



STATE OF OHIO
DEPARTMENT OF ADMINISTRATIVE SERVICES
GENERAL SERVICES DIVISION
OFFICE OF PROCUREMENT SERVICES
4200 SURFACE ROAD, COLUMBUS, OH 43228-1395

MANDATORY USE CONTRACT FOR: BENEFITS CONSULTING SERVICES

CONTRACT NUMBER: CSP905210

EFFECTIVE DATES: 06/14/10 TO 02/28/13

* Renewal through 02/28/15

The Department of Administrative Services has accepted Proposals submitted in response to Request for Proposal (RFP) No. CSP905210 that opened on February 8, 2010. The evaluation of the Proposal responses has been completed. The Offeror listed herein has been determined to be the highest ranking Offeror and has been awarded a Contract for the services listed. The respective Proposal response including, Contract Terms & Conditions, any Proposal amendment, special Contract Terms & Conditions, specifications, pricing schedules and any attachments incorporated by reference and accepted by DAS become a part of this Services Contract.

This Requirements Contract is effective beginning and ending on the dates noted above unless, prior to the expiration date, the Contract is renewed, terminated, or cancelled in accordance with the Contract Terms and Conditions.

This Requirements Contract is available to the Ohio Department of Administrative Services (DAS), Benefits Administration Services (BAS) Office as applicable.

The agency is eligible to make purchases of the contracted services in any amount and at any time as determined by the agency. The State makes no representation or guarantee that department will purchase the volume of services as advertised in the Request for Proposal.

Questions regarding this and/or the Services Contract may be directed to:

Carol Clingman, CPPB
carol.clingman@das.state.oh.us

This Requirements Contract and any Amendments thereto are available from the DAS Web site at the following address:

www.ohio.gov/procure

* To advise of renewal of the contract through 02/28/15.

MUTUALLY AGREED TO CHANGES AND CLARIFICATIONS TO THE ORIGINAL RFP DOCUMENT

ATTACHMENT THREE: GENERAL TERMS AND CONDITIONS, PART TWO: WORK & CONTRACT ADMINISTRATION

RECORD KEEPING language on page 32 – the 2nd paragraph is modified as follows:

The Contractor will keep a separate accounting of fees, costs, billings, revenue for the Project. All payments made associated with the Project will be only for obligations incurred in the performance of this Contract and will be supported by contracts, invoices, vouchers, and any other data needed to audit and verify the payments. All payments made associated with the Project will be for obligations incurred only after the effective date of this Contract unless the State has given specific written authorization for making prior payments.

ATTACHMENT THREE: GENERAL TERMS AND CONDITIONS, PART THREE: OWNERSHIP & HANDLING OF INTELLECTUAL PROPERTY & CONFIDENTIAL INFORMATION

CONFIDENTIALITY language on page 38 – the 5th paragraph is modified as follows:

Except for Confidential Information that the Contractor delivers to the State and that is part of a Deliverable or necessary for the proper use or maintenance of a Deliverable, the Receiving Party must return all originals of any Confidential Information and destroy any copies it has made within thirty-two (32) days of termination or expiration of this Contract.

HANDLING OF THE STATE'S DATA language on page 39 and page 40 the 2nd, 6th, 9th, and 10th paragraphs are modified as follows:

2nd paragraph:

The Contractor must maintain a robust boundary security capacity that incorporates generally recognized system hardening techniques. This includes determining which ports and services are required to support access to systems that hold State data, limiting access to only these points, and disable all others. To do this, the Contractor must use assets and techniques such as properly configured firewalls, a demilitarized zone for handling public traffic, host-to-host management, Internet protocol specification for source and destination, strong authentication, encryption, packet filtering, activity logging, and implementation of system security fixes and patches as they become available. The Contractor must use two-factor authentication for remote access to limit access to systems that contain particularly sensitive state data, such as personally identifiable data.

6th paragraph:

The Contractor may not allow the State's data to be loaded onto portable computing devices or portable storage components or media unless necessary to perform its obligations under this Contract properly. Even then, the Contractor may permit such only if adequate security measures are in place to ensure the integrity and security of the data. Those measures must include a policy on physical security for such devices to minimize the risks of theft and unauthorized access that includes a prohibition against viewing sensitive or confidential data in public or common areas. At a minimum, portable computing devices must have anti-virus software, personal firewalls, and system password protection. In addition, the State's data must be encrypted when stored on any portable computing or storage device or media or when transmitted from the outside Contractor's data network. The Contractor also must maintain an accurate inventory of all such devices and the individuals to whom they are assigned.

9th paragraph:

In case of an actual security breach that may have compromised state data, including, but not limited to, loss or theft of unencrypted devices or media, the Contractor must notify the State in writing of the breach within 24 hours of the Contractor becoming aware of the breach, and fully cooperate with the State to mitigate the consequences of such a breach. This includes any use or disclosure of the state data that is inconsistent with the terms of this Contract and of which the Contractor becomes aware, including but not limited to, any discovery of a use or disclosure that is not consistent with this Contract by an employee, agent, or subcontractor of the Contractor.

10th paragraph:

The Contractor must give the State access to the material details of the breach relevant to the State and assist the State in making any notifications to potentially affected people and organizations that the State deems are necessary or appropriate. The Contractor must document all such incidents, including its response to them, and make that documentation available to the State on request. In addition to any other liability under this Contract related to the Contractor's improper disclosure of state data, and regardless of any limitation on liability of any kind in this Contract, the Contractor, upon the written request of the State for breaches caused by the Contractor or its subcontractors, will be responsible for acquiring one year's identity theft protection service on behalf of any individual or entity whose personally identifiable information is compromised while it is in the Contractor's possession. Such identity theft protection must be reasonably comparable to the standard service that Debix, Inc. or the leading credit rating agencies offer.

MUTUALLY AGREED TO CHANGES AND CLARIFICATIONS TO THE ORIGINAL RFP DOCUMENT (Cont'd)

HEALTH INSURANCE PORTABILITY & ACCOUNTABILITY ACT (HIPAA) REQUIREMENTS language on page 40 the 1st paragraph is modified as follows and the 2nd and 3rd paragraphs are deleted in their entirety.

As a condition of receiving a contract from the State, the Contractor and the State have entered into a Business Associate Agreement to set forth contractor's compliance obligations with 42 U.S.C. Sections 1320d through 1320d-8, and to implement regulations at 45 C.F.R. Section 164.502 (e) and 164.504 (e) [relating to privacy] and 164.308 and 164.314 [relating to security] regarding disclosure and safeguarding of protected health information under the Health Insurance Portability and Accountability Act (HIPAA) of 1996.

OWNERSHIP OF DELIVERABLES language on page 41 the 2nd paragraph is modified as follows:

The Contractor may grant the State a worldwide, non-exclusive, royalty free, perpetual license to use, modify, sell, and otherwise distribute all Pre-existing Materials that are incorporated in any custom-developed Deliverable rather than grant the State ownership of the Pre-existing Materials provided however, that the State may distribute such Pre-existing materials to the extent required by governmental funding mandates. The Contractor will not include in any custom Deliverable any intellectual property unless such has been created under this Contract or qualifies as Pre-existing Material. On the request of the Contractor, the State will incorporate any proprietary notice the Contractor may reasonably want for any Pre-existing Materials included in a custom Deliverable in all copies the State makes of that Deliverable.

ATTACHMENT THREE: GENERAL TERMS AND CONDITIONS, PART FOUR: REPRESENTATIONS, WARRANTIES, AND LIABILITIES

LIMITATION OF LIABILITY language on page 43 the 2nd paragraph is modified as follows:

NOTWITHSTANDING ANY LIMITATION PROVISIONS CONTAINED IN THE DOCUMENTS AND MATERIALS INCORPORATED BY REFERENCE INTO THIS AGREEMENT, THE PARTIES AGREE AS FOLLOWS:

1. NEITHER PARTY WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND, INCLUDING BUT NOT LIMITED TO LOST PROFITS, EVEN IF THE PARTIES HAVE BEEN ADVISED, KNEW, OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.
2. THE CONTRACTOR FURTHER AGREES THAT THE CONTRACTOR SHALL BE LIABLE FOR ALL DIRECT DAMAGES DUE TO THE FAULT OR NEGLIGENCE OF THE CONTRACTOR IN ACCORDANCE WITH THE FOLLOWING PARAGRAPH:
3. NOTWITHSTANDING ANY OTHER PROVISION HEREOF OR OF APPLICABLE LAW, THE CONTRACTOR AND STATE AGREE THAT THE LIABILITY OF THE CONTRACTOR IN CONNECTION WITH THE PROVISIONS OF THE SERVICES PURSUANT HERETO WILL BE LIMITED TO DIRECT LOSSES THE STATE SUFFERS AS A RESULT OF THE NEGLIGENCE AND/OR ERRORS OR OMISSIONS OF THE CONTRACTOR, UP TO, BUT IN NO EVENT TO EXCEED \$5 MILLION DOLLARS.

COST SUMMARY

DESCRIPTION (Per Attachment One, Section D., Program Requirements – Scope of Work)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Item 1 – Health Plan RFP. Estimated hours to perform the Work:		_____ 520 _____ hrs			_____ 520 _____ hrs	
Cost to perform work:		\$ 178,600			\$ 178,600	
Item 2 - Consulting Service. Estimated hours to perform the Work:	_____ 100 _____ hrs	_____ 118 _____ hrs	_____ 87 _____ hrs	_____ 152 _____ hrs	_____ 150 _____ hrs	_____ 150 _____ hrs
Cost to perform work:	\$ 40,000	\$ 46,600	\$ 34,600	\$ 60,000	\$ 60,000	\$ 60,000
Item 3 - Collective Bargaining Preparation. Estimated hours to perform the Work:		_____ 19 _____ hrs	_____ 68 _____ hrs		_____ 50 _____ hrs	_____ 100 _____ hrs
Cost to perform work:		\$ 7,220	\$ 25,780		\$ 19,000	\$ 38,000
Item 4 – Annual Health Plan Renewals/Fees Estimated hours to perform the Work:				_____ 91 _____ hrs \$ 32,400 (\$16,200 per plan; 2 plans)	_____ 100 _____ hrs	_____ 100 _____ hrs
Cost to perform work:				\$ 37,200	\$ 37,200	\$ 37,200
Item 5 - Annual Rate Setting – Health Plans. Estimated hours to perform the Work:		_____ 130 _____ hrs \$ 42,750 (\$8,550 per option; 5 options)	_____ 26 _____ hrs \$ 8,550 (\$8,550 per option; 1 options)	_____ 26 _____ hrs \$ 8,550 (\$8,550 per option; 1 options)	_____ 104 _____ hrs	_____ 104 _____ hrs
Cost to perform work:		\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000
Item 6 - Audits/Assessments of Health Plans. Estimated hours to perform the Work:		_____ 575 _____ hrs	_____ 575 _____ hrs			
Cost to perform Claims & Operational Audits:		\$ 165,300 (\$55,100 per audit; 3 audits)	\$ 165,300 (\$55,100 per audit; 3 audits)			
Streamline Audits (not a complete operational audit)		as determined necessary by HRD _____ hrs				
Cost to perform Streamline Audits:		\$ 135,000 (\$45,000 per audit; 3 audits)				
Claims Audits for discontinued providers:		_____ 266 _____ hrs	_____ 266 _____ hrs			
Cost to perform Claims Audits		\$ 80,000 (\$40,000 per audit; 2 audits)	\$ 80,000 (\$40,000 per audit; 2 audits)			

* To advise of additional consulting services and renewal of the contract through 2/28/15.

COST SUMMARY (CONT'D)

<u>DESCRIPTION (Per Attachment One, Section D., Program Requirements – Scope of Work)</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Item 7 a. - Audits/Assessments of Providers. Estimated hours to perform the Work:				<u>383</u> hrs	<u>382</u> hrs	<u>382</u> hrs
Cost to perform the Work:				\$ <u>110,200</u> (\$55,100 per audit; 2 audits)	\$ <u>110,200</u>	\$ <u>110,200</u>
Item 7 b. Cross Accumulation Testing				<u>34</u> hrs	<u>34</u> hrs	<u>34</u> hrs
Cost to perform the Work:				\$ <u>10,000</u> (\$5,000 per testing; 2 tests)	\$ <u>10,000</u>	\$ <u>10,000</u>
Item 8–Sample Based Claims Audit (FY09 - 11) Cost to perform the Work:		(Included in Item 6)	(Included in Item 6)			
Item 9–Sample Based Claims Audit (Post FY 11). Cost to perform the Work:				(Included in Item 7)		
Item 10 – Annual PHM Consulting. Estimated hours to perform the Work:		<u>211</u> hrs	<u>211</u> hrs	<u>211</u> hrs	<u>211</u> hrs	<u>211</u> hrs
Cost to perform the Work:		\$ <u>91,000</u>	\$ <u>91,000</u>	\$ <u>81,000</u>	\$ <u>91,000</u>	\$ <u>91,000</u>
Item 11 – PHM Program Audit Estimated hours to perform the Work:		<u>180</u> hrs		<u>180</u> hrs	<u>180</u> hrs	<u>180</u> hrs
Cost to perform the Work:		\$ <u>59,000</u>		\$ <u>59,000</u>	\$ <u>59,000</u>	\$ <u>59,000</u>
Item 12a – PHM Competitive Selection Process. Estimated hours to perform the Work:		<u>117</u> hrs	<u>143</u> hrs		<u>105.75</u> hrs	<u>154.25</u> hrs
Cost to perform the Work:		\$ <u>41,040</u>	\$ <u>50,160</u>		\$ <u>37,093</u>	\$ <u>54,107</u>
Item 12b – PHM Renewal. Estimated hours to perform the Work:					<u>50</u> hrs	<u>50</u> hrs
Cost to perform the Work:					\$ <u>18,600</u>	\$ <u>18,600</u>
Item 13 – Annual Dental Plan Rate Setting. Estimated hours to perform the Work:		Distributed to other items	Distributed to other items	Distributed to other items		
Cost to perform the Work:						
Item 14 - Annual Vision Plan Rate Setting. Estimated hours to perform the Work:		Distributed to other items per Amend. #2	Distributed to other items per Amend. #2	Distributed to other items per Amend. #2		
Cost to perform the Work:						
Item 15 - Mental Health/Substance Abuse Admin Fee Setting. Estimated hours to perform the Work:		Distributed to other items per Amend. #6	Distributed to other items per Amend. #6	Distributed to other items per Amend. #6		
Cost to perform the Work:						
Item 16 a. - Optional (Case Management). Estimated hours to perform the Work:			<u>330</u> hrs		<u>330</u> hrs	
Cost to perform the Work:			\$ <u>114,000</u>		\$ <u>114,000</u>	

* To advise of fiscal year realignment in hours and funding on Item12a.

COST SUMMARY (CONT'D)

<u>DESCRIPTION (Per Attachment One, Section D., Program Requirements – Scope of Work)</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Item 16 b. - Optional (Health Advocacy). Estimated hours to perform the Work: Cost to perform the Work:			<u>0</u> hrs \$ <u>0</u>	<u>104</u> hrs \$ <u>42,000</u>	<u>104</u> hrs \$ <u>42,000</u>	
Item 16 c. - Optional (Compliance). Estimated hours to perform the Work: Cost to perform the Work:		<u>74</u> hrs \$ <u>31,600</u>	<u>121</u> hrs \$ <u>51,600</u>	<u>121</u> hrs \$ <u>51,600</u>	<u>121</u> hrs \$ <u>51,600</u>	<u>121</u> hrs \$ <u>51,600</u>
Item 16 d. - Optional (Stop-Loss Assessment). Estimated hours to perform the Work: Cost to perform the Work:		Distributed to other items per Amend. #6				
Item 16 e. - Optional (Review Voluntary Benefit Offerings). Estimated hours to perform the Work: Cost to perform the Work:			<u>0</u> hrs \$ <u>0</u>	<u>80</u> hrs \$ <u>28,500</u>		
Item 16 f. - Optional (Ad Hoc Consulting). Estimated hours to perform the Work: Cost to perform the Work:		<u>126</u> hrs \$ <u>48,367</u>	<u>160</u> hrs \$ <u>61,317</u>	<u>160</u> hrs \$ <u>61,316</u>	<u>160</u> hrs \$ <u>61,317</u>	<u>160</u> hrs \$ <u>61,317</u>
Item 16g. – UBH Claims and Operational Audits. Estimated hours to perform the Work: Cost to perform the Work:			<u>360</u> hrs \$ <u>110,000</u>	<u>180</u> hrs \$ <u>55,000</u>	<u>180</u> hrs \$ <u>55,000</u>	<u>180</u> hrs \$ <u>55,000</u>
Cross Accumulation Testing as part of the above UBH audits. Estimated hours to perform the Work: Cost to perform the Work:			<u>85</u> hrs \$ <u>25,000</u> (\$5,000 per Cross Accumulation Testing; 5 provider plans)	<u>34</u> hrs \$ <u>10,000</u> (\$5,000 per Cross Accumulation Testing; 2 provider plans)	<u>34</u> hrs \$ <u>10,000</u>	<u>34</u> hrs \$ <u>10,000</u>
Item 16h – Behavioral Health Third Party Administrator Request for Proposal Estimated hours to perform the Work: Cost to perform the Work:				<u>245</u> hrs \$ <u>85,000</u>	<u>245</u> hrs \$ <u>85,000</u>	
<u>TOTAL NOT-TO-EXCEED COST PER FISCAL YEAR:</u>	\$ <u>40,000</u>	\$ <u>926,477</u>	\$ <u>817,307</u>	\$ <u>694,566</u>	\$ <u>1,075,610</u>	\$ <u>692,024</u>

* To advise of fiscal year realignment in hours and funding on Item12a and to update FY14 and FY15 Not-to-Exceed fiscal year totals.

CONTRACTOR INDEX

CONTRACTOR AND TERMS:

CONTRACT NO.: CSP905210-1 (02/28/13)

182179
Hewitt Associates LLC
5005 Rockside Road
Suite 1000
Independence, OH 44131

TERMS: Net 30 Days

Remit To Address:
Hewitt Associates LLC
P.O Box 95135
Chicago, IL 60694-5135

CONTRACTOR'S CONTACT: Ms. Sandy Chochola

Telephone: (216) -525-5313
Fax: (216) -573-9953
E-Mail: sandy.chochola@hewitt.com

SUMMARY OF AMENDMENTS

Amendment Number	Revision Date	Description
11	07/28/14	To advise of fiscal year realignment in hours and funding on Item 12a and to update FY14 and FY15 Not-to-Exceed fiscal year totals.
10	07/01/13	To advise of additional consulting services of Item #11 and renewal of the contract through 2/28/15.
9	03/01/13	To advise of the mutual renewal of the contract through 06/30/13 and the addition of 102 hours of consulting services for FY2013.
8	08/30/11	Add number of hours to line item 7b and change the title of line item 16h.
7	08/29/11	Adjust some funds from FY12 to FY13. Remove one (1) line item. Add two (2) new line items to the scope of work.
6	08/15/11	To advise of realignment in hours and funding on Items 3, 4, 5, 7, 11, 15, 16a, 16b, 16d, 16f and UBH audits. No additional funds are required. Amendment also advises of a new contact person for the contract.
5	05/12/11	To advise of repagination of pages; add claims audits for discontinued health plan providers; and claims and operational audits, for United Behavioral Health contract with cross accumulation testing for appropriate Fiscal Years. Update FY11, FY12 and FY13 Not to Exceed Fiscal Year Totals increased by \$360,000 as result of the amendment changes.
4	03/25/11	To advise of realignment in hours and funding on Item 11 and Item 12. No additional funds are required.
3	2/17/11	Add three (3) additional audits and dollars for item number 6, reduce hours and dollars for item number 16c, increase hours and dollars for item number 16f and increase FY2011 not-to-exceed total by \$135,000.
2	9/15/10	Realign hours and funding within the Contract Cost Summary pages. No additional funds are required.
1	6/30/10	This amendment is issued to reduce hours and dollar amounts for FY2010 and increase FY2011 by the same amounts.