner Agreement with DHS and shall comply with DHS EDI Rules.
 - c. Consultation and Testing. If Contractor reasonably believes that the Contractor's or DHS' data transactions system or other application of HIPAA privacy or security compliance policy may result in a violation of HIPAA requirements, Contractor shall promptly consult the DHS Information Security Office. Contractor or DHS may initiate a request for testing of HIPAA transaction requirements, subject to available resources and the DHS testing schedule.
7. Resource Conservation and Recovery
- Contractor shall comply and require all subcontractors to comply with all mandatory standards and policies that relate to resource conservation and recovery pursuant to the Resource Conservation and Recovery Act (codified at 42 USC 6901 et. seq.). Section 6002 of that Act (codified at 42 USC 6962) requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by the Environmental Protection Agency. Current guidelines are set forth in 40 CFR Part 247.
8. Audits
- a. Contractor shall comply and, if applicable, require a subcontractor to comply, with the applicable audit requirements and responsibilities set forth in the Office of Management and Budget Circular A-133 entitled "Audits of States, Local Governments and Non-Profit Organizations."
 - b. Sub-recipients shall also comply with applicable Code of Federal Regulations (CFR) sections and OMB Circulars governing expenditure of federal funds. State, local and Indian Tribal Governments and governmental hospitals must follow OMB A-102. Non-profits, hospitals, colleges and universities must follow 2 CFR Part 215. Sub-

recipients shall monitor any organization to which funds are passed for compliance with CFR and OMB requirements.

9. Debarment and Suspension

Contractor shall not permit any person or entity to be a subcontractor if the person or entity is listed on the non-procurement portion of the General Service Administration's "List of Parties Excluded from Federal Procurement or Nonprocurement Programs" in accordance with Executive Orders No. 12549 and No. 12689, "Debarment and Suspension". (See 2 CFR Part 180.) This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory authority other than Executive Order No. 12549. Subcontractors with awards that exceed the simplified acquisition threshold shall provide the required certification regarding their exclusion status and that of their principals prior to award.

10. Drug-Free Workplace

Contractor shall comply and cause all subcontractors to comply with the following provisions to maintain a drug-free workplace: (i) Contractor certifies that it will provide a drug-free workplace by publishing a statement notifying its employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance, except as may be present in lawfully prescribed or over-the-counter medications, is prohibited in Contractor's workplace or while providing services to DHS clients. Contractor's notice shall specify the actions that will be taken by Contractor against its employees for violation of such prohibitions; (ii) Establish a drug-free awareness program to inform its employees about: The dangers of drug abuse in the workplace, Contractor's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations; (iii) Provide each employee to be engaged in the performance of services under this Contract a copy of the statement mentioned in paragraph (i) above; (iv) Notify each employee in the statement required by paragraph (i) above that, as a condition of employment to provide services under this Contract, the employee will: abide by the terms of the statement, and notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction; (v) Notify DHS within ten (10) days after receiving notice under subparagraph (iv) above from an employee or otherwise receiving actual notice of such conviction; (vi) Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program by any employee who is so convicted as required by Section 5154 of the Drug-Free Workplace Act of 1988; (vii) Make a good-faith effort to continue a drug-free workplace through implementation of subparagraphs (i) through (vi) above; (viii) Require any subcontractor to comply with subparagraphs (i) through (vii) above; (ix) Neither Contractor, or any of Contractor's employees, officers, agents or subcontractors may provide any service required under this contract while under the influence of drugs. For purposes of this provision, "under the influence" means: observed abnormal behavior or impairments in mental or physical performance leading a reasonable person to believe the Contractor or Contractor's employee, officer, agent or subcontractor has used a controlled substance, prescription or non-prescription medication that impairs the Contractor or Contractor's employee, officer, agent or subcontractor's performance of essential job function or creates a direct threat to DHS

clients or others. Examples of abnormal behavior include, but are not limited to: hallucinations, paranoia or violent outbursts. Examples of impairments in physical or mental performance include, but are not limited to: slurred speech, difficulty walking or performing job activities; (x) Violation of any provision of this subsection may result in termination of the contract.

11. Pro-Children Act

Contractor shall comply and require all subcontractors to comply with the Pro-Children Act of 1994 (codified at 20 USC section 6081 et. seq.).

12. Medicaid Services

Contractor shall comply with all applicable federal and state laws and regulation pertaining to the provision of Medicaid Services under the Medicaid Act, Title XIX, 42 USC Section 1396 et. seq., including without limitation:

- a. Keep such records as are necessary to fully disclose the extent of the services provided to individuals receiving Medicaid assistance and shall furnish such information to any state or federal agency responsible for administering the Medicaid program regarding any payments claimed by such person or institution for providing Medicaid Services as the state or federal agency may from time to time request. 42 USC Section 1396a (a)(27); 42 CFR 431.107(b)(1) & (2).
- b. Comply with all disclosure requirements of 42 CFR 1002.3(a) and 42 CFR 455 Subpart (B).
- c. Maintain written notices and procedures respecting advance directives in compliance with 42 USC Section 1396(a)(57) and (w), 42 CFR 431.107(b)(4), and 42 CFR 489 subpart I.
- d. Certify when submitting any claim for the provision of Medicaid Services that the information submitted is true, accurate and complete. Contractor shall acknowledge Contractor's understanding that payment of the claim will be from federal and state funds and that any falsification or concealment of a material fact may be prosecuted under federal and state laws.
- e. Entities receiving \$5 million or more annually (under this contract and any other Medicaid contract) for furnishing Medicaid health care items or services shall, as a condition of receiving such payments, adopt written fraud, waste and abuse policies and procedures and inform employees, contractors and agents about the policies and procedures in compliance with Section 6032 of the Deficit Reduction Act of 2005, 42 USC § 1396a(a)(68).

13. Agency-based Voter Registration

Contractor shall comply with the Agency-based Voter Registration sections of the National Voter Registration Act of 1993 that require voter registration opportunities be offered where an individual may apply for or receive an application for public assistance.

EXHIBIT H

APPLICATION SERVICES AGREEMENT MEDINSIGHT ASP LICENSE AND SERVICES AGREEMENT

THIS MEDINSIGHT ASP LICENSE AND SERVICES AGREEMENT (the "Agreement") is an exhibit to the Information Technology Agreement, Contract number 133760, (the "Contract") dated _____, 2010, made by and between Milliman, Inc. ("Milliman" or "Contractor") and the State of Oregon acting by and through the Oregon Health Authority's Office for Oregon Health Policy and Research ("Licensee" or "Agency") (hereafter Milliman and Licensee collectively the "Parties"), and this Agreement is effective as of the date of the Contract (the "Effective Date").

1. **Definitions.** All terms used in this Agreement shall, except where otherwise expressly provided, have the same meaning as the terms used in the Contract. The capitalized terms shall have the following meanings for purposes of this Agreement:
 - a) "Allowable Downtime" means the amount of Downtime measured on a monthly basis in minutes allowed under Milliman's Service Level Agreement before triggering a Service Level Credit. The Allowable Downtime shall be calculated for each month of the Term as two percent (2%) of the total hours in the month multiplied by sixty (60).
 - b) "ASP Service" means the provision of access to the Software, the Client Data and any Consulting Service deliverables as set forth in the Statement of Work of the Contract.
 - c) "ASP Service Date" means the date when the Software is ready and available for operational use by Licensee, with the initial Client Data provided by Licensee loaded and reconciled so that the Software can perform as represented in its documentation.
 - d) "Business Day" means any day other than a Saturday, Sunday, or any Milliman corporate holidays, an annual list of which will be provided to Licensee upon request.
 - e) "Business Hours" means the hours between 7:30 a.m. and 5:30 p.m. Pacific Time on Business Days.
 - f) "Client Data" means data or information provided by Licensee or as otherwise provided to Milliman by reporting entities pursuant to this Contract and either processed by the Software, stored on Licensee's behalf as part of the Services and/or utilized by Milliman in the provision of Consulting Services for Licensee. The "De-Identified Client Data" shall mean a subset of the "Client Data" modified

in accordance with 45 CFR § 164.514 (as well as HIPAA and all other applicable laws and regulations) so as to remove patient-specific identifying information.

- g) "Consulting Services" means the actuarial and technical consulting services provided by Milliman to Licensee as set forth in the Statement of Work of the Contract.
- h) "Defined Query" means a specified query agreed between Milliman and Licensee that will be used to measure the response time and performance of the Software accessed through the ASP Service. Each Defined Query will have an associated Response Metric. The Defined Queries and associated Response Metrics are set forth on Attachment B.
- i) "Deliverable" means a tangible deliverable, such as a report or analysis based on Client Data, to be provided to Licensee by Milliman as part of the Consulting Services.
- j) "Downtime" means any period of time in excess of thirty (30) consecutive minutes during Business Hours when the ASP Service is inaccessible, except where such inaccessibility is caused by a Force Majeure Event, by Licensee's failure to maintain the Required Equipment, or by Scheduled Maintenance.
- k) "Force Majeure Event" means an event beyond the reasonable control of either party that delays or renders impossible performance of an obligation under this Agreement, including, without limitation: (i) fire, flood, earthquake, elements of nature or acts of God; (ii) acts of vandalism or terrorism whether electronic or otherwise; (iii) riots, civil disorders or revolution; (iv) strike or other significant labor disruption; (v) nonperformance by a third party other than an authorized subcontractor of Milliman; or (vi) any other cause beyond the reasonable control of a party, including, without limitation, failures or fluctuations in Internet connectivity or traffic, or other telecommunications systems, lines or equipment.
- l) "Proprietary Information" means any knowledge or information concerning a party's business, including, without limitation, information concerning a party's products, technology, inventions, designs, discoveries, know-how, operations, procedures, customers, contracts, finances, or pricing disclosed or made accessible to the other party during the course of performance of a party's obligations pursuant to this Agreement. Proprietary Information shall include: (i) all information marked "confidential" "restricted" "proprietary" or with a similar designation; (ii) the Software and all related items, including, without limitation, its source code, object code, specifications, layouts, flow charts, algorithms, documentation, and training materials; (iii) all Tools; and (iv) this Agreement.
- m) "Required Equipment" means such equipment and systems, including, without limitation, telecommunications links and Internet connectivity, required to be

installed and operational at Licensee's site in order for Licensee to access the ASP Service.

- n) "Response Metric" means the target time period associated with a given Defined Query within which the Software accessed through the ASP Service should provide a response to the Defined Query.
- o) "Response Time Failure" means an event where the averaged logged response time over ten consecutive tests of a Defined Query exceeds the applicable Response Metric or when the percentage of server requests that are over 3 seconds for a month is greater than 10% of the server requests.
- p) "Scheduled Maintenance" means time during which the ASP Service will be inaccessible due to maintenance work on the Software and/or the System. Such time shall only be considered Scheduled Maintenance if Milliman provides notice to Licensee of the unavailability of the ASP Service at least three (3) days in advance, such notice to be accomplished either via email or through posting a notice visible to Licensee during use of the Software hereunder.
- q) "Service Level Agreements" "Service Levels" or "SLA" means the parameters for the availability and performance of the ASP Service, as set forth in Section 3(c) of the Agreement.
- r) "Service Level Credit" means a credit awarded to Licensee for Milliman's failure to comply with the Service Level Agreements. The Service Level Credits are set forth in Section 3(d) of the Agreement. Notwithstanding anything to the contrary herein, the total Service Level Credits applicable to any given month may not exceed the monthly ASP Service Fee for that month.
- s) "Software" shall mean the object code version of the *MedInsight*® Software owned by Milliman and licensed for access and use by Licensee through the ASP Service under this Agreement, together with its supporting documentation and all modifications, upgrades, updates, error corrections, fixes, enhancements, work-arounds, and all new versions and releases thereof.
- t) "System" means the computers and other hardware which are operated by or under the control of Milliman (including operating systems and other software residing on such hardware) and which are used by Milliman in connection with the operation of the Software and the provision of the ASP Service to Licensee.
- u) "Tools" means any technical or internal designs, methods, ideas, concepts, know-how, techniques, formulas, algorithms, generic documents or templates developed or used by Milliman for the purpose of or in the course of providing the Consulting Services.

2. ASP Service.

- a) Access to the Software. Conditioned on Licensee's compliance with the terms and conditions of this Agreement, Milliman shall provide to Licensee the ASP Service and Licensee shall have the right to access and use the Software in accordance with the limited license set forth in Section 6(a) of this Agreement.
- b) Required Equipment. Milliman shall advise Licensee regarding the Required Equipment and the configuration necessary to access and utilize the Software. Licensee shall, at its sole expense, obtain, operate and maintain the Required Equipment, including all Internet access and telecommunications lines and capabilities necessary and appropriate for Licensee to access and use the Software via the ASP Service. Licensee acknowledges that Milliman makes no representations regarding Licensee's telecommunications links and shall not be responsible for the availability or adequacy of such links. Licensee shall also be solely responsible for the security of the telecommunications links through which Licensee accesses the ASP Service. Milliman shall not be liable for any damage, disclosure, delay, or Downtime caused in whole or in part by the failure or inadequacy of Licensee's telecommunications links or any breach of the security or integrity of those links.
- c) Service Levels. Milliman represents and warrants that the ASP Service will comply with the following Service Levels:
 - (i) The ASP Service will be refreshed within ten (10) Business Days of Milliman's receipt of new Client Data from Licensee, provided that the files containing such Client Data meet the file layout and content specifications provided by Milliman. If any Client Data provided by Licensee fails to meet such specifications, Milliman shall notify Licensee and Milliman will refresh the ASP Service within ten (10) Business Days of Milliman's receipt from Licensee of updated Client Data in compliant file layout, or within a reasonable time if Licensee fails to provide compliant Client Data. Licensee may not request refresh of data under this Section more than once per calendar month.
 - (ii) The ASP Service will be available and function in accordance with the requirements and specifications of the Contract ninety-eight percent (98%) of all hours, less scheduled down-time, measured on a monthly basis.
 - (iii) (a) The average logged response time for each Defined Query over any ten (10) consecutive tests of the Defined Query will meet the Response Metric for each such Defined Query set forth on Attachment B. Milliman will test each Defined Query at regular intervals and will log the observed response times. Upon request Milliman will provide to Licensee a report of observed response times for each Defined Query.

(b) Contractor's solution's response time for the website must be 3 seconds or less for no less than 90 percent of the time, 24 hours per day, 7 days per week and 365 days per year (or 366 days in those years that are leap years), except during Scheduled Maintenance.

- 3 second response time to any page
- 60 ms response time with 40 byte packet
- 65 ms response time with 1400 byte packet

(c) Milliman shall not be responsible for response times in excess of applicable metrics set forth above caused, in whole or in part, by the Required Equipment, Licensee's Internet Service Provider or other telecommunications links, or other causes resulting solely from Licensee's conduct or matters within Licensee's control.

d) Service Level Credits. Milliman shall award to Licensee Service Level Credits as follows:

- (i) Milliman will use its best efforts to refresh Client Data provided by Licensee as soon as reasonably practicable. For each failure to timely refresh data as set forth in Section 2(c)(i), above (there can be only a single such failure associated with a given request for refresh by Licensee), the Service Level Credit shall be ten percent (10%) of the current month's ASP Service Fee. If the failure continues for more than thirty (30) days, the Service Level Credit shall increase by fifteen percent (15%) of the current month's ASP Service Fee, for a total Service Level Credit of twenty-five percent (25%) of the current month's ASP Service Fee.
- (ii) Whenever the ASP Service experiences Downtime, Milliman shall use its best efforts to correct the problem and regain accessibility as quickly as reasonably practicable. Milliman shall aggregate the total minutes of Downtime for each month during the Term and subtract from the total Downtime the Allowable Downtime for that month (the result of this calculation shall be referred to as the "Net Downtime"). For each month in which the Net Downtime is positive, the Service Level Credit shall equal one percent (1%) of the current month's ASP Service Fee for every sixty (60) minutes of Net Downtime, unless either: (a) the Net Downtime exceeds 600 minutes; or (b) the Net Downtime exceeds 240 minutes and has exceeded 240 minutes in at least two consecutive months (including the current month), in either of which case the Service Level Credit shall equal five percent (5%) of the current month's ASP Service Fee for every sixty (60) minutes of Net Downtime. Under no circumstances shall the total Service Level Credit under this section exceed one hundred percent (100%) of the total ASP Service Fee applicable to the current month of the Term. Net Downtime does not carry over in any manner from month to month and the Net Downtime for a given month will only lead to a Service Level

Credit for that month, even if the amount of Net Downtime for the month would lead to a Service Level Credit in excess of one hundred percent (100%) of the current month's ASP Service Fee.

- (iii) Upon the occurrence of a Response Time Failure Milliman shall use its best efforts to repair the Software and/or the System to bring the ASP Service into compliance with the Service Level set forth in Section 2(c)(iii). For each month in which a Response Time Failure occurs, the Service Level Credit shall be the greater of (i) five percent (5%) of the current month's ASP Service Fee for each Defined Query experiencing a Response Time Failure during the month when the average logged response time over ten (10) consecutive tests of the Defined Query is no more than one hundred fifty percent (150%) of the Response Metric, and ten percent (10%) of the current month's ASP Service Fee for each Defined Query experiencing a Response Time Failure during the month when the average logged response time over ten (10) consecutive tests of the Defined Query exceeds one hundred fifty percent (150%) of the Response Metric; and (ii) the percentage of server requests exceeding three seconds during the month (calculated as one hundred times the number of server requests exceeding 3 seconds during the month, divided by the number of total server requests during the month), less an allowable 10% service level and rounded to zero if negative. Under no circumstances shall the total Service Level Credit under this section exceed one hundred percent (100%) of the total ASP Service Fee applicable to the current month of the Term.
- (iv) Notwithstanding anything to the contrary herein, where ASP Service Fees are paid on an annual rather than monthly basis as set forth in Section 4(a), the one twelfth (1/12) of the current year's annual ASP Service Fee shall be used in the calculation and limitation of Service Level Credits on a month-by-month basis. Notwithstanding anything to the contrary herein, where ASP Service Fees are paid on a quarterly rather than monthly basis as set forth in Section 4(a), the one third (1/3) of the current quarter's ASP Service Fee shall be used in the calculation and limitation of Service Level Credits on a month-by-month basis
- (v) Milliman shall calculate the total Service Level Credit applicable to each month of the term and provide to Licensee a report of any Service Level Credits awarded for the month no later than the fifteenth day of the following month. Licensee shall have thirty (30) days to review such report and notify Milliman of any good faith disputes of Milliman's calculation of Service Level Credits. Licensee may set off any undisputed Service Level Credits against subsequent sums payable to Milliman by Licensee. Licensee shall not be entitled to a refund of any sums already paid to Milliman as a result of Service Level Credits.

e) **Remedy.** The commitments and Service Level Credits set forth in Section 2(d), above, shall not be deemed the exclusive remedy available to Licensee for the failure of any Milliman to provide the services at or above the service levels, and a recovery of a Service Level Credit shall only be deemed compensation for the loss of the appropriate Service Level warranty, and shall not affect any other remedies and rights that Licensee may have under this Agreement, in law or in equity, for any other causes of action or liability arising out of such failure. If Licensee is awarded Service Level Credits equaling:

- (i) one hundred percent (100%) of the monthly ASP Service Fee (or applicable pro-rated portion of the annual ASP Service Fee if applicable pursuant to Section 2(d)(iv)) in any month, or
- (ii) at least fifty percent (50%) of the monthly ASP Service Fee (or applicable pro-rated portion of the annual ASP Service Fee if applicable pursuant to Section 2(d)(iv)) in any two consecutive months or in three months out of any twelve consecutive months during the Term,

then Milliman shall be considered to be in material breach of the Agreement, entitling Licensee to terminate the Agreement under Section 5(b).

f) **Support.** Milliman will provide telephone support during Business Hours concerning Licensee's access and use of the ASP Service as set forth in the Statement of Work of the Contract.

g) The following specifications and requirements will pertain to the ASP Service:

(i) **Specifications:**

- Location: Any Server hosting OAPACRP data must be located in the USA.
- Website Space: 3 - 5 gigabytes.
- Website Bandwidth: 150 gigabytes for data transfer per month.

(ii) **Requirements:**

- (a) **Security.** The Department of Human Services (DHS) is committed to ensuring the confidentiality, integrity and availability of its information assets, in order to protect the privacy of Oregon citizens, and maintain State of Oregon business functions.

The ASP Service must comply with the DHS Privacy and Information Security Policies AS 090-001 through AS 090-006; AS-100-01 through AS-100-06; AS-100-09.

<http://www.dhs.state.or.us/policy/admin/privacypolicylist.htm>

<http://www.dhs.state.or.us/policy/admin/infosecuritylist.htm>

Clustered servers will be measured together as a single unit.

- (b) **System Failure Recovery.** Contractor must provide for a recovery from a System failure (information technology, telecommunications, or related or comparable failure) in the minimal possible period time with minimal loss of data required for formatting and transmission to DHS.
- (c) **System Backup Capacity.** Contractor must ensure that the data collected, compiled, analyzed, formatted, and stored for delivery or transmittal to DHS is backed up in a location that is separate or distinct and discrete from the main operational and technical systems that Contractor relies on for regular clearinghouse services operations.
- (d) **System Failover Capacity.** Contractor must ensure that, in the event of a failure (information technology, telecommunications, or related or comparable failure) of the main operational and technical systems that Contractor relies on for regular clearinghouse services operations, that Contractor has arranged for failover contingency that ensures minimal or no loss of the data that Contractor is required to format and transmit to DHS. This required failover capacity may involve or include elements of the Contractor's failure recovery and System backup capacity.

3. Consulting Services. Milliman shall provide the Consulting Services set forth in the Statement of Work under the terms and conditions of this Agreement, including all Deliverables set forth in the Statement of Work, at the times and in the manner set forth in the Statement of Work.

4. Fees.

- a) Fees. The parties agree that the following fees shall apply:

Payment of the ASP Service Fee is set forth in section 5.2.2 of the Contract.
Payment of Consulting Services Fees is as is set forth in a payment for a Deliverable for the consulting services as set forth in section 5.2.1 of the Contract.

- b) Payment Terms. The parties agree that the following payment terms shall apply to the fees set forth in Section 4(a):
 - (i) The ASP Service Fee is a quarterly payment. The first quarter ASP Service Fee is due in full upon acceptance of the System. Each subsequent ASP Service Fee shall be due on the applicable quarterly anniversary date of the acceptance of the System.

- c) **Suspension of Access and Services.** Subject to the provisions of 4(d), below, if, at any time, Licensee is delinquent in the payment of any fees due hereunder (or is otherwise in breach of the Agreement), Milliman may, in its sole discretion and without prejudice to its other rights, suspend access to the ASP Service and/or suspend performance of any Consulting Services hereunder.
- d) **Dispute of Invoices.** If Licensee disputes in good faith any invoice provided by Milliman hereunder, it must notify Milliman in writing of such dispute within fifteen (15) days after receipt of the applicable invoice, specifying in detail the reason(s) for Licensee's dispute. Any invoice not so disputed within fifteen (15) days of receipt shall be deemed undisputed for purposes of this Agreement. If only part of an invoice is disputed, Licensee shall pay the undisputed portion in accordance with the provisions of Section 4(b). If Licensee provides notice of a dispute under this Section 4(d) and withholds payment on the disputed portion of an invoice, Milliman shall continue to perform any Consulting Services and continue to provide Licensee access to the ASP Service in accordance with this Agreement until the dispute is resolved. Following resolution of such dispute, Licensee shall reimburse Milliman for any underpayment together with interest on such amount as calculated pursuant to Section 4(a), above.
- e) **Users.** ASP Fees are calculated based on Licensee's membership for which the ASP Service will be used as set forth in Section 6(f), below. Licensee may authorize as many individual users to access the ASP Service and Licensee deems appropriate subject to the terms of this Agreement. The first twenty-five (25) individual users may access the ASP Service at no additional fee. Additional authorized users will cause Licensee to incur an additional monthly User Fee of \$150 for each ten (10), or portion of ten (10), users in excess of the first twenty-five (25), subject to Licensee's prior written approval.

5. Term and Termination.

- a) **Term.** The Term of the Agreement is the same as the term of the Contract. The License Fee and ASP Service Fee applicable in each Renewal Term after the last year set forth in Part 2 of Exhibit A of the Contract, shall be one hundred and three percent (103%) of the License Fee and ASP Service Fee applicable during the previous year.
- b) **Actions on Termination.** Except as otherwise set forth herein, upon termination of this Agreement for any reason, Milliman shall return to Licensee all Client Data, together with all reports and records related to or incorporating Client Data, including without limitation all summaries, reports and extracts derived there from, and shall permanently remove all such information from the System.
- c) **Transition Services.** Upon termination of this Agreement, Milliman agrees to provide reasonable assistance and services to Licensee at Licensee's request and

expense, in connection with Licensee's transition to an alternate vendor of services of the type contemplated by this Agreement.

6. License.

- a) License Grant. Milliman grants to Licensee during the Term a limited, non-exclusive, non-transferable, non-sublicensable, right and license subject to the terms of this Agreement to access and use the Software solely through the ASP Service and solely for Licensee's own internal business purposes. Licensee shall not enable or permit any access to or use of the Software or the ASP Service by any third party. Except as expressly set forth herein, Licensee shall have no right to copy all or any part of the Software under this license for any purpose.
- b) Restrictions on Use. Licensee shall not use, copy, alter, merge, adapt, modify, enhance, revise, maintain, transfer, rent, lease or sublicense the Software or any aspect of the ASP Service or any copy thereof, in whole or in part, except as expressly authorized in this Agreement. Licensee shall not reverse engineer, decompile, disassemble or otherwise make any attempt to access the source code of the *MedInsight*® Software. Licensee shall not modify or create derivative works based in whole or in part on the Software. Licensee shall not use the Software or the ASP Service on behalf of any third party or use the Software or the ASP Service in any manner as part of the operation of a service bureau.
- c) Retention of Rights. The Software is proprietary to Milliman and Milliman retains and reserves all right, title and interest in and to the Software not expressly granted hereunder. Licensee's sole interest in or to the Software shall be the limited license granted in Section 6(a), above. All rights of Licensee under the limited license granted in Section 6(a), above, shall terminate upon any termination or expiration of this Agreement.
- d) Proprietary Names and Markings. Licensee shall not remove, alter, cover or copy any proprietary marks, markings, designations, logos, copyright notices or other indications of proprietary rights on, in or related to the Software or the ASP Services.
- e) Software Updates. Milliman may enhance, modify, update or upgrade the Software at its sole discretion. Licensee shall receive at no additional charge the benefit of all such enhancements, modifications, updates and upgrades provided generally to Milliman's licensees. Milliman will provide notice to Licensee prior to the implementation of any new releases or other enhancements or modifications to the Software. Except as expressly provided herein, Milliman makes no express or implied warranty regarding the frequency or extent of any such new releases, enhancements, modifications, updates or upgrades.
- f) Membership Cap. The License Fee and ASP Service Fee set forth in Section 4(a) above are calculated based on a maximum membership of 25 (the "User Limit").

The license granted in Section 6(a) shall be valid as long as Licensee's actual membership does not exceed the User Limit by greater than ten percent (10%) (the "Growth Cap"). Licensee shall notify Milliman if Licensee's actual membership increases by more than the Growth Cap, and upon such notice, Milliman shall adjust the License Fee and ASP Service Fee based on Licensee's actual membership. The adjusted License Fee shall apply at the beginning of the next annual term, while the adjusted ASP Service Fee shall apply at the beginning of the next month following adjustment. Milliman shall send Licensee written notice of the adjusted fees and, upon such notice, the User Limit shall be adjusted to equal Licensee's current actual membership on which the adjusted fees were calculated. Notwithstanding the foregoing, Licensee shall report to Milliman its current actual membership upon request from Milliman, which request may not be made more than once per calendar year.

- g) **System Upgrade Charges.** Milliman's planning for the System and the ASP Service is based on Licensee's proposed level of use as reflected by the User Limit. If Licensee's membership exceeds the User Limit by more than the Growth Cap as set forth in Section 6(f), above (such event a "Usage Increase"), Licensee acknowledges that the resulting increase in usage will have an effect on the System load and thus the performance of the ASP Service. Milliman's representations and warranties regarding the performance of the ASP Service as set forth in the Service Levels established in Section 2(c), above, is contingent on Licensee's use not exceeding the User Limit by more than the Growth Cap.
- h) **Symmetry Pass-through.** The attached Attachment E titled "Symmetry Pass-through Addendum" is made a part of this Agreement and incorporated herein by reference.

7. Proprietary Information.

- a) **Confidentiality.** Without limiting Section 7 of the Contract, the parties acknowledge that the Proprietary Information of a party is the exclusive property of that party and is proprietary to and a valuable trade secret of such party. Each party will not disclose or permit the disclosure of any Proprietary Information of the other party except as required by law. Each party shall hold the other party's Proprietary Information in the strictest confidence for the benefit of the other, and shall use the same measures to maintain secrecy and confidentiality of the Proprietary Information as those applied to the party's own most secret and confidential information, but in any event not less than the measures a reasonable person would take with respect to its own trade secrets or highly confidential information.
- b) **Use of Proprietary Information.** Neither party may use or permit the use of the other's Proprietary Information for any purpose other than the performance of the party's obligations under this Agreement or otherwise as expressly authorized in this Agreement.

- c) Exclusions on Confidentiality. The confidentiality obligations set forth in this Section 6 shall not apply to information: (i) in the public domain at the time of initial disclosure; (ii) that is published or otherwise becomes generally available to the public after initial disclosure through no fault or action by a party; (iii) received by a party from a third party who had a lawful right to disclose such information to Licensee; (iv) independently developed by a party without resort to Proprietary Information of the other party; or (v) required to be disclosed under the Oregon Public Records Law, ORS (192.410 to 192.505).
- d) Disclosures Required by Law. If a party becomes legally compelled to make any disclosure that is otherwise prohibited under this Agreement, the party shall provide the other party with notice of the applicable legal proceeding so that the other party may seek an appropriate protective order or other relief or waive compliance with the provisions of this Agreement. Regardless of the other party's actions with regard to such relief, a party is permitted to disclose that portion, but only that portion, of the other party's Proprietary Information that such party is legally compelled to disclose, provided, however, that such party shall use reasonable efforts to obtain reliable assurance that confidential treatment will be accorded to the Proprietary Information by any individual or entity to which any such Proprietary Information is so disclosed.
- e) Protected Health Information. The parties will comply with all applicable laws and regulations regarding patient confidentiality and the terms of the Business Associate Agreement, attached hereto and made a part hereof as Exhibit D (the "BAA"). Milliman shall not furnish any data or information to any third party without the written consent of Licensee, except as reasonably necessary to fulfill its obligations under this Agreement or as required by applicable law.
- f) Non-Exclusive Remedy. The parties acknowledge and agree that each party would suffer great loss and irreparable harm if the other party improperly uses, discloses or permits the disclosure of a party's Proprietary Information in breach of this Section 6. Each party agrees that if it or any of its agents, employees or affiliates engages in any act in breach of this Section 6, the other party shall, in addition to any other remedies that may be available, be entitled to an injunction prohibiting such acts.

8. Intellectual Property and Ownership.

- a) Ownership of the Software and the ASP Service. Licensee acknowledges and agrees that except as expressly set forth herein, all right title and interest in and to the Software and the ASP Service, and all designs, discoveries, inventions, products, procedures, improvements, developments, modifications, enhancements, drawings, notes, documents, documentation, information, know-how, and other materials related thereto or developed, made and/or conceived with respect thereto, including, without limitation, all rights under copyright,

patent, trademark or common law, and all other proprietary rights with respect thereto shall remain the sole and exclusive property of Milliman.

- b) Ownership of the Tools. Licensee acknowledges and agrees that Milliman shall retain all right, title and interest, including, without limitation, all copyrights, patents, trademarks, trade secrets and other proprietary or intellectual property rights, in and to the Tools, whether previously developed or developed during the course of providing services under this Agreement, even if all or a portion of any such Tools are included within a Deliverable hereunder. Milliman's ownership rights in and to the Tools shall not extend to any Client Data or Proprietary Information of Licensee that may be incorporated or used in conjunction with a Tool. To the extent that any Deliverable contains or incorporates all or any portion of a Tool, Licensee shall be deemed to have a fully paid-up license to copy and use such Tool solely in connection with the Deliverable and solely for its own internal business purposes. Under no circumstances shall this license be construed to allow the copying, modification or disclosure of such Tool outside Licensee without the express written permission of Milliman.
- c) Ownership of the Client Data. Client Data is Agency Intellectual Property. The ownership of Client Data is set forth in section 6.4 of the Contract.

9. Licensee Responsibilities.

- a) **Security.** Licensee shall be responsible for maintaining the security and secrecy of any User ID(s) and password(s) issued to Licensee for purposes of accessing and using the Software and the ASP Service. Licensee shall not take or permit any action which could disable or circumvent, or allow the disabling or circumventing of the security features of the ASP Service, or otherwise misuse access to the ASP Service in any manner. Licensee shall not disclose or permit the disclosure of its User ID(s) or password(s) to any third party and shall take commercially reasonable steps to ensure that no third party gains access to the ASP Service or the Software hereunder.
- b) **Accuracy of Data.** Licensee shall be solely responsible for the accuracy of any Client Data provided to Milliman. Milliman shall not be responsible for any output or the contents of any Deliverable resulting from inaccurate or incomplete Client Data.

10. LIMITED WARRANTY, DISCLAIMER OF WARRANTIES AND LIMITATION OF REMEDIES.

- a) The limited warranty, disclaimer of warranties and limitation of remedies are as set forth in the Contract.

11. Indemnification.

- a) Indemnification by Milliman. Milliman's obligation to indemnify Licensee is set forth in the Contract.
- b) Indemnification by Licensee. Subject to the limitations of Article XI, § 7 of the Oregon Constitution and the Oregon Tort Claims Act (ORS.260 through 30.300) Licensee will indemnify and hold Milliman, its officers, directors, agents and employees (each an "Indemnified Party") harmless, within the limits of the Oregon Tort Claims Act, from all third party claims, suits, judgments or causes of action asserted against an Indemnified Party arising from Licensee's breach of its obligations of confidentiality and security under this Agreement, including, Licensee's obligations in Sections 7, 8 and 9.
- c) Notification, Control and Assistance. A party's (the "Indemnifying Party") obligation to indemnify under this Section 11 is conditioned on: (i) the Indemnified Party providing reasonable notice to the Indemnifying Party of the claim or cause of action; (ii) the Indemnified Party giving the Indemnifying Party full power and authority to defend and settle the claim, provided that any settlement shall not require the Indemnified Party to acknowledge any wrongdoing, or make any payment for which the Indemnified Party is not fully indemnified hereunder; and (iii) no Indemnified Party, by any action or failure to act, materially compromising the Indemnifying Party's position with respect to the resolution or defense of the claim or ability to defend or resolve the claim.

12. General.

- a) Agreement. Attachment A-E are attached to this Agreement and incorporated by this reference.
- b) Survival. In addition to those provisions hereof which, by their terms, provide for survival following termination of this Agreement, the following provisions shall survive termination of this Agreement: Sections 1, 7, 8, 10, 11, and 12.

ATTACHMENT A

PROPOSAL

(Proposal begins on next page, remainder of this page intentionally left blank.)

ATTACHMENT 1 - Proposal Cover Sheet

Proposer Information - RFP # 3078

Organization Name: **Milliman, Inc.**
Primary Contact Person: **Mike Bush** Title: **Director of Account Management**
Address: **1301 Fifth Avenue, Suite 3800**
City, State, Zip: **Seattle, Washington 98101**
Telephone: **+1 206 504 5977** Fax: **+1 206 447 6909**
E-mail Address: **mike.bush@milliman.com**

Name and title of the person(s) authorized to represent the Proposer in any negotiations and sign any Personal Services Contract that may result:

Name: **Kent Sacia** Title: **Principal**

By signing this page and submitting a Proposal, the official certifies that the following statements are true:

1. No attempt has been made or will be made by the Proposer to induce any other person or organization to submit or not submit a Proposal.
2. Proposer does not discriminate in its employment practices with regard to race, creed, age, religious affiliation, sex, disability, sexual orientation or national origin, nor has Proposer or will Proposer discriminate against a subcontractor in the awarding of a subcontract because the subcontractor is a minority, women or emerging small business enterprise certified under ORS 200.055.
3. Information and costs included in this Proposal shall remain valid for 90 days after the Proposal due date or until a contract is approved, whichever comes first.
4. The statements contained in this Proposal are true and complete to the best of the Proposer's knowledge and accepts as a condition of the contract, the obligation to comply with the applicable state and federal requirements, policies, standards, and regulations. The undersigned recognizes that this is a public document and open to public inspection.
5. The Proposer acknowledges receipt of all addenda issued under this Procurement.
6. If the Proposer is awarded a contract as a result of this RFP, the Contractor will be required to complete, and will be bound by, a Personal Services Contract as attached to this RFP and found on the ORPIN website. At the time of signing the contract with DHS the Contractor will be required to provide their Federal Employer Identification Number (FEIN) or Social Security Number (SSN) as applicable to DHS.
7. Pursuant to ORS 279B.055 (2) the contractor agrees to meet the highest standards prevalent in the industry or business most closely involved in providing the appropriate goods or services as stated in the scope of work.

Signature: _____ Date: _____
(Official Authorized to Bind Proposer)

***** THIS PAGE MUST BE THE TOP PAGE OF THE PROPOSAL *****

The State of Oregon Department of Human Services Office of Contracts and Procurement on behalf of the Oregon Health Authority

Oregon All Payer All Claims Reporting Program



Response Submitted by Milliman, Inc.
for MedInsight®

August 19, 2010



Table of Contents

Executive Summary	2
5.2 Technical Proposal	3
5.2.2 Insurance Requirements.....	3
5.2.3 Organizational Capacity.....	3
5.2.4 Fiscal Stability.....	6
5.2.5 Key Persons	7
5.2.6 Project Implementation.....	8
5.2.7 Experience Creating and Maintaining All-Payer All Claims Databases	11
5.2.8 Experience Collecting and Integrating Healthcare Claims and Eligibility Data	13
5.2.9 Other Experience.....	18
5.2.10 Peripheral Agreements.....	26
5.3 Cost Proposal	27
Attachments	30
Attachment A – Standard Implementation Checklist	31
Attachment B – Milliman Audited Financial Statements.....	35
Attachment C – Resumes of Key Personnel and Additional Resources.....	37
Attachment D – Project Manager and Other Key Person References	46
Attachment E – Project Plan.....	54
Attachment F – MedInsight Experience References	56
Attachment G – MedInsight Standard Reports.....	59
Attachment H – Disaster Recovery Plan	60
Attachment I – Peripheral Agreements.....	68

Executive Summary

Milliman is pleased to submit its response to RFP No. 3078, the Oregon All Payer All Claims Reporting Program (OAPACRP).

Collaborative efforts such as the Oregon OAPACRP are leading the way in using health data from multiple sources in initiatives, both to improve healthcare quality and transparency and to reduce costs through increased efficiency. However, the process of building, developing and managing such complex initiatives can present many formidable challenges, from infrastructure and technological standardization to useful measurement methodologies. Milliman's MedInsight practice is uniquely qualified to support OHA in this project; our combination of cutting-edge data management and integration skills, experience with multiple, diverse stakeholders, industry-leading analytics and data warehousing expertise work together to provide a comprehensive package of services to support this initiative, both now and in the future.

Milliman has created a proven methodology for implementing data warehouse and reporting systems, that has been used successfully with multiple organizations including the Oregon Health Care Quality Corporation (QCorp), which incorporates claims data from many of the same entities that will participate in the OAPACRP. Years of providing a range of services and solutions to successful organizations such as QCorp have earned Milliman a well-deserved level of respect within the healthcare community. Along with its comprehensive package of technology, services, and consulting, Milliman utilizes a rigorous actuarial method to peer-review the data that has been put through the processes described in this response. Also, our 60-year reputation and well deserved credibility with data suppliers ensures a smooth and successful process. Milliman represents the experienced, professional choice.

Data management represents the single most difficult and potentially risky aspect of a multi-supplier organization such as the OHA's operation and ultimate success. Milliman provides comprehensive services in this regard, and can guide OHA through the steps of data collection, aggregation, and warehousing, adding value at every step of the process. From the initial data supplier agreements and technical negotiations (including legal compliance issues), to a comprehensive, two-level validation process designed to eliminate discrepancies in complex, multi-supplier data, along with crosswalking to unify disparate member, provider, and entity identification across all the data suppliers, Milliman provides consistent and proactive management to the entire process.

Once your data is ready for analysis, Milliman (through its MedInsight analytic platform) can provide comprehensive, flexible series of tools (from a variety of respected industry providers), dashboards for tracking of key metrics and health care trends, along with sophisticated analysis tools for the power users. Since 1997, more than 60 million lives of data have been processed through the MedInsight system. As the OHA's capabilities and objectives evolve, Milliman will be there with support services including risk adjustment, predictive modeling, quality measurements, local and national benchmarks (all of which are currently available), and a variety of other possible analytic services.

Milliman MedInsight is committed to a long-term relationship with the OHA. Our organization maintains a Portland office which can support many activities associated with this project, and data warehousing/analytics will take place in nearby Seattle. As your needs evolve along with the healthcare delivery system, Milliman will continue providing customized services that will adapt with your changing dynamic. Thank you for the opportunity to submit this response; we look forward to continuing the discussion with your organization.

5.2 Technical Proposal

5.2.2 Insurance Requirements

Describe your current insurance coverage for the following types of insurance: General Liability, Professional Liability, and Automobile. The coverage required for contract resulting from this RFP is set forth in Exhibit B of Attachment 5 (Form Contract). If Proposer does not currently possess insurance adequate to the coverage required under this RFP, Proposer will be required to secure insurance as described in the attached Contract prior to execution of the Contract.

Milliman maintains General Liability, Auto Liability, Worker's Compensation and Errors and Omissions/Professional Liability insurance coverage appropriate for a consulting firm of our size, commensurate with the services and in compliance with the requirements described in the RFP.

5.2.3 Organizational Capacity

Briefly describe Proposer's experience and capacity to perform the Work described in this RFP, including:

1) experience with project coordination and evaluation;

Milliman utilizes a practical and effective approach to managing large MedInsight implementations. Milliman follows a traditional project management approach based on the principles promoted by the Project Management Institute and is familiar with the Third Edition of the PMBOK. Milliman's approach includes: (1) use of a project manager; (2) formal management of an Implementation/Project Plan and Work Breakdown Structure; (3) a kick-off meeting and initial working session; and (4) periodic status updates.

We have successfully completed our implementations using this methodology and are proud of our high rate of implementation success. Based on this methodology, we devise specific activities, tasks, deliverables, and checkpoints into a logical base working plan. The Implementation/Project Plan is then customized by standard blocks of activities related to our assessment of your organization's readiness, the implementation options chosen, and the product options chosen. To monitor our process, we've created a checklist that is accessed by all staff via our customer relationship management (CRM) software. Our CRM system combines the checklist, the collection of documentation and automates our peer review process.

Milliman has developed a standard methodology for the implementation and management of MedInsight to ensure that our primary goals, which are to maintain compliance with scope, time and budget by coordinating resources effectively, managing project risk and issues, developing and tracking timelines, promoting effective communication between various parties and applying our knowledge of healthcare information systems to good effect, are adhered to. This approach includes a Standard Implementation Checklist (see Attachment A). This document incorporates the key aspects of any Project Management Plan and ensures the formal documentation of the key steps and quality control of the implementation processes.

As the relationship is being developed, Milliman would begin by holding several strategy meetings with OHA's key participants to solicit feedback on Milliman's proposed solution and finalize the deliverables of the project. Once the vision of the project is set, specific tasks will be established and a final project plan will be assembled. On-going project management will include regularly scheduled update and issue resolution meetings.

Throughout the scope of the project, we provide quality assurance measures to ensure the data and all other supporting processes to accomplish daily operation tasks adhere to a set of quality checks. Such

quality checks assist in proactively identifying potential risk associated with the project and any project lags.

As part of the project evaluation process, Milliman will adhere to strict peer review processes throughout the implementation project for quality assurance. Please refer to the Implementation Checklist in Attachment A that outlines the peer review checkpoints throughout implementation.

2) experience in convening and facilitating diverse stakeholder forums and work groups;

The Milliman approach is collaborative with clients. For this initiative, Milliman recommends the establishment of two primary stakeholder teams, one comprised of representatives from the data suppliers and the other representing the OHA data users. Through our work with community coalitions and other clients, Milliman has experience in bringing together diverse data supplier stakeholders for the purpose of facilitating communication and collaboration throughout the implementation process. It has been our experience that such teams provide an excellent forum for sharing of best practices as well as for addressing any issues or concerns that may arise. The data user team provides valuable feedback to the Milliman implementation team that will increase the Milliman consultants' understanding of the data needs of the client so that the data warehouse and related analytics and methodologies will meet and exceed the data analysis needs of the users.

With PSHA Milliman participated in the Health Information and Technology Committee. A Milliman staff member volunteered as a committee member and another Milliman staff member provided staff support to the committee. Milliman completed research on key methodologies and presented recommendations to the committee on methods such as provider attributions, evidence based measures, provider crosswalking. We made presentations to the group and drove the team to consensus. We also participated in some board meetings to assist in presenting recommendations.

Milliman Healthcare Management Consultant Patty Jones – who will be part of the team working on the OHA initiative, has worked with, and facilitated, over 20 large analytic projects involving multiple stakeholders including: health plans, state agencies, employers, hospitals and clinics. One example of this work was her work with Regence on the design and response to a bid for performance-based networks for a major employer. In that work she was responsible for:

- Developing and documenting the final requirements working with the employer to understand their strategic goals for the initiative
- Leading the project steering group which had executive ownership of the initiative
- Preparing for and managing all meetings associated with finalizing requirements and approach
- Supporting the steering group as they identified and resolved issues and finalized decisions
- Working with the project team ensuring that all documentation was maintained of project proceedings
- Holding project briefings for senior executives and issuing updates
- Designing an approach that support analysis and contracting in four states
- Leading coordination with four other states involved in the strategic design including developing a national advisory team
- Developing and directing business process teams and workgroups to finalize the design
- Leading the project management team that maintained workplan documents including issues and action items
- Working directly with several analytic teams that supplied information and analysis for decision making and testing of concepts
- Final production of the winning design and bid and transition to implementation.

Milliman recommends that OHA designate a project manager who will act as the point person at OHA for the duration of the project and who will also actively participate on the data user team.

In addition to establishment of the data supplier team, Milliman will work directly with each data supplier separately (if necessary) for the purposes of securing legal agreements and data transmittal. Milliman drafts a data submission agreement to be sent to the relevant parties at each data supplier and works closely with legal and technical resources at the data suppliers to secure the request for permission necessary for the project. It should be noted that Milliman has agreements in place with ten data suppliers in Oregon for data transmittal. We will explore the feasibility of using these existing documents for the OHA initiative.

Our methodology is as follows:

1. Get legal and technical control of data suppliers.
2. Send boiler plate Milliman data sharing agreements to data suppliers.
3. Act as intermediary between each data suppliers' legal departments and Milliman legal to address contractual issues.
4. Track version control of contractual documents until final agreements are reached.
5. Once the agreement is finalized we work directly with technical staff of the data supplier to receive data transmittal.

Milliman will also meet with each data supplier to discuss data collection issues. Milliman provides each data supplier with database diagrams and data dictionaries to assist in the data collection. However, Milliman allows flexibility to suppliers to provide custom extracts, as long as they meet minimum requirements. This enables suppliers to potentially use existing extracts which reduces cost and delivery times. This is an integral part of an implementation.

3) experience implementing new or updated computer systems;

Milliman has implemented over 40 enterprise-wide data warehouse systems, both on-site at the client's location, and in an ASP environment. The majority of MedInsight clients have opted for ASP which includes ongoing maintenance and update of those systems, including data extraction, transform, and loading (ETL), data validation and peer review, hosting, hardware, and delivery via Application Service Provider. In addition to the licensed MedInsight clients, approximately 30 clients used MedInsight for either a one-time analysis, or are contracted within our ASP for ongoing management by Milliman of their data build, validation, interpretation, and access hosting.

4) capacity to begin and continue the Work for the period described in this RFP. Include names and addresses of any government or private agencies with which the Proposer has contracted to provide services within the last three years.

In developing any staffing plan, we first examine the client's needs and contract specifications to identify the mix of skills and experience required both of our team and that of the client. We then translate those requirements to the roles and positions needed. Finally, we then look within the firm to identify team members best suited to serve the client's needs and meet contractual specifications.

Milliman has many resources within our firm who have the necessary expertise for this initiative. In preparation of this response, the capacity of the individuals with the required expertise was evaluated and only those with the available capacity have been identified as key personnel and additional resources for this project.

In addition to having the right team in place, successful project management requires a sound project plan, a thorough task list and excellent organizational skills. Concurrent with the contracting process, Milliman would begin by having several strategy meetings with OHA's key participants to solicit feedback on Milliman's proposed solution and finalize the deliverables of the project. Once the vision of the project is set, specific tasks will be established and a final project plan will be assembled. On-going project management will include regularly scheduled update and issue resolution meetings.

For all MedInsight implementations, we assign a senior level project manager who is responsible for the entire project during the implementation. In addition, we will assign a senior level consultant who will act as the Account Manager dealing with ongoing client management, once the implementation project is completed. We have a wide range of senior and technical consultants available during the implementation to help guide the project to completion. Many of the same resources will be in place after the project is completed to direct on-going client relations. These resources will be intimately familiar with the project and ready to interface with OHA immediately.

A few of the skill sets that our consultants provide include:

- Project management and leadership
- Oversight for the data collection, data set design, development and testing
- Tasks and process documentation
- Quality assurance
- Plan participants' management updates and reports
- Project plan documentation and updates, milestones, action items and activities list

Milliman has MedInsight clients in several markets, including government and private agencies, health plans, employers, accountable care organizations and community value exchanges. Below is a representative sample of the MedInsight clients with whom we have worked during the past three years.

ASES Rio Piedras, Puerto Rico	Gilsbar Covington, LA
Blue Health Intelligence Chicago, IL	Independent Health Association Buffalo, NY
Boise Cascade Boise, ID	Molina Healthcare, Inc. Long Beach, CA
Caritas Christi Network Services Dedham, MA	Neighborhood Health Plan of Rhode Island Providence, RI
Children's Hospital Integrated Care Organization Boston, MA	Oregon Health Care Quality Corporation Portland, OR
Commissioning Business Service / Oldham Salford, United Kingdom	Puget Sound Health Alliance Seattle, WA
Community Health Plan of Washington Seattle, WA	State of Indiana, OMPP Indianapolis, IN
Excellus Health Plan, Inc. Rochester, NY	Washington State Health Care Authority Olympia, WA
First Choice Health Network Seattle, WA	

5.2.4 Fiscal Stability

Briefly describe Proposer's experience with, and current strategies for, ensuring that the Proposer conducts business in a fiscally responsible manner and remains financially solvent through the

proposed contract period. If Proposer is a corporation (as opposed to an individual): identify the staff or board members that have fiscal responsibilities; and include a copy of the Proposer’s last fiscal review or audit, or, if the Proposer is a “new” business, include a copy of a business plan completed within the last year.

Milliman is a cash basis taxpayer and, as such, distributes essentially 100% of cash earnings each year. The management of our receivables prevents any significant growth in accrual based profits. Reviewing the financial history of the firm over a period of several years serves to illustrate that point as one or two years of accrual profit are generally followed by a year showing a loss due to the collection and distribution of related cash profits from the collection of prior year receivable increases.

The accrued liabilities represent primarily deferred taxes that would theoretically be due on the collection of cash. However, the reality is those cash collections would instead be distributed to the firm's employees as compensation - thereby generating offsetting tax deductions and negating the tax liability.

Milliman's financial strength is more appropriately measured by the free cash flow (averaging approximately 20% of total firm-wide revenues for the last 20 years) and our current borrowing capacity which is about \$80 million. Milliman makes minimal use of these credit facilities due to its strong cash flow.

It is also important to note that the firm has shown positive growth in revenues for at least the last 50 years of operations.

We would be happy to elaborate or provide a letter from our bankers attesting to their view of our financial capacity if necessary. You are also welcome to utilize the Dun & Bradstreet website to access their reports and analysis of Milliman’s financial stability.

Milliman Leadership:

- Patrick J. Grannan**, President and CEO
- Bradley M. Smith**, Chairman
- Clark Slipher**, Health Practice Director

Milliman’s most current audited financial statements can be found in Attachment B.

5.2.5 Key Persons

Specify key personnel to be assigned to this Project, and include a resume (not to exceed two (2) pages each) for each individual that demonstrates qualifications and experience for the requested services.

Key personnel, including position and responsibilities for this project, are shown in the table below. Unless noted, all staff listed below are located in Seattle, WA.

KEY PERSONNEL		
Position	Team Member Name(s)	Responsibility
Project Manager	Lynn McLaren, PMP	Senior-level consultant responsible and accountable for managing all aspects of the project as well as ongoing client relations and binding decisions regarding this contract.

KEY PERSONNEL		
Position	Team Member Name(s)	Responsibility
Peer Reviewer / Managing Principal	Rich Moyer	Manager with responsibility for peer-review of all work products prior to release.
Subject Matter Experts (Clinical)	Patty Jones	Senior-level Clinical Consultant who will assist in data analysis design, implementation, outcome measurement and use.
Manager of Technical Development	Roger Connolly	Responsible for managing any technical resources and reviewing the technical accuracy of the work.

In addition to the Key Persons listed above, the following persons will participate in the OHA project:

ADDITIONAL RESOURCES		
Position	Team Member Name(s)	Responsibility
Implementation Consultants	Bill Walton	Consultants responsible for the configuration of all hardware and software, management of the database system, and loading of data. These individuals participate in all aspects of the implementation.
Healthcare Data Analyst	Barb Ward	Analysts responsible for assisting consultants respond to requests for data analysis projects, ad-hoc requests, technical support issues.
Account Manager	Michael Bush	Senior-level manager responsible for all contract development, and renewal, along with ongoing account level relationship.

Milliman selected the team members for this project based on our understanding of the requirements and resources available at this time. After contract award, we will revisit these assignments and may add resources. It is our commitment to provide OHA with a team of highly qualified consultants to ensure that the implementation and ongoing operation of this contract meets the needs of OHA and our high standards for performance.

Resumes for the proposed Milliman team are provided in Attachment C. References for the Milliman Key Persons may be found in Attachment D.

5.2.6 Project Implementation

Provide a preliminary work plan and time line for the project. Briefly describe how you would carry out the major activities of this project in context with the required work plan and time lines, as described in Section 3 of this RFP:

Please refer to the preliminary project plan in Attachment E which outlines Milliman's estimated implementation timeline for implementation of the OAPACRP and the completion of the tasks as described in Section 3 of the RFP.

(1) Recommendations

Upon notification of being awarded the OAPACRP contract, Milliman will immediately convene two work groups, one for data suppliers and one for data users, to make recommendations on system methodologies. This process will be facilitated by the fact that Milliman has already created a significant library of existing white papers and research that can be used as a starting point for the recommendations. This research includes include attribution methods, provider crosswalking, member crosswalking, data quality processes, and more. This will enable recommendations to be made in a short timeframe.

In addition, the contracting and legal requirements development between Milliman and OHA will be concurrently managed through Milliman Account Management. The agreement will include protections for OHA ownership of the data.

Since Milliman has already worked with many of the Oregon data suppliers through QCorp and other consulting engagements, we have a high comfort level with Oregon and other locality-specific data issues, such as state-level privacy requirements issues unique to Medicaid data. Once the final elements have been determined, our existing relationships with most data suppliers will help facilitate a quick turnaround with minimal disruption to the suppliers.

Milliman will share preliminary recommendations with a technical workgroup within 30 days of contracting, and develop final recommendations within 60 days following contracting.

(2) Data Warehouse Services

Milliman has an existing, co-location data center with capabilities for data transmission and storage, existing security and backup infrastructure. Also, Milliman's MedInsight tool has existing database structures that can be as the starting point for the database design. MedInsight has existing dashboarding capabilities, portal and tools to create use databases. Standard use dataset structures are in place and can be modified to meet OHA's needs. We have extensive documentation that can be used as a starting point for the design recommendations.

The data warehouse services plan will be able to be finalized 60 days after contact execution.

(3) Data Collection Services

Many Oregon data submitters already have contact information with Milliman, as well as BAAs in place, and that existing process can be used on behalf of the OAPACRP. In addition, Milliman has a well-defined and tested methodology for testing, tracking, and managing the data submission process. Many Oregon plans are already using this infrastructure. Some of the elements of this approach include:

- A. A CRM system that we use to track the logging of data, as well as quality review. This system routes work to analysts and managers for review of data quality findings, and supports our certification process.
- B. A preprogrammed set of data quality audits, with extensive documentation, that can be used as a starting point for the project
- C. Several templates for doing quarterly status reports with clients.

Milliman will produce a plan with 60 days after contract execution, using the library of materials that we already have. The infrastructure to accept data will be available by February. 1st and will leverage the existing software and infrastructure we have in place.

(4) Analytical Services

Milliman has an existing, well-documented method to crosswalk facilities and practitioners into single set of identifiers. The methods, which are fully customizable, have been extensively utilized on Oregon data through our QCorp relationship.

MedInsight contains methods for grouping data into episodes of care, including third party tools such as Ingenix's ETGs and Medstat' MEGS. Our software also contain a large number of additional groupers that can be used to add value to the data, depending on OHA's specific analytical goals. Regarding unique identifiers, Milliman has extensive experience working with other clients, and has existing examples of documentation and reports that list the limitations and data quality issues with unique identifiers. We have worked with clients over the years to improve the efficiency and capabilities of this process.

We will be able to deliver a plan for final approval of OHA within 60 days after contract execution. Since most of the code is already in place for this project, implementation should be a smooth process.

(5) Provide Aggregate Data Sets

Milliman has an extensive history of providing aggregate data sets. Existing data structures are available within the MedInsight analytic platform that allow for generation of customized data sets, such as aggregation of claims across payers into distinct quarterly and annual data sets. MedInsight has a tested, open and customizable data structure that can accommodate many types of healthcare data, including those specified in Section 3.1.4.II.A. This makes it easier to add new types of data to the system. In addition, the MedInsight system is flexible and we can customize the system to accept novel new sources of data. Our system uses a database design method, a star schema, to facilitate the integration of new data into the larger integrated database.

Prior to the data collection process, a complete data dictionary of all tables will be generated using the MedInsight Meta Data tool. This will include documenting the specific data elements from the data sources and the fields in the MedInsight tables that will be populated by these data elements. This will also include documenting any necessary custom tables, including custom fields, reference tables and crosswalk tables.

(6) Project Management

Milliman has already identified a project manager on staff for the OAPACRP project. (See Attachment E and response 5.2.3 (1) for more information.) Our project management lead is familiar with the PMI Guide (3rd Edition), and is certified as a PMP. Most importantly, the team has managed many similar projects, and can provide a documented track record of projects that remain on time and on-budget.

Milliman has developed a variety of project management templates that can be used for managing all aspects of this engagement. In addition to the preliminary project plan provided herein, many elements of the project such as status, accomplishment reporting, and project risks will be tracked in this manner. In addition, we have a checklist approach for the entire data aggregation project, with pre-defined Milliman senior management review and approval of deliverables. Project management will be an ongoing collaborative process between OHA and

Milliman, with regular meetings, established data transfer, and suggestions for process improvement.

(7) Explain how you will request changes in the work plan activities or time lines.

Milliman uses standard change order processes as part of its contracting methodology. All Milliman-requested changes to the approved project plan are subject to prior approval of OHA, or are developed and instituted in collaboration with the joint OHA/Milliman project team/workgroups.

Effective change management begins with a detailed project plan that has been mutually agreed upon by both the client's organization and Milliman. Either party may request changes to the project at any time. Since a change could affect the estimated schedule, milestones, effort, or project scope; management representatives must review and approve changes prior to amending or altering any baseline documentation.

Project Change Management Procedures

The following steps are required in order to review and/or implement all changes requested:

1. A Change Request (CR) form will be required for communicating potential out of scope changes. The CR must be completed for all changes and include a description of the change, the rationale for the change and the effect the changes will have on the project.
2. Upon receipt of the CR, both organizations will conduct a preliminary evaluation of the potential impact the change may have on the project and discuss whether or not to proceed with a detailed analysis. It is acknowledged that an analysis of the CR may require significant input from the team, which could adversely affect the project schedule and may result in additional cost.
3. As part of the detailed analysis the Milliman team will review the request and deliver a written response to your organization that includes:
 - Any assumptions that impact scheduling
 - Any change to the implementation schedule
 - Cost proposal, based on agreed upon terms as described in Section 5.3 Cost Proposal.
4. Once the detailed analysis of the change has been completed, the Milliman implementation team and the client project sponsor will review the proposed change and provide written authorization to proceed or not to proceed with the CR. Once again, rationale, benefits, impact of change and associated costs will be included in this review and authorization.
5. Both the client and Milliman will provide written approval to proceed with activities as described.

5.2.7 Experience Creating and Maintaining All-Payer All Claims Databases

Briefly describe Proposer's experience creating and maintaining all-payer all claims databases, especially implementations for other state governments, including:

- (1) Successful implementations for all-payer claims database projects of similar scope. Presenting products from implementations in other states is highly desirable.**

Milliman is always pleased when data integration is a key criterion in a company's due diligence process – the reason for this is that the MedInsight team excels at data integration, and specifically on data integration involving healthcare payer data warehousing and analytics. We believe we are better at this phase of an analytic initiative than any other healthcare IT vendor. Milliman works on many projects that require the consolidation of data from multiple sources. Nearly every project that we undertake has some degree of consolidation and standardization of

data from either multiple organizations or multiple claims systems within the same organization. In Oregon, Milliman has developed an integrated database for QCorp that includes data from ten data suppliers who will also be data contributors for this initiative. Milliman's familiarity with the data from these suppliers will enable us to attain efficiencies during implementation that will have a positive impact on implementation timelines.

The database structure of MedInsight is based on a star schema design with integrated facts and dimension tables. The process of "de-normalizing" the source data into our data structure is contained in our ETL processes. Before data from multiple data sources can be appropriately de-normalized, it needs to have the coding schemas standardized. For example revenue code previously took the form of XXX and now is XXXX. The older 3 digit codes need to have a leading "0" attached to correctly join to the revenue code dimension table. Milliman's data mapping and coding consultants are very experienced and proficient at dealing with these challenges.

The MedInsight system is flexible and we can customize the system to accept novel new sources of data. The star schema database design facilitates the integration of new data into the larger integrated database. The flexibility of our ETL process allows MedInsight to accept flat file data from virtually any data source or system.

Prior to the data collection process, a complete data dictionary of all tables will be generated using the MedInsight Meta Data tool. This will include documenting the specific data elements from OHA's data sources and the fields in the MedInsight tables that will be populated by these data elements. This will also include documenting any necessary custom tables, including custom fields, reference tables and crosswalk tables. When this data dictionary is complete, Milliman will review the final document with OHA for completeness.

All the data received from clients is integrated into a single set of MedInsight tables to enable quicker processing and facilitate analysis. Each client has a dedicated server with a secure FTP connection. Data suppliers can send extracts directly to that secure site, or some have a secure site of their own where we access the extract.

A sampling of clients for whom Milliman has developed all-payer claims data warehouses include: Oregon Health Quality Corporation, Puget Sound Health Alliance and the Office of Medicaid Policy and Planning division of the Indiana State Medicaid program.

(2) Experience providing services to state governments. Provide contact information for any state government agencies with which the Proposer has contracted to provide similar services within the last three years.

Milliman holds a contract with the Washington Health Care Authority for their Basic Health Program (BHP). Milliman helped the state draft contract language regarding what data to require from the five participating health plans. We integrated and aggregated the five health plans' data into a single database and load new data monthly. We deployed reports, cubes and a portal to the State for their use. In addition, Milliman's actuaries use the system to help with rate development and program oversight.

ASES (Puerto Rico) - Milliman receives Medicaid managed care data from multiple plans and integrates all data into a single data warehouse. We do edit validation and helped define what data is submitted from the plans. We rolled out a portal with standard reporting and OLAP cubes to Commonwealth staff.

Milliman also holds a contract with the Office of Medicaid Policy and Planning (OMPP), a division of the Indiana State Medicaid program that oversees the insurance coverage for health care for Indiana's children, pregnant women and low-income residents. Milliman provided the MedInsight

data warehouse, decision support and executive information system for use by the Indiana OMPP on a hosted basis. The Indiana project demonstrates our ability to design and execute rapid deployment of a highly customized data model, supporting high volumes, with excellent executive-level adoption and use of decision support system features. The OMPP MedInsight data warehouse includes 700,000 covered lives and growing.

The MedInsight implementation began in Q3 of 2004, the system was fully functional by Q1 of 2005 and OMPP remains as a current MedInsight client.

Milliman's MedInsight implementation for Indiana required us to combine three managed care organizations' data and one primary care case management program's data. This system also contains Medicaid fee-for-service data.

(3) Experience convening and facilitating diverse stakeholder advisory groups for projects of similar scope.

With our work with PSHA we had diverse stakeholder technology workgroups (Health Information and Technology Committee) which consisted of plans, employers, providers and health consultants. This group was responsible for technical recommendation. We also participated in some Board meetings.

Patty Jones, Milliman consultant is working on a current initiative where she is working with a Milliman client in the following capacity:

- Coordinating project for Northwest payer on measuring four clinical conditions and comparing to benchmark data
- Includes facilitating oversight group that selects the clinical conditions and oversees the project schedule and details
- In coordination with client developed specialized workgroups for each clinical condition
- Working with workgroups researched and selected measures for each condition
- Facilitated working meetings with clinical and administrative leadership to finalize and document measure selection and requirements
- Present data for discussion by groups.

Please see Attachment F for MedInsight's Experience References and contact information.

5.2.8 Experience Collecting and Integrating Healthcare Claims and Eligibility Data

Briefly describe Proposer's experience collecting and integrating healthcare claims and eligibility data from multiple reporting entities including commercial health plans, third party administrators, pharmacy benefit managers, Medicaid managed care organizations, Medicaid fee-for-service, and Medicare into a single data warehouse. This includes:

(1) Creation and maintenance of workable data specifications and data submission schema and systems for the reporting entities supplying the data.

Because Milliman provides the solution for QCorp, we have already established relationships with many of the reporting entities that will be providing data for the OHA project. Data specifications and data submission schema and systems have already been developed with these suppliers and they are regularly submitting data. The submitted data has been mapped into the MedInsight data warehouse and the data has been crosswalked and aggregated across the data suppliers.

Milliman meets with each data supplier to discuss data collection issues. Milliman provides each data supplier with database diagrams and data dictionaries to assist in the data collection. However, Milliman allows flexibility to suppliers to provide custom extracts, as long as they meet

minimum requirements. This enables suppliers to potentially use existing extracts which reduces cost and delivery times. This is an integral part of an implementation.

Our preferred file format is a comma delimited text file that is partitioned into calendar years based on service date and/or enrolled month. In addition to the more traditional text file, we also typically get some data elements in Excel or Access databases. Our goal is to obtain source data in as efficient a way possible from all data sources. This facilitates both timely delivery and less opportunity for data corruption.

(2) Integrating patient information and creation of a single patient identifier across data sources. Presenting results from other implementations or pilot testing of the methods is highly desirable.

The concept of crosswalking concerns the unification of disparate entity identifiers across all data suppliers. Milliman has developed successful patient crosswalks and single patient identifiers for QCORP and PSHA. A patient crosswalk is desirable simply because a patient can, and does, tend to change between health plans over time. Having a patient crosswalked to all of his or her prior identities at different health plans allows us to unify their claims and enrollment history. The requirements for this are simple. Milliman uses proprietary methods to unify the patient history and determine the most current information, including unifying persons with name changes, where possible. In essence, patient crosswalking is achievable using just patient last name, first name and birth date. In very large and geographically expansive populations, additional elements like Social Security Numbers provide tie-breaking assistance. Plans will generally be reluctant to send such explicitly identifying information unless the necessity to crosswalk patients is addressed early in the project plan and the Business Associate Agreement reflects that such information should be sent.

(3) Integrating provider information and creation of a single provider identifier across data sources. Presenting results from other implementations or pilot testing of the methods is highly desirable.

Milliman has also developed successful provider crosswalks and single provider identifiers for both QCORP and PSHA, as well as for a number of our health plan clients. Because a provider's entire experience of claims data will typically span multiple health plans, some effort must be made to unify the identifiers for a given provider. For instance, if Plan A identifies Dr. Jones as #123, but plan B identifies the same doctor as #456, they would be treated as two different doctors without a crosswalking methodology. This is not desirable. In theory, crosswalking is simple; however, in practice it can be significantly complex. In an ideal world, all health plans would use a single national identifier such as the National Practitioner Identifier (NPI) to identify every provider. Full adoption of NPI by health plans has not happened, however. Health plans internally do not necessarily even use a single identifier for a provider. Milliman has seen plans with as many as 25 different identifiers for the same person.

Milliman has developed tools that successfully crosswalk providers with widely varying quality of provider identifiers. Though the methodologies are proprietary, we employ a multi-faceted matching process that uses a points-based ranking system and pre-defined match thresholds to determine if two provider identifiers from different plans or the same plan are in fact the same provider. The methodology can use any elements available, including name, birth date, TIN, UPIN, NPI, state license number, address, zip code proximity, and other custom identifiers.

The provider crosswalking process is heuristic in nature and has three basic phases with multiple iterations and incremental validation within each phase.

1. Data Capture and Cleansing – The goal of this phase is to review and compare the content and quality of the key data fields from each source system. This initial phase scrubs the data to decrease the amount of mismatches based on simple data quality issues (change Bill to William, for example). This phase reviews and resolves the discrepancies of each of the data sources, including the clean-up of misspellings, punctuation issues, e.g. commas, dashes, periods, as well as flag the absence of identifiers or conflicting identifiers to name a few additional examples. Once this phase is complete, it increases the efficiency of the next phase of matching providers based on the consistency of these corrected key data elements.
 2. Provider Matching – The goal of this phase is to establish relationships between the various sources. Using a scoring methodology, iterative processing is conducted to filter through the “cleansed” data and assign numeric scores based upon the data elements that match. The goal of this methodology is to automatically generate all “high likelihood” matches, from highest precision to lowest, establishing a specific cutoff below which a match will not be considered likely, or at least ambiguous enough that it could as likely be a false match as a legitimate match.
 3. Unique Identification Assignment – This is the final step of the process and it evaluates the scoring results and assumes that the scoring reflects data matches to the best provider. It then selects the preferred ID based upon the scoring and joins them into a single unique ID.
- (4) Creation and maintenance of encryption algorithms to protect patient identification. Presenting results from other implementations or pilot testing of this algorithm is highly desirable.**

Milliman recognizes that some of our clients function as Covered Entities under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Our work for these clients (or related entities) may require us to have access to Protected Health Information. In such instances, these clients are obligated to enter into a written Business Associates Agreement which imposes HIPAA mandated requirements on Milliman to limit its use of the Protected Health Information to certain specified purposes, safeguard the Information from misuse, and help Covered Entities comply with some of their duties under the regulations. Milliman's Chief Executive Officer has overall responsibility to see that Milliman takes steps to comply with HIPAA by controlling the disclosure and use of such Protected Health Information, and establishing and maintaining guidance and educational material to assist our employees in that effort.

In addition we have established four security objectives, including:

- Prevent and detect unauthorized electronic use or access. Technical and administrative safeguards must be in place to prevent, detect, and monitor access to electronic information. These safeguards will be a mix of administrative policies, user training, and electronic mechanisms such as use of user-ids, passwords, firewalls, and access logs.
- Protect against loss of use or destruction of key data and critical systems. Key electronic data should be regularly backed-up and maintained off-site. Recovery procedures for mission-critical data, in the event of a business interruption or disaster, should be implemented and maintained.
- Prevent unauthorized physical access and use. Appropriate physical security should be in place to protect hardware, software, storage medium and other equipment from unauthorized access or use.
- Monitor, report and resolve data security issues. Safeguards, controls, procedures, and logs should be regularly reviewed. Security concerns and issues should be reported to appropriate management for resolution.

(5) Creation and maintenance of unique facility identifiers. The purpose of the identifier is to allow facility-level aggregation of claims across payers. Presenting results from other implementations or pilot testing of this algorithm is highly desirable.

Milliman uses the same process for crosswalking facility providers as is used for physician providers. Because a facility's entire experience of claims data will typically span multiple health plans, some effort must be made to unify the identifiers for a given facility.

Milliman has developed tools that successfully crosswalk facilities with widely varying quality of facility identifiers. Though the methodologies are proprietary, we employ a multi-faceted matching process that uses a points-based ranking system and pre-defined match thresholds to determine if two facility identifiers from different plans or the same plan are in fact the same facility. The methodology can use any elements available, primarily TIN, NPI, state license number, address, zip code proximity, and other custom identifiers. Names of non-clinician provider entities tend to be significantly variable between sources, and thus they are not relied on heavily for facility crosswalking. This places additional importance on obtaining valid TIN and NPI.

The provider crosswalking process is heuristic in nature and has three basic phases with multiple iterations and incremental validation within each phase.

1. Data Capture and Cleansing – The goal of this phase is to review and compare the content and quality of the key data fields from each source system. This initial phase scrubs the data to decrease the amount of mismatches based on simple data quality issues (change Hosp to Hospital, for example). This phase reviews and resolves the discrepancies of each of the data sources, including the clean-up of misspellings, punctuation issues, e.g. commas, dashes, periods, as well as flag the absence of identifiers or conflicting identifiers to name a few additional examples. Once this phase is complete, it increases the efficiency of the next phase of matching providers based on the consistency of these corrected key data elements.
2. Provider Matching – The goal of this phase is to establish relationships between the various sources. Using a scoring methodology, iterative processing is conducted to filter through the “cleansed” data and assign numeric scores based upon the data elements that match. The goal of this methodology is to automatically generate all “high likelihood” matches, from highest precision to lowest, establishing a specific cutoff below which a match will not be considered likely, or at least ambiguous enough that it could as likely be a false match as a legitimate match.
3. Unique Identification Assignment – This is the final step of the process and it evaluates the scoring results and assumes that the scoring reflects data matches to the best provider. It then selects the preferred ID based upon the scoring and joins them into a single unique ID.

(6) A protocol for assuring that claims link to eligibility records and provider records. Presenting results from other implementations or pilot testing of this protocol is highly desirable.

All MedInsight implementations (over 40) have linked claims with eligibility and provider records. In MedInsight's star schema database design an eligibility common key, usually a member identifier, is established and linked through fact tables that are common across several dimensions, including enrollment and claims.


MedInsight integrates all data [medical claims, pharmacy claims, eligibility, billing data, call center, Health Risk Assessment (HRA), lab results, authorization, provider, demographic and capitation data] into a single analytic environment and applies top-down benchmarking analysis and detailed OLAP drill-down capabilities. This structure allows users to perform analyses across

individual plans and the entire program. In addition, there are numerous data marts and summary tables that use common dimensions allowing users to easily combine data sources for reporting and analysis. All the data received from OHA's data sources will be integrated into a single set of MedInsight tables to enable quicker processing and facilitate analysis. Each client has a dedicated server with a secure FTP connection. Data suppliers can send extracts directly to that secure site, or some have a secure site of their own where we access the extract.

(7) Methods for grouping patient claims into distinct episodes of care. Presenting results from other implementations or pilot testing of these methods is highly desirable.

We also are able to provide disease reporting via Symmetry's Episode Treatment Groups (ETGs), which has been integrated into the core of the MedInsight system. Episodes of care are defined using Symmetry Health's Episode Treatment Grouper (ETG). Based on a series of clinical and statistical algorithms, ETGs provide a medically meaningful statistical unit representing a complete episode of care. Combining all routinely collected inpatient, outpatient and ancillary claims data (diagnosis codes, procedure codes and NDC drug codes) into mutually exclusive and exhaustive categories, ETGs successfully provide an analytical unit of analysis for the creation of provider profiling, demand analysis and disease management strategies. A unique episode number, an ETG number indicating the disease, is stored by the service level detail and into resulting summaries. One of our reports, the Episode Treatment Group Summary Report (see example below) shows total allowed amount, allowed amount per ETG as a percentage of the overall total, episode count, and the average allowed amount per episode summarized by ETG. Also, several of the other standard reports in the MedInsight system are based on ETG classification logic (see Attachment G for a List of Standard Reports).

ETG Summary Report



Business Grouping: LINE OF BUSINESS
Selection: ALL
Episode Completion Status: COMPLETE
Where an episode's most recent incurred month is between 200607 and 200706
Based on claims paid through: 200706

Episode	Treatment Group	Amount Allowed	Percent of Allowed	Episode Count	Allowed per Episode (1)
0721	Joint degeneration, localized, with surgery	\$9,151,201	2.78 %	468	\$19,554
0722	Joint degeneration, localized, w/o surgery	\$4,845,360	1.47 %	3,449	\$1,405
0613	Complicated pregnancy, delivery w/o C-section	\$4,844,538	1.47 %	603	\$8,034
0553	Chronic renal failure, with ESRD	\$4,531,906	1.38 %	57	\$79,507
0794	Routine exam	\$4,272,307	1.30 %	19,566	\$218
0617	Other condition during pregnancy, delivery w/o C-section	\$2,674,248	0.81 %	429	\$6,234
0262	Coronary artery disease, w/o AMI, with angioplasty	\$2,579,511	0.78 %	129	\$19,996
0742	Joint derangement, with surgery	\$2,572,859	0.78 %	394	\$6,530
0678	Minor inflammation of skin & subcutaneous tissue	\$2,487,695	0.76 %	9,372	\$265
0433	Inflammation of the esophagus, w/o surgery	\$2,465,801	0.75 %	1,957	\$1,260
0265	Ischemic heart disease, except CHF, w/o AMI	\$2,447,682	0.74 %	1,118	\$2,189
0264	Coronary artery disease, w/o AMI, with cardiac catheterization	\$2,359,147	0.72 %	180	\$13,106
0047	Hyperlipidemia	\$2,289,816	0.70 %	1,936	\$1,183
0253	Coronary artery disease, with AMI, with angioplasty	\$2,000,696	0.61 %	58	\$34,495
0486	Gastroenterology disease signs & symptoms	\$1,997,373	0.61 %	3,293	\$607
0281	Benign hypertension, w/o comorbidity	\$1,957,291	0.59 %	1,950	\$1,004
0260	Coronary artery disease, w/o AMI, with coronary artery bypass graft	\$1,909,460	0.58 %	44	\$43,397

MedInsight clients that use an episode grouper have most commonly chosen to utilize ETGs, however MedInsight can include a wide variety of Milliman and third party developed methodologies and techniques, including the Medstat Medical Episode Grouper (MEG).

Please see Attachment F for MedInsight's Experience References.

5.2.9 Other Experience

Briefly describe Proposer's experience for the following:

- (1) Demonstrated scalable staffing to achieve the aims of the project.

In developing any staffing plan, we first examine the client's needs and contract specifications to identify the mix of skills and experience required both of our team and that of the client. We then translate those requirements to the roles and positions needed. Finally, we then look within the firm to identify team members best suited to serve the client's needs and meet contractual specifications.

Milliman's strategy for staffing for this project will include, but is not limited to the following:

- An overall project manager will lead implementation through go-live/production of MedInsight.
- Implementation team will include a variety of business and technical analysts along with the project manager. ASP personnel will also be involved in implementation.
- ASP staff will play a key part of the project.
- An account manager will be assigned to OHA upon contract execution.
- Various MedInsight personnel will be involved on an ad hoc basis including business and technical subject matter experts, product management, sales and various consultants.
- With respect to staff retention, the MedInsight division of Milliman has experienced very low staff turnover since 1997, and we expect the trend to continue. This important aspect of our company helps keep our employees involved with their clients and associated engagements. Unless an extreme or unique circumstance arises, Milliman commits to maintaining the same personnel during the implementation (from start to finish). We expect to maintain the same account manager (which will be assigned upon contract execution) for the duration of the active contract between our companies.

Milliman can also supplement our technology solution with a wide range of consulting expertise in areas such as efficiency measurement and health care reform to ensure that you receive maximum value from your investment. We offer the actuarial, clinical and IT resources, expertise and experience that few, if any, other companies can bring to bear. Further, we recognize that the OHA all payer all claims reporting program initiative has unique characteristics and Milliman has the expertise to reflect these characteristics in the software.

(2) Demonstrated track record of effective collaboration and proactive communications with reporting entities, including the ability to provide timely feedback and technical assistance to reporting entities.

Milliman's data acquisition philosophy is to not force a restrictive data submission specification on a data supplier and rely on their interpretation and compliance with the specification to achieve standardization. Rather, our approach is to define the data elements that we need from each data supplier and have that data supplier provide that data in as "raw" a form as possible. This approach lowers the internal resource requirements to the data supplier to prepare and submit the data while also protecting the original integrity of the data. While this approach shifts more work to our implementation staff, the improved data quality, enhanced standardization, and increased control over the process, results in a far superior implementation.

Our preferred file format is a comma delimited text file that is partitioned into calendar years based on service date and/or enrolled month. In addition to the more traditional text file, we also typically get some data elements in Excel or Access databases. Our goal is to obtain source data in as efficient a way possible from all data sources. This facilitates both timely delivery and less opportunity for data corruption.

Milliman advocates a two-way "content acknowledgement" (for example, control totals for claim line volume, membership volume, dollar totals), for any data submission received. It is an important requirement to ensure that all data suppliers submit control totals with their submissions. These control totals are a vital first step in assisting with the validation process, as they allow one to quickly see that what the data suppliers say they sent actually conform to the control totals.

It is critical for both sides of a given transmission to acknowledge and agree on what data was sent and received. This should avoid considerable "second guessing" later regarding whether the appropriate and correct amount of data was received for the corresponding membership volume.

(3) Demonstrated experience meeting the highest industry-standards for data warehouse management, including quality assurance, scalability, redundancy, and securability. Information or evidence of industry certification or recognition is highly desirable.

Operationally, Milliman adheres to strict quality assurance (QA) standards as they apply to backup, hardware, monitoring and maintenance, server operating system maintenance, database engine maintenance, database and relational object maintenance. Milliman monitors performance and looks for bottlenecks throughout our enterprise.

Milliman has hardware, software and processes in place in our ASP facility that monitors the status of servers and critical services. Should an issue arise, the software notifies our network engineer via pager and email. Key network and capacity statistics are measured and monitored by our ASP manager and network engineer. Some of the statistics we monitor are internet bandwidth capacity, network switch capacity, and firewall activity.

Extensive monitoring and reporting of our ASP operations occurs. This includes monitoring of DBMS service up time, automated user activity reporting, intrusion detection system, backup logs and system logs to name a few. If certain performance/monitoring thresholds aren't met, all network engineers are automatically notified. The client manager would be notified as to the nature of the problem and the expected time until recovery. Client updates would be provided to each client as often as the client prefers.

The MedInsight practice conducts periodic internal audits to monitor its adherence to its QA standards. In addition, we have had clients conduct periodic QA audits. As further commitment to quality assurance, Milliman uses a post release peer review process in which Milliman Senior Managers perform a thorough audit of the MedInsight practice every three years to ensure compliance with client service agreements and Milliman internal standards. The senior managers who conduct the audit are independent of the MedInsight practice.

MedInsight is highly scalable. We currently have clients with up to 35 million covered lives and billions of claims lines.

Milliman employs hardware redundancy for both production server and disk subsystems. We have also implemented backup operations that include taking full backups monthly, with incremental backups nightly. On a weekly basis, these backups are securely transferred off-site via a private MetroE circuit. For each client we maintain redundant database servers, one for monthly processing and one for data access and reporting. If one of the servers goes down, the second server can be used as a replacement. Data or enhancements are not transferred to the production server until they are fully peer reviewed. This also results in nearly no downtime on the production server.

All of our ASP production servers are housed in a secured, off-site co-location facility in Seattle, Washington. The facility boasts a three-tiered redundant power system that consists of UPS protection and diesel generator backup. Additionally, the facility contains state-of-the-art cooling systems and climate control, redundant network connectivity to an Internet backbone and stringent security guidelines that include 24-hour guard's on-site and all areas are also monitored with closed-circuit television.

Our network is protected by a pair of redundant firewalls that have automated health-monitoring and intrusion detection. In addition, a centralized set of servers deploy anti-virus and anti-spyware throughout our network. We have another set of automated tools that contain rules that automatically monitor the health of the network and all our servers.

In 2009, Milliman became a HEDIS certified vendor from the National Committee for Quality Assurance (“NCQA”) that allowed the Oregon Health Care Quality Corporation to publically certify that the measures results were certified by HEDIS and NCQA.

(4) Demonstrated experience developing healthcare claims data edit checks and validation protocols, both within and across reporting entities.

Milliman has stringent data aggregation and validation processes which we have termed our data aggregation and validation process Level 1 validation (L1). We apply data checkpoints in order to ascertain if there are any major discrepancies in the data.

After data is received and basic volume reasonableness benchmarks have been validated, Milliman utilizes data content and quality analysis tools that can be used to validate the data supplier’s initial data submissions and any subsequent submissions.

Milliman has developed a data quality analysis tool that, among other things:

- Analyzes content and quality of key elements
- Assesses data volume trends over time
- Tests referential quality (a key component that assesses data consistency over time)
- Benchmarks reasonableness for key CPT codes.

L1 validation is used to validate the incidence of valid codes in key fields, check for consistency and completeness of data over time (by month, quarter or year) and ensure reasonable submission of key counts and amounts within predefined benchmark ranges. Typical key metrics reviewed and validated are:

- CMS (physician) claim lines, billed charges and allowed charges by month
- UB 92 (facility) claim lines, billed charges and allowed charges by month
- Pharmacy claim lines, billed charges and allowed charges by month
- Rate of compliance for all required data fields or columns
- Presence and accuracy of patient demographics, provider data and medical coding (diagnosis, procedure, revenue and national drug code) information
- Patient eligibility by month
- Incidence rates of certain medical codes such as certain, high volume DRG or procedure codes
- Volume of claim lines reasonable for membership. This can reveal an imbalance between claims and membership feeds.

When data deficiencies/gaps are found, Milliman will work with the data suppliers to remediate them. There may be iterative rounds of remediation/re-submission with the data suppliers until the submissions conform to the intended format and content. These types of remediation steps should be factored into the project plan timelines in a realistic fashion.

When multiple data suppliers submit data to a MedInsight data warehouse, the above described validation processes are conducted at both the data supplier level, as well as across data suppliers.

The Milliman MedInsight currently provides data validation and actuarial and data certification for the Blues Health Intelligence, a consortium of multiple Blues plans and representing over 30 million members.

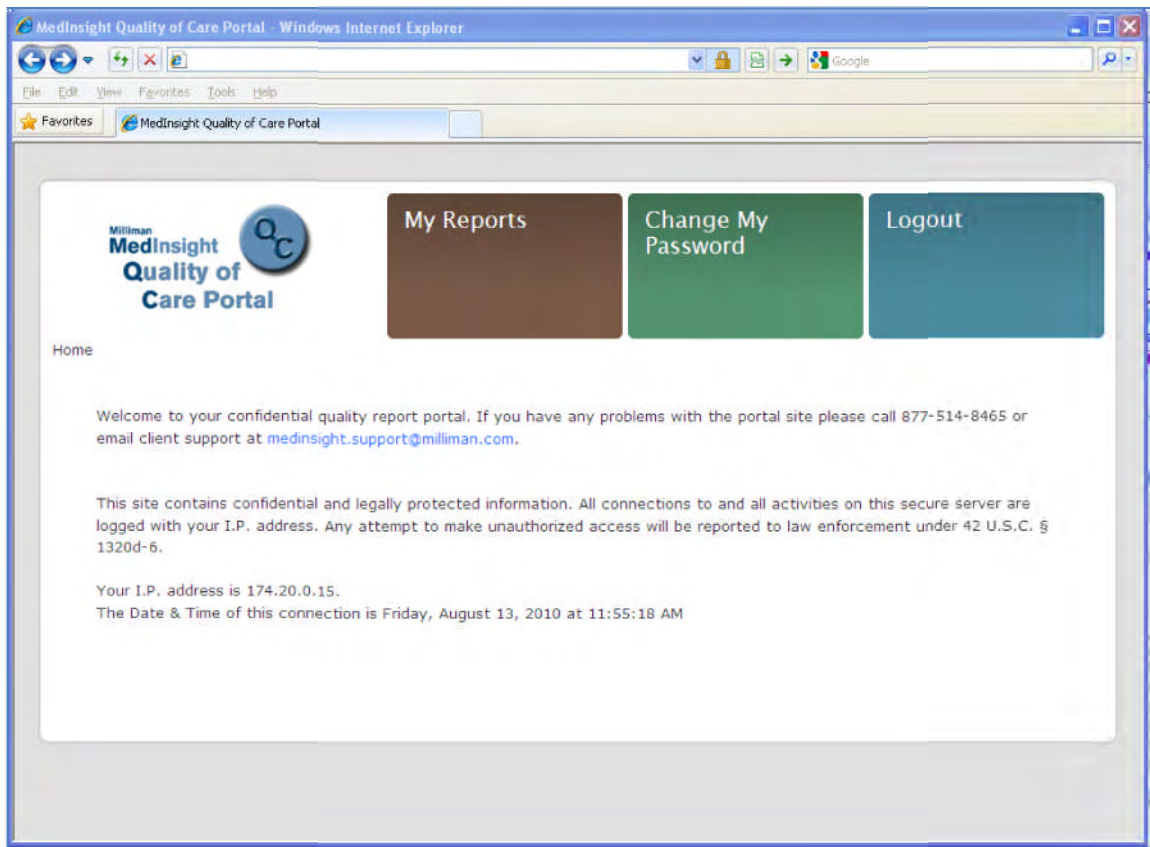
(5) Demonstrated experience developing secure web portals for multiple types of end users and providing the capability for third party analytic software access.

MedInsight has a portal interface with a sophisticated security framework that can be accessed by multiple types of end users. Every client has their own dedicated physical server with its own installation of SQL Server and rigid access rights customized to that client's needs. This ensures that only necessary access is given to a client's data.

Each user ID is assigned appropriate privileges to ensure that access is limited to system areas for which the user is authorized. Milliman uses a roles-based protocol to standardize rights management. For each type of user, Milliman will assign a specific role to that user ID, which defines the user's access rights to specific systems, data and databases, reports, and functions.

MedInsight has worked with several of our clients, including QCorp, to develop front end portals which allow access to physician and patient level detail. This allows the providers to see specific adherence or non-adherence to testing criteria. For example, for Comprehensive Diabetes Measures, there are four tests that meet HEDIS criteria. If a provider doesn't administer one or all of these tests, we can report on that based on HEDIS requirements.

Sample screen captures of the portal that allows access to physician and patient level data are below.




Report - Windows Internet Explorer

Back to My Reports
Go Back One Screen

1 of 1 | 100% | Find | Select a format | Export

Clinic Results by Practitioner

Your Quality Scores Compared to Clinic, Group, State and Top Performers



	Breast CA Screening		Cervical CA Screening		Chlamydia Screen		Diabetes - HbA1c		Diabetes - LDL Test		Diabetes - Eye Exam		Diabetes - Kidney Screen		Cholesterol Management		Asthma Management		Pts		
	Patients (N)	Score (%)	Patients (N)	Score (%)	Patients (N)	Score (%)	Patients (N)	Score (%)	Patients (N)	Score (%)	Patients (N)	Score (%)	Patients (N)	Score (%)	Patients (N)	Score (%)	Patients (N)	Score (%)			
ABC Benchmark		85.1		83.8		52.5		93.5		90.3		78.2		94.3		93.5		93.8		97.8	
Median Quality Score for State		72.5		71.2		28.6		85.2		78.8		60.0		81.5		85.7		100.0		100.0	
Medical Group Average	12,051	68.1	14,945	74.8	1,826	38.2	5,044	81.5	5,044	76.1	5,044	67.1	5,044	80.1	426	74.4	550	89.6			
Clinic Average	151	51.7	256	66.5	49	65.5	74	71.6	74	71.6	74	83.8	74	83.8	15	61.5	18	88.9			
AGUILAR, JAMES	32	50.0	61	67.2	10	60.0	24	100.0	14	100.0	14	92.9	24	100.0	4	100.0				0.0	
ALVAREZ, ROBERT	26	34.6	38	57.9	9	55.6	16	43.8	16	43.8	16	93.8	16	75.0	3	0.0	4	100.0			
BALE, ROBERT A	8	50.0	12	75.0	5	60.0	6	50.0	6	50.0	6	66.7	6	50.0	1	0.0	1	100.0			
JEFFERS, MICHAEL E	19	57.9	22	72.7	1	0.0	5	80.0	5	80.0	5	20.0	5	80.0	1	100.0				1.000	
LOWES, PAUL W	14	64.3	24	58.3	7	85.7	7	85.7	7	85.7	7	85.7	7	100.0						0.0	
JUSTICE, BRITANY M	49	53.1	74	67.6	25	73.5	24	70.8	24	70.8	24	91.7	24	83.5	4	75.0	11	90.9			
PILPY, TANNIS S	3	100.0	5	100.0	2	50.0	2	100.0	2	100.0	2	50.0	2	100.0							0.0

Clinic Results by Practitioner Page 2 of 2

Report - Windows Internet Explorer


Back to My Reports
Go Back One Screen

1 of 1 | 100% | Find | Select a format | Export

Practitioner: [AGUILAR, JAMES](#) View Report

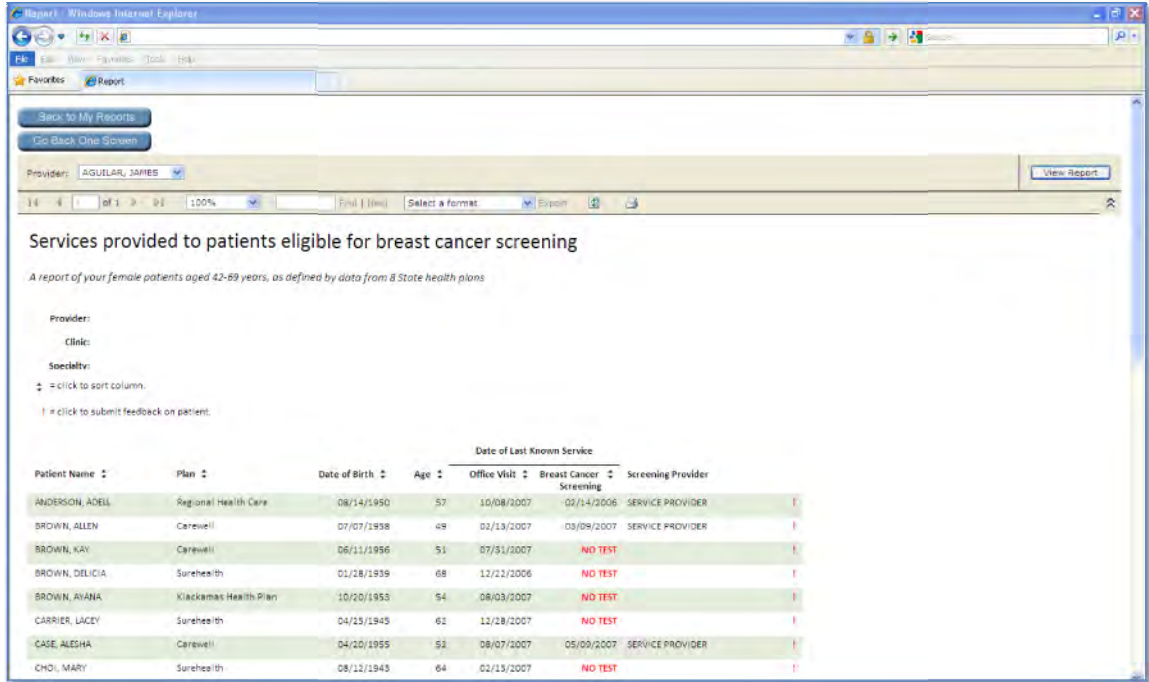
Confidential Practitioner Results

Your Quality Scores Compared to Clinic, Group, State and Top Performers

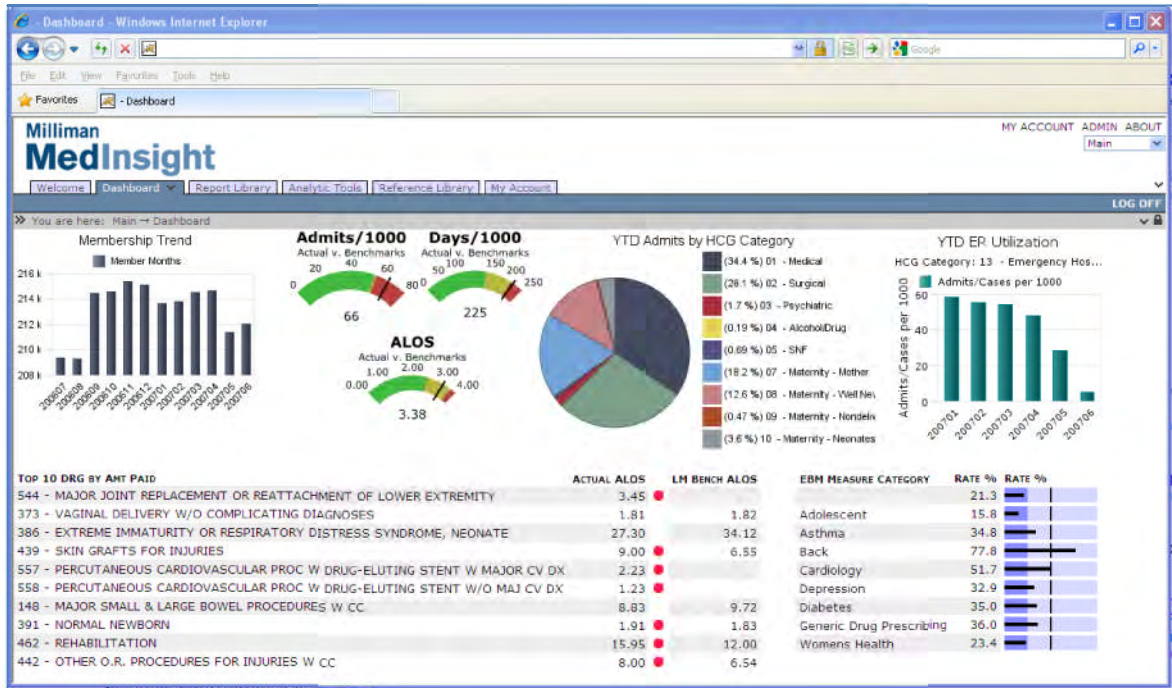


Practitioner: JAMES AGUILAR (DCP2020)
Clinic: LAKESIDE CARE CENTER (62)

Measure	Number of Patients	Your Quality Scores	95% Confidence Interval	Clinic Score	Your Medical Group Average	Median Quality Score for State	State ABC Benchmark	HEDIS 2008 Benchmark Rates 90th Percentile
Breast Cancer Screening -TOTAL	32	50.0%	34% - 66%	51.7%	68.1%	72.5%	85.3%	71.3%
Breast Cancer Screening (age 40-59)	9	55.6%	27% - 81%	50.8%	63.1%	69.2%	81.2%	
Breast Cancer Screening (age 50-59)	23	47.8%	20% - 67%	52.9%	71.5%	76.7%	87.7%	
Cervical Cancer Screening (age 21-64)	61	67.2%	55% - 78%	66.5%	74.6%	73.2%	83.6%	78.5%
Chlamydia Screening in Women -TOTAL	10	60.0%	31% - 83%	65.5%	38.2%	28.6%	52.5%	44.5%
Chlamydia Screening in Women (age 16-20)	2	100.0%	34% - 100%	68.2%	41.1%	30.0%	57.7%	
Chlamydia Screening in Women (age 21-29)	8	50.0%	22% - 78%	63.0%	38.5%	25.0%	53.5%	
Diabetes Care - HbA1c Testing (age 18-75)	14	100.0%	78% - 100%	71.6%	81.5%	85.2%	93.5%	84.7%
Diabetes Care - LDL-C Screening (age 18-75)	14	100.0%	78% - 100%	71.6%	76.1%	78.8%	90.3%	80.0%
Diabetes Care - Eye Exam (age 18-75)	14	92.9%	69% - 99%	83.8%	67.1%	60.0%	78.2%	45.9%



The MedInsight user portal gives access to client analysts for deep data analysis. A sample screen capture follows:



For more advanced users, MedInsight allows those users to utilize SQL queries to directly query the data using third party analysis software. This feature provides the maximum amount of flexibility, and is available by direct access to the server through the web.

(6) Demonstrated experience producing public use and limited data sets for distribution to approved third parties.

As mentioned, Milliman is a key partner with the Puget Sound Health Alliance in producing its publication of the Washington Community Checkup (WACommunityCheckup.org). PSHA published, and will continue to publish, a comprehensive health care assessment of 23 clinical quality indicators spanning such disease states as diabetes, cardiac care, wellness measures, and specially developed generic drug usage indicators.

The MedInsight team from Milliman received data from over 20 sources (including health plans and employers) which represented over five million lives in the greater Puget Sound area. We merged these disparate data sources using our experienced technical resources and MedInsight technology to create the measurement results and corresponding reports down to the individual clinic level. Reporting for clinics is limited to the data set applicable to the patients associated with the clinic. Milliman programmed its proprietary clinical measures that were used by PSHA to produce the Community Checkup report, which has now been released publically four times. This is the first such venture in the Pacific Northwest and it was met with great fanfare in the Puget Sound Community.

Milliman has created specific datasets for PSHA for specific studies and for internal use. The specific studies have included a study by Brookings on the impact of race and ethnicity on healthcare delivery. There have been other specific datasets used to perform Dartmouth Atlas analysis, State hospital commission project, and efficiency measurement. Milliman is currently working on datasets for the State of Washington and Penn State to analyze composite quality measurement.

(7) Demonstrated experience meeting the highest industry standards for assuring the privacy, security, and integrity of patient data.

MedInsight was designed with the security needs of the healthcare industry in mind. The system offers state-of-the-art encryption and security technologies and protocols to ensure that patient data remains uncompromised yet is accessible to authorized users. Milliman stores sensitive data in an encrypted state (128-bit) and only authorized users have the ability to decrypt this data for viewing.

All of our ASP production servers are housed in a secured, off-site co-location facility in Seattle, Washington. The facility boasts a three-tiered redundant power system that consists of UPS protection and diesel generator backup. Additionally, the facility contains state-of-the-art cooling systems and climate control, redundant network connectivity to an Internet backbone and stringent security guidelines that include 24-hour guard's on-site and all areas are also monitored with closed-circuit television.

Our network is protected by a pair of redundant firewalls that have automated health-monitoring and intrusion detection. In addition, a centralized set of servers deploy anti-virus and anti-spyware throughout our network. We have another set of automated tools that contain rules that automatically monitor the health of the network and all our servers.

Typically, each client's system environment consists of at least two separate servers, dedicated to that client. A test server is used for load processing and testing enhancements. Data or enhancements are not transferred to the production server until they are fully peer reviewed. This also results in nearly no downtime on the production server.

We have also implemented backup operations that include taking full backups monthly, with incremental backups nightly. On a weekly basis, these backups are securely transferred off-site

via a private MetroE circuit. For each client we maintain redundant database servers, one for monthly processing and one for data access and reporting. If one of the servers goes down, the second server can be used as a replacement.

Each user signs onto the network via an Internet connection with a user ID and password that must be authenticated by Microsoft active directory. The credentials are then passed to database and application security. This is done either by a SSL web connection or a Microsoft terminal services connection, both of which are 128-bit encrypted. All user access is tracked and reports are available to monitor usage.

(8) Demonstrated experience meeting the highest industry standards for disaster recovery planning.

The MedInsight Data Center has many processes in place to ensure business continuity.

- First, at the Data Center there are Uninterruptible Power Supplies (UPS) in place to ensure continued operation in the event of a power loss. The UPS grid is backed-up by a redundant diesel generator, with adequate fuel supplies to run all servers for 17 days. There are also arrangements in place to obtain additional fuel in the event of a major power outage.
- A redundant production server is also in place so backups can be loaded in the event that the main production server fails.
- Finally, there is a Disaster Recovery Plan (see Attachment H) that contains procedures to follow in the event that it is not possible to run from the primary site. If this plan is called into effect, it is Milliman's goal to be operational in its standby facility within five working days.

In the past three years we have had no unscheduled downtime due to the nature and quality of our data center's fault tolerant architecture.

5.2.10 Peripheral Agreements

The Proposer may also submit peripheral agreements with their Proposal, such as the Proposer's Software License Agreement or Hosting, Maintenance and Support Agreement. Such peripheral agreements shall include proposed service levels and will only be negotiated in accordance with section 8.1.2 of this RFP.

Please find Milliman's MedInsight ASP License and Services Agreement, as well as the Milliman, Inc. Business Associate Agreement and HITECH Act Addendum in Attachment I.

5.3 Cost Proposal

Cost Proposal

ALL-INCLUSIVE PRICE ESTIMATE (Note: Price assumes services are packaged together)

Note: The pricing presented in this Section 5.3 Cost Proposal is designated as **CONFIDENTIAL**. Pricing information is a Milliman trade secret and which if disclosed would cause substantial injury to the competitive position of Milliman.

Item	Development / Implementation	Year 1	Year 2	Year 3	Year 4	Year 5	Total cost
Task 1: Recommendations	\$80,000						\$80,000
Task 2: Data Warehouse Services		\$260,000	\$267,800	\$275,834	\$284,109	\$292,632	\$1,380,375
Task 3: Data Collection Services		\$400,000	\$412,000	\$424,360	\$437,091	\$450,204	\$2,123,655
Task 4: Analytical Services							
I. Implement unique identifiers	\$95,000	\$40,000	\$41,200	\$42,436	\$43,709	\$45,020	\$307,365
II. Provide aggregate data sets	\$57,000	\$55,000	\$56,650	\$58,350	\$60,100	\$61,903	\$349,003
Task 5: Project management	\$65,000	\$85,000	\$87,550	\$90,177	\$92,882	\$95,668	\$516,277
Subtotal	\$297,000	\$840,000	\$865,200	\$891,157	\$917,891	\$945,427	\$4,756,675
Other / Additional (specify)							
<p>All charges, including change orders/out of scope requests to be billed at standard time-and-materials rates (see below). Each consultant and each member of the staff has an hourly billing rate. Time spent on a particular client project is recorded to the nearest quarter of an hour, and the client billed accordingly. Incidental expenses such as travel and expenses will also be billed.</p> <p>This proposal is subject to revision based on review of regulatory, business and configuration requirements, and is for illustrative purposes. Milliman reserves the right to revise proposal pricing based on relevant changes to factors and assumptions described herein.</p>							
Total	\$297,000	\$840,000	\$865,200	\$891,157	\$917,891	\$945,427	\$4,756,675

* Provide price proposal based on payment for year 1 to begin upon acceptance of implemented system and subsequent years to begin on the anniversary of the start of year 1.

OTHER/ADDITIONAL PRICING INFORMATION

Provide the following pricing information:

Tiered hourly rates

Functional Area	Hourly Range
Principal	\$330-400
Healthcare Technology Consultant	\$225-325
Healthcare Management Consultant	\$225-325
Data Analysis Consultant	\$160-275
Department Manager	\$250-325
ASP Data Management	\$160-275
Administrative Assistant	\$100-120

Prices for additional licensing

Pricing above includes standard Milliman methodologies (such as benchmarks), and incorporated Symmetry ETG episode grouper license. Many other methodological approaches are available depending on OAPACRP's preferences, to be determined in consultation with Milliman.

Prices for optional services

Additional services beyond the scope described in the final agreement between OHA and Milliman would be priced separately.

Note: The pricing presented in this Section 5.3 Cost Proposal is designated as CONFIDENTIAL. Pricing information is a Milliman trade secret and which if disclosed would cause substantial injury to the competitive position of Milliman.

Attachments

**Attachment A – Standard Implementation Checklist
Implementation Steps**

Category and Task	Individual (s)	Task Completed	Document Attached	Review Performed
1. Project Scoping and Planning		<input type="checkbox"/>		
A. Form project team and assign personnel		<input type="checkbox"/>	<input type="checkbox"/>	NA
B. Develop initial contact list (Milliman and client)		<input type="checkbox"/>	<input type="checkbox"/>	NA
C. Transition meeting from sales team to project team		<input type="checkbox"/>	<input type="checkbox"/>	NA
D. Translate contract to scoping document		<input type="checkbox"/>	<input type="checkbox"/>	NA
E. Develop initial project plan with milestones (Milliman and client)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Develop budget		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G. Develop and maintain project issues log		<input type="checkbox"/>	<input type="checkbox"/>	NA
H. Review and sign off by Project Oversight		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Infrastructure Setup		<input type="checkbox"/>		
A. Scope Hardware Specifications		<input type="checkbox"/>	<input type="checkbox"/>	NA
B. Develop hardware configuration <ul style="list-style-type: none"> • Hardware Review and Signoff 		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Procure Hardware and Software		<input type="checkbox"/>	NA	<input type="checkbox"/>
D. Setup Hardware and Software (name server) <ul style="list-style-type: none"> • Setup Review 		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Base MedInsight Installation		<input type="checkbox"/>		
A. Install Base Tables <ul style="list-style-type: none"> • Get Base Install Location from Technical Product Manager • Install • Review Installation and sign-off 		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Perform Automated Reference Tables and Verification <ul style="list-style-type: none"> • Technical Review 		<input type="checkbox"/>	NA	<input type="checkbox"/>
C. Install Portal and Reporting Services <ul style="list-style-type: none"> • Review and Sign off 		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. Peer Review Signoff		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Data Procurement		<input type="checkbox"/>		
A. Create Source Checklist and Contact		<input type="checkbox"/>	<input type="checkbox"/>	NA

Category and Task	Individual (s)	Task Completed	Document Attached	Review Performed
Info				
B. Communicate Data Layout Needs to Suppliers and/or client • Get data dictionaries/layouts		<input type="checkbox"/>	<input type="checkbox"/>	NA
C. Setup FTP Access and Transmission Method		<input type="checkbox"/>	<input type="checkbox"/>	NA
D. Receive Data and Load Status Log • Project Manager review		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Create Reconciliation Worksheets of Source - Technical Lead • Review of Source totals • Review source data control totals with supplier/client		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Peer Review Reconciliation Signoff		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Data Mapping		<input type="checkbox"/>		
A. Share Standard MedInsight data mapping document with supplier/client		<input type="checkbox"/>	<input type="checkbox"/>	NA
B. Review and Assess Data • Review data		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Create supplier/client specific Data Mapping Document • Review Data Mapping document • Peer Review Sign off of data mapping document		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. Create Reporting Dimension Document with Reports Checklist • Review if client/supplier data supports reports • Review and signoff of reporting dimensions		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Write Loading Scripts		<input type="checkbox"/>	NA	NA
F. Run Loading Scripts		<input type="checkbox"/>	NA	NA
G. Prepare xStaging Reconciliation Worksheets • Review Recon worksheets • Data Mapping/Reconciliation Signoff		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Client sign off of data mapping - Project Manager		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Run HCGs		<input type="checkbox"/>		
A. Run HCG and Analytics through		<input type="checkbox"/>	NA	NA

Category and Task	Individual (s)	Task Completed	Document Attached	Review Performed
view_claimservices and view_memb_mths				
B. Create Reconciliation of view_claimservices and view_memb_mths		<input type="checkbox"/>	<input type="checkbox"/>	NA
C. Create Cost Model Worksheet		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Review results HCG Cost Model Signoff 				
7. Run Analytics and Setup Reports				
A. Create Checklist of Analytics to be Run		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Project Manager review 				
B. Customize Analytics if Needed		<input type="checkbox"/>	NA	NA
C. Run Engines		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Review run of engines 				
D. Populate Reports		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Review initial set of report results 				
E. Peer Review of Reports		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Run Cubes				
A. Set up base cubes (claims, enrollment, cost model) - Technical Lead		<input type="checkbox"/>	NA	NA
B. Review Cube specs with client/supplier		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Run cubes		<input type="checkbox"/>	NA	NA
D. Customize Client/Supplier Specific Cubes		<input type="checkbox"/>	NA	NA
E. Run Cubes		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Technical Review of cubes 				
F. Peer Review of Cubes		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Portal Set -up and Deployment				
A. Get DNS certificate and IP address/name assigned from Corporate		<input type="checkbox"/>	NA	NA
B. Deploy reports and cubes to portal		<input type="checkbox"/>	NA	NA
C. Review Dashboard with Client/Supplier		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. Build and customize Dashboard		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Dashboard Review 				
E. Documentation moved to Reference Library		<input type="checkbox"/>	NA	NA
<ul style="list-style-type: none"> Complete documentation checklist 				

Category and Task	Individual (s)	Task Completed	Document Attached	Review Performed
F. Test Portal • Review of Portal		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G. Peer Review of Portal		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. User Acceptance Testing		<input type="checkbox"/>		
A. Develop UAT Criteria including test cases – Business Project Manager		<input type="checkbox"/>	<input type="checkbox"/>	NA
B. Milliman testing of UAT Criteria		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Peer review of UAT Test plan		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. Arrange for Client UAT testing		<input type="checkbox"/>	NA	NA
E. Sign off by Client (see document)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Training		<input type="checkbox"/>		
A. Document Users and Security needs		<input type="checkbox"/>	<input type="checkbox"/>	NA
B. Set up user access and security rights for reports and cubes • Review of security setup		<input type="checkbox"/>	NA	NA
C. Set up training with client		<input type="checkbox"/>	NA	NA
D. Test portal site on client end prior to training		<input type="checkbox"/>	NA	NA
E. Training Materials production		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Peer review of training materials		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Move to Production		<input type="checkbox"/>		
A. Develop production turnover document (see document from Ryan)		<input type="checkbox"/>	<input type="checkbox"/>	NA
B. Review monthly loads		<input type="checkbox"/>	NA	NA
C. Move to Production		<input type="checkbox"/>	NA	NA

Attachment B – Milliman Audited Financial Statements

PLACEHOLDER FOR FINANCIAL STATEMENTS

Attachment C – Resumes of Key Personnel and Additional Resources

Lynn McLaren, PMP

Healthcare Technology Consultant

Current Responsibility

Lynn is a healthcare technology consultant with the Seattle office of Milliman. She joined the firm in 2006. Lynn began her career in healthcare services in 1982.

Experience

Lynn has managed the delivery of several data warehouse and application projects, during her tenure at Milliman. Prior to joining the firm, Lynn implemented several large Internet-based core systems in the financial services realm. She led the acquisition, development, and integration of the applications, and the business process reengineering efforts that achieved significant cost savings. She has established the strategic plans, monitored the funding, and facilitated the Governance Process for technology projects. She also directed the development of the portal products for various companies providing access to real-time information.

In addition, Lynn has worked on a wide range of healthcare technology projects including data warehouses, benefit, rating, claim administration, and provider systems. Lynn began her career in the Actuarial/ Underwriting arena where she worked for fifteen years in health and dental services partnering with all facets of the organization. She brings skills in program management, team partnerships, and solution development/launch.

Professional Designations

- Project Management Professional (PMP) Certification
- Life Office Management Association Inc. (LOMA) Courses 280, 290, 310
- PAHM – Professional Academy of Healthcare Management

Education

- BA, Administrative Science/Mathematics, Colby College

Rich Moyer

Principal, MedInsight

Current Responsibility

Rich is the MedInsight® product manager in the Seattle office of Milliman. MedInsight is a product that is a data warehousing solution designed to measure healthcare organization performance. He joined the firm in 2002.

Experience

Rich has more than 17 years of experience designing and implementing data warehouse and analytic solutions. As Milliman's MedInsight product manager, he has been responsible for product strategy, marketing, and implementation of quality management.

Rich has four years of independent consulting experience, specializing in data warehouse design and the development of analytic systems.

Rich was the director of decision support and data warehousing for Group Health Cooperative in Seattle and Kaiser Permanente Northwest in Portland, Oregon. While at both organizations, he implemented new data warehouse and decision support applications. Additionally, he managed the development of rating/underwriting, HEDIS, cost accounting/management, disease management, and provider contracting analytic applications.

Education

- BA, Economics, University of Washington
- Masters, Management Coursework, Finance, and Qualitative Sciences, Willamette University

Roger Connolly

*Product Development Manager
Healthcare Technology Consultant
Microsoft Certified Professional*

Current Responsibility

Roger is the manager of product development with the Technology and Operations Solutions group in the Seattle office of Milliman. He joined the firm in 2004.

Experience

Roger designs, manages and maintains all aspects of the core MedInsight software and related products. Roger interfaces with Milliman consultants and clients on all aspects of the core application. Roger is widely recognized as an expert in his field, both at Milliman and from his 18 years of experience in the field of Healthcare Information Technology.

Roger's area of expertise is in building technical solutions to specific healthcare data analysis related needs, with a focus on data warehousing as it relates to infrastructure specification and hardware design, medical claims data handling, analysis, and reporting.

Roger has lengthy experience implementing and customizing software solutions in the areas of Healthcare financial and utilization reporting and data analysis, clinical performance measurement, HEDIS® and similar measurement standards, pharmacy data and regimen adherence measurement, and Provider capitation payment calculation and reporting.

Affiliations

Microsoft Certified Professional (#3395508) in Designing and Implementing Databases

Education

- Cork Institute of Technology, Cork City, Ireland, 1989

Bill Walton

Healthcare Technology Consultant

Current Responsibility

Bill is a Healthcare Technology Consultant in the Seattle office of Milliman, Inc. He is responsible for development and implementation of MedInsight®, primarily focusing on Business Intelligence and OLAP reporting. MedInsight is a data warehousing solution designed to measure healthcare organization performance.

Experience

Bill has over 20 years experience designing and implementing data warehouse and analytic solutions. With over 11 years independent consulting experience, Bill has developed analytic and Business Intelligence reporting systems for clients such as Group Health Cooperative, Prudential Healthcare, Caremark, Amgen, and Nordstrom.

Bill specializes in OLAP reporting, developing business intelligence systems enabling fast access to multidimensional data giving decision makers the tools necessary to make timely accurate business decisions.

Education

- BS, Computer Science, California State University

Barb Ward

Manager Business and Data Analytics

Current Responsibility

Barb is responsible for working with customers to support their business and data analytics needs and optimize the value of MedInsight.

Experience

Barb has over 15 years in healthcare financial and clinical DSS. Her previous experience includes consulting and customer service management roles. Barb began her career in healthcare as a critical care nurse and retains her Registered Nursing license.

Education

- Bachelors Science in Nursing, University of Illinois

Jono Green

Healthcare Technology Consultant

Current Responsibility

Jono is a healthcare technology consultant with the Seattle, WA office of Milliman. He joined the firm in 2008. His responsibilities include data processing and data analytics for our practices Charted Value Exchange clients.

Experience

Jono has over 10 years of relevant healthcare and IT expertise with an emphasis on SQL Server, SQL scripts, Oracle databases and GUI programming. Jono also has extensive experience in healthcare analytics and data warehouse development and operations

Education

- AA, North Seattle Community Collage
- Academy of Healthcare Management

Patricia F. Jones RN, MBA

Healthcare Management Consultant

Current Responsibility

Patty is a healthcare management consultant with the Seattle office of Milliman. She joined the firm in 2003.

Experience

Patty specializes in analysis, strategy development, and designing and improving management, operations, and performance for healthcare management operations. She has over 20 years of experience in delivery system and health insurance operations and has worked extensively with healthcare organizations involved in commercial, Medicare/Medicaid, and other government programs. This experience includes care management programs, network contracting and reimbursement, health and wellness programs, and information strategies.

Patty has led the process of analyzing data to determine care management opportunities and priorities, conducted assessments of operations and work processes, overseen the selection and implementation of information and analytical tools, and designed reporting and evaluation mechanisms. In addition to specific expertise in medical management and provider network contracting and management, she has extensive experience with data, decision support systems, performance benchmarking, and analytical tools. Patty has assisted clients in developing new and improving existing utilization management, case management, and quality and disease management programs. She has experience designing, implementing and evaluating medical home and accountable care models.

Professional Designations

- NCQA Administrative Surveyor
- Certified Consultant, URAC
- Member, URAC National Standards Committee
- Chair, Minority Management Development committee of AHIP

Education

- BS, Nursing, Purdue University
- RN, Purdue University
- Masters, Business Administration in Healthcare, Boston University

Michael D. Bush

*MedInsight® Director of Account Management
Healthcare Management Consultant*

Current responsibility

Mike is the MedInsight® Director of Account Management in the Seattle office of Milliman. MedInsight is a comprehensive healthcare payer decision support suite for both financial/actuarial and clinical users. Mike joined Milliman in 2009.

Experience

Mike has more than 25 years experience in the business of health care, as both a payer and a vendor to the payer market. He has served in sales and sales management capacities, as well as executive leadership, account management and business development positions. In addition to decision support system vendors, his areas of specialty include early-stage company environments, Medicare Advantage and Part-D, health care reform, broker and third-party administrator settings, and reseller channel development.

Mike started his career in the TPA and managed care industries, and has worked with such progressive healthcare organizations as Geisinger Health System, Intermountain Healthcare, Rockford Health System and United Healthcare. He served as director of an early Health Insurance Exchange (CARE of Utah). In the vendor capacity, Mike worked with exceptional companies such as Ingenix and DestinationRx before joining Milliman.

Mike has been the president of a health insurance trade association, and is the recipient of several business awards. He has been involved in lobbying efforts on behalf of industry groups, and is a noted trainer, mentor, speaker, and writer.

Education

- Bachelor of Science (Political Science), University of Utah

Attachment D – Project Manager and Other Key Person References

**Project Manager References
RFP #3078**

Project Manager Experience: LYNN MCLAREN, PMP

Demonstrate a minimum of three (3) years of experience in a disciplined approach to project management. The proposed project manager will be expected to manage the project using formal project methodologies based on the Project Management Institute's (PMI) *A Guide to the Project Management Body of Knowledge, Third Edition* (PMBOK Guide, ANSI/PMI 99-001-2004).

Is proposed project manager currently certified as a PMP by the PMI? Yes

(If yes, please provide photocopy of certification attached to reference information below.)

Project Manager Project #_____:

Entity/Client Name: Excellus Health Plan Inc.	Entity/Client Contact Name: (Indicate Primary or Alternate) Lori Walton	Entity/Client Contact Title: Director Health Informatics Design	
Entity/Client Address: 165 Court Street Rochester, NY		Entity/Client Contact Phone Number: 585-238-4592 Entity/Client Contact Email Address: lori.walton@excellus.com	
Entity/Client Project Name: Benchmarking and MedInsight Implementation		Beginning Date of Experience: (01/07) (Month/Year)	Ending Date of Experience: Current (08/10) (Month/Year)
Proposer's Project Manager Name: Lynn McLaren			
<p>Describe how the related service shows the project manager's experience, capability, and capacity to develop the Deliverables or to achieve the work. List related service provided, including:</p> <ul style="list-style-type: none"> • Overview of the business and project objectives • Scope and complexity of the project • Project management activities performed • Describe how this person's role will compare in this RFP's work. <p>Ms. McLaren is a certified Project Management Professional (PMP) who managed two projects for Excellus. The initial project was a benchmarking project using our decision support system MedInsight, a data collection, reconciliation, reporting, and analysis tool. The second project included the full implementation of MedInsight to include data modeling, classification into clinical categories, development of utilization measures, tracking and trending of medical costs, and providing reporting. Due to the consolidation of companies and the use of different systems, the data aspect of these projects was very complex. Lynn's responsibilities included managing scope, time and budget as well as:</p> <ol style="list-style-type: none"> a) Developing and maintaining the project plan and work breakdown structure. b) Facilitating routine status meetings with leadership and the team to ensure communication. c) Acquiring additional resources in the appropriate project phases. d) Communicating with other work streams to ensure dependencies were on schedule and met the expectations of the client. e) Participating in the business requirement and business process gathering phase to ensure the business needs were captured. f) Authoring weekly action item/issue/risk updates and communicating with leadership. g) Obtaining, documenting and escalating issues and risks, as appropriate. h) Maintaining the change management process. i) Ensuring an adequate test plan was established and tracking the status of defects. 			

Insert Lynn's certification

**Other Key Person References
RFP #3078**

Other Key Person Experience: RICH MOYER

Other Key Person Title: Principal, MedInsight

Other Key Person Project # ___:

Entity/Client Name: Puget Sound Health Alliance	Entity/Client Contact Name: (Indicate Primary or Alternate) Mary McWilliams	Entity/Client Contact Title: Executive Director	
Entity/Client Address: 2003 Western Ave., Suite 600 Seattle, WA 98121		Entity/Client Contact Phone Number: 206.448.2570, ext. 111 Entity/Client Contact Email Address: Mary@pugetsoundhealthalliance.org	
Entity/Client Project Name: Alliance Performance Reporting Service		Beginning Date of Experience: (09/06) (Month/Year)	Ending Date of Experience: Current (Month/Year)
Proposer's Project Manager Name:			
<p>Describe how the related service shows the experience, capability, and capacity to develop the Deliverables or to achieve the work. List related service provided, including:</p> <ul style="list-style-type: none"> • Overview of the business and project objectives. • Scope and complexity of the project. • Describe this Key Person's role in the Project. • Describe how this Key Person's role will compare in this RFP's work. <p>Rich was one of two Milliman Principals in charge of Milliman's work with PSHA. He participated in the Health Information and Technology Committee (HI&TC), providing data aggregation, integration and measurement expertise. Responsible for peer reviewing work products and providing high-level oversight of the project.</p>			

**Other Key Person References
RFP #3078**

Other Key Person Experience: [ROGER CONNOLLY](#)
Other Key Person Title: [Manager of Technical Development](#)
Other Key Person Project # ___:

Entity/Client Name: Oregon Health Care Quality Corporation	Entity/Client Contact Name: (Indicate Primary or Alternate) Nancy Clarke	Entity/Client Contact Title: Director	
Entity/Client Address: 619 SW 11th Ave., Suite 221 Portland, OR 97205		Entity/Client Contact Phone Number: 503.241.3571 Entity/Client Contact Email Address: Nancy.clarke@q-corp.org	
Entity/Client Project Name: Reporting System	Proposer's Project Manager Name: Paul Leonardo	Beginning Date of Experience: (06/08) (Month/Year)	Ending Date of Experience: Current (Month/Year)
Describe how the related service shows the experience, capability, and capacity to develop the Deliverables or to achieve the work. List related service provided, including: <ul style="list-style-type: none"> • Overview of the business and project objectives. • Scope and complexity of the project. • Describe this Key Person's role in the Project. • Describe how this Key Person's role will compare in this RFP's work. <p>Roger managed the technical project staff as well as contributing to the design and development of key methodologies. He was instrumental in developing provider and patient crosswalking and provider attribution. He directed staff that integrated data feeds from multiple data suppliers as well as the development of a portal with quality reporting accessed by physician practices.</p>			

**Other Key Person References
RFP #3078**

Other Key Person Experience: [PATTY JONES](#)
Other Key Person Title: [Subject Matter Expert \(Clinical\)](#)
Other Key Person Project #1:

Entity/Client Name: Puget Sound Health Alliance	Entity/Client Contact Name: (Indicate Primary or Alternate) Mary McWilliams	Entity/Client Contact Title: Executive Director	
Entity/Client Address: 2003 Western Avenue, Suite 600 Seattle, WA 98121		Entity/Client Contact Phone Number: 206-448-2570 Entity/Client Contact Email Address: mary@pugetsoundhealthalliance.org	
Entity/Client Project Name: <ul style="list-style-type: none"> • Regence – Provider tiered network and Boeing projects • Puget Sound Health Alliance – Development of PSHA quality reporting 		Beginning Date of Experience: 11/2004 (Month/Year)	Ending Date of Experience: Current (Month/Year)
Proposer's Project Manager Name: Patty Jones, RN, MBA			
<p>Describe how the related service shows the experience, capability, and capacity to develop the Deliverables or to achieve the work. List related service provided, including:</p> <ul style="list-style-type: none"> • Overview of the business and project objectives. • Scope and complexity of the project. • Describe this Key Person's role in the Project. • Describe how this Key Person's role will compare in this RFP's work. <p>Patty worked on a variety of projects with Mary in two organizations including:</p> <ul style="list-style-type: none"> • Regence – Mary McWilliams was President of Regence of Washington • Puget Sound Health Alliance – Mary is the current Executive Director <p>Regence</p> <p>Project objectives – in response to Boeing requirements design and implement quality measurement for physician networks</p> <p>Scope and complexity – involved design of measures, testing of measures and associated workflow processes to use the information. The project involved coordinating the effort in Washington, OR and four other states.</p> <p>Role – coordinate project management and report to stakeholder leadership team, assist in issue resolution, develop documentation, submit proposal to Boeing, assist in analysis, form and coordinate the multi-state workgroup</p> <p>Comparative Role in this RFP – responsible for facilitating stakeholder input, support technical production, lead and assist in measure development and information standardization, manage communications to stakeholders</p> <p>Puget Sound Health Alliance</p>			

Project objectives – develop quality measures for consumers in Washington

Scope and complexity – involved review of evidence-based literature and national sources of data, design of measures and publishing of measures on a public website for consumers.

Role – support stakeholder input groups, model measures, assist in measure research, assist in measure design.

Comparative Role in this RFP – responsible for facilitating stakeholder input, support technical production, lead and assist in measure development and information standardization, manage communications to stakeholders

Patty Jones

Other Key Person Project #2:

Entity/Client Name: Regence/Boeing	Entity/Client Contact Name: (Indicate Primary or Alternate) Theresa Helle	Entity/Client Contact Title: Health Care Quality & Efficiency Initiatives The Boeing Company	
Entity/Client Address: Boeing Corporate Office Seattle		Entity/Client Contact Phone Number: (206) 662-5845 Entity/Client Contact Email Address: Theresa.M.Helle@boeing.com	
Entity/Client Project Name: Several projects including: <ul style="list-style-type: none"> • Development of provider quality measures • Target analysis of hospitals • Care management strategy • Medical home pilot 		Beginning Date of Experience: 11/2004 (Month/Year)	Ending Date of Experience: Current (Month/Year)
Proposer's Project Manager Name: Patty Jones, RN, MBA			
<p>Describe how the related service shows the experience, capability, and capacity to develop the Deliverables or to achieve the work. List related service provided, including:</p> <ul style="list-style-type: none"> • Overview of the business and project objectives. • Scope and complexity of the project. • Describe this Key Person's role in the Project. • Describe how this Key Person's role will compare in this RFP's work. <p>Project objectives –</p> <ul style="list-style-type: none"> • Development of provider quality measures – develop quality measures for physicians in 7 states • Target analysis of hospitals – developed analysis of utilization and quality care patterns in Washington hospitals including readmission rates • Care management strategy – used the data in hospital analysis to develop targeted review programs • Medical home pilot – led the care management team in the payer that supported the Boeing IOCP medical home project. Developed and analyzed risk scoring and analytic reports used in the pilot. <p>Scope and complexity – involved leading teams, assisting in design and analyzing data. Also included</p>			

establishing new workflows. design of measures, testing of measures and associated workflow processes to use the information.

Role – several roles include project coordination, measure design, analysis and reporting, use of data in implementing changes. Involved work with large databases of hospital and physician data.

Comparative Role in this RFP – responsible for facilitating stakeholder input, support technical production, lead and assist in measure development and information standardization, manage communications to stakeholders

Attachment E – Project Plan

PLACE HOLDER – INSERT PROJECT PLAN HERE

Attachment F – MedInsight Experience References

Experience Creating and Maintaining All-Payer All Claims Databases. Describe Proposer's experience creating and maintaining all-payer all claims databases, especially implementations for other state governments.

Project #1:

Entity/Client Name: State of Indiana, Office of Medicaid Policy and Planning	Entity/Client Contact Name: (Indicate Primary or Alternate) Ronn Bouchard - Primary	Entity/Client Contact Title: DSS Manager RSSA/OMPP Informatics and Systems	
Entity/Client Address: 402 W. Washington Street, Room W382 Indianapolis, IN 46204		Entity/Client Contact Phone Number: 371 232 7294 Entity/Client Contact Email Address: Ronn.Bouchard@fssa.in.gov	
Entity/Client Project Name: MedInsight		Beginning Date of Experience: August 2004 (Month/Year)	Ending Date of Experience: Ongoing (Month/Year)
Proposer's Project Manager Name: Roger Connelly			
Is the site still in production? Yes		Was Proposer the - Prime	
Describe how the related service shows the Proposer's experience, capability, and capacity to develop the Deliverables or to achieve the work using the software. List related service provided, including:			
<p>The Office of Medicaid Policy and Planning (OMPP) is a division of the Indiana State Medicaid program that oversees the insurance coverage for health care for Indiana's children, pregnant women and low-income residents.</p> <p>Milliman provided the MedInsight data warehouse, decision support and executive information system for use by the Indiana OMPP on a hosted basis. The Indiana project demonstrates our ability to design and execute rapid deployment of a highly customized data model, supporting high volumes, with excellent executive-level adoption and use of decision support system features.</p> <p>Milliman's MedInsight implementation for Indiana combines three managed care organizations' data and one primary care case management program's data. This system contains Medicaid fee-for-service data and encounter data.</p> <ul style="list-style-type: none"> Was the project completed on schedule and within budget (explain any variance). <p>This project was completed on schedule and within budget. Because Indiana was looking to replace their existing vendor, Milliman developed a project plan that utilized a phased in approach to implementation that resulted in a rapid deployment of a highly customized data model, supporting high volumes, with excellent executive-level adoption and use of decision support system features.</p> Number and name of staff that have worked on this referenced website that would also work on this RFP's project. <p>Milliman staff members who participated in this project that will be involved in this RFP's project include: Roger Connelly, Kris Bjarnason, Tim Erickson and Rich Moyer.</p> 			

Experience Collecting and Integrating Healthcare Claims and Eligibility Data. Describe Proposer's experience collecting and integrating healthcare claims and eligibility data from multiple reporting entities including commercial health plans, third party administrators, pharmacy benefit managers, Medicaid managed care organizations, Medicaid fee-for-service, and Medicare into a single data warehouse.

Project #2:

Entity/Client Name: Oregon Health Quality Corporation	Entity/Client Contact Name: (Indicate Primary or Alternate) Nancy Clarke - Primary	Entity/Client Contact Title: Director	
Entity/Client Address: 619 SW 11th Avenue Portland, OR 97205		Entity/Client Contact Phone Number: 503 241 3571 Entity/Client Contact Email Address: nancy.clarke@q-corp.org	
Entity/Client Project Name: MedInsight		Beginning Date of Experience:	Ending Date of Experience:
Proposer's Project Manager Name: Paul Leonardo		June 2008 (Month/Year)	Ongoing (Month/Year)
Is the site still in production? Yes		Was Proposer the - Prime	
Describe how the related service shows the Proposer's experience, capability, and capacity to develop the Deliverables or to achieve the work using the software. List related service provided, including:			
<p>Through its work with the Puget Sound Health Alliance, Milliman was awarded contract with the Oregon Health Quality Corporation ("QCorp").</p> <p>Milliman took data from ten data sources that included health plan, employer group, and medical group data and merged these disparate data sources together using its MedInsight technology to create the measurement results and corresponding reports down to the individual patient level detail. These reports were created for 15 HEDIS measures. This is first of its kind reporting in the nation down to patient level detail and this was all done in a secure environment that allowed individual physicians and clinic managers to view the patient level reporting.</p> <p>In addition, Milliman became a HEDIS certified vendor from the National Committee for Quality Assurance ("NCQA") in 2009 that allowed QCorp to publically certify that the measures results were certified by HEDIS and NCQA.</p> <ul style="list-style-type: none"> Was the project completed on schedule and within budget (explain any variance). <p>This project was completed within budget. The project completion timeline was delayed for approximately two months, mainly due to it taking longer than anticipated to get the BAAs completed with the data suppliers. Another factor that impacted project completion was delays related to data suppliers who had not provided data to Milliman previously taking longer than expected to generate their data extracts and provide to us.</p> <p>The completion timeline was positively impacted for this project because Milliman had worked with many of the data suppliers previously on the PSHA initiative which resulted in efficiencies. This will also benefit OHA should Milliman be awarded the contract contemplated by this request for proposal.</p> Number and name of staff that have worked on this referenced website that would also work on this RFP's project. <p>Milliman staff members who participated in this project that will be involved in this RFP's project include: Roger Connelly, Matt Pawuk, Jono Green and Rich Moyer.</p> 			

Project #3:

Entity/Client Name: Puget Sound Health Alliance	Entity/Client Contact Name: (Indicate Primary or Alternate) Mark Pregler - Primary	Entity/Client Contact Title: Director, Performance Measurement	
Entity/Client Address: 2003 Western Avenue Suite 600 Seattle, WA 98121		Entity/Client Contact Phone Number: 206 448 2570 x112 Entity/Client Contact Email Address: mpregler@pugetsoundhealthalliance.org	
Entity/Client Project Name: MedInsight		Beginning Date of Experience: September 2006 (Month/Year)	Ending Date of Experience: Ongoing (Month/Year)
Proposer's Project Manager Name: Lynn McLaren			
Is the site still in production? Yes		Was Proposer the - Prime	
<p>Describe how the related service shows the Proposer's experience, capability, and capacity to develop the Deliverables or to achieve the work using the software. List related service provided, including:</p> <p>Milliman is a key partner with PSHA in producing its publication of the Washington Community Checkup (WACommunityCheckup.org). PSHA published, and will continue to publish, a comprehensive health care assessment of 23 clinical quality indicators spanning such disease states as diabetes, cardiac care, wellness measures, and specially developed generic drug usage indicators.</p> <p>The MedInsight team from Milliman received data from over 20 sources (including health plans and employers) which represented over 5 million lives in the greater Puget Sound area. We merged these disparate data sources using our experienced technical resources and MedInsight technology to create the measurement results and corresponding reports down to the individual clinic level. Milliman programmed its proprietary clinical measures that were used by PSHA to produce the Community Checkup report, which has now been released publically four times. This is the first such venture in the Pacific Northwest and it was met with great fanfare in the Puget Sound Community.</p> <ul style="list-style-type: none"> Was the project completed on schedule and within budget (explain any variance). This project was completed within budget. The completion timeline was delayed for approximately six months. Factors negatively impacting completion included: a number of data suppliers were slow to create their data extracts and provide to Milliman and key staff turnover at PSHA. Number and name of staff that have worked on this referenced website that would also work on this RFP's project. Milliman staff members who participated in this project that will be involved in this RFP's project include: Lynn McLaren, Roger Connelly, Jono Green, Janet Rinn, Kris Bjarnason, Rich Moyer and Kent Sacia. 			

Attachment G – MedInsight Standard Reports

MedInsight® Standard Reports	
Claims Audit Reports	
Claims Audit Detail Report	Claims Audit Summary Report
Claims Management Reports	
Claims Inventory Chart Report	Claims Processing Report Card Report
Claims Lag Summary Report	Claims Processing Summary Report
Claims Processing Accounting Report	
Data Validation Reports	
Data Audit Details Report	Data Audit Summary Report
Episode Risk Groups Reports	
Episode Risk Group: Future High Cost Enrollees Report	Episode Risk Groups: Summary Risk Scores Report
Episode Treatment Groups Reports	
ETG Summary Report	MPC/ETG Time Period Comparison Report
ETG Time Period Comparison Report	MPC Summary – Validation Report
MPC/ETG Summary Report	Percent of Claims Grouped – Validation Report
Executive Summary Reports	
Administrative Cost Report	Financial Results Report
Administrative Quality Report	
Financial Management Reports	
Claims Completion Report	Detailed Claims Inventory Report
Claims Inventory Aging Report	HCG Summary Amounts (Complete) Report
Claims Inventory Triangle Report	HCG Summary Amounts (Incomplete) Report
Claims Inventory Triangle Facility Report	Network and Benefit Savings Report
Claims Inventory Triangle Physician Report	Profit and Loss Detail Report
Claims Lag Triangle Report	Profit and Loss Summary Report
Claims Lag Triangle Facility Report	Stop Loss Report
Claims Lag Triangle Physician Report	Trend Summary.xls Report
Medical Utilization Reports	
Facility Summary Report	LOS Benchmarks by Billing Provider Report
HCG Benchmark Compare Report	LOS Benchmarks by Month Report
HCG Benchmark Age/Sex/MSA Adjusted Report	LOS Benchmarks by PCP Report
HCG Comparison Report	LOS Summary Report
HCG Summary Measures (Complete) Report	LOS Summary by HCG Report
HCG Summary Measures (Incomplete) Report	LOS Summary by Month Report
HCG Trends Report	PCP Profile Report
Inpatient Utilization Summary (Complete) Report	Top 20 DRG's by Provider Report
Inpatient Utilization Summary (Incomplete) Report	Top DRG's Summary Report
Large Claims by PCP Report	Top 20 ICD9 Diagnoses by Provider Report
Operational Performance Reports	
Customer Service Report Card Report	Operational FTE Summary Report
Member Months Summary Report	Performance Measures List Report
Membership by Age, Sex and Relationship Report	Sales Department Report Card Report
Membership Report Card Report	Staffing Summary Report
Operational Efficiency Summary Report	
Risk And Severity Reports	
PCP Profile with Risk Adjustment Report	Risk Profile by Grouping Report

Attachment H – Disaster Recovery Plan

MedInsight Disaster Recovery Plan

Introduction

This disaster recovery plan is for the Milliman *MedInsight*® co-location facility located off-site. It contains procedures to use in case of an emergency situation affecting the operation of the MedInsight co-location facility. While we hope that emergencies will not occur, we believe that proper preparation and an understanding of the procedures to follow in the event of an emergency will enable us to minimize client downtime of our Administrative Service Provider (ASP) services.

Due to the confidential nature of our Disaster Recovery procedures, we have omitted areas that we believe are sensitive and could impact the security of our operations.

Purpose and Scope of This Plan

This plan has been designed and written to be used in the event of a disaster affecting Milliman at the MedInsight co-location site. This plan is structured around teams, with each team having a set of specific responsibilities. The decision to initiate disaster recovery procedures will be taken by the Disaster Management Team Leader or his deputy after assessing the situation following a disaster or crisis.

If the Disaster Management Team Leader decides to initiate disaster recovery procedures, then all members of the recovery teams will follow the procedures contained in this plan until recovery is complete. This plan contains all the information necessary to restore an operational service in the event of a serious disruption of computer services at the MedInsight co-location facility.

Updating This Plan

It is the responsibility of Deputy Operations Team (DOT) Leader to ensure that procedures are in place to keep this plan up to date. If, while using the plan, you find any information which is incorrect, missing or if you have a problem in understanding any part of this plan please inform DOT Leader so that it may be corrected. It is important that everyone understands their role as described in this plan. Updated versions of the plan are distributed to the authorized recipients, listed in the Distribution List section, below.

Distribution List

The Deputy Operations Team (DOT) Leader is responsible for distributing this plan. Each Disaster Recovery Team member listed in the table below receives two copies of this plan. One copy is to be kept at the place of work and the other copy at home or other safe offsite location. In addition, the designated Disaster Recovery team leaders for key areas (see below for titles) must ensure that each team member has two copies of the plan.

Role
Disaster Management Team Leader
Deputy Disaster Management Team Leader
Disaster Management Team Member
Operations Team Leader
Deputy Operations Team Leader
Facilities Team Leader
Communications Team Leader

Plan Objectives

A disaster is defined as an incident which results in the loss of computer processing at the co-location MedInsight facility to the extent that relocation to an alternative site must be considered. A disaster can result from a number of accidental, malicious or environmental events such as fire, earthquake, terrorist attack, human error, or hardware failures.

The primary objective of this Disaster Recovery Plan is to ensure the continued operation of identified business critical systems in the event of a disaster.

It is our goal to test this plan on a yearly basis.

Specific goals of the plan are:

- To be operational at the standby facility within five working days of a standby invocation.
- To restore MedInsight services at the primary site as quickly as possible.
- To minimize the disruption to MedInsight's business.

Recovery Teams and Responsibilities

This section defines the functional responsibilities of each recovery team.

Disaster Management Team

The Disaster Management Team is responsible for providing overall direction of the data center recovery operations. It determines the extent of the damage, activates the recovery operation, and notifies the team leaders. Its prime role is to monitor and direct the recovery effort.

The Disaster Management Team Leader is responsible for deciding whether or not the situation warrants the introduction of disaster recovery procedures. If it is decided that it does, the organization defined in this section comes into force and, for the duration of the disaster, supersedes any current management structures.

The Disaster Management Team operates from a known designated Command Center.

Responsibilities

The Disaster Management Team is responsible for the following:

- Evaluating the extent of the problem and potential consequences.
- Initiating disaster recovery procedures.
- Coordinating recovery operations.
- Making decisions about restoring the data center environment in order to provide the identified level of operational service to users.
- Managing all the recovery teams.
- Monitoring recovery operations and ensuring that the schedule is met.
- Documenting recovery operations.
- Liaising with client management.
- Expediting authorization of expenditures by other teams/members.
- Recording emergency extraordinary costs and expenditure.
- Making a detailed accounting of the damage to aid in insurance claims.
- Ensuring that appropriate arrangements are made to restore and return to the primary site within the time limits allowed for emergency mode processing.
- Approving the resulting operation at the standby facility shortly after it is operational.
- Declaring that the Disaster Recovery Plan is no longer in effect when operations are restored at the primary site.

Operations Team

The Operations Team is responsible for the data center environment and for performing tasks within that environment as well as restoring all data center operations.

Responsibilities

The Operations Team is responsible for the following:

- Providing the appropriate staffing at the standby data center in order to meet the defined level of service requirements.
- Arranging for acquisition and/or availability of necessary computer supplies.
- Ensuring that the standby equipment meets the recovery schedules.
- Installing the computer hardware, setting up the latest version of the operating system and software at the standby facility.
- Restoring local and wide area data communications services to meet the minimum level of service requirements.

- Obtaining all appropriate historical/current data from the off-site location and restoring an up to date application systems environment.
- Re-establishing software applications and databases to the last backup.
- Initiating operations at the standby facility.
- Support operable versions of all critical applications needed to satisfy the minimum operating requirements.
- Establishing processing schedule and inform management and/or client contacts.
- Providing ongoing technical support at the standby facility.
- Managing the standby facilities to meet clients' requirements.
- Performing backup activities at the standby site.
- Ensuring that all documentation for standards, operations, vital records maintenance, application programs etc. are stored in a secure/safe environment and reassembled at the standby facilities, as appropriate.

Facilities Team

The Facilities Team is responsible for overseeing all aspects of the primary site such as physical security, and salvage/disposal of original equipment.

Responsibilities

- Controlling security at the damaged site.
- In conjunction with the Operations Team, evaluating the damage and identifying equipment which can be salvaged.
- Arranging transport of any salvageable equipment to the standby facility.
- As soon as the standby site is occupied, cleaning up the disaster site and securing that site to prevent further damage.
- Communicating with staff at primary site to evaluate likelihood and/or timeliness of restoring services there.
- Coordinating any efforts between primary site and standby site.
- Supplying information for initiating insurance claims.

Communications Team

The Communications Team is responsible for obtaining communications directives from the Disaster Management Team Leader, and communicating information during the disaster and restoration phases to employees, clients, and the media.

Responsibilities

- Liaising with the Disaster Management Team to obtain directives on the messages to communicate.
- Informing clients and employees of recovery progress and of any potential delays.
- Making statements to local, national and international media, as appropriate.
- Ensuring that there are no miscommunications that could damage the image of the company.
- Any other public relations.

Disaster Steps and Scenarios

The First Steps for the Recovery Teams

In the case of a disaster as defined above which results in the loss of service in the MedInsight co-location facility, anyone on the team in a position to do so should give an initial assessment to the Disaster Management Team Leader, and also report any actions that have been taken.

The Next Steps

The Disaster Management Team Leader decides whether to activate the Disaster Recovery Plan, and which recovery scenario will be followed (defined below).

The recovery teams then follow the defined recovery activities and act within the responsibilities of each team, as defined in this Disaster Recovery Plan.

Scenario One: Minor Damage

In this scenario, only a part of the computer processing environment is out of action, but the communication lines and network are still up and running. The goal of the recovery process is to first determine whether unavailable services must be restored at the Standby Facility, the primary site, or whether both unavailable and available services should be moved to the Standby Facility.

Action Plan

Task	Team
Evaluate damage	All
Identify effected applications	Operations
Request appropriate resources (Standby Facility and equipment)	Disaster Management/Operations
Obtain appropriate backups	Operations
Restore effected applications at site determined in step above	Operations
Inform effected clients of status and any change in access procedures	Communications
Order and implement any additional equipment for restoring normal operation	Operations
Inform clients of normal operation	Communications

Scenario Two: Major Damage

In this scenario, the entire computer processing environment (or most of it) is out of action. Communication lines and the network are non-operational. The goal of the recovery process in this scenario is to move all identified applications to the Standby Facility.

This scenario requires a full recovery procedure, as documented in this Disaster Recovery Plan.

Disaster Management Team Tasks – Immediate

1. Receive an initial assessment of the nature and extent of the problem.
2. Decide whether to activate the Plan.
3. Alert all team leaders.
4. Alert and mobilize all other team members.
5. Call an initial meeting of the recovery team leaders with the following objectives:
 - a. Define the problem, the extent of the disruption, its consequences and the probable implications for the foreseeable future.
 - b. Set up a specified location as a Control Center.
 - c. Agree on each team’s objectives for the next three hours.
6. Set up a second meeting for three hours later.

Disaster Management Team Tasks – Within Three Hours

1. Have second meeting of the recovery team leaders with the following objectives:
 - a. Receive reports from the recovery team leaders.
 - b. Agree on each team’s objectives for the next twenty-four hours, including priority of systems to be restored.
2. Set up a third meeting for twenty-four hours later.

Disaster Management Team Tasks – Within Twenty-Four Hours and Ongoing

1. Agree on installation schedule with Operations Team.
2. Prepare plans for the transition to the Standby Facility.
3. Act as the main point of contact between all teams.

4. Monitor on a regular basis all activities to exercise and maintain control over delivery and installation dates.
5. Document progress against agreed upon schedules.

Operations Team Tasks – Immediate

1. Attend the initial meeting called for recovery team leaders.
2. Alert and mobilize all other team members.

Operations Team Tasks – Within Three Hours

1. Ensure that all staff understands their roles.
2. Prepare an inventory of all equipment requiring replacement in order to restore all production processes.
3. Order replacement equipment as required (in conjunction with the Disaster Management Team Leader for expenditure approval).
4. Contact Standby Facility to make arrangements for re-location of data center operations.
5. Obtain most recent backup sets.
6. Make necessary travel arrangements for and if possible, deploy members to Standby Facility.
7. Report back at the second meeting of recovery team leaders.

Operations Team Tasks – Within Twenty-Four Hours and Ongoing

1. Leader to report back at the third meeting of recovery team leaders.
2. Initiate 'interim' backup procedures for priority systems.
3. Continually update team leader(s) with status reports.
4. Restore remaining production systems once priority systems are running.

Facilities Team Tasks – Immediate

1. Attend the initial meeting called for recovery team leaders.
2. Alert and mobilize all other team members.

Facilities Team Tasks – Within Three Hours

1. Ensure that all staff understands their roles.
2. Perform tasks as assigned in first meeting, which may include going to primary site to make sure it is secured, and look for any equipment that is salvageable.
3. Report back at the second meeting of recovery team leaders.

Facilities Team Tasks – Within Twenty-Four Hours and Ongoing

Continue to perform tasks as assigned by the Disaster Management Team Leader.

Communications Team Tasks – Immediate

1. Attend the initial meeting called for recovery team leaders.
2. Alert and mobilize all other team members.

Communications Team Tasks – Within Three Hours

1. Liaison with the Management Disaster team to agree on the information to be communicated.
2. Communicate with other employees.
3. Communicate to clients and inform them of the situation and give them any timeframes for service to be restored, if possible.
4. If applicable, issue a statement to local, national and international press, as appropriate.

Communications Team Tasks – Within Twenty-Four Hours and Ongoing

Continue to update employees and clients.

Primary Command Center

If the Milliman primary command center is intact following the disaster, the command center will remain at its current site.

Alternative Command Center

If an alternative command center is necessary, Milliman has a designated alternative command center known by the Disaster Recovery team.

Standby Alert Confirmation Sheet

The following form is used to confirm the invocation of the Standby Facility. It must be completed by the Disaster Management Team Leader and communicated to the Standby Facility Vendor at:

Company Name:	
Address:	
Disaster Alert Agreement Number:	
Designated Site:	
Nature of Disaster:	
Estimated Duration of Usage of Standby Facility:	
Date Usage to Start:	
Name:	
Signature:	
Date:	

The Data Storage Location(s)

Milliman maintains data and vital information back-up on a routine basis in known secured locations.

Related Documentation

This section contains references to other key documentation which must be copied and kept in the vault location, together with 10 copies of this Disaster Recovery Plan.

Data Backup and Recovery Plan

All MedInsight servers are located in a highly secured co-location facility. The Deputy Operations Team (DOT) Leader and a member of the Operations Team are responsible for the backing up of information on these servers. The following is an outline of the MedInsight server backup routine:

1. All SQL servers have their source code scripted out on a nightly basis to a central location. This central location is then backed up later that evening to the main backup SAN.
2. All SQL servers have their key, source data and/or source tables backed up on a monthly basis to the main backup SAN.
3. All servers within the domain are backed up on a nightly basis. These backups are stored on the main backup SAN. Included in these backups are all user files (Excel, Word, Powerpoint, Access, zip, text, DI description files, DI diveplans, DI divebooks).

The main backup SAN is copied off-site on a weekly basis to a secure site. This copy takes place over a private line that only key MedInsight staff has access to.

Attachment I – Peripheral Agreements

ATTACHMENT B

DEFINED QUERIES AND RESPONSE TIME METRICS

The following Defined Queries and associated Response Time Metrics shall be used to test the performance and responsiveness of the Software and the ASP Service (subject to revision based on final agreed-upon report definition):

Defined Query	Response Time Metric
Claims Audit Detail Report	Less than ten seconds
Claims Audit Summary Report	Less than ten seconds
Data Audit Details Report	Less than ten seconds
Data Audit Summary Report	Less than ten seconds
ETG Summary Report	Less than ten seconds
Percent of Claims Grouped – Validation Report	Less than ten seconds
Inpatient Utilization Summary (Complete) Report	Less than ten seconds
Inpatient Utilization Summary (Incomplete) Report	Less than ten seconds
Top DRG's Summary Report	Less than ten seconds
Member Months Summary Report	Less than ten seconds

ATTACHMENT C

RESERVED

ATTACHMENT D

Part 1

BUSINESS ASSOCIATE AGREEMENT

This BUSINESS ASSOCIATE AGREEMENT (“Agreement”) is entered into effective the 27 day of January, 2011 by and between the State of Oregon acting by and through the Oregon Health Authority’s Office for Oregon Health Policy and Research (“Client”) and Milliman, Inc. (“Milliman”).

RECITALS

- A. Client is a Covered Entity and is therefore subject to the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and its implementing regulations, including the Standards for Privacy of Individually Identifiable Health Information (the “Privacy Rule”) and the Security Standards for the Protection of Electronic Protected Health Information (the “Security Rule”), and Subtitle D of the Health Information Technology for Economic and Clinical Health Act (“HITECH”) enacted as part of the American Recovery and Reinvestment Act of 2009 (collectively, HIPAA, the Privacy Rule, Security Rule and HITECH shall be referred to herein as the “HIPAA Regulations”).
- B. Protected Health Information received from Client or created or received by Milliman on behalf of Client (“PHI”) may be needed for Milliman to perform the services (the “Services”) requested by Client and described in any underlying agreement between the parties (the “Underlying Agreement”).
- C. To the extent Milliman needs to access PHI to perform the Services, it will be acting as a Business Associate of Client and will be subject to certain provisions of the HIPAA Regulations.
- D. Milliman and Client wish to set forth their understandings with regard to the use and disclosure of PHI by Milliman so as to comply with the HIPAA Regulations.

AGREEMENTS

In consideration of the Recitals and the mutual agreements below, the parties agree as follows:

1. Defined Terms. Capitalized terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the HIPAA Regulations.
2. Milliman's Obligations and Permitted Activities.
 - (a) Milliman agrees to not use or further disclose PHI other than as required to perform the Services, requested by Client or Required By Law, or as otherwise permitted herein.

- (b) Milliman agrees to use reasonable safeguards to prevent use or disclosure of PHI other than as provided for by this Agreement, and shall develop, implement, maintain and use appropriate administrative procedures, and physical and technical safeguards, to reasonably preserve and protect the confidentiality, integrity and availability of electronic PHI.
- (c) Milliman agrees to report to Client, without unreasonable delay and in no case later than five (5) business days following actual knowledge by Milliman:
 - (i) Any use or disclosure of PHI not provided for by this Agreement.
 - (ii) Any Security Incident of which Milliman becomes aware; provided, however, that the parties acknowledge and agree that this section constitutes notice by Milliman to Client of the ongoing existence and occurrence of attempted but Unsuccessful Security Incidents of which no additional notice to Client shall be required. Unsuccessful Security Incidents shall include, but not be limited to, pings and other broadcast attacks on Milliman's firewall, port scans, unsuccessful log-on attempts, denials of service and any combination of the above, so long as such incidents do not result in unauthorized access, use or disclosure of Client's electronic PHI.
 - (iii) Any Breach of Unsecured PHI, as defined in 45 CFR 164.402. Following the initial notification of any such Breach, Milliman shall provide a report to Client that includes, to the extent possible: [A] a brief description of what happened, including the date of occurrence and the date of the discovery by Milliman; [B] a description of the PHI affected, including the names of any Individuals whose PHI has been or is reasonably believed to have been accessed, acquired or disclosed and the types of PHI involved (such as full name, social security number, date of birth, home address, account numbers, etc.); and [C] a brief description of what Milliman has done to investigate the Breach, to mitigate harm to Individuals, and to protect against any further Breaches. Milliman also shall provide to Client any other available information Client is required to include in its notification to affected Individual(s).
- (d) Milliman agrees to ensure that any agent or subcontractor to whom it provides PHI agrees to the same or substantially similar restrictions and conditions as those that apply to Milliman through this Agreement with respect to such PHI.
- (e) Milliman shall make its internal policies, procedures and records relating to the use and disclosure of PHI reasonably available to the Secretary or to Client if necessary or required to assess Milliman's or the Client's compliance with the HIPAA Regulations.
- (f) It is not anticipated that Milliman will maintain a Designated Record Set on behalf of Client; however, if Milliman maintains a Designated Record Set on behalf of Client, Milliman agrees to, at Client's written request: (i) provide access to such PHI in order

to assist Client in meeting its obligations under the Privacy Rule, and (ii) make any amendment(s) to such PHI as Client so directs or agrees to pursuant to the Privacy Rule.

- (g) So that Client may meet its disclosure accounting obligations under the HIPAA Regulations, Milliman agrees to document disclosures of PHI made by Milliman which are not excepted from disclosure accounting requirements under the HIPAA Regulations.
- (h) Milliman may disclose PHI for Milliman's proper management and administration, provided that: (i) Milliman obtains reasonable assurances from the person to whom PHI is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person; and (ii) the person notifies Milliman of any instances of which it is aware in which the confidentiality of PHI has been breached. Milliman also may make disclosures that are required by law.
- (i) Milliman may use PHI to provide Data Aggregation services to Client as permitted by the Privacy Rule.
- (j) Milliman may, at its option:
 - (i) Deidentify PHI in accordance with the requirements of the Privacy Rule and maintain such deidentified health information indefinitely; provided that all identifiers are destroyed or returned in accordance with this Agreement.
 - (ii) Create a Limited Data Set for the purpose of providing the Services, provided that Milliman:
 - [a] Does not use or further disclose PHI contained in the Limited Data Set except as necessary to provide the Services or as provided for in this Agreement or otherwise Required By Law;
 - [b] Uses appropriate safeguards to prevent the use or disclosure of PHI contained in the Limited Data Set other than as provided for by this Agreement;
 - [c] Reports to Client any use or disclosure of PHI contained in the Limited Data Set of which Milliman becomes aware that is not provided for by this Agreement;
 - [d] Ensures that any agents or subcontractors to whom it provides access to the Limited Data Set agree to the same restrictions and conditions that apply to Milliman under this Agreement; and
 - [e] Does not re-identify PHI or contact the Individuals whose information is contained within the Limited Data Set.

3. Client's Obligations.

- (a) Client shall not request Milliman to use or disclose PHI in any manner that would not be permissible under the Privacy Rule or the Security Rule if done by Client.
- (b) Client shall not provide Milliman with more PHI than that which is minimally necessary for Milliman to provide the Services and, where possible, Client shall provide any PHI needed by Milliman to perform the Services in the form of a Limited Data Set, in accordance with the HIPAA Regulations.
- (c) Client shall clearly and conspicuously designate all PHI as such before providing it to Milliman.
- (d) Client acknowledges and agrees that neither this Agreement nor the Underlying Agreement requires Milliman to make any disclosure for which an accounting would be required under the HIPAA Regulations. Client further agrees that it shall be solely responsible for tracking and providing Individuals an accounting of any disclosures made by Client to Milliman.
- (e) Client acknowledges and agrees that the provisions of section 2(j)(ii) of this Agreement shall constitute a Data Use Agreement between the parties.

4. Term and Termination.

- (a) Term. This Agreement shall be effective as of the date first written above, and shall terminate when all PHI is destroyed or returned to Client. If Milliman determines, in accordance with subsection 4(c)(ii) below, that it is infeasible to return or destroy PHI, the protections of this Agreement with respect to such PHI shall remain in effect until such PHI is returned or destroyed.
- (b) Termination. Upon a party's knowledge of a material breach by the other party, the nonbreaching party shall either:
 - (i) Provide an opportunity for the breaching party to cure the breach or end the violation and terminate this Agreement if the breaching party does not cure the breach or end the violation within the time specified by the nonbreaching party; or
 - (ii) Immediately terminate this Agreement if the breaching party has breached a material term of this Agreement and cure is not possible.
- (c) Effect of Termination.
 - (i) Except as otherwise provided in subsection 4(c)(ii) below, upon termination of this Agreement for any reason, Milliman shall return or destroy all PHI. This provision shall also apply to PHI that is in the possession of subcontractors or agents of Milliman.

- (ii) If Milliman determines that returning or destroying any or all PHI is infeasible, the protections of this Agreement shall continue to apply to such PHI, and Milliman shall limit further uses and disclosures of PHI to those purposes that make the return or destruction infeasible, for so long as Milliman maintains such PHI. Client hereby acknowledges and agrees that infeasibility includes Milliman's need to retain PHI for purposes of complying with its work product documentation standards.

5. Miscellaneous.

- (a) **Regulatory References.** A reference in this Agreement to a section in the HIPAA Regulations means the section as in effect or as amended, and for which compliance is required.
- (b) **Amendment.** Upon the effective date of any final regulation or amendment to the HIPAA Regulations, this Agreement shall be deemed automatically amended so that the obligations it imposes on the parties remain in compliance with such regulations. Following amendment of the Agreement in this manner, the parties shall, as necessary, work together to clarify their respective obligations with respect to any new requirements under the modified HIPAA Regulations.
- (c) **Independent Contractors.** Milliman and Client are independent contractors and this Agreement will not establish any relationship of partnership, joint venture, employment, franchise or agency between Milliman and Client. Neither Milliman nor Client will have the power to bind the other or incur obligations on the other party's behalf without the other party's prior written consent, except as otherwise expressly provided in this Agreement.
- (d) **Conflicts.** Any provision of the Underlying Agreement that is directly contradictory to one or more terms of this Agreement ("Contradictory Term") shall be superseded by the terms of this Agreement only to the extent of the contradiction, only for the purpose of the parties' compliance with the HIPAA Regulations and only to the extent that it is reasonably impossible to comply with both the Contradictory Term and the terms of this Agreement.
- (e) **Entire Agreement.** This Agreement shall constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, oral or written, and all other communications between the parties hereto relating to such subject matter.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

MILLIMAN, INC.

[CLIENT]

By Kent J. Sacia

By [Signature]

Name KENT J. SACIA

Name Sean Kohler

Title PRINCIPAL

Title Deputy Administrator

ATTACHMENT D

Part 2

HITECH ACT ADDENDUM TO BUSINESS ASSOCIATE AGREEMENT

This HITECH Act Addendum (“Addendum”) is entered into and effective the 27 day of January, 2011 by and between the State of Oregon acting by and through the Oregon Health Authority’s Office for Oregon Health Policy and Research (“Client”) and Milliman, Inc. (“Milliman”) and pertains to and is made a part of the business associate agreement between the parties (the “BAA”). Capitalized terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in the HIPAA Regulations (as defined below).

- A. Congress enacted the Health Information Technology for Economic and Clinical Health Act in 2009 (the “HITECH Act”), which amended the Health Insurance Portability and Accountability Act of 1996 and its implementing privacy and security regulations codified at 45 CFR Parts 160 and 164 as may be amended from time to time (collectively, including the changes enacted by the HITECH Act, the “HIPAA Regulations”).
- B. The changes to the HIPAA Regulations require Covered Entities and Business Associates to amend existing terms and conditions of their Business Associate Agreements.
- C. The BAA establishes the terms and conditions of Milliman's use of PHI (as defined in the BAA) to perform certain services on behalf of Client (the “Services”) as described in the underlying agreement(s) between the parties.
- D. The Parties desire to amend the existing BAA to comply with the HITECH Act and changes to the HIPAA Regulations.

NOW, THEREFORE, in consideration of these premises and the mutual promises and agreements hereinafter set forth, Client and Milliman hereby agree to amend the BAA as follows:

- 1. The following provisions shall be added to the BAA:
 - a) Milliman shall comply with the new requirements of the HIPAA Regulations that apply to Business Associates enacted by the HITECH Act and, in doing so, shall:
 - i) Develop, implement, maintain and use appropriate administrative, physical, and technical safeguards as required by sections 164.308, 164.310, 164.312 and 164.316 of title 45, Code of Federal Regulations to prevent any use or disclosure of PHI other than as provided for in the BAA or this Addendum, to the same extent as if Milliman were a Covered Entity, and comply with any other privacy and security requirements of Business Associates imposed under the HITECH Act or HIPAA Regulations.

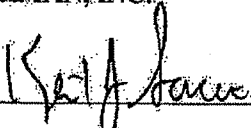
- ii) Report to Client, without unreasonable delay and in no case later than five (5) business days following actual knowledge by Milliman any Breach of Unsecured PHI, as defined in 45 CFR 164.402. Following the initial notification of any such Breach, Milliman shall provide a report to Client that includes, to the extent possible: A) a brief description of what happened, including the date of occurrence and the date of the discovery by Milliman; B) a description of the PHI affected, including the names of any Individuals whose PHI has been or is reasonably believed to have been accessed, acquired or disclosed and the types of PHI involved (such as full name, social security number, date of birth, home address, account numbers, etc.); and C) a brief description of what Milliman has done to investigate the Breach, to mitigate harm to Individuals, and to protect against any further Breaches. Milliman also shall provide to Client any other available information Client is required to include in its notification to affected Individual(s).
- b) Client agrees that:
 - i) Where possible, Client shall provide any PHI needed by Milliman to perform the Services in the form of a Limited Data Set. Client also acknowledges and agrees that the provisions in the BAA and this Addendum related to a Limited Data Set shall constitute a Data Use Agreement.
 - ii) Client shall be solely responsible for tracking and providing Individuals an accounting of any disclosures made by Client to Milliman.
- 2. The parties agree that the termination for breach provision in the BAA is hereby amended to allow Milliman the same termination rights as Client.
- 3. The parties agree that the amendment provision in the BAA shall be deleted and replaced in its entirety with the following language: “Upon the effective date of any final regulation or amendment to the HIPAA Regulations, this BAA shall be deemed automatically amended so that the obligations it imposes on the parties remain in compliance with such regulations. Following amendment of the BAA in this manner, the parties shall, as necessary, work together to clarify their respective obligations with respect to any new requirements under the modified HIPAA Regulations.”
- 4. The parties agree that the following provision shall be added to the BAA: “Milliman and Client are independent contractors and this BAA will not establish any relationship of partnership, joint venture, employment, franchise or agency between Milliman and Client. Neither Milliman nor Client will have the power to bind the other or incur obligations on the other party’s behalf without the other party’s prior written consent, except as otherwise expressly provided in this BAA.”
- 5. Except to the extent amended by this Addendum, the terms and conditions set forth in the BAA shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

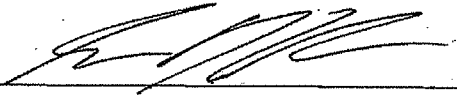
MILLIMAN, INC.

[CLIENT]

By



By



Name

KENT J. STACIA

Name

Sean Kolmer

Title

PRINCIPAL

Title

Deputy Administrator

ATTACHMENT E

SYMMETRY PASS-THROUGH ADDENDUM

The parties understand and acknowledge that the Software incorporates certain Episode Treatment Groups™ Software ("ETG") and Episode Risk Groups™ Software ("ERG") owned by Symmetry Health Data Systems, Inc., an Ingenix company ("Symmetry") and used under license by Milliman. The following provisions are required provisions passed through from the Milliman's license with Symmetry and shall apply with full force and effect to the Agreement. Where any provision of the Agreement conflicts with a provision of this Pass-through Addendum, the terms of this Pass-through Addendum shall control.

1. Licensee shall not disclose, permit to be disclosed, or otherwise resell or transfer, with or without consideration, all or any portion of the ETG or ERG cost and provider data that has been aggregated and does not include claim level detail (the "Use Data") to any third party, except that Licensee may disclose the Use Data to its consultants or agents for the purpose of assisting or advising Licensee. Prior to the release of any Use Data to Licensee's consultant or agent, such person or entity shall execute a nondisclosure agreement, in a form consistent with the language contained herein, which will prohibit such consultant or agent from using such Use Data (other than to assist or advise Licensee) and from disclosing such information to any third party. Such nondisclosure agreement must provide that Milliman and Symmetry shall be third party beneficiaries of the rights of Licensee there under.
2. Licensee may disclose the Use Data only to the extent required by law or by regulatory agencies or other entities with legal authority to examine the Use Data (and in such case only after prompt written notice to Milliman and Symmetry allowing each of them the opportunity to interpose all objections to the proposed disclosure).
3. Upon termination or expiration of the Agreement, Licensee shall destroy or return to Milliman all copies of all or any part of the MedInsight® Software in its possession or control, with the exception of archival copies.
4. Licensee acknowledges and agrees the Symmetry makes no warranty of any kind to Licensee with respect to the MedInsight® Software. Symmetry shall not be liable to Licensee for any direct, indirect, incidental, consequential, special, punitive or exemplary damages or any other legal or equitable remedies.
5. Symmetry shall be a third party beneficiary of the Agreement with respect to its proprietary rights. Symmetry shall be entitled to enforce its rights pursuant to the provisions of the Agreement related to Symmetry's proprietary rights regardless of any alleged or actual breach of the same by Milliman, claim of offset by Licensee, or any expiration or termination of the Agreement. Symmetry shall be entitled to recover reimbursement of its expenses incurred in connection with its enforcement of its rights hereunder, including, but not limited to, its reasonable attorneys' fees and costs.