PROFESSIONAL SERVICES AGREEMENT
CONTRACT NO: 13-30-069

for

BENEFIT CONSULTING SERVICES

BETWEEN

COOK COUNTY GOVERNMENT
Bureau of Human Resources

AND

DELOITTE CONSULTING LLP
(Based on State of Minnesota Contract No. B12665)

APPROVED BY BOARD OF
COOK COUNTY COMMISSIONERS

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PROFESSIONAL SERVICES AGREEMENT

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AGREEMENT

This agreement (this "Agreement" or this "Contract") is made and entered into by and between the County of Cook, a public body corporate of the State of Illinois, hereinafter referred to as "County" and Deloitte Consulting LLP, a Delaware limited liability partnership, hereinafter referred to as "Consultant" or "Contractor," pursuant to authorization by the Cook County Board of Commissioners on the 20th day of March, 2013, (the "Effective Date") as evidenced by the Board Authorization letter attached hereto as EXHIBIT "4".

BACKGROUND

Whereas, the County, pursuant to Section 34-140 (the Reference Contract Ordinance") of the Cook County Procurement Code, states: "If a governmental agency has awarded a contract through a competitive method for the same or similar supplies, equipment, goods or services as that sought by the County, the Procurement may be made from that vendor at a price or rate at least as favorable as that obtained by that government agency without utilizing a competitive procurement method set forth in this Procurement Code;" and

Whereas, the State of Minnesota solicited a formal Request for Proposals process for Actuarial and Consulting Services and the Consultant was identified as the qualified and best value provider for the services; and

Whereas, the State of Minnesota entered into a contract on January 1, 2008 for the provision of services by the Consultant for the State of Minnesota relative to Actuarial and Consulting Services ("the State of Minnesota Contract"), a copy of which is attached hereto as Attachment 1 for reference purposes only, but such attachment is not made part of or incorporated into this Agreement, and in no way does such document govern the parties performance under this Agreement; and

Whereas, this contract made and entered into by and between the County of Cook, a public body corporate of the State of Illinois, herein after the "County" and Deloitte Consulting LLP, herein after the "Consultant" or "Contractor"; and

Whereas, the County, through the Bureau of Human Resources, desires certain similar services of the Consultant; and

Whereas, the Consultant agrees to provide to the County Benefit Consulting Services, incorporated as Exhibit 1, County Statement of Work & Price Proposal; and

Whereas, the Consultant warrants that it is ready, willing and able to perform these services set forth in Exhibit 1, County Statement of Work & Price Proposal (the "Services") all on pricing and payment terms equivalent to the pricing terms contained in the State of Minnesota Contract as set forth in Exhibit 1, County Statement of Work & Price Proposal, and incorporated herein by

reference; and

Whereas, this Contract shall be effective for one year after proper execution of the contract documents by the County. The County is hereby authorized to exercise three (3) one (1) year renewal extension options of this Contract; and

Whereas, Payment shall be as follows:

> In no case shall such charges exceed the amount of $500,000.00 (the "Contract Fee Limit"). Deloitte Consulting will not be obligated to continue to provide services under this contract once Deloitte Consulting's professional fees and expenses reach the Contract Fee Limit, unless the County approves an increase in such limit in writing. Invoices in triplicate on County Invoice Form 29A shall be submitted by the Consultant to the Using Department when requesting payment.

Whereas, the County General Conditions are incorporated and attached by reference as Exhibit 2, and this Contract incorporates and is subject to the provisions attached hereto as Exhibit 2 General Conditions, and is incorporated herein by this reference; Notwithstanding such incorporation, none of the terms set forth in Exhibit 2 which conflict with the express terms of this Contract or its General Conditions shall be deemed or construed to supersede the terms of this Contract or its General Conditions; and

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the sufficiency of which is acknowledged by each of the Parties, the Consultant and the County agree and the information set forth is incorporated by reference herein.

INCORPORATION OF BACKGROUND INFORMATION

The Background Information set forth above is incorporated and made a part of this Agreement by reference.

Incorporation of Exhibits
The following attached Exhibits are made a part of this Agreement:

Exhibit 1	County Statement of Work & Price Proposal
Exhibit 2	General Conditions
Exhibit 3	Evidence of Insurance
Exhibit 4	Cook County Board Authorization

List of Attachments

Attachment 1 – State of Minnesota Contract (Contract No. B12665), for reference purposes only

Order of Precedence

This Agreement shall be interpreted and construed based upon the following order of precedence of component parts. Such order of precedence shall govern to resolve all cases of conflict, ambiguity or inconsistency.

1. Exhibit 2 General Conditions
2. Exhibit 1 County Statement of Work & Price Proposal
3. Exhibit 3 Evidence of Insurance.
4. Exhibit 4 Cook County Board Authorization

EXHIBIT 1

County Statement of Work & Price Proposal

Scope of Services

The scope of services under this engagement includes providing actuarial, insurance employee benefits, and risk management consulting services to the County.

While certain of the services included in this contract will be provided on an hourly rate basis, certain of the services will be performed on a fixed fee basis, as further described below.

Fixed Fee Services

The fixed fee services to be provided under this engagement include an internal health plan assessment, an external health plan assessment, a Healthcare Reform diagnostic, and health strategy development, as further described below.

Internal Assessment

The Internal Assessment services to be provided under this engagement Deloitte Consulting will include the following:

- Review and benchmark cost and utilization of key healthcare services.
- Review of feasibility of fully self-insuring the current healthcare plans, including discussion of pros and cons of modifying the existing funding arrangement.
- Understand the medical conditions and diseases that consume the greatest portions of the health plan dollars in order to determine alternative approaches to improving health status of population.
- Review and comment on the costs of highly used hospitals, labs, emergency rooms, physicians, MRIs, scans and other medical care facilities, assuming sufficient data is provided by the County to conduct this analysis.
- Review large claim experience to better understand how many members have outlier levels of care and utilization.
- Review enrollment and cost by health plan.
- Review gaps in care identified by vendors.
- Review the current medical and claims management programs for effectiveness.
- Discuss alternative approaches to incenting employees/members to utilize Cook County domestic services (including such things as facilities, labs and pharmacy services).
- Facilitate two educational meetings with senior leadership to discuss issues related to the health plans

Key Deloitte Consulting Activities

- Develop baseline costs
- Identify utilization / cost drivers
- Review feasibility of self-funding full program

Key Deliverable(s)

- Health Care Current State Report

External Assessment: Benchmark Comparison

The External Assessment services to be provided under this engagement will benchmark the County's healthcare plans against a peer group. During this phase Deloitte Consulting will:

- Collect and benchmark the medical and dental benefit plan designs, employee contribution rates and annual per employee cost (as available) for up to 10 (ten) peer comparators (to be identified in discussion with Deloitte Consulting and approved by the County).

Key Deloitte Consulting Activities

- Collect and benchmark medical and dental plan information as jointly agreed upon by the County and Deloitte Consulting

Key Deliverable(s)

- Summary of Benchmark Results

Healthcare Reform Diagnostic

Beginning January 1, 2014 a second round of implementation related to the Patient Protection and Affordable Care Act (PPACA) will commence. To support the County in reviewing the financial impact of these impending changes, as well as the others anticipated later on in 2018, Deloitte Consulting will perform a Healthcare Reform Diagnostic.

Using County specific data, Deloitte Consulting will analyze potential areas of noncompliance and a series of mitigation strategies to correct issues. The Diagnostic analyzes the key health reform legislation provisions that could have a significant financial impact for employers and addresses each provision with the following level of detail:

- Each relevant provision is summarized
- Based on the information received from the employer, the Diagnostic will describe how the provision will (or will not) require scrutiny and action
- The specific financial impact of the provision will be identified, including a discussion of any assumptions used to formulate the projection

Preliminary mitigation strategies will be developed and discussed as part of the Diagnostic feedback session

Strategy Development

After Deloitte Consulting has completed the above initial assessments, Deloitte Consulting will be in a position to assist in the development of the County's healthcare strategy. Deloitte Consulting will conduct a half day session with the County in order to help the County define its strategy. During this phase Deloitte Consulting will:

- Provide an outline of proposed recommendations and options including plan design changes and employee contribution adjustments.
- Customize the analysis to address any of the County's concerns, provided that the data is available to do so.
- Meet with the County team to discuss findings, observations, options, and recommendations.
- Identify the plan management strategies that will have the greatest impact on health care costs; comment on the estimated cost of these strategies to provide guidance as to which are the most cost effective.
- Provide direction for developing total health management programs that focus specifically on the risk profiles and medical cost drivers identified in their vendor's predictive modeling (as applicable).
- Evaluate the cost or savings associated with proposed benefit and contribution changes.
- Provide insights into developing targeted communications campaigns and wellness programs with incentives and disincentive
- Develop initial bargaining financial/operational roadmap of change to discuss with County Leadership

Key Deloitte Consulting Activities

- Facilitation of ½ Day Strategy Session to discuss Current State Baseline and Benchmarking results, as well as potential future state recommendations
- Develop initial design and contribution recommendations, including financial/operational roadmap
- Prepare for interactive modeling session to discuss future state plan design and contribution alternatives

Key Deliverable(s)

- Set of initial design and contribution recommendations
- If desired, interactive modeling session for additional plan design changes

Time and Materials Based Services

Collective Bargaining Support

In preparation for the collective bargaining sessions and throughout the bargaining process, Deloitte Consulting will work with the County to analyze and estimate costs for alternative benefit designs and/or contribution scenarios. Deloitte Consulting anticipates working on the initial presentation materials with the County to address a range of potential modifications that the County may wish to introduce during the upcoming collective bargaining cycle. Once the designs have been created, formal actuarial pricing will be completed.

During the collective bargaining process, it is essential for the County to have the ability to quickly and efficiently determine the cost of the various proposed employee cost-sharing scenarios. To achieve this, Deloitte Consulting has developed a proprietary Benefits Pricing model. The model produces the expected estimated cost-sharing percentages and dollar savings for various benefit plan design changes. Utilizing

Deloitte Consulting's knowledge of the model and the County's data will allow Deloitte Consulting to both efficiently assess the estimated value of standard benefit plan designs and to modify the model to reflect the value of the different types of cost-sharing provisions that the County may wish to implement.

Deloitte Consulting will assist the County with its presentations to the individual bargaining units and/or mediators and arbitrators as needed. In so doing, Deloitte Consulting will prepare materials that include the actuarially determined value of alternative plan designs and other changes, as well as comparative data from published sources to support the County's positions.

As the nature of bargaining is unpredictable, Deloitte Consulting's hourly rates will apply to this portion of the scope of services under this engagement.

To summarize, the services to be provided to the County for collective bargaining support under this engagement will include, but not be limited to, the following services:

- Development and actuarial pricing of initial County Offer, as well as County counter-offers
- Review and actuarial pricing of Union proposals
- Preparation of materials that can be used in collective bargaining or in mediation
- Review of vendor alternatives, as needed, to help the County accomplish its stated goals and objectives
- Support with communication and implementation of final designs with vendors

As the consultant to the County, Deloitte Consulting will provide ancillary services regarding the employee benefit plans, as requested by the County to accomplish the effective implementation of any negotiated changes. All of the above services and deliverables will be provided to the County within a timeframe that is acceptable and agreed by the parties. Any extensions of timeframes, if any, are subject to County approval.

Deloitte Consulting Team

The Deloitte Consulting team will be led by Dave Hilko, a director in Deloitte Consulting's Chicago Human Capital practice. Pat Ryan, a specialist leader, will be the overall project manager and will manage the services on a day to day basis. Patrick Pechacek, a director in Deloitte Consulting's Minneapolis office, and one of Deloitte Consulting's national Public Sector leaders, will serve as project advisor to the team. Dave, Pat and Pat will be supported by other subject matter specialists from our organization, as needed, and supplemented by project consultants as needed.

Project Timing

The fixed fee services are expected to take 4-6 weeks, depending on the ability to receive all data, as needed. The time and materials services will last until the County has implemented any agreed upon contractual changes.

Project Fees

Deloitte Consulting's professional fees for the services included under this engagement are as follows:

Fixed Fee Services	$105,000
All Other Services	$285 per hour

In addition to Deloitte Consulting's professional fees, Deloitte Consulting will invoice for engagement related out-of-pocket expenses for travel, lodging, and subsistence which will be billed at cost and included on Deloitte Consulting's invoices for professional fees. Deloitte Consulting will invoice for actual engagement related out-of-pocket expenses as incurred. These expenses will not exceed 5% of Deloitte Consulting's professional fees unless approved by the County.

Deloitte Consulting will provide the time and material related services under this engagement until professional fees and expenses meet the fee cap as provided under the contract. Deloitte Consulting shall not be obligated to perform any additional services once the fee cap has been met unless the County approves an increase in the fee cap under this contract.

Pricing / Project Assumptions

Deloitte Consulting's professional fees are based on the services described in this scope of services. Specific assumptions include:

- Vendors will provide custom, pre-defined reports (agreed upon with the County and Deloitte Consulting prior to submission or request being made)
- Data received is accurate and needs no clean up or adjustment by Deloitte Consulting, and such data will be assumed to be accurate (although Deloitte Consulting will not audit the data provided, Deloitte Consulting will advise the County if Deloitte Consulting believes the data does not appear to be reasonable or complete)
- Data is received within the timeframes agreed upon
- Work is to be completed under "Attorney Client Privilege"
- Cook County will validate all pricing assumptions made with Deloitte Consulting input
- Deloitte Consulting will have direct access to the vendors
- Any vendor fee charges are the responsibility of the County

Deloitte Consulting will invoice its professional fees every four weeks for services performed during the preceding period.

EXHIBIT 2

General Conditions

GENERAL CONDITIONS
SUPPLY/SERVICE

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SUPPLY/SERVICE

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GC-01 SUBCONTRACTING OR ASSIGNMENT OF CONTRACT OR CONTRACT FUNDS

Once awarded, this Contract shall not be subcontracted or assigned, in whole or in part, without the advance written approval of the Chief Procurement Officer, which approval shall be granted or withheld at the sole discretion of the Chief Procurement Officer. In no case, however, shall such approval relieve the Contractor from its obligations or change the terms of the Contract. The Contractor shall not transfer or assign any Contract funds or any interest therein due or to become due without the advance written approval of the Chief Procurement Officer. The unauthorized subcontracting or assignment of the Contract, in whole or in part, or the unauthorized transfer or assignment of any Contract funds, either in whole or in part, or any interest therein, which shall be due or are to become due the Contractor shall have no effect on the County and are null and void.

Notwithstanding anything contained herein to the contrary, the County hereby consents to Contractor subcontracting or assigning any portion of the Services to MWM Consulting Group or to the following affiliates of Contractor: Deloitte & Touche LLP, Deloitte Tax LLP, Deloitte Financial Advisory Services LLP. Services performed hereunder by Contractor's subcontractors shall be invoiced as professional fees on the same basis as Services performed by Contractor's personnel, unless otherwise agreed.

Prior to the commencement of the Contract, the Contractor shall identify in writing to the Chief Procurement Officer the any and all subcontractors it intends to use in the performance of the Contract. The Chief Procurement Officer shall have the right to disapprove any subcontractor. Identification of subcontractors to the Chief Procurement Officer shall be in addition to any communications with County offices other than the Chief Procurement Officer. All subcontractors shall be subject to the terms of this Contract. Contractor shall incorporate into all subcontracts all of the provisions of the Contract which affect such subcontract, and the affiliates of the Contractor serving as permitted subcontractors hereunder, shall adhere to those provisions of this Contract which affect such affiliates as a subcontractor. Copies of subcontracts with subcontractors other than with Contractor's affiliates shall be provided to the Chief Procurement Officer upon request.

The Contractor must disclose the name and business address of each subcontractor or lobbyist whom the Contractor has retained or expects to retain in connection with this Contract, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Contractor is not required to disclose employees who are paid or estimated to be paid. The Contractor is not required to disclose employees who are paid solely through the contractor's regular payroll. "Lobbyist" means any person or entity who undertakes to influence any legislation or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2), himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action. If the Contractor is uncertain whether a disclosure is required under this Section, the Contractor must either ask the County, whether disclosure is required or make the disclosure.

The County reserves the right to prohibit any person from entering any County facility for any reason. All contractors and subcontractors of the Contractor shall be accountable to the Director of the Using Department or his designee while on any County property and shall abide by all rules and regulations imposed by the County.

GC-02 PERSONNEL

The quality, experience and availability of personnel employed by the Contractor is of the essence. The Contractor shall provide the County with a list of all key personnel to be used on the project and their designated assignment. The list shall include the qualifications of each person named. The County may at any time request, in writing, the Contractor to remove any of the Contractor's assigned personnel for cause and forthwith furnish to the County other acceptable personnel with thirty (30) days of notification. Notwithstanding the County's approval of Contractor's personnel, the Contractor shall be fully responsible to County for all work performed pursuant to this Contract by Contractor's employees, subcontractors or others who may be retained by the Contractor with the approval of the County.

GC-03 INSURANCE REQUIREMENTS

1) The Contractor shall require all policies of insurance that are in any way related to the work and are secured and maintained by Contractor and all tiers of subcontractors to include clauses providing that each underwriter shall waive all of its rights of recovery, under subrogation or otherwise, against Cook County, Board of Commissioners and employees of the County.

2) The Contractor shall waive all rights of recovery against Cook County, Board of Commissioners, employees of the County and other Contractors and subcontractors which Contractor may have or acquired because of deductible clauses in or inadequacy of limits of any policies of insurance that are in any way related to the work and that are secured and maintained by Contractor.

3) The Contractor shall require all tiers of subcontractors to waive the rights of recovery against Cook County and all tiers of subcontractors.

Insurance Requirements of the Contractor

Prior to the effective date of this Contract, the Contractor, at its cost, shall secure and maintain at all times, unless specified otherwise, until completion of the term of this Contract the insurance specified below.

Nothing contained in these insurance requirements is to be construed as limiting the extent of the Contractor's responsibility for payment of damages resulting from its operations under this Contract. The insurance purchased and maintained by the Contractor shall be primary and not excess or pro rata to any other insurance issued to the County.

The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

The limits of liability shall be as stated below, unless, prior to the effective date of this Contract, written approval is granted by the Cook County Department of Risk Management for variance from those limits.

1. Coverages

(a) **Workers Compensation Insurance**

Workers' Compensation shall be in accordance with the laws of the State of Illinois or any other applicable jurisdiction.

The Workers Compensation policy shall also include the following provisions:

1) Employers' Liability coverage with a limit of
$500,000 each Accident
$500,000 each Employee
$500,000 Policy Limit for Disease

2) all states coverage

(b) **Commercial General Liability Insurance**

1) The Commercial General Liability shall be on an occurrence form basis to cover bodily injury and property damage including loss of use.

General Liability limits shall not be less than $1,000,000 per occurrence and $2,000,000 aggregate limit for bodily injury and property damage. The General Liability policy shall include the following coverages:

(a) All premises and operations;

(b) Contractual Liability;

(c) Products/Completed Operations;

(d) Property Damage Liability;

(e) Cross Liability.

(c) **Business Automobile Liability Insurance**
Business Automobile Liability to cover all owned, non-owned and hired automobiles. The Business Automobile Liability limits shall not be less than the following:

1) Liability - All Autos: Bodily Injury & Property Damage - $1,000,000 per Occurrence

2) Uninsured/Motorists: Per Illinois Requirements

(d) **Umbrella/Excess Liability Insurance**
In addition to the coverages and limits specified above, Contractor and Sub-Contractors of any tier shall secure and maintain a limit of liability no less than:

1) $2,000,000 each occurrence for all liability

2) $2,000,000 in the aggregate per policy year separately with respect to products and completed operations

2. Additional requirements

(a) Additional Insured
Cook County, its officials, employees and agents shall be named as additional insureds under the Commercial General Liability policy.

(b) Qualification of Insurers
All insurance companies providing coverage shall be licensed or approved by the Department of Insurance, State of Illinois, and shall have a financial rating no lower than (A-) VII as listed in A.M. Best's Key Rating Guide, current edition or interim report. Companies with ratings lower than (A-) VII will be acceptable only upon written consent of the Cook County Department of Risk Management.

(c) Insurance Notices
The Contractor shall notify the Cook County Office of the Chief Procurement Officer, 118 North Clark Street, Room 1018, Chicago, Illinois 60602 at least 30 days prior to the effective date of any cancellation or adverse modification of such policies. Prior to the date on which Contractor commences performance of its part of the work, Contractor shall furnish to the County certificates of insurance maintained by Contractor.

In no event shall any failure of the County to receive Certificates of Insurance required hereof or to demand receipt of such Certificates of Insurance be construed as a waiver of Contractor's obligations to obtain insurance pursuant to these insurance requirements.

GC-04 INSPECTION AND RESPONSIBILITY

The County shall approve each Deliverable that conforms in all material respects to the requirements therefor

set forth in the Contract. Approval of a Deliverable shall be deemed given if the County has not provided the Contractor with written notice of such approval or with written notice that a Deliverable does not conform with the foregoing within thirty (30) days of delivery.

GC-05 LIMITATION ON DAMAGES AND INDEMNIFICATION

With respective to direct damages incurred by the County, Contractor, its subsidiaries, subcontractors, and their respective personnel shall not be liable to the County for any claims, liabilities, or expenses relating to this Contract ("Claims") for an aggregate amount in excess of the fees paid by the County to the Contractor pursuant to this Contract, except to the extent resulting from the recklessness, bad faith or intentional misconduct of the Contractor or its subcontractors. In no event shall the Contractor, its subsidiaries, subcontractors, or their respective personnel be liable for any loss of use, data, goodwill, revenues or profits, or any consequential, special, indirect, incidental, punitive or exemplary loss, damage, or expense, relating to this Contract. In circumstances where any limitation on damages or indemnification provision hereunder is unavailable, the aggregate liability of the Contractor, its subsidiaries, subcontractors, and their respective personnel for any Claim shall not exceed an amount which is proportional to the relative fault that the conduct of the Contractor and its subcontractors bears to all other conduct giving rise to such Claim.

The Contractor shall indemnify, defend and hold harmless the County and its personnel from all Claims attributable to claims of third parties solely for bodily injury, death or damage to real or tangible personal property, to the extent directly and proximately caused by the negligence or intentional misconduct of the Contractor while engaged in the performance of the Services.

GC-06 PAYMENT

The County will compensate the Contractor under the terms of this Contract for the Services performed and expenses incurred, through the term or effective date of termination of this Contract. The Contractor's invoices are due within sixty (60) days of the County's receipt of invoice. If payment is not received within such sixty (60) day period, the Contractor may suspend or terminate the Services. Invoices for new charges shall not include "past due" amounts, if any, which amounts must be set forth on a separate invoice. Contractor shall not be entitled to invoice the County for any late fees or other penalties.

GC-07 [INTENTIONALLY OMITTED]

GC-08 TAXES

Federal Excise Tax does not apply to materials purchased by the County by virtue of Exemption Certificate No. 36-75-0038K. Illinois Retailers' Occupation Tax, Use Tax and Municipal Retailers' Occupation Tax do not apply to deliverables, materials or services purchased by the County by virtue of statute. The price or prices quoted herein shall include any and all other federal and/or state, direct and/or indirect taxes which apply to this Contract. The County's State of Illinois Sales Tax Exemption Identification No. is E-9998-2013-05.

GC-09 [INTENTIONALLY OMITTED]

GC-10 CONTRACTOR CREDITS

To the extent the Contractor gives credits toward future purchases of goods or services, financial incentives, discounts, value points or other benefits based on the purchase of the materials or services provided for under this Contract, such credits belong to the County and not any specific using department. Contractor shall reflect any such credits on its invoices and in the amounts it invoices the County.

GC-11 DISPUTES

In the event of any dispute or claim arising under or in connection with the Agreement, including a dispute regarding an alleged breach of the Agreement, one party shall notify the other party in writing of the dispute (the "***Dispute***"). The parties shall work together in good faith first to resolve informally the Dispute internally by escalating it as necessary to progressively higher levels of the administrative structure.

Bona fide disputes shall be subject to the following. The dispute shall be filed by the complaining party in writing with the first tier and, unless resolved, will be escalated according to the time frame below.

CONTRACTOR	COUNTY	TIME TO ADDRESS
Lead Engagement Director	Chief Procurement Officer	30 days
National Service Line Leader	Chief Procurement Officer	15 days
National Service Area Leader	Chief Procurement Officer	15 days

If no resolution can be mutually agreed to, the complaining party may then avail themselves of any remedies in law or equity or as set forth in this Agreement. Both parties shall continue to discharge all their respective obligations, duties and responsibilities set forth in this Agreement during any dispute resolution proceeding unless otherwise mutually agreed to by the parties in writing, except that Contractor may suspend or terminate the Services for nonpayment in accordance with Section GC-06 above.

GC-12 DEFAULT

Either party shall be in default hereunder in the event of a material breach by such party of any term or condition of this Contract including, but not limited to, a representation or warranty, where the breaching party has failed to cure such breach within thirty (30) days after written notice of breach is given to breaching party by the non-breaching party, setting forth the nature of such breach.

In the event either party materially breaches any material terms or conditions of this Contract and fails to cure within such thirty (30) day period, the non-breaching party may, at its option, declare the breaching party to be in default and the non-breaching party shall be entitled to exercise all available remedies available at law and in equity, including, but not limited to, termination of the Contract. Failure of a non-breaching party to give written notice of the material breach to the breaching party shall not be deemed to be a waiver of the non-breaching's right to assert such breach at a later time, should the breaching party commit a subsequent material breach of this Contract.

GC-13 COUNTY'S REMEDIES

Following notice of material breach to Contractor, the County reserves the right to withhold payments otherwise owed to Contractor for the applicable services until such time as Contractor has cured the breach.

GC-14 [INTENTIONALLY OMITTED]

GC-15 [INTENTIONALLY OMITTED]

GC-16 MODIFICATIONS AND AMENDMENTS

The parties may during the term of the Contract make modifications and amendments to the Contract but only as provided in this section. Such modifications and amendments shall only be made by mutual agreement in writing.

In the case of Contracts not approved by the Board, the Chief Procurement Officer may amend a contract provided that any such amendment does not extend the Contract by more than one (1) year, and further provided that the total cost of all such amendments does not increase the total amount of the Contract beyond $150,000. Such action may only be made with the advance written approval of the Chief Procurement Officer. If the amendment extends the Contract beyond one (1) year or increases the total award amount beyond $150,000, then Board approval will be required.

No County department or employee thereof has authority to make any modifications or amendments to this Contract. Any modifications or amendments to this Contract made without the express written approval of the Chief Procurement Officer is void and unenforceable.

GC-17 PATENTS, COPYRIGHTS AND LICENSES

Upon written request of the County, the Contractor will provide all reasonable assistance, at the County's sole expense, necessary to ensure that all intellectual property rights in the Deliverables are the sole property of the County, except for any Deloitte Consulting Technology (defined in GC-27 below) contained therein and that neither Contractor nor its employees, agents, or subcontractors retain any interest in and to the Deliverables, except with respect to any Deloitte Consulting Technology contained therein. The Contractor will indemnify, defend and hold harmless the County, at the Contractor's expense, from any action or claim brought against the County to the extent that it is based on a claim that all or part of the Deliverables infringe upon the intellectual property rights of third parties, except to the extent that such infringement arises from (i) the County's modification of the Deliverable or use thereof in a manner not contemplated by this contract, (ii) the failure of the County to use any corrections or modifications made available by Contractor, (iii) information, materials, instructions or specifications provided by or on behalf of the County, or (iv) the use of the Deliverable in combination with any product or data not provided by Contractor whether or not with Contractor's consent. The Contractor will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including but not limited to, reasonable attorney fees. If such a claim or action arises, or in the Contractor's or the County's opinion is likely to arise, the Contractor shall, at the Contractor's discretion, either (i) procure for the County the right or license to use the Deliverable or (ii) replace or (iii) modify the allegedly infringing Deliverable as necessary and appropriate so it is non-infringing; provided that if option (ii) or (iii) is chosen by Contractor, the replacement or modified Deliverable is capable of performing substantially the same function. The foregoing provisions of this section constitute the sole and exclusive remedy of the County, and the sole and exclusive obligation of the Contractor, relating to a claim that the Deliverables infringe any intellectual property right of a third party. As a condition to the foregoing indemnity obligations, the County shall provide the Contractor with prompt written notice of any claim for which indemnification shall be sought hereunder and shall cooperate in all reasonable respects with the Contractor in connection with the claim.

GC-18 COMPLIANCE WITH THE LAWS

The Contractor shall observe and comply with all applicable laws, ordinances, regulations and codes of the Federal, State, County and other local government agencies to the extent such laws, ordinances, regulations and codes apply to the Contractor's performance of services under the Contract including, but not limited to, those County Ordinances set forth in the Certifications attached hereto and incorporated herein. Compliance with this requirement by the Contractor's employees, agents or subcontractors shall be the responsibility of the Contractor.

The Contractor shall secure and pay for all federal, state and local licenses, permits and fees required for the Contractor's performance of services hereunder.

GC-19 MINORITY AND WOMEN BUSINESS ENTERPRISES COOK COUNTY ORDINANCE CHAPTER 10-43.7 PROFESSIONAL AND CONSULTING SERVICE AND SOLE SOURCE

I. POLICY AND GOALS

A. It is the policy of the County of Cook to prevent discrimination in the award of or participation in the County contracts and to eliminate arbitrary barriers for participation, as both prime and subcontractors, in such contracts by local businesses certified as Minority Business Enterprises (MBE) and Women-Owned Business Enterprises (WBE). In furtherance of this policy, the Cook County Board of Commissioners has adopted a Minority-and-Women-Owned Business Enterprise Ordinance (the "Ordinance") which establishes a "best efforts" goal of awarding not less than thirty-five percent (35%) of the annual total dollar amount of professional, consulting service and sole source contracts and agreements to certified MBEs and WBEs.

B. A Proposer may achieve the MBE/WBE participation goals by its status as a MBE or WBE; by entering into a joint venture with one or more MBEs and/or WBEs; by

subcontracting a portion of the work to one or more MBEs or WBEs; by entering into a Mentor-Protégé Agreement with a MBE or WBE; by the indirect participation of MBEs or WBEs in other aspects of the Proposer's business; or by a combination of the foregoing.

C. A Waiver Request must be submitted with the Proposal, documenting the inability of the Proposer to meet the goals, and providing written evidence of "Good Faith Efforts," to obtain goals.

D. A Proposer's failure to carry out its MBE/WBE commitments in the course of performance on a contract shall constitute a material breach of the contract, and if such breach is not appropriately cured, may result in the termination of the contract or such other remedies authorized by the Ordinance as the County deems appropriate.

II. REQUIRED SUBMITTALS

To be considered responsive to the requirements of the Ordinance, a Proposer shall submit Items A, B and C listed below. All documentation submitted shall be reviewed by the Contract Compliance Administrator. Failure to submit one of the items required shall be cause to consider a contract non-responsive to the Ordinance goals and may be rejected.

A. MBE/WBE Participation Documentation

Each Proposer shall submit supporting documentation which evidences efforts taken to achieve the County's "best efforts" MBE/WBE participation goals. Such documentation shall include:

1. A **Utilization Plan** identifying all firms intended to be utilized to fulfill the goals; the MBE/WBE status of each firm; the name, address, e-mail address and telephone number of the contact person for each MBE/WBE firm; the dollar value of the goods and services to be provided by the MBE/WBE firm; and the dollar value expressed as a percentage (%) of the total value of the purposed contract. (See Section I)

2. A **Letter of Intent** for each MBE/WBE containing specific information regarding goods to be provided or services to be performed by the MBE/WBE; the dollar value of the goods or services, the percentage (%) of the dollar value; and the original signatures of the appropriate officer for both the Proposer and the MBE/WBE. (See Exhibit II)

3. Current **Letter of Certification** for each MBE/WBE firm. Acceptable certifying agencies are: Cook County, Illinois Unified Certification Program (IUCP) and U. S. Small Business Administration. (SBA) (8A) or any other governmental body or agency approved by the Contract Compliance Administrator as applying certification standards substantially similar to those applied by the County of Cook may also be accepted.

4. **Waiver/Goal Reduction Petition** must be included at the time of the submission of the Proposal document. Where the Proposer does not include all documentation in support of the Petition at the time of submission, such documentation must be submitted to the Office of Contract Compliance not less than three (3) business days after the submission date.

The Contract Compliance Administrator retains the right to reject the certification of any

MBE or WBE on the ground that it does not meet the County's definition of a MBE or WBE.

B. Use of MBE/WBE Professionals

Each Proposer shall submit with its proposal, a statement which discloses how it intends to maximize the use of minority and women professionals in the course of performing the contract.

C. Affirmative Action Plan

Each Proposer shall submit a copy of its current EEO-1 Report and a copy of its current Letter of Compliance from the United States Department of Labor, Office of Federal Contract Compliance Programs. Absent a Letter from OFCCP, the Proposer shall submit a written report of the inclusion of minority and women professional in the workforce of their company.

III. NON-COMPLIANCE

Where the County of Cook determines that the Proposer has failed to comply with its contractual commitments or any portion of the Ordinance, it will notify the contractor of such non-compliance and may take any and all appropriate actions as set forth within the Ordinance.

IV. REPORTING/RECORD KEEPING REQUIREMENTS

The Proposer is required to comply with the reporting and record-keeping requirements as set forth in the Ordinance and as established by the Contract Compliance Administrator. Upon award of a contract, The Proposer is responsible for acquiring all necessary Office of Contract Compliance reporting and record-keeping forms as made available in the Office of Contract Compliance

The Office of Contract Compliance will notify each Contractor and Sub-Contractor upon award of a contract of their reporting obligations (Vendor Notification Letter)

The Office of Contract Compliance will notify each MBE/WBE Sub-Contractor of the award of a contract to a Prime Contractor, the MBE/WBE dollar amount of participation and the percentage (%) amount of participation. The Sub- Contractors will be required to submit on a timely basis, Sub-Contractors Payment Affidavits (see forms section) with proof of payment or money paid to them by the Prime Contractor.

The Office of Contract Compliance requests payment affidavits and proof of payment to MBE/WBE Sub-Contractors as follows:

1. **Annual Contracts**: monthly reporting from both Prime and Sub-Contractors.

2. **Multi Year Contracts**: quarterly reporting from both Prime and Sub-Contractors including proof of payments.

3. **One time** purchases require verification of proof of payment **immediately.**

Failure to comply with this section will be reviewed as non-compliance as stated under Section III. Non-Compliance.

V. EQUAL EMPLOYMENT OPPORTUNITY

Compliance with MBE and WBE requirements will not diminish or supplant Equal Employment Opportunity and Civil Rights provisions as otherwise required by law as they relate to contractor and subcontractor obligations.

Any questions regarding this document should be directed to:

Jacqueline Gomez
Administrator
Cook County Office of Contract Compliance
118 N. Clark Street – Room 1020
Chicago, Illinois 60602
(312)603-5502

GC-20 MATERIAL DATA SAFETY SHEET

To the extent applicable and where required under the Illinois "Toxic Substance Disclosure To Employees Act", Illinois Compiled Statutes, 2002, 820 ILCS 255/1, Contractor shall submit with each delivery of Deliverables, a Material Safety Data Sheet.

GC-21 CONDUCT OF THE CONTRACTOR

The Contractor agrees to inform the County on a timely basis of all of the Contractor's interests, if any, which are or which the Contractor reasonably believes may be incompatible with any interest of the County. The Contractor shall take notice of and comply with the Cook County Lobbyist Registration Ordinance (No. 93-0-22, 6-22-93). Neither the Contractor nor any of its employees, agents or subcontractors shall use for business (except as permitted herein) or personal gain, or make other use of, confidential information which is acquired in connection with the Contract. To the extent Contractor will have access to the County's protected health information in performing its responsibilities under this Contract, Contractor shall contact the Chief Privacy Officer for the Using Department(s) and shall execute a mutually agreeable business associate agreement prior to performing any responsibilities which involve access to protected health information.

GC-22 ACCIDENT REPORTS

Contractor shall use commercially reasonable efforts to provide the Chief Procurement Officer and the Director of the Using Department with prompt written notification (no later than twenty-four (24) hours) of any occurrence, on County premises or otherwise, which pertains in any way to this Contract and which results in either bodily injury to employees or third parties or property damage. The report shall include the name of person(s) injured, if any; name of the injured person's employer, if any; the date, time and location of the occurrence; description of the extent of injury and/or damage; the name(s) of witnesses; the names of any providers known to have provided treatment for injuries sustained; and such other information as may be required by the County. The Contractor shall notify the local police regarding any occurrence requiring an official police record. The report submitted to the County should indicate whether the police were notified and, if so, the number of the police report.

GC-23 USE OF COUNTY PREMISES AND RESOURCES

Contractor shall comply with applicable rules and regulations of the County facilities relative to this Contract to the extent provided to the Contractor in writing and shall cause all of its employees, agents and subcontractors who are performing the services hereunder to comply therewith.

GC-24 TERMINATION FOR CONVENIENCE AND SUSPENSION OF CONTRACT

The County may terminate this Contract at any time by notice in writing from the County to the Contractor. Unless otherwise stated in the notice, the effective date of such termination shall be twenty (20) business days after the date the notice of termination is mailed by the County. If the County elects to terminate the Contract, unless otherwise specified in the notice of termination, the Contractor shall immediately cease performance and shall promptly tender to the County all Deliverables, whether completed or in process for which the County has paid in full. Client shall not be entitled to rely on any unfinished Deliverables which shall be provided "as is" and without warranty of any kind. If the County elects to terminate the Contract in

part, unless otherwise specified in the notice of partial termination, the Contractor shall immediately cease performance of those portions of the Contract which are terminated and shall promptly tender to the County all Deliverables relating to said portions of the Contract, whether completed or in process for which the County has paid in full. Contractor shall refrain from incurring any further costs with respect to portions of the Contract which are terminated except as specifically approved by the Chief Procurement Officer.

The Contractor may also terminate this Contract or performance of any part of the Services upon written notice to the County if the Contractor determines that the performance of any part of the Services would be in conflict with law, or independence or professional rules.

GC-25 GENERAL NOTICE

All notices required pursuant to this Contract shall be in writing and addressed to the parties at their respective addresses set forth below. All such notices shall be deemed duly given if hand delivered or if deposited in the United States mail, postage prepaid, registered or certified, return receipt requested. Notice as provided herein does not waive service of summons or process.

TO THE COUNTY:

COOK COUNTY CHIEF PROCUREMENT OFFICER
118 North Clark Street. Room 1018
Chicago, Illinois 60602
Include County Contract Number in all notices)

TO THE CONTRACTOR:

At address provided on the Execution Pages or as otherwise indicated in writing to County Chief Procurement Officer in a written document which, in bold face type, references the name of the Contractor, the County Contract Number and states "NOTIFICATION OF CHANGE IN ADDRESS."

GC-26 GUARANTEES AND WARRANTIES

THIS IS A SERVICES ENGAGEMENT. THE CONTRACTOR WARRANTS THAT IT SHALL PERFORM THE SERVICES IN GOOD FAITH AND IN A PROFESSIONAL MANNER. THE CONTRACTOR DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

GC-27 DELIVERABLES; ACCEPTANCE

a) For purposes of these terms (i) "Technology" means works of authorship, materials, information and other intellectual property; (ii) "Deloitte Consulting Technology" means all Technology created prior to or independently of the performance of the Services, or created by Deloitte Consulting or its subcontractors as a tool for their use in performing the Services, plus any modifications or enhancements thereto and derivative works based thereon; and (iii) "Deliverables" means all Technology that Deloitte Consulting or its subcontractors create for delivery to Client as a result of the Services.

b) Upon full payment to Contractor hereunder, and subject to the terms and conditions contained herein, Contractor hereby (i) assigns to the County all rights in and to the Deliverables, except to the extent they include any Deloitte Consulting Technology; and (ii) grants to the County the right to use, for the County's internal business purposes, any Deloitte Consulting Technology included in the Deliverables in connection with its use of the Deliverables. Except for the foregoing license grant, Contractor or its licensors retain all rights in and to all Deloitte Consulting Technology. Notwithstanding, the foregoing, during the time period between delivery of a Deliverable to County hereunder and payment therefor by County in accordance with this Contract, and during any Dispute resolution discussions as provided in GC-11, County shall have a license to use the Deliverables in a manner consistent with this Contract.

c) To the extent any Deloitte Consulting Technology provided to the County hereunder constitutes inventory within the meaning of section 471 of the Internal Revenue Code, such Deloitte Consulting Technology is licensed to the County by the Contractor as agent for Deloitte Consulting Product Services

LLC on the terms and conditions contained herein. The rights granted in Section 4(b) do not apply to any Technology (including any modifications or enhancements thereto or derivative works based thereon) that is subject to a separate license agreement between the County and any third party (including, Contractor's affiliates).

d) Deliverables shall be deemed accepted by the County if not rejected, in writing, within thirty (30) days of delivery.

GC-28 [INTENTIONALLY OMITTED]

GC-29 [INTENTIONALLY OMITTED]

GC-30 CONTRACT INTERPRETATION

Whenever the singular is used herein, the masculine, feminine and neuter gender shall be deemed to include the others. The headings of articles, paragraphs and sections in this Contract are included for convenience only and shall not be considered by either party in construing the meaning of this Contract. If any provision or clause of this Contract shall be held to be invalid, such provision or clause shall be deleted from the Contract and the Contract shall be construed to give effect to the remaining portions thereof.

GC-31 CONFIDENTIALITY AND OWNERSHIP OF DOCUMENTS

Confidentiality and Internal Use.

a) To the extent that, in connection with this Contract, either party (each, the "receiving party") comes into possession of any confidential information of the other (the "disclosing party"), it will not disclose such information to any third party without the disclosing party's consent, using at least the same degree of care as it employs in maintaining in confidence its own confidential information of a similar nature, but in no event less than a reasonable degree of care. The disclosing party hereby consents to the receiving party disclosing such information (i) as expressly set forth in this Contract, (ii) to subcontractors, whether located within or outside of the United States, that are providing services in connection with this Contract and that have agreed to be bound by confidentiality obligations similar to those in this Section GC-31(a), (iii) as may be required by law, regulation, judicial or administrative process, or in accordance with applicable professional standards or rules, or in connection with litigation pertaining hereto, or (iv) to the extent such information (A) is or becomes publicly available other than as the result of a disclosure in breach hereof, (B) becomes available to the receiving party on a nonconfidential basis from a source which the receiving party believes is not prohibited from disclosing such information, (C) is already known by the receiving party without any obligation of confidentiality with respect thereto, or (D) is developed by the receiving party independently of any disclosures made to the receiving party. Nothing in this Section GC-31(a) shall alter the County's obligations under Section GC-31(b).

b) All Services and Deliverables shall be solely for the County's benefit, and are not intended to be relied upon by any person or entity other than the County. Except as required by applicable law, the County shall not disclose the Services or Deliverables, or refer to the Services or Deliverables in any communication, to any person or entity, except as specifically set forth in this Contract. Notwithstanding the foregoing, the County shall not be prohibited from creating its own materials based on the content of such Services and Deliverables and using and disclosing such County-created materials for external purposes, provided that the County does not, expressly or by implication, in any manner whatsoever, attribute such materials to the Contractor or otherwise refer to or identify the Contractor in connection with such materials.

c) The parties understand that it is the County's intention and the position of County's Counsel that the Contractor's work for it under this Contract will be covered by the attorney work-product privilege and other applicable privileges. Accordingly, it is agreed that all working papers and other documents prepared or received by the Contractor pursuant to this Contract will be maintained by us as confidential

material in accordance with the terms hereof. The Contractor agrees to notify the County promptly of the occurrence of any one of the following events: (1) receipt by Contractor of a written request to examine, inspect, or copy such documents; or (2) service of any court order, subpoena, or summons upon the Contractor that requires the production of such documents.

d) In order to complete the Services hereunder, Contractor does not require, and County agrees that it shall not disclose to Contractor, any individually identifiable information, including, but not limited to, Protected Health Information (as defined in and governed by the Health Insurance Portability Accountability Act, 45 CFR §160.103) in connection with this Contract.

Contractor acknowledges and agrees that information regarding this Contract is confidential and shall not be disclosed, directly, indirectly or by implication, or be used by Contractor in any way, whether during the term of this Contract or at any time thereafter, except solely as required in the course of Contractor's performance hereunder and as provided by the terms of this Contract. Contractor shall comply with the applicable privacy laws and regulations affecting County and will not disclose any of County's records, materials, or other data to any third party except as expressly permitted by the terms of this Contract. Contractor shall not have the right to compile and distribute statistical analyses and reports utilizing data derived from information or data obtained from County without the prior written approval of County. In the event such approval is given, any such reports published and distributed by Contractor shall be furnished to County without charge.

All documents, data, studies, reports, work product or product created as a result of the performance of the Contract (the "Documents") shall be included in the Deliverables and shall be the property of the County of Cook except to the extent such Documents include Deloitte Consulting Technology as provided in GC-27. It shall be a breach of this Contract for the Contractor to reproduce or use any documents, data, studies, reports, work product or product obtained from the County of Cook or any Documents created hereby, whether such reproduction or use is for Contractor's own purposes or for those of any third party (except for any Deloitte Consulting Technology contained therein). Subject to the provisions of Section GC-05, during the performance of the Contract Contractor shall be responsible of any loss or damage to the Documents while they are in Contractor's possession, and any such loss or damage shall be restored at the expense of the Contractor. The County and its designees shall be afforded full access to the Documents and the work at all times.

GC-32 GOVERNING LAW; SEVERABILITY

This Contract shall be governed by and construed under the laws of the State of Illinois. The Contractor irrevocably agrees that, subject to the County's sole and absolute election to the contrary, any action or proceeding in any way, manner or respect arising out of the Contract, or arising from any dispute or controversy arising in connection with or related to the Contract, shall be litigated only in courts within the Circuit Court of Cook County in the City of Chicago, County of Cook, State of Illinois, and the Contractor consents and submits to the jurisdiction thereof. In accordance with these provisions, Contractor waives any right it may have to transfer or change the venue of any litigation brought against it by the County pursuant to this Contract. If any provision of the terms of the Contract are unenforceable, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth herein.

GC-33 AUDIT; EXAMINATION OF RECORDS

The Contractor shall maintain billing and payment records for the fees and expenses incurred in performing the Services under this Contract (including fees and expense of subcontractors) during the term of this Contract and for three years thereafter. Upon reasonable advance written notice, during normal business hours, the County may inspect, at its sole expense, such records of the Contractor and its subcontractors to the extent reasonably necessary to substantiate payment made under this Contract. Any records available to the County under this Section may be redacted by the Contractor or its subcontractors to the extent necessary to protect its proprietary and confidential information and to avoid any invasion of personal privacy.

GC-34 WAIVER

No term or provision of this Contract shall be deemed waived and no breach consented to unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. The waiver of any such provision shall be strictly limited to the identified provision.

GC-35 ENTIRE CONTRACT; SURVIVAL

It is expressly agreed that the provisions set forth in this Contract and the Exhibits attached to it and incorporated in it constitute all the understandings and agreements between the parties. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Contract are of no force and effect. All provisions which are intended by their nature to survive the performance of the Services shall survive such performance, or the expiration or termination of this Contract.

GC-36 FORCE MAJEURE OR UNAVOIDABLE DELAYS

Neither Contractor nor County shall be liable for failing to fulfill any obligation under this Contract if such failure is caused by an event beyond such party's reasonable control which is not caused by such party's fault or negligence. Such events shall be limited to acts of God, acts of war, fires, lightning, floods, epidemics, or riots.

GC-37 INDEPENDENT CONTRACTOR STATUS; NO THIRD PARTY BENEFICIARIES

The Contractor and its employees, agents and subcontractors are, for all purposes arising out of the Contract, independent contractors and not employees of the County. It is expressly understood and agreed that neither the Contractor nor Contractor's employees, agents or subcontractors shall be entitled to any benefit to which County employees may be entitled including, but not limited to, overtime or unemployment compensation, insurance or retirement benefits, workers' compensation or occupational disease benefits or other compensation or leave arrangements.

Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent or of partnership or of joint venturer or any relationship between the parties hereto other than that of independent contractors. Nothing herein shall be construed to confer upon any third parties the status of third party beneficiary.

GC-38 GOVERNMENTAL JOINT PURCHASING AGREEMENT

Pursuant to Section 4 of the Illinois Governmental Joint Purchasing Act (30 ILCS 525) and the Joint Purchase Agreement approved by the Cook County Board of Commissioners (April 9, 1965), other units of government may purchase goods or services under this contract.

GC-39 COOPERATIVE PURCHASING

As permitted by the County of Cook, other government entities may wish to also participate under the same terms and conditions contained in this contract (piggyback). Each entity wishing to piggyback must have prior authorization from the County of Cook and vendor. If such participation is authorized, all purchase orders will be issued directly from and shipped directly to the entity requiring supplies/services. The County shall not be held responsible for any orders placed, deliveries made or payment for supplies/services ordered by these entities. Each entity reserves the right to determine their participation in this Contract.

GC-40 COOPERATION WITH INSPECTOR GENERAL

Persons or businesses seeking County contracts are required to abide by all of the applicable provisions of the Office of the Independent Inspector General Ordinance (Section 2-281 et. seq. of the Cook County Code of Ordinances). Failure to cooperate as required may result in monetary and/or other penalties.

Contractors, subcontractors, licensees, grantees or persons or businesses who have a County contract, grant, license, or certification of elegibility for County contracts shall abide by all of the applicable provisions of the Office of the Independent Inspector General Ordinance. Failure to cooperate as required may result in

monetary and/or other penalties.

GC-41 ADVICE AND RECOMMENDATIONS

The Services provided hereunder may include advice and recommendations, but Contractor will not make any decisions on behalf of the County in connection with the implementation of such advice and recommendations.

GC-42 NON-EXCLUSIVITY

Contractor may (i) provide any services to any person or entity, and (ii) develop for itself, or for others, any materials or processes including those that may be similar to those produced as a result of the Services, provided that, Contractor complies with its obligations of confidentiality set forth hereunder. Notwithstanding the foregoing, Contractor shall not provide any similar services similar to these Services to any collective bargaining unit which represents Cook County Illinois employees during the term of this engagement and for six (6) months thereafter.

GC-43 COUNTY RESPONSIBILITIES

County shall cooperate with Contractor hereunder, including, providing Contractor with reasonable facilities and timely access to data, information and personnel of County. In addition to other responsibilities contained in this Contract, County shall be solely responsible for (i) the performance of its personnel and agents, (ii) the accuracy and completeness of data and information provided to Contractor for purposes of the performance of the Services, (iii) making all management decisions and performing all management functions, (iv) designating a competent management member to oversee the Services, (v) evaluating the adequacy and results of the Services, and (vi) accepting responsibility for the results of the Services. Contractor's performance is dependent upon the timely and effective satisfaction of County's responsibilities hereunder and timely decisions and approvals of County in connection with the Services. Contractor shall be entitled to rely on all decisions and approvals of County.

EXHIBIT 3

Evidence of Insurance

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 06/01/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Marsh USA, Inc. 1166 Avenue of the Americas New York, NY 10036 709965-$25M--12-13	**CONTACT NAME:** **PHONE (A/C, No, Ext):** **FAX (A/C, No):** **E-MAIL ADDRESS:**
INSURED Deloitte LLP Deloitte & Touche LLP Deloitte Consulting LLP Deloitte Tax LLP, Deloitte Financial Advisory Services LLP Ten Westport Road Wilton, CT 06897-0820	**INSURER(S) AFFORDING COVERAGE** — **NAIC #** **INSURER A :** National Union Fire Ins Co Pittsburgh PA — 19445 **INSURER B :** Insurance Company Of The State Of PA — 19429 **INSURER C :** Illinois National Ins Co — 23817 **INSURER D :** **INSURER E :** **INSURER F :**

COVERAGES **CERTIFICATE NUMBER:** NYC-005361561-15 **REVISION NUMBER:** 9

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	**GENERAL LIABILITY** X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT X LOC			GL5076462	06/01/2012	06/01/2013	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 1,000,000 $ 10,000 $ 1,000,000 $ 2,000,000 $ 2,000,000
A	**AUTOMOBILE LIABILITY** X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS			CA2714625 'Auto Physical Damage' '$500 DEDUCTIBLE COMP/COLL'	06/01/2012	06/01/2013	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
A	X **UMBRELLA LIAB** X OCCUR **EXCESS LIAB** CLAIMS-MADE DED RETENTION $			13273208	06/01/2012	06/01/2013	EACH OCCURRENCE AGGREGATE	$ 4,000,000 $ 4,000,000
B B B C	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N: N **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		WC15110298 (AOS) WC15110299 (CA) WC15110301 (MA, WI) WC15110300 (FL)	06/01/2012 06/01/2012 06/01/2012 06/01/2012	06/01/2013 06/01/2013 06/01/2013 06/01/2013	X WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Re: Contract #09-41-24

County of Cook, its elected and appointed officials, and its agents and employees is included as additional insured (workers compensation excluded). The insurance afforded by such policies is primary insurance and non-contributory and the insurers agree to waive subrogation with respect to the contract with the Named Insureds.

CERTIFICATE HOLDER

COUNTY OF COOK
118 N. CLARK STREET
CHICAGO, IL 60602

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
of Marsh USA Inc.

Nancy Bartolino — Nancy Bartolino

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 08/14/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Marsh USA, Inc. 1166 Avenue of the Americas New York, NY 10036 709965-ALL-MSTR-12-13	**CONTACT NAME:** **PHONE (A/C, No, Ext):** **FAX (A/C, No):** **E-MAIL ADDRESS:**
INSURED Deloitte LLP Deloitte & Touche LLP Deloitte Consulting LLP Deloitte Tax LLP Deloitte Financial Advisory Services LLP 10 Westport Road Wilton, CT 06897-0820	**INSURER(S) AFFORDING COVERAGE** — **NAIC #** **INSURER A :** **INSURER B :** North American Capacity Ins Co — 25038 **INSURER C :** **INSURER D :** **INSURER E :** **INSURER F :**

COVERAGES **CERTIFICATE NUMBER:** NYC-005370015-27 **REVISION NUMBER:** 4

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS-MADE OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC						EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG 	$ $ $ $ $ $ $
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) 	$ $ $ $ $
	UMBRELLA LIAB OCCUR **EXCESS LIAB** CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE AGGREGATE 	$ $ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N: N **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ $ $
B	Professional Indemnity			ZZL0000098-05	06/01/2012	06/01/2013	$1,000,000 per claim and in the aggregate	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

1. This policy is non-cancellable during the period shown.
2. The issuance of this certificate of insurance does not make the person or organization to whom it is issued an additional insured, nor does it modify in any manner the contract of insurance between the insured and the insurer.

CERTIFICATE HOLDER

County of Cook
118 N. Clark Street
Chicago, IL 60602

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
of Marsh USA Inc.
J.J. Saur

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Exhibit 4

Cook County Board Authorization

Attachment 1

State of Minnesota Contract (Contract No. B12665)
FOR REFERENCE PURPOSES ONLY

SS11.1.11

Minnesota
Department of
Employee Relations

Request for Proposal for Actuarial and Consulting Services

September 24, 2007

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I. Timetable

Notice of availability of Request for Proposal (RFP) published in State Register	Monday, September 24, 2007
Written questions submitted	Monday, October 8, 2007
Written responses to questions	Friday, October 12, 2007
Deadline for submission of proposals	Friday, October 26, 2007
Organizations notified of intent to negotiate	Monday, November 26, 2007
Effective date of contract	Tuesday, January 1, 2008

II. Background and General Information

The Minnesota Department of Employee Relations (or its successor agency, herein referred to as DOER) is soliciting proposals from qualified vendors for actuarial, insurance, employee benefits, and risk management consulting services. The vendor chosen to provide these services will assist the DOER's State Employee Group Insurance Program (SEGIP), Public Employees Insurance Program (PEIP), and Health Risk Management Program. The vendor chosen must comply with all applicable laws and administrative rules governing the operation of these programs, and all specifications provided in later sections of this Request for Proposal.

DOER administers these programs through its Employee Insurance Division. A description of the programs follows:

A. State Employees Group Insurance Program

The State Employees Group Insurance Program provides employee insurance benefits including self-insured health, pharmacy, dental, and life insurance programs; fully-insured dental and disability insurance programs; and pre-tax spending accounts for dependent care, medical/dental, and employment related transportation expenses. Employees also have access to a self-insured, limited Canadian pharmacy benefit. The program provides insurance benefits to executive branch employees and to other organizations authorized by law to participate in the state group, including legislative and judicial branches of state government and numerous smaller organizations. The program is the largest employment-based insurance benefit program in Minnesota, covering over 124,000 employees, retirees and dependents.

B. Public Employees Insurance Program

The Public Employees Insurance Program facilitates the purchase of health, dental and life insurance benefits for employees of local units of government that have elected to participate. PEIP is a significant source of competitive insurance coverage for local governments in Minnesota, covering over 1600 employees. The members of the pool include 15 school districts, 50 cities/townships, three counties, and 17 other public employers.

C. **Health Risk Management Program**

This program develops, implements, and evaluates policies, systems, programs and projects aimed at reducing costs associated with state employee healthcare lost employee work time, and lost productivity. It addresses issues related to employee health and the state work environment through an interdisciplinary approach, based on collaboration of the following teams: Health Risk Management, Employee Assistance, and Disability Management.

Additional information about these programs is available at the DOER website, www.doer.state.mn.us.

III. Goals and Objectives

A key objective is to establish an actuarial partnership that will be instrumental in the Minnesota Advantage Health Plan becoming a leader in the advancement of healthcare improvement for state employees and the community through the right balance of measurable quality and cost control. This includes being able to demonstrate the ability to work closely with DOER and the many interested parties in the community and across the country who are seeking ways to collaborate, with the ultimate goal of improving healthcare. To accomplish this objective, DOER will be looking for assistance in the design and administration of employee insurance benefits, including analysis and consultation in the areas of:

- Cost/benefit estimates and analysis, including providing estimates and analysis of various legislative proposals and community-wide initiatives
- Rating methods
- Coverage levels
- Risk pool structures
- Evaluation of current programs
- Strategic planning
- Benefit design and integration strategies
- Statistical/data analysis
- Design, integration and measurement of quality initiatives
- Data management
- Risk management
- Disease management
- Other issues related to the administration of insurance benefits and workers' compensation

DOER continues to analyze and assess existing plans in order to enhance the State's ability to moderate cost increases, while providing quality insurance coverage for all stakeholders. The vendor chosen through the RFP process will establish an ongoing relationship with DOER in all areas of program development to provide continuing actuarial analysis, consultation and advice.

IV. RFP Process

A. Submission of Proposals

All proposals must be sent to and received by:

Jodi L. Ehlenz
Minnesota Department of Employee Relations
Employee Insurance Division
200 Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

All proposals must be received not later than 3:00 p.m., Central Daylight Time, on Friday, ~~October 26, 2007, as indicated by a notation made by the Receptionist, Second Floor, Centennial Office~~ Building. ***Late proposals will not be considered.*** Fax and e-mail responses will not be considered. **Respondents must submit five copies of the proposal.**

DOER reserves the right to:

1. Reject any and all proposals received in response to this RFP;
2. Select proposals, for contract award or for negotiations, other than those with the lowest cost;
3. Consider a late modification of a proposal if the proposal itself was submitted on time, and, the modifications were requested by DOER, and if the modifications make the terms of the proposal more favorable to DOER, accept such proposal as modified.
4. Negotiate as to any aspect of the proposal with any vendor and negotiate with more than one vendor at the same time;
5. Use any or all ideas presented in any proposal received in response to this RFP unless the vendor presents a positive statement of objection in the proposal. Objections will be considered as valid only relative to proprietary information of the vendor and so designated in the proposal. Exceptions to this are ideas which were known to DOER before submission of such proposal or properly became known to DOER thereafter through other sources or through acceptance of the vendor's proposal.

THIS REQUEST FOR PROPOSAL DOES NOT OBLIGATE DOER TO COMPLETE THE PROJECT, AND DOER RESERVES THE RIGHT TO CANCEL THE SOLICITATION AT ITS DISCRETION.

B. Disposition of Responses

All materials submitted in response to this RFP will become property of the State and will become public record in accordance with Minn. Stat. § 13.591, after the evaluation and contracting process is completed. Pursuant to statute, completion of the evaluation process occurs when the government entity has completed negotiating the contract with the selected vendor. If the Responder submits information in response to this RFP that it believes to be trade secret, as defined by the Minnesota Government Data Practices Act, Minn. Stat. § 13.37, the Responder must:

- Clearly mark all trade secret materials in its response at the time the response is submitted;
- Include a statement with its response justifying the trade secret designation for each item; and
- Defend any action seeking release of the materials it believes to be trade secret, and indemnify and hold harmless the State, its agents and employees, from any judgments or damages awarded against the State in favor of the party requesting the materials, and any and all costs connected with that defense. This indemnification survives the State's award of a contract. In submitting a response to this RFP, the Responder agrees that this indemnification survives as long as the trade secret materials are in possession of the State.

Responses to this RFP will not be open for public review until the State decides to pursue a contract and that contract is executed.

The State will not consider the prices submitted by the Responder to be proprietary or trade secret materials.

C. Department Contact and Questions Regarding RFP

The Department contact for this RFP is:

Jodi L. Ehlenz
Department of Employee Relations
200 Centennial Office Building
658 Cedar Street
St. Paul, MN 55155
jodi.ehlenz@state.mn.us

Please note that other state personnel are not authorized to discuss the project with vendors before the proposal deadline. Contact regarding this RFP with any personnel not listed above could result in disqualification.

Questions regarding this RFP should be submitted by Monday, October 8, 2007 by e-mail. Responses to questions submitted by October 8, 2007 will be provided by Friday, October 12, 2007, by e-mail, to all who have requested a copy of the RFP.

D. Vendor Selection

Proposal evaluations are expected to be completed by Monday, November 26, 2007.

E. Contract Negotiations

Contract negotiations will begin upon completion of the proposal evaluations. The intended effective date for the contract is January 1, 2008. Completion dates for all deliverables specified in Section V, Required Services, will be specified in the contract if applicable.

F. Costs Incurred

DOER will not be liable for any costs incurred by the prospective vendor in preparing or submitting the proposal.

G. Preference to Targeted Group and Economically Disadvantaged Businesses and Individuals

In accordance with Minnesota Rules, part 1230.1810, subpart B and Minnesota Rules, part 1230.1830, certified Targeted Group Businesses and individuals submitting proposals as prime contractors shall receive the equivalent of a six percent preference in the evaluation of their proposal, and certified Economically Disadvantaged Businesses and individuals submitting proposals as prime contractors shall receive the equivalent of a six percent preference in the evaluation of their proposal.

For information regarding certification, contact the Materials Management Helpline at 651/296-2600, or you may reach the Helpline by e-mail at mmdhelp.line@state.mn.us. For TTY/TDD communications, contact the Helpline through the Minnesota Relay Services at 1/800/627-3529.

H. Contingency Fees Prohibited

Pursuant to Minn. Stat. § 10A.06, no person may act as or employ a lobbyist for compensation that is dependent upon the result or outcome of any legislation or administrative action.

V. Required Services

The proposal must specify how the vendor intends to deliver the proposed services and operations. Those services and operations must, at a minimum, include the following:

A. Rate Development

The vendor must provide premium rate development services including:

1. Rate Submission Template

Assistance in developing and refining the rate submission template and instructions for the State Employees Group Insurance Program.

2. "Rate Need" Analysis

Analysis and criticism of rate or "rate need" proposals and supporting materials for the State Employees Group Insurance Program and the Public Employees Insurance Program.

3. Rate Updates

Regularly (quarterly) updated rates consistent with the plan methodology currently in use for PEIP.

4. New and Renewal Computer Rate Materials

Automated supporting materials (computer diskettes) for prospective new entrants and renewal quotes for PEIP.

5. DOER Administrative Fees Analysis

Analysis of various DOER administrative fees to determine the appropriate rate to charge agencies.

B. Health Benefit Administrative Support – Minnesota Advantage Health Plan

1. Data Warehouse. Maintenance of data warehouse for health claims data to include maintenance and updates of collected claims data, reporting and analysis.
2. Claims Analysis and Reporting to support the risk adjustment function of the Minnesota Advantage Health Plan.
3. Network Analysis and Reporting to support the cost level structure of health care providers.

C. Risk Management Activities Support

1. Data Management

The vendor must be proficient and have experience in assimilating raw data from multiple sources (e.g., medical claims, workers' compensation, absenteeism, short-term

and long term disability, FMLA, etc.) and warehousing that data in database structures that are accessible to analytic and reporting tools.

Act on behalf of the State of Minnesota to manage initial and on-going data submissions from carriers and vendors and developing and managing data quality improvements. Develop and maintain data specifications to meet analytic and reporting needs. Assess data quality through automated quality checks, evaluation of changes in variables over time, and produce outcome reports for quality assessments. Maintain security provisions that meet HIPAA and Minnesota data practices requirements to ensure confidentiality of all information.

2. Analytic and Reporting Services

Provide reports according to specifications set forth by the State of Minnesota, including ~~standard and ad hoc reports with drill-down capabilities. Reporting examples may include~~ but are not limited to:

- Aggregate views of data to make comparisons between different plans
- Normative reports to compare the State of Minnesota experience against benchmarks
- Drill-down capability to analyze detailed information about health, disability and other data elements specific to health and productivity management
- Statistical applications that can assess the significant findings

3. Consulting Expertise

Provide a service team that exhibits experience and expertise in data integration, analysis and reporting, benefit design and integration related to health care, life insurance, short-term and long-term disability, as well as on-going customer support. Must have experience and expertise in developing effective strategies and programs for targeted disease management, prevention-based initiatives, and population health management. In addition, must have the ability to assist the State of Minnesota in monitoring and assessing the effectiveness of such programs and strategies. Examples of service team personnel to meet our needs may include:

- Lead Account Manager – primary contact on all matters related to data management, integration and reporting needs
- Data Manager – is thoroughly familiar with data specifications, carrier data feeds, account structure and quality assessment
- Data Processor – processes and structures the data
- Lead Consultant – conducts special studies on behalf of the State of Minnesota and helps us to make optimal use of our data to develop and implement risk management strategies.

D. Analysis of Plan and/or Care System Operations

The vendor may be asked to analyze specific features of health plan, care system, and clinic operations such as:

1. Performance

Analysis of performance, based on results of risk adjusted claim or performance audits.

2. Financial Analysis

Analysis of each program's financial experience, associated reserve requirements and incurred but unreported liability determinations.

3. Anti-selection Analysis

Analysis of biased selection across alternative plans or care systems in the various programs.

4. Variations

Analysis of variations in plan, care system, or clinic experience by region, department or other factors.

5. Managed Care Activities

Analysis of each plan, care system, or clinic included in the various programs relating to the carrier's managed care activities.

6. Evaluation of Current Programs

Evaluation of current program activities, benefit designs, benefit delivery systems, health care quality and performance measurement.

7. Risk Management Activities

Analysis of effectiveness of disease management activities performed by the plans or care systems.

E. Analysis of Current and Alternative Plan Designs

1. Benefit Designs

Benefit design may include analyses of alternative benefit designs in preparation for collective bargaining, support for response regarding proposed legislation and analysis of flexible or cafeteria benefit design options.

2. General Plan Designs

General plan design may include:

- Alternative underwriting, rating and risk pooling approaches;
- Alternative employer contributions formulas;
- Alternative carrier reimbursement and performance incentive structures; and

- Stop-loss coverage options

3. Report Design

Analysis of claims and utilization reporting requirements and design of DOER's internal report formats and analyses. Ability to provide comparison data and information for state to benchmark results with other large purchasers.

F. Contracting

Assist in development of contracts and administrative agreements for the fully-insured and self-insured medical, dental, life, and disability programs available to state employees

G. Assistance in Implementing New Programs and Plan or Care System Relationships

DOER may require the vendor to assist in implementing new programs and plan or care system relationships. The assistance includes RFP development and design, solicitation of RFP respondents, proposal evaluations, contract development and negotiations, and plan implementation.

H. Quality Improvement

Assist in the development of quality improvement measures to appropriately benchmark and incent plans, care systems, administrators, and others with whom DOER contracts.

I. Special Projects

DOER may require the vendor to undertake or participate in a variety of special projects, including but not limited to analysis of legislative proposals and fiscal notes related to programs administered by DOER, and projects undertaken on behalf of any of the state's key stakeholders, including the Governor's office, the Department of Human Services, the Buyers Health Care Action Group, and other groups or coalitions with whom DOER has partnered. The chosen vendor may also participate in and make presentations in a wide variety of venues including but not limited to labor union bargaining and legislative hearings.

J. Administrative Assistance

DOER may require the vendor to provide occasional program administrative assistance concerning matters that fall within the vendor's areas of expertise such as underwriting services for the Public Employers Insurance Program.

K. Legal Awareness and Compliance

The vendor will advise DOER of changes or proposed changes in state and federal laws or regulations that may impact the various programs, and assist in implementing changes. In addition, the vendor must maintain security provisions that meet HIPAA and Minnesota data practices requirements to ensure confidentiality of all information received by the vendor in any of the activities undertaken under the terms of the contract.

Required Proposal Contents

The contents of this RFP and the proposal of the successful vendor may become part of the contract with that vendor if a contract is awarded to the vendor. Failure by any vendor to include the following information or statements in the proposal may result in its being declared unacceptable or non-responsive, and it may receive no further consideration.

The following will be considered minimum contents of the proposal:

A. Transmittal Letter

A transmittal letter must accompany the proposal. The letter must be in the form of a standard business letter and be signed, in ink, by an individual authorized to legally bind the vendor. It must include:

1. A statement indicating the vendor is an individual, a partnership, a group of individuals, a corporation or other legal entity, who is authorized to provide the services set forth in the vendor's proposal. Evidence of current license(s), if any, must accompany the proposal.
2. A statement that prices and terms of the proposal are valid for the term of the proposed contract;
3. A statement identifying those individuals who were involved with the preparation of the proposal;
4. A statement that no attempt has been made or will be made by the vendor to induce ar person or firm to submit or not submit a proposal;
5. A statement of acceptance of, or exception to, the terms and conditions stated in this RFP. Any suggestions for alternative language must be indicated on a document entitled, "Exceptions to Terms and Conditions," which must be attached to the vendor's proposal. DOER is under no obligation to accept working changes submitted by the vendor;
6. A statement identifying all addenda to this RFP issued by DOER and received by the vendor; (if no addenda have been received, a statement to that effect must be included);
7. A statement that the vendor has sole and complete responsibility for the completion of all services provided under the contract, except for those items specifically defined as state responsibilities;
8. A statement certifying that, in connection with this procurement, the prices proposed have been arrived at independently, without consultation, communication or agreement, for the purpose of restriction of competition, as to any other vendor or with any competitor; and that unless otherwise required by law, the prices quoted have not been knowingly disclosed by the vendor prior to award, either directly or indirectly, to any other vendor or competitor;
9. A statement certifying that no personnel currently employed by or under personal contract to DOER, or any other state agency, participated, either directly or indirectly, in any activities related to the preparation of the vendor's proposal; and
10. A statement that each person signing this proposal certifies that she/he is the person in the vendor's organization responsible for, or authorized to make decisions as to the prices quoted

in the cost proposal and that she/he has not participated and will not participate in any action contrary to those stated above.

11. A statement that the responder warrants that the information provided is true, correct and reliable for purposes of evaluation for potential contract award. The submission of inaccurate or misleading information may be grounds for disqualification from the award, or other remedies available by law.

B. Narrative

The proposal must also include the following:

1. Statements specifying how the vendor intends to deliver and perform the required services and operations described in Section V of the RFP.
2. An outline of the vendor's background and capabilities with particular emphasis on ~~identification of the personnel, including any subcontract vendors who will conduct the work,~~ including references and past work experiences. If someone other than the vendor provides services, she/he must be identified by name, firm and/or individual credentials and licenses, and three (3) references must be provided. No change in personnel assigned to the project will be permitted without approval of DOER's project director or manager.
3. A description, including the organizational chart, of the vendor's operations. Please include the résumés of the specific personnel assigned to work with DOER as part of the contract. Please include a description of the vendor's proposed relationship structure for the contract, specifically stating the main contact person and how the vendor's internal personnel structure relates to the contract. ***Because of the need for consultants to be available at short notice and for cost purposes, DOER requires a significant presence in the Twin Cities metropolitan areas, including personnel assigned to the contract.*** The state's contract manager or SEGIP benefit manager must approve all changes to personnel assigned to the contract.
4. Please provide a list of at least three references whom we may contact about the vendor's experience related to the contract.
5. Experience
   (a) Provide an outline of the vendor's background and organizational capabilities with emphasis on actuarial and consulting services provided to large employer groups, government organizations and managed care organizations.
   (b) Provide an outline of the background and experience of the main contact person to be assigned to this contract.

C. Cost Proposal

Provide one copy of the cost proposal in a separately sealed envelope clearly marked on the outside "Cost Proposal" along with your firm's name. For purposes of completing the cost proposal, the state does not make regular payments based upon the passage of time; it only pays for services performed or work delivered after it is accomplished, and after a billing has been received and approved. Proposals will be evaluated on "best value" as specified below. The cost proposal will not be opened by the review committee until after the qualifications points are awarded.

1. The cost proposal must contain all information related to costs, fees, hourly rates and other charges. All charges must be presented as a fixed price for the duration of the contract. The proposal must identify all charges not included in the fixed price and the method for billing these charges. Expenses not specifically excluded will be considered to be within the fixed price.
2. All fees must be guaranteed for the first two years of the contract. The maximum percentage increase for possible extensions in years three, four, and five must be specified. The maximum may be expressed as a percentage above a published index, which should be specified. The vendor may propose alternatives to the requested rate guarantee, provided they are proposed in addition to the basic rate guarantee requirement and are accompanied by a rationale that would demonstrate an advantage to the state.
3. Vendors are asked to provide a schedule showing the guaranteed hourly rate or range of rates (for the first two years of the contract) for each consultant classification (e.g., Principal, Manager, Consulting Actuary) expected to be involved in activities under the contract.
4. Vendors are asked to identify the classifications under which a majority of hours would be billed.
5. Vendors may present proposals for alternative pricing strategies such as discounts for volume of business, performance-based reimbursement, etc.
6. A proposed billing method must include a description of the vendor's cost allocation process to individual projects, the rates or fees, and the conditions of payment.

VII. Proposal Evaluation

During the evaluation process, all information concerning the proposals submitted, including identity and number of vendors, will remain private and will not be disclosed to anyone whose official duties do not require such knowledge. At any time during the evaluation, the state may request a vendor to provide an explicit written clarification of any part of the vendor's proposal.

If a contract is awarded, the award will be made to that financially responsible and technically responsive vendor whose proposal best addresses all conditions and requirements of this RFP, and which is most advantageous to the state, with price and other factors considered.

A. Evaluation Committee

DOER will designate members of an Evaluation Committee to evaluate the proposals. Other professional staff may also assist in the evaluation process with such tasks as initial mandatory requirements review, contacting references, or answering technical questions from evaluators. The state reserves the right to alter the composition of the Evaluation Committee and its specific responsibilities.

B. Criteria

Proposals will be evaluated to determine that they meet the criteria described in the RFP. The process is described below.

Proposals will be reviewed to determine if they comply with minimum requirements:

- Seven years experience in actuarial and consulting services for large public employers.
- A significant presence in the Twin Cities of St. Paul and Minneapolis, Minnesota. Personnel assigned to the contract should be officed in the Twin Cities.

After proposals have been evaluated using the criteria considerations listed above, they will be reviewed based on the general factors and weighting contained in the table below:

Evaluation Criteria	Weight
1. Expressed understanding of project objectives	20%
2. Cost of requested services	30%
3. Ability and capacity to provide services requested as demonstrated by client experience and references.	30%
4. Organizational experience and staff qualifications/experience	20%

C. Evaluation Process

The evaluation process will consist of the following phases:

1. Phase I: Preliminary Review

Proposals will receive preliminary review to determine if they meet the minimum proposal requirements. Criteria considerations/minimum requirements are listed above and the State reserves the right to ask clarifying questions. Cost proposals will not be opened during this phase. Only proposals meeting the minimum requirements above will be considered for further evaluation in Phase II.

2. Phase II: Committee Evaluation

Proposals will be evaluated based on the criteria as specified above. Only the top proposals will be approved for further evaluation in Phase III.

3. Phase III: Reference Checks and Oral Interviews

During the course of the Phase II evaluation, the state may request oral presentations of vendors or the opportunity to interview the proposed key personnel. Reference checks may also be made. However, the state reserves the right to make an award without further clarification of the proposals received. Therefore, it is important that each proposal be submitted in the most complete manner possible.

4. Phase IV: Site Visitation, Final Selection and Notification

The evaluation committee may conduct on-site visitations and make a final review of the top proposals based on all of the criteria above, and select a finalist.

After negotiations are complete and a contract is in place, the state will notify unsuccessful vendors in writing that their proposals have not been accepted.

VIII. Length of Contract

The contract will cover two (2) years commencing January 1, 2008. Annual extensions may be considered by DOER for a period of three additional years.

IX. Required Contract Terms and Conditions

The sections of this article refer to terms and conditions that must be met by successful entities as part of contracting with DOER. A sample State of Minnesota Professional/Technical Services Contract is attached for reference. Much of the language reflected in the contract is required by statute. If you take exception to any of the terms, conditions or language in the contract, you must indicate those exceptions in the "Exception to Terms and Conditions" document as described in Section VI, A, 5 (page 16) of this RFP; certain exceptions may result in your proposal being disqualified from further review and evaluation. Only those exceptions indicated in your response to the RFP will be available for discussion or negotiation.

A. Conformance with Laws and Regulations

Contractor must unconditionally accept all Minnesota and federal laws, rules, regulations, collective bargaining agreements, compensation plans, and policies as they exist or as amended which are or may be applicable to the contract, including those not specifically mentioned in the contract.

B. Affidavit of Noncollusion

Each responder must complete the attached Affidavit of Noncollusion and include it with the response. (See page 34.)

C. Location of Service Disclosure.

Each responder must complete the attached Location of Service Disclosure and include it with the response. (See page 35.)

D. Conflicts of Interest

Responder must provide a list of all entities with which it has relationships that create or appear to create, a conflict of interest with the work that is contemplated in this request for proposals. The list should indicate the name of the entity, the relationship, and a discussion of the conflict.

E. Contingency Fees Prohibited

Pursuant to Minn. Stat. § 10A.06, no person may act as or employ a lobbyist for compensation that is dependent upon the result or outcome of any legislation or administrative action.

F. Reimbursements

Reimbursement for travel and subsistence expenses actually and necessarily incurred by the contractor as a result of the contract will be in no greater amount than provided in the current "Commissioner's Plan" promulgated by the commissioner of Employee Relations. Reimbursements will not be made for travel and subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state.

G. Organizational Conflicts of Interest

The responder warrants that, to the best of its knowledge and belief, and except as otherwise disclosed, there are no relevant facts or circumstances which could give rise to organizational conflicts of interest. An organizational conflict of interest exists when, because of existing or planned activities or because of relationships with other persons, a vendor is unable or potentially unable to render impartial assistance or advice to the State, or the vendor's objectivity in performing the contract work is or might be otherwise impaired, or the vendor has an unfair competitive advantage. The responder agrees that, if after award, an organizational conflict of interest is discovered, an immediate and full disclosure in writing must be made to the Assistant Director of the Department of Administration's Materials Management Division which must include a description of the action which the contractor has taken or proposes to take to avoid or mitigate such conflicts. If an organizational conflict of interest is determined to exist, the State may, at its discretion, cancel the contract. In the event the responder was aware of an organizational conflict of interest prior to the award of the contract and did not disclose the conflict to the contracting officer, the State may terminate the contract for default. The provisions of this clause must be included in all subcontracts for work to be performed similar to the service provided by the prime contractor, and the terms "contract," "contractor," and "contracting officer" modified appropriately to preserve the State's rights.

H. Termination

The contract may be canceled by DOER or the Commissioner of the Department of Administration at any time, with or without cause, upon thirty (30) days written notice to Contractor. In the event of such a cancellation, Contractor shall be entitled to payment, determined on a pro rata basis, for work or services satisfactorily performed. In the event that state funds for the contract become unavailable or are reduced to any extent, DOER shall have the right to terminate the contract without penalty as provided above. Availability of funds will be determined at the sole discretion of DOER.

I. Licensing and Accreditation Standards

Contractor must provide: written assurance to DOER that it is qualified to do business in Minnesota and is not prohibited by its articles of incorporation, bylaws, or the law under which it is incorporated from performing the services required under the contract; that it has obtained any necessary certifications, permits, or licenses to do business in Minnesota; this assurance shall be signed by an officer of the Contractor or an attorney acting as counsel to the Contractor. As required by Minnesota Statutes, Section 270.66, Contractor must also provide Social Security, Minnesota Tax Identification, and Federal Employer Identification Numbers, as appropriate.

J. Human Rights Requirements

For all contracts estimated to be in excess of $100,000, responders are required to complete the attached Affirmative Action Data page and return it with the response. (See page 32.) As required by Minn. Rule 5000.3600, "It is hereby agreed between the parties that Minn. Stat. § 363A.36 and Minn. Rule 5000.3400 – 5000.3600 are incorporated into any contract between these parties based upon this specification or any modification of it. Copies of Minn. Stat. §

363A.36 and Minn. Rule 5000.3400 – 5000.3600 are available upon request from the contracting agency."

K. Subcontractors

1. None of the services to be provided by Contractor pursuant to the contract shall be subcontracted or delegated to any other organization, subdivision, association, individual, corporation, partnership or group of individuals or other such entity without the prior written consent of DOER. Any subcontract to which DOER has consented shall be in writing and shall be attached to the contract and made a part thereof and shall in no way alter the contract terms and conditions. All subcontracts shall contain provisions for state access to the subcontractor's books, documents, and records and for inspections of work. No subcontract or delegation of work shall relieve or discharge Contractor from any obligation, provision, or liability under the contract.

2. Any action of a subcontractor which, if done by Contractor, would constitute a breach of the contract shall be a breach by Contractor and have the same legal effect.

L. Accounting and Audit Requirements

1. Contractor will be required to maintain accounting records relating directly to the performance of the contract. These accounting records shall be maintained in accordance with generally accepted accounting principles. Further, they shall be maintained separate and apart from other corporate or individual accounting records.

2. Authorized representatives or agents of DOER or the Legislative Auditor shall have access to the accounting records of Contractor upon reasonable notice and at reasonable times during the performance or retention period of the contract for purposes of review, analysis, inspection, audit, and reproduction. Copies of accounting records pertaining to the contract shall be made available within ten (10) days of receipt of a written request from authorized representatives or agents of DOER or the Legislative Auditor.

3. Financial records pertaining to the contract shall be maintained for six (6) years following the end of the fiscal year during which the contract is terminated or the state audits of the contract have been completed, whichever is later.

M. Data Privacy

1. Contractor's employees and agents may have access to private or confidential data maintained by DOER and state agencies to the extent necessary to carry out their responsibilities under the contract. Contractor must comply with all the requirements of the Minnesota Government Data Practices Act in providing services under the contract. Contractor must designate one individual who shall remain the responsible authority in charge of all data collected, used, or disseminated in connection with the performance of the contract. (See Minnesota Statutes, Section 13.46, subdivision 10.) Contractor will be

required to accept responsibility for providing adequate supervision and training to its agents and employees to ensure compliance with the act.

2. No private or confidential data collected, maintained, or used in the course of performance of the contract shall be disseminated except as authorized by statute, either during the period of the contract or thereafter. Contractor must agree to return any and all data furnished by DOER promptly at the request of DOER in whatever form it is maintained. Upon the termination or completion of the contract, Contractor will not use any of such data or any material derived from the data for any purpose and, where so instructed by DOER, will destroy or render its material unreadable.

N. Ownership of Materials

1. The state shall own all rights, including all intellectual property rights, in all materials, including any reports, studies, photographs, negatives, documents, software and documentation, and other data developed, derived, documented, conceived or created by Contractor in the performance of its obligations under this contract, including all software developed for, and data collected for or housed in the data warehouse maintained by the vendor. Said materials will become the exclusive property of the state and may not be copied or removed by any employee of the successful Contractor without the express written permission of the state. All such materials shall be remitted to DOER by the Contractor upon completion, termination, or cancellation of the contract. Contractor shall not use, willingly allow, or cause to have such materials used for any purpose other than performance of obligations under this contract without the prior written consent of DOER. The complete individual record developed by the successful Contractor on each enrollee is the property of DOER. DOER has access to those records for review and audit purposes. In the event the contract is terminated, all such individual records will be submitted to DOER upon request.

2. All rights, title and interest in all copyrightable material which Contractor shall conceive or originate, either individually or jointly with others, and which arises out of the performance of the contract, will be the property of DOER along with ownership of any and all copyrights in the copyrightable material. Contractor also agrees, upon the request of DOER, to execute all papers and perform all other acts necessary to assist DOER to obtain and register copyrights on such materials. Where applicable, works of authorship created by Contractor for DOER in performance of the contract shall be considered "works made for hire" as defined in the U.S. Copyright Act.

O. Patent or Copyright Infringement

1. Contractor, at its expense, will be required to defend any claim or suit which may be brought against the State of Minnesota for the infringement of patents or copyrights arising from Contractor's or the state's use of any materials, computer software, and products or information prepared for, or developed by, the Contractor in connection with the performance of the contract and, in any suit, will satisfy any final award for such infringement whether it is resolved by settlement or judgment.

2. DOER shall give Contractor prompt written notice of such claim or suit and full right and opportunity to conduct the defense thereof, together with full information and cooperation. If principles of governmental or public laws are involved, DOER may participate in the defense of any such action. No Contractor costs or expenses shall be incurred by DOER without Contractor's written consent.

3. If, in Contractor's opinion, the materials, software, or information mentioned in the paragraphs above are likely to or do become the subject of a claim or infringement of a United States patent or copyright, then without diminishing the Contractor's obligation to satisfy any final award, Contractor may, with the contract manager's written consent, substitute other equally suitable equipment, materials, and information, or at Contractor's option and expense, obtain the right for DOER to continue to use such equipment, materials, and information.

4. In the event of materials and/or software substitution, DOER must protect its interests in data used by such materials or software through recovery or conversion of such data or other approved materials or software. Contractor will be required, in any such suit, to satisfy any damages for infringement assessed against DOER or its departments, officers, employees, or agents resulting from said lawsuit, whether it is resolved by settlement or by judgment. This remedy shall be in addition to and not exclusive of other remedies provided by law.

P. State Property

Contractor will be required to be responsible for the proper custody and care of any state-owned property furnished for Contractor's use in connection with the performance of the contract, and Contractor will reimburse DOER for such property's loss or damage, normal wear and tear excepted.

Q. Antitrust

Contractor must assign to DOER any and all claims for overcharges as to goods and/or services provided in connection with the contract resulting from antitrust violations that arise under the antitrust laws of the United States and the antitrust laws of the State of Minnesota.

R. Personnel Requirements

1. It will be required that Contractor, its officers, employees, subcontractors or any other agent of Contractor in performance of the contract shall act in an independent capacity and not as an officer or employee of the state. The contract shall not be construed as a partnership or joint venture between Contractor or any subcontractor and the state.
2. If applicable, the contract will be subject to the economically disadvantaged contract requirements of Minnesota Statutes Section 16B.19.

S. Contractor Personnel and Services Management

1. If applicable, Contractor will be required to provide, in advance and in writing, any permanent or temporary (greater than ten consecutive work days) changes to or deletions from Contractor's named key personnel.

2. During the course of the contract, DOER will reserve the right to approve or disapprove Contractor's (and any subcontractor's) staff assigned to the contract and to approve or disapprove any proposed changes to the staff. Contractor will be required, upon request, to provide DOER with a resume of any member of its staff or a subcontractor's staff assigned to or proposed to be assigned to any aspect of the performance of the contract.

3. Upon the written request of DOER's contract manager, any employee of Contractor who, in the opinion of the contract manager, is unacceptable shall be removed from the project staff. In the event that an employee is removed pursuant to a written request from the contract manager, Contractor shall have thirty (30) days in which to fill the vacancy with an acceptable employee. Replacement of any personnel, including those who have terminated employment, shall be with personnel of equal or greater ability and qualifications as those previously approved by DOER.

T. Taxes and Insurance

1. Taxes: Contractor shall pay any state or federal sales, excise or other taxes or fees that may be levied upon the sale, transfer of ownership, installation or use of goods procured under the contract, including any taxes assessed upon Contractor's net income. Said tax payments shall be made in accordance with state or federal law.
2. Contractor shall not commence work under the contract until they have obtained all the insurance described below and the State of Minnesota has approved such insurance. Contractor shall maintain such insurance in force and effect throughout the term of the contract.

   A. Contractor is required to maintain and furnish satisfactory evidence of the following insurance policies:

   1. **Workers' Compensation Insurance:** Except as provided below, Contractor must provide Workers' Compensation insurance for all its employees and, in case any work is subcontracted, Contractor will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota, including Coverage B, Employer's Liability. Insurance **minimum** amounts are as follows:

      $100,000 – Bodily Injury by Disease per employee
      $500,000 – Bodily Injury by Disease aggregate
      $100,000 – Bodily Injury by Accident

If Minnesota Statute exempts Contractor from Workers' Compensation insurance or if the Contractor has no employees in the State of Minnesota, Contractor must provide a written statement, signed by an authorized representative, indicating the qualifying exemption that excludes Contractor from the Minnesota Workers' Compensation requirements.

2. **Commercial General Liability:** Contractor is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as from claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the contractor or by a subcontractor or by anyone directly or indirectly employed by the Contractor under the contract. Insurance **minimum** amounts are as follows:

   $1,000,000 – per occurrence
   $2,000,000 – annual aggregate
   $2,000,000 – annual aggregate – Products/Completed Operations

   The following coverages shall be included:

   Premises and Operations Bodily Injury and Property Damage
   Personal and Advertising Injury
   Blanket Contractual Liability
   Products and Completed Operations Liability
   State of Minnesota named as an Additional Insured

3. **Commercial Automobile Liability:** Contractor is required to maintain insurance protecting the contractor from claims for damages for bodily injury as well as from claims for property damage resulting from the ownership, operation, maintenance or use of all owned, hired, and non-owned autos which may arise from operations under this contract, and in case any work is subcontracted the contractor will require the subcontractor to provide Commercial Automobile Liability. Insurance **minimum** amounts are as follows:

   $1,000,000 – per occurrence Combined Single limit for Bodily Injury and Property Damage

   In addition, the following coverages should be included:

   Owned, Hired, and Non-owned Automobile
   State of Minnesota named as an Additional Insured

4. **Professional/Technical, Errors and Omissions, and/or Miscellaneous Liability Insurance**

   Contractor is required to carry the following **minimum** amounts:

$1,000,000 – per claim or event
$1,000,000 – annual aggregate

Any deductible will be the sole responsibility of the Contractor and may not exceed $50,000 without the written approval of the State. If the Contractor desires authority from the State to have a deductible in a higher amount, the Contractor shall so request in writing, specifying the amount of the desired deductible and providing financial documentation by submitting the most current audited financial statements or other approved documentation so that the State can ascertain the ability of the Contractor to cover the deductible from its own resources.

The retroactive or prior acts date of such coverage shall not be after the effective date of this Contract.

This policy will provide coverage for all claims the contractor may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Contractor's professional services required under the contract, and include an extended reporting period provision of a minimum of three (3) years following completion of the work.

C. Additional Insurance Conditions:

- Contractor's policy(ies) shall be primary insurance to any other valid and collectible insurance available to the State of Minnesota with respect to any claim arising out of this contract;
- Contractor's policy(ies) will provide the State of Minnesota with thirty (30) days advance notice of cancellation, nonrenewal, or reduction in limits of coverage or other material change;
- Contractor is responsible for payment of Contract related insurance premiums and deductibles;
- If Contractor is self-insured, a Certificate of Self-Insurance must be attached;
- Include legal defense fees in addition to its liability policy limits, with the exception of B.4 above; and
- Obtain insurance policies from an insurance company having an "AM BEST" rating of A- (minus); Financial Size Category (FSC) VII or better and must be authorized to do business in the State of Minnesota.

D. The State reserves the right to immediately terminate the contract if the contractor is not in compliance with the insurance requirements and retains all rights to pursue any legal remedies against the contractor. All insurance policies must be open to inspection by the State, and copies of policies must be submitted to the State's authorized representative upon written request.

E. The successful responder is required to submit acceptable evidence of insurance coverage requirements prior to commencing work under the contract.

U. Quality Assurance Requirements

Contractor shall maintain a quality assurance program, acceptable to DOER, to monitor the quantity and quality of the services provided to DOER under the contract.

V. Additional Requirements

Contractor will be required to comply with the following additional requirements:

A. Notify DOER in writing within thirty (30) days of the effective date of the contract of the person or persons authorized to sign amendments on behalf of the Contractor. Contractor will be required to notify DOER in writing immediately if such designation is withdrawn or changed by Contractor at any time during the term of the contract.

B. Cooperate fully with any contractors, consultants, or other parties that may be engaged by DOER in connection with the contract and permit access by all such parties, as requested in writing by DOER, to any records and procedures that may be in the possession or control of Contractor. Contractor will be required to sign non-disclosure agreements as necessary to fulfill its obligations under the contract.

C. Provide reasonable assistance as requested by DOER in maintaining liaison and coordination with groups, committees or similar bodies which are interested in the performance or objectives of the contract.

A. Obtain written approval from DOER prior to initiating any changes in work scope or schedule, except that emergency changes deemed by the Contractor to be critical may be accomplished without DOER's prior approval if subsequent written notification of such action and a written explanation of the need for such action is given to DOER within five (5) working days of the action.

E. Establish appropriate restrictions, controls, and safeguards against unauthorized access by Contractor personnel or others to any and all non-public data held by DOER which may be provided to or otherwise come into possession of Contractor and ensure that a need-to-know

test is applied to dissemination by Contractor of such non-public information with which Contractor is entrusted. Contractor will be required to allow no dissemination of any such data that it may receive without prior state authorization. Contractor will be required to comply with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13.

F. Ensure that Contractor's personnel, as well as Contractor's authorized subcontractor(s), and their personnel, at all times comply with all security regulations in effect both on and off DOER's premises for all materials belonging to DOER. Contractor will be required to obtain DOER's written permission to remove from DOER's premises any materials belonging to DOER prior to such removal.

G. Make appropriate provisions, as required by federal and state laws and regulations, to physically secure and safeguard all listings, documents, and files related to the contract. Throughout the term of the contract, Contractor will be required to secure DOER's written approval prior to the release of any information whatsoever which pertains to any work or activities related to the contract including, but not limited to, any news media releases.

H. Provide DOER's contract manager and other staff, as directed, with written and oral progress reports. These reports shall evaluate actual progress of performance under the contract. All aspects of contract performance shall be reviewed, including but not limited to: services status and accomplishments, problems encountered to date, and corrective action necessary to resolve problems and maintain schedule.

I. Provide periodic reports as requested by DOER.

J. If applicable, Contractor must comply with all requirements of Minnesota Statutes, Section 179A.23 regarding preferential employment of any state employees who may be displaced because of the implementation of the contract.

X. STATE OF MINNESOTA - AFFIRMATIVE ACTION DATA PAGE

If your response to this solicitation is or could be in excess of $100,000, complete the information requested below to determine whether you are subject to the Minnesota Human Rights Act (Minnesota Statutes 363A.36) certification requirement, and to provide documentation of compliance if necessary. **It is your sole responsibility to provide this information and—if required—to apply for Human Rights certification prior to the due date and time of the bid or proposal and to obtain Human Rights certification prior to the execution of the contract. The State of Minnesota is under no obligation to delay proceeding with a contract until a company receives Human Rights certification.**

BOX A – For companies which have employed more than 40 full-time employees within Minnesota on any single working day during the previous 12 months. All other companies proceed to Box B.

Your response will be rejected unless your business:

~~has a current Certificate of Compliance issued by the Minnesota Department of Human Rights (MDHR)~~

–or–

has submitted an affirmative action plan to the MDHR, which the Department received prior to the date and time the responses are due.

Check one of the following statements if you have employed more than 40 full-time employees in Minnesota on any single working day during the previous 12 months:

- ❑ We have a current Certificate of Compliance issued by the MDHR. **Proceed to BOX C. Include a copy of your certificate with your response.**
- ❑ We do not have a current Certificate of Compliance. However, we submitted an Affirmative Action Plan to the MDHR for approval, which the Department received on _____ (date). [If the date is the same as the response due date, indicate the time your plan was received: _____ (time). **Proceed to BOX C.**
- ❑ We do not have a Certificate of Compliance, nor has the MDHR received an Affirmative Action Plan from our company. **We acknowledge that our response will be rejected. Proceed to BOX C. Contact the Minnesota Department of Human Rights for assistance.** (See below for contact information.)

Please note: Certificates of Compliance must be issued by the Minnesota Department of Human Rights. Affirmative Action Plans approved by the Federal government, a county, or a municipality must still be received, reviewed, and approved by the Minnesota Department of Human Rights before a certificate can be issued.

BOX B – For those companies not described in BOX A

Check below.

- ❑ We have not employed more than 40 full-time employees on any single working day in Minnesota within the previous 12 months. **Proceed to BOX C.**

FORM C – For all companies

By signing this statement, you certify that the information provided is accurate and that you are authorized to sign on behalf of the responder. You also certify that you are in compliance with federal affirmative action requirements that may apply to your company. (These requirements are generally triggered only by participating as a prime or subcontractor on federal projects or contracts. Contractors are alerted to these requirements by the federal government.)

Name of Company: _____ Date _____

Authorized Signature: _____ Telephone number: _____

Printed Name: _____ Title: _____

For assistance with this form, contact:

Minnesota Department of Human Rights, Compliance Services Section

Mail:	190 East 5th St., Suite 700 St. Paul, MN 55101	TC Metro:	(651) 296-5663	Toll Free:	800-657-3704
Web:	www.humanrights.state.mn.us	Fax:	(651) 296-9042	TTY:	(651) 296-1283
Email:	employerinfo@therightsplace.net				

XI. AFFIDAVIT OF NONCOLLUSION

I swear (or affirm) under the penalty of perjury:

1. That I am the Responder (if the Responder is an individual), a partner in the company (if the Responder is a partnership), or an officer or employee of the responding corporation having authority to sign on its behalf (if the Responder is a corporation);

2. That the attached proposal submitted in response to the Actuarial and Consulting Request for Proposals has been arrived at by the Responder independently and has been submitted without collusion with and without any agreement, understanding or planned common course of action with, any other Responder of materials, supplies, equipment or services described in the Request for Proposal, designed to limit fair and open competition;

3. That the contents of the proposal have not been communicated by the Responder or its employees or agents to any person not an employee or agent of the Responder and will not be communicated to any such persons prior to the official opening of the proposals; and

4. That I am fully informed regarding the accuracy of the statements made in this affidavit.

Responder's Firm Name: _____

Authorized Signature: _____

Date: _____

Subscribed and sworn to me this _____ day of _____

Notary Public
My commission expires: _____

XII. LOCATION OF SERVICE DISCLOSURE AND CERTIFICATION

Check all that apply:

☐ The services to be performed under the anticipated contract as specified in our proposal will be performed ENTIRELY within the State of Minnesota.

☐ The services to be performed under the anticipated contract as specified in our proposal entail work ENTIRELY within another state within the United States.

☐ The services to be performed under the anticipated contract as specified in our proposal will be performed in part within Minnesota and in part within another state within the United States.

☐ The services to be performed under the anticipated contract as specified in our proposal DO involve work outside the United States. Below (or attached) is a description of

(1) the identity of the company (identify if subcontractor) performing services outside the United States;

(2) the location where services under the contract will be performed; and

(3) the percentage of work (in dollars) as compared to the whole that will be conducted in each identified foreign location.

CERTIFICATION

By signing this statement, I certify that the information provided above is accurate and that the location where services have been indicated to be performed will not change during the course of the contract without prior, written approval from the State of Minnesota.

Name of Company:

Authorized Signature: _____

Printed Name: _____

Title: _____

Date: _____ Telephone Number: _____

XIII. SAMPLE PROFESSIONAL AND TECHNICAL SERVICES CONTRACT

If you take exception to any of the terms, conditions or language in the contract, you must indicate those exceptions in your response to the RFP; certain exceptions may result in your proposal being disqualified from further review and evaluation. Only those exceptions indicated in your response to the RFP will be available for discussion or negotiation.

STATE OF MINNESOTA
PROFESSIONAL AND TECHNICAL SERVICES CONTRACT

This contract is between the State of Minnesota, acting through its Commissioner of the Department of Employee Relations ("State") and [GIVE THE FULL NAME OF THE CONTRACTOR INCLUDING ITS ADDRESS] ("Contractor").

Recitals

1. Under Minn. Stat. § 15.061 the State is empowered to engage such assistance as deemed necessary.
2. The State is in need of [ADD BRIEF NARRATIVE OF THE PURPOSE OF THE CONTRACT].
3. The Contractor represents that it is duly qualified and agrees to perform all services described in this contract to the satisfaction of the State.

Contract

1 Term of Contract

1.1 ***Effective date***: [SPELL OUT FULL DATE (e.g., April 1, 2005)], or the date the State obtains all required signatures under Minnesota Statutes Section 16C.05, subdivision 2, whichever is later.
The Contractor must not begin work under this contract until this contract is fully executed and the Contractor has been notified by the State's Authorized Representative to begin the work.

1.2 ***Expiration date***: [SPELL OUT FULL DATE (e.g., April 1, 2005)], or until all obligations have been satisfactorily fulfilled, whichever occurs first.

1.3 ***Survival of Terms***. The following clauses survive the expiration or cancellation of this contract: 8. Liability; 9. State Audits; 10. Government Data Practices and Intellectual Property; 12. Publicity and Endorsement; 13. Governing Law, Jurisdiction, and Venue; and 14 Data Disclosure.

2 Contractor's Duties

The Contractor, who is not a state employee, will:
Describe contractor's duties.

No terms or conditions of the contractor's proposal will be construed to modify, diminish or derogate the terms and conditions of this contract.

3 Time

The Contractor must comply with all the time requirements described in this contract. In the performance of this contract, time is of the essence.

4 Consideration and Payment

4.1 ***Consideration.*** The State will pay for all services performed by the Contractor under this contract as follows:

(A) ***Compensation.*** The Contractor will be paid: **describe the method of payment.**

(B) ***Travel Expenses.*** Reimbursement for travel and subsistence expenses actually and necessarily incurred by the Contractor as a result of this contract will not exceed $ [INSERT TOTAL TRAVEL BUDGET HERE. IF NONE, INSERT "$0.00"]; provided that the Contractor will be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than provided in the current "Commissioner's Plan" promulgated by the commissioner of Employee Relations, which is incorporated in to this contract by reference. The Contractor will not be reimbursed for travel and subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state.

(C) ***Total Obligation.*** The total obligation of the State for all compensation and reimbursements to the Contractor under this contract will not exceed $[THIS MUST BE THE TOTAL OF 4.1(A) AND 4.1(B) ABOVE].

4.2. ***Payment***

(A) ***Invoices.*** The State will promptly pay the Contractor after the Contractor presents an itemized invoice for the services actually performed and the State's Authorized Representative accepts the invoiced services. Invoices must be submitted timely and according to the following schedule:

(B) ***Federal funds.*** (Where applicable, if blank this section does not apply) Payments under this contract will be made from federal funds obtained by the State through Title _____ CFDA number _____ of the _____ Act of _____. The Contractor is responsible for compliance with all federal requirements imposed on these funds and accepts full financial responsibility for any requirements imposed by the Contractor's failure to comply with federal requirements.

5 Conditions of Payment

All services provided by the Contractor under this contract must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Contractor will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law.

6 Authorized Representatives

The State's Authorized Representative is [NAME, TITLE, ADDRESS, TELEPHONE NUMBER], or his/her successor, and has the responsibility to monitor the Contractor's performance and the authority to accept the services provided under this contract. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted for payment.

The Contractor's Authorized Representative is [NAME, TITLE, ADDRESS, TELEPHONE NUMBER], or his/her successor. If the Contractor's Authorized Representative changes at any time during this contract, the Contractor must immediately notify the State.

7 Assignment, Amendments, Waiver, and Contract Complete

7.1 ***Assignment.*** The Contractor may neither assign nor transfer any rights or obligations under this contract without the prior consent of the State and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this contract, or their successors in office.

7.2 ***Amendments.*** Any amendment to this contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original contract, or their successors in office.

7.3 ***Waiver.*** If the State fails to enforce any provision of this contract, that failure does not waive the provision or its right to enforce it.

7.4 ***Contract Complete.*** This contract contains all negotiations and agreements between the State and the Contractor. No other understanding regarding this contract, whether written or oral, may be used to bind either party.

8 Liability

The Contractor must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this contract by the Contractor or the Contractor's agents or employees. This clause will not be construed to bar any legal remedies the Contractor may have for the State's failure to fulfill its obligations under this contract.

9 State Audits

Under Minn. Stat. § 16C.05, subd. 5, the Contractor's books, records, documents, and accounting procedures and practices relevant to this contract are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this contract.

10 Government Data Practices and Intellectual Property

10.1. ***Government Data Practices.*** The Contractor and State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided by the State under this contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Contractor under this contract. The civil remedies of Minn. Stat. § 13.08 apply to the release of the data referred to in this clause by either the Contractor or the State.

If the Contractor receives a request to release the data referred to in this Clause, the Contractor must immediately notify the State. The State will give the Contractor instructions concerning the release of the data to the requesting party before the data is released.

10.2. ***Intellectual Property Rights.***

(A) *Intellectual Property Rights.* The State owns all rights, title, and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks, and service marks in the Works and Documents *created and paid for under this*

contract. Works means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the Contractor, its employees, agents, and subcontractors, either individually or jointly with others in the performance of this contract. Works includes "Documents." Documents are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the Contractor, its employees, agents, or subcontractors, in the performance of this contract. The Documents will be the exclusive property of the State and all such Documents must be immediately returned to the State by the Contractor upon completion or cancellation of this contract. To the extent possible, those Works eligible for copyright protection under the United States Copyright Act will be deemed to be "works made for hire." The Contractor assigns all right, title, and interest it may have in the Works and the Documents to the State. The Contractor must, at the request of the State, execute all papers and perform all other acts necessary to transfer or record the State's ownership interest in the Works and Documents.

(B) *Obligations*

a. *Notification.* Whenever any invention, improvement, or discovery (whether or not patentable) is made or conceived for the first time or actually or constructively reduced to practice by the Contractor, including its employees and subcontractors, in the performance of this contract, the Contractor will immediately give the State's Authorized Representative written notice thereof, and must promptly furnish the Authorized Representative with complete information and/or disclosure thereon.

b. *Representation.* The Contractor must perform all acts, and take all steps necessary to ensure that all intellectual property rights in the Works and Documents are the sole property of the State, and that neither Contractor nor its employees, agents, or subcontractors retain any interest in and to the Works and Documents. The Contractor represents and warrants that the Works and Documents do not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause 8, the Contractor will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless the State, at the Contractor's expense, from any action or claim brought against the State to the extent that it is based on a claim that all or part of the Works or Documents infringe upon the intellectual property rights of others. The Contractor will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including but not limited to, attorney fees. If such a claim or action arises, or in the Contractor's or the State's opinion is likely to arise, the Contractor must, at the State's discretion, either procure for the State the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing Works or Documents as necessary and appropriate to obviate the infringement claim. This remedy of the State will be in addition to and not exclusive of other remedies provided by law.

11 **Workers' Compensation and Other Insurance**

Contractor certifies that it is in compliance with all insurance requirements specified in the solicitation document relevant to this Contract.

Further, the Contractor certifies that it is in compliance with Minn. Stat. § 176.181, subd. 2, pertaining to workers'compensation insurance coverage. The Contractor's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees or agents and any claims made by any third party as a consequence of any act or omission on the part of these employees or agents are in no way the State's obligation or responsibility.

12 Publicity and Endorsement

12.1 ***Publicity.*** Any publicity regarding the subject matter of this contract must identify the State as the sponsoring agency and must not be released without prior written approval from the State's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Contractor individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this contract.

12.2 ***Endorsement.*** The Contractor must not claim that the State endorses its products or services.

13 Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this contract. Venue for all legal proceedings out of this contract, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

14 Data Disclosure

Under Minn. Stat. § 270C.65, and other applicable law, the Contractor consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state laws which could result in action requiring the Contractor to file state tax returns, pay delinquent state tax liabilities, if any, or pay other state liabilities.

15 Payment to Subcontractors

(If applicable) As required by Minn. Stat. § 16A.1245, the prime contractor must pay all subcontractors, less any retainage, within 10 calendar days of the prime contractor's receipt of payment from the State for undisputed services provided by the subcontractor(s) and must pay interest at the rate of one and one-half percent per month or any part of a month to the subcontractor(s) on any undisputed amount not paid on time to the subcontractor(s).

16 Termination

16.1 ***Termination by the State.*** The State or commissioner of Administration may cancel this contract at any time, with or without cause, upon 30 days' written notice to the Contractor. Upon termination, the Contractor will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

16.2 ***Termination for Insufficient Funding.*** The State may immediately terminate this contract if it does not obtain funding from the Minnesota Legislature, or other funding source; or if

funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Contractor. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Contractor will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the contract is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State must provide the Contractor notice of the lack of funding within a reasonable time of the State's receiving that notice.

17 **Minn. Stat. § 181.59**

The vendor will comply with the provisions of Minn. Stat. § 181.59 which requires:

Every contract for or on behalf of the state of Minnesota, or any county, city, town, township, school, school district, or any other district in the state, for materials, supplies, or construction shall contain provisions by which the contractor agrees: (1) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no contractor, material supplier, or vendor, shall, by reason of race, creed, or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; (2) That no contractor, material supplier, or vendor, shall, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause (1) of this section, or on being hired, prevent, or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed, or color; (3) That a violation of this section is a misdemeanor; and (4) That this contract may be canceled or terminated by the state, county, city, town, school board, or any other person authorized to grant the contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this contract.

18 Affirmative Action Requirements for Contracts in Excess of $100,000 and if the Contractor has More than 40 Full-time Employees in Minnesota or its Principal Place of Business

The State intends to carry out its responsibility for requiring affirmative action by its Contractors.

18.1 ***Covered Contracts and Contractors.*** If the Contract exceeds $100,000 and the contractor employed more than 40 full-time employees on a single working day during the previous 12 months in Minnesota or in the state where it has its principle place of business, then the Contractor must comply with the requirements of Minn. Stat. § 363A.36 and Minn. R. Parts 5000.3400-5000.3600. A contractor covered by Minn. Stat. § 363A.36 because it employed more than 40 full-time employees in another state and does not have a certificate of compliance, must certify that it is in compliance with federal affirmative action requirements.

18.2 ***Minn. Stat. § 363A.36.*** Minn. Stat. § 363A.36 requires the Contractor to have an affirmative action plan for the employment of minority persons, women, and qualified disabled individuals approved by the Minnesota Commissioner of Human Rights ("Commissioner") as indicated by a certificate of compliance. The law addresses suspension or revocation of a certificate of compliance and contract consequences in that event. A contract awarded without a certificate of compliance may be voided.

18.3 ***Minn. R. 5000.3400-5000.3600.***

1.1 *General.* Minn. R. 5000.3400-5000.3600 implement Minn. Stat. § 363A.36. These rules include, but are not limited to, criteria for contents, approval, and implementation of affirmative action plans; procedures for issuing certificates of compliance and criteria for determining a contractor's compliance status; procedures for addressing deficiencies, sanctions, and notice and hearing; annual compliance reports; procedures for compliance review; and contract consequences for non-compliance. The specific criteria for approval or rejection of an affirmative action plan are contained in various provisions of Minn. R. 5000.3400-5000.3600 including, but not limited to, parts 5000.3420-5000.3500 and 5000.3552-5000.3559.

1.2 *Disabled Workers.* The Contractor must comply with the following affirmative action requirements for disabled workers.

1.2.1 The Contractor must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The Contractor agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

1.2.2 The Contractor agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

1.2.3 In the event of the Contractor's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with Minnesota Statutes Section 363A.36, and the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

1.2.4 The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the commissioner of the Minnesota Department of Human Rights. Such notices must state the Contractor's obligation under the law to take affirmative action to employ and advance in employment

qualified disabled employees and applicants for employment, and the rights of applicants and employees.

1.2.5 The Contractor must notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the contractor is bound by the terms of Minnesota Statutes Section 363A.36, of the Minnesota Human Rights Act and is committed to take affirmative action to employ and advance in employment physically and mentally disabled persons.

1.2.6 *Consequences.* The consequences for the Contractor's failure to implement its affirmative action plan or make a good faith effort to do so include, but are not limited to, suspension or revocation of a certificate of compliance by the Commissioner, refusal by the Commissioner to approve subsequent plans, and termination of all or part of this contract by the Commissioner or the State.

1.2.7 *Certification.* The Contractor hereby certifies that it is in compliance with the requirements of Minn. Stat. § 363A.36 and Minn. R. 5000.3400-5000.3600 and is aware of the consequences for noncompliance.

19 Foreign Outsourcing

Contractor agrees that the disclosures and certifications made in its Location of Service Disclosure and Certification Form submitted with its proposal are true, accurate and incorporated into this contract by reference.

1. STATE ENCUMBRANCE VERIFICATION
***Individual certifies that funds have been encumbered as required by Minn. Stat.* §§ 16A.15 and 16C.05.**

Signed: _____

Date: _____

CFMS Contract No. A-_____

2. CONTRACTOR

The Contractor certifies that the appropriate person(s) have executed the contract on behalf of the Contractor as required by applicable articles, bylaws, resolutions, or ordinance

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

3. STATE AGENCY

By: _____
(with delegated authority)

Title: _____

Date: _____

4. COMMISSIONER OF ADMINISTRATION
As delegated to Materials Management Division

By: _____

Date: _____

TAB 2

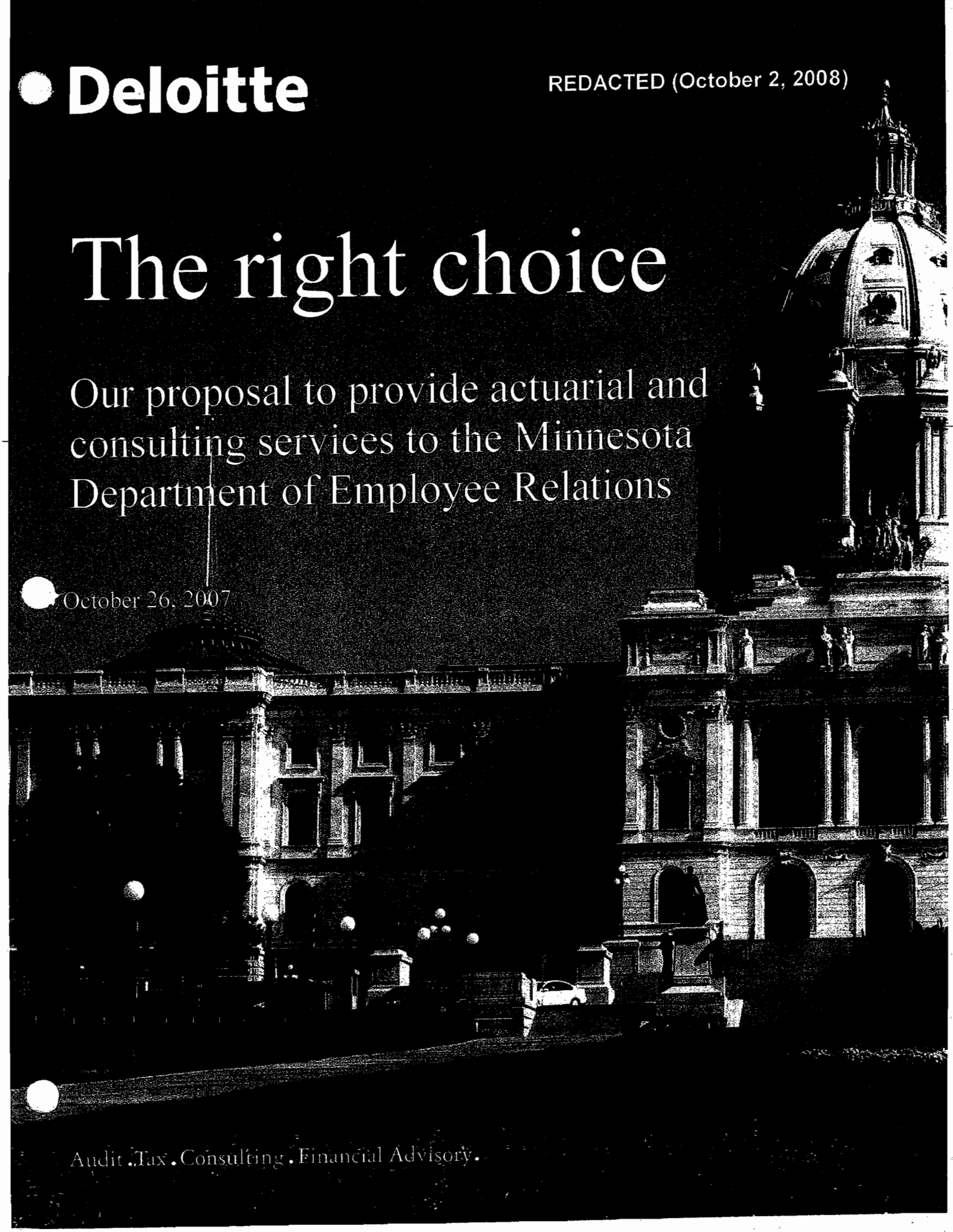
Deloitte

REDACTED (October 2, 2008)

The right choice

Our proposal to provide actuarial and consulting services to the Minnesota Department of Employee Relations

October 26, 2007



Audit . Tax . Consulting . Financial Advisory.

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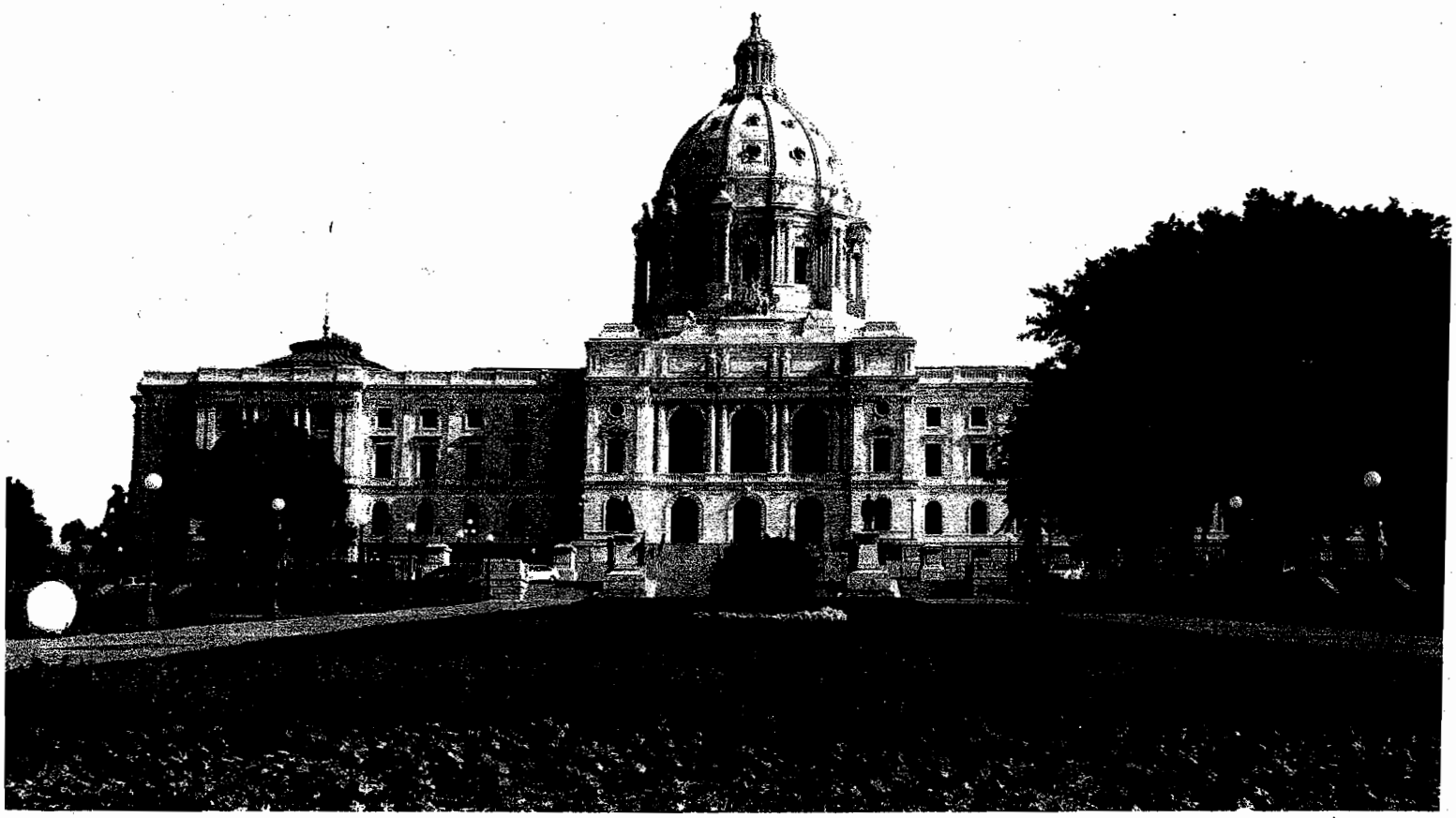
Section 1 —
Our transmittal letter



Deloitte.

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October 26, 2007

Ms. Jodi L. Ehlenz
State of Minnesota
Department of Employee Relations
200 Centennial Office Building
658 Cedar Street
Saint Paul, MN 55155

SUBJECT: Proposal to Provide Actuarial and Consulting Services

Dear Jodi:

On behalf of Deloitte Consulting LLP ("Deloitte Consulting") we are pleased to submit our proposal to continue to provide actuarial and consulting services to the State of Minnesota Department of Employee Relations (DOER). Our Minneapolis Human Capital practice has had the privilege of working with you and providing quality actuarial and benefit plan consulting services on many important projects for over 25 years. We are excited about the opportunity to continue this outstanding relationship.

Deloitte Consulting has developed a response to the Request for Proposal (RFP) issued on September 24, 2007 that is tailored to meet your specific needs. This transmittal letter will provide the information requested in the RFP, Section VI., Required Proposal Contents, and highlight our current working relationship with DOER. We have also provided the required certifications and forms in Appendix D of our proposal and have submitted our cost proposal in a separate envelope as directed in the RFP specifications.

As the incumbent consulting firm, Deloitte Consulting is uniquely qualified to assist DOER in achieving its employee benefit program goals and objectives. While our technical qualifications are detailed throughout the proposal, our proposed client service team brings well established relationships, deep actuarial and benefits consulting skills, and customized tools and databases. This experience, combined with our unparalleled public sector experience, enables us to deliver a solution that is right for you — driven by quality, efficiency, and value.

In order to ensure the highest level of service quality and consistency, we will continue to provide a multi-disciplinary team of highly qualified professionals, primarily from our Minneapolis office, that has a proven track record and is focused on meeting your needs. The Departments of Employee Relations, Human Services, Commerce, and Corrections as well as other State agencies, have consistently received a high level of commitment and responsiveness from our large team of actuarial and benefits consultants. This dedicated team of professionals has made the State their highest priority.

Deloitte Consulting requests that our Cost Proposal (provided under separate cover) and Tools and Methodology (which can be found in Appendix B) be treated as proprietary information exclusively prepared for DOER. We request that our hourly professional service fees not be disclosed to our competitors as this would put our firm at risk in the marketplace. In addition, we believe that many of our proprietary tools and methodologies are unique and have been developed in conjunction with and used for DOER. These tools and methodologies represent a considerable investment in time and resources from Deloitte Consulting and, we believe, are a competitive advantage for our practice.

Requested Information

In conjunction with the attached proposal, this transmittal letter will provide the information requested in the RFP, Section VI., Required Proposal Contents:

1. Deloitte refers to the associated partnerships of Deloitte & Touche USA LLP (Deloitte Consulting LLP, Deloitte & Touche LLP, Deloitte Financial Advisory Services LLP, and Deloitte Tax LLP) and subsidiaries. Deloitte is the U.S. member of Deloitte Touche Tohmatsu, a Swiss Verein (association). Deloitte Touche Tohmatsu is a global organization of member firms devoted to excellence in providing professional services and advice. Deloitte provides management oversight and various administrative services to its subsidiaries, but does not provide client services. Client services are provided by its function-specific subsidiaries ("FFSs") such as Deloitte Consulting LLP or their respective subsidiaries. Our firm is registered to conduct business in the State of Minnesota.
2. Deloitte Consulting verifies that the prices and terms of the proposal are valid for the term of the proposed contract. Deloitte Consulting will guarantee the rates presented in our proposal through December 31, 2009. *Removed reference to proposed rates and corresponding contract periods.*
3. The primary authors of our proposal were Patrick Pechacek, Michael Schoeberl, Lisa Faul, Peter Roverud, Lori Wilke, Dan Feucht, and Julie Maendel. Other members of our DOER client service team, including Michael de Leon and Tim Fitzpatrick, also provided input and were involved with the preparation of the proposal.
4. Deloitte Consulting confirms that no attempt has been or will be made to induce any other person or firm to submit or not submit a proposal.
5. We have received Section IX. Required Contract Terms and Conditions, included with the Request for Proposal. We have identified exceptions to the contract terms and conditions, however, many of these are already reflected in our current contractual agreement, and we are confident we can reach a satisfactory resolution. We have included these exceptions in Appendix E.
6. Deloitte Consulting verifies that it has received the "Actuarial RFP Questions and Answers" document provided by DOER on Friday, October 12, 2007.
7. Deloitte Consulting verifies that it has sole and complete responsibility for the completion of services to be provided under the proposed contract and later agreed-upon contract, with the exception of those items specifically defined as DOER responsibilities.
8. Deloitte Consulting certifies that the proposed fees described in this proposal have been determined independently, without consultation, communication, or agreement, for the purpose of restriction of competition, as to any other vendor or with any competitor. In addition, the prices we have quoted have not been knowingly disclosed prior to award, either directly or indirectly, to any other vendor or competitor.
9. Deloitte Consulting certifies that no personnel currently employed by or under personal contract to DOER, or any other state agency, participated, either directly or indirectly, in any activities related to the preparation of our proposal.
10. Deloitte Consulting certifies that Pat Pechacek, the individual signing this proposal, is authorized to make decisions as to the prices quoted in our cost proposal. He has not and will not participate in any action contrary to those stated in this transmittal letter.

11. Deloitte Consulting certifies that the information provided in our response is true, correct and reliable for purposes of evaluation for potential contract award. We understand the submission of inaccurate or misleading information may be grounds for disqualification from the award, or other remedies available by law.

As requested, we have also enclosed copies of the following required forms (as specified in Section IX. of the RFP) in Appendix D of our proposal:

- State of Minnesota — Affirmative Action Data Page and copy of certificate
- Affidavit of Noncollusion
- Location of Service Disclosure and Certification

Why Deloitte Consulting?

Deloitte Consulting, through our long-standing relationship with the State, is uniquely qualified to assist DOER in achieving its goals. Specifically, we believe the following compelling reasons distinguish us from our competitors and make us the right choice.

- **Proven track record** – Deloitte Consulting has been the ongoing consultant assisting DOER in strategic planning and the implementation of various program changes for over 25 years. These program changes and consultative services have provided the State and its employees and participants with significant savings over that time. Examples of successful changes and strategic initiatives include:
  - Implementation of the Managed Competition model and the movement to self-insurance
  - Design/implementation, analysis and ongoing management of the MN Advantage tiered network health plan
  - Negotiation with plans and providers to achieve optimal pricing and service delivery
  - Participation in and support of the Joint Labor Management Committee (JLMC) process
  - Strategic and on-site support and participation in the collective bargaining process
  - Helping shape risk management strategies and program implementation
  - Development and maintenance of a health care data warehouse
  - Soliciting competitive proposals for the carve out pharmacy benefits to a single Pharmacy Benefit Manager (PBM) and assisting with contract negotiations.
- **A cohesive and experienced client service team** – Deloitte Consulting has served the State for over 25 years. Much of the team that has served DOER for the past decade will continue to serve you under this proposal. Pat Pechacek, Lead Client Service Director, leads our DOER client service team and has served in a key role continuously since 1986. Mike Schoeberl, Lead Actuary, has served DOER since 2000. With their direction, you can be assured that your needs will not only be met but anticipated. This continuity provides the essential background, understanding, and experience to address current as well as future issues facing DOER and the State.
- **Public sector experience** – Deloitte Consulting has unmatched experience in the public sector. From the largest multi-tiered State agencies to the smallest counties in rural America, we serve a broad range of state and local government clients. Members of our core DOER client service team have served the State for an average of six years, as well as several other public sector clients including the states of Alaska, California, Connecticut, Georgia, Illinois, Iowa, Maine, North Dakota, Texas, and Wisconsin, in addition to a long list of counties, educational institutions and cities. Our public sector client list illustrates our knowledge and understanding of industry-specific processes, challenges, and solutions.

- **Quality product** — The quality, timeliness and commitment of our client service team and work product are your most important considerations. With Deloitte Consulting, you have and will continue to receive the highest quality work from committed professionals while meeting your deadlines. You will receive a consistently high level of service throughout the contract period from an organization that is committed to quality. This level of quality and client service will continue to provide DOER with the strategic and informational advantages you require to maintain your current programs, respond to constituent requirements (unions, legislatures, providers, etc.) and implement necessary changes. This commitment to service excellence has been a key driver behind our strong client growth, retention, and our continuous relationship with you. This growth has also allowed us to invest in research, development, education and training, and to recruit and keep some of the best and brightest professionals in the industry to meet your needs.
- **Highest value** — Deloitte Consulting is committed to offering you the highest value in actuarial and consulting services. We look forward to bringing innovative solutions to you as you seek to provide cost effective and quality services to your constituents. Each of those items mentioned above, especially our commitment to serving the public sector, means that by selecting Deloitte Consulting, you will receive the highest value of actuarial and consulting services for the fees paid. Our pricing reflects professional fees that recognize the economic realities of public sector consulting.
- **Vast resources** — Deloitte Consulting and our affiliated firms are comprised of several complementary practices that include Human Capital, Employee Benefits, Tax, and Management Consulting. Over the course of our relationship, issues have arisen which were outside the confines of the health actuarial or benefits disciplines. We have been able to assist DOER in addressing these topics through a broad network of local and national client service professionals.
- **We are committed to our long term partnership with DOER and the State** — The State is one of a small group of highly valued organizations that has been selected as a Deloitte Strategic Relationship (SR) Client. We will draw on our top resources — specialists in the public sector industry and across our firm — to deliver timely solutions and bring unmatched insight and creativity to the challenges you face. Our goal is to continue in our role as a trusted business advisor, capable of helping you solve your most pressing organizational issues. In his role as the Lead Client Service Director, Pat Pechacek is responsible for understanding DOER's culture, strategy, and objectives in order to bring the best and most relevant ideas and resources from the multi-disciplined Deloitte Consulting organization — in the manner desired by DOER. We are committed to:
  - Bringing DOER the best thought leaders of the Deloitte member firms
  - Identifying and sharing best practices
  - Directly involving senior partners and specialists
  - Aligning our service with your strategic direction, goals, and objectives
  - Enhancing knowledge transfer and building DOER's capabilities
  - Delivering seamless service with distinction

Members on this client service team work together on a day-to-day basis and have worked collaboratively with DOER for several years. This knowledge of each other and the public sector, combined with shared technology and processes, will bring you consistent service, foster ongoing identification of value-driven ideas and program strategies, and facilitate knowledge sharing and transfer.

We would truly appreciate the opportunity to continue our long-standing relationship with the State. We look forward to assisting you with your actuarial and consulting needs and welcome the opportunity to deliver high-quality services. If you have any questions regarding this proposal, please contact Pat Pechacek at (612) 397-4033 ppechacek@deloitte.com or Mike Schoeberl (612) 397-4019 mschoeberl@deloitte.com.

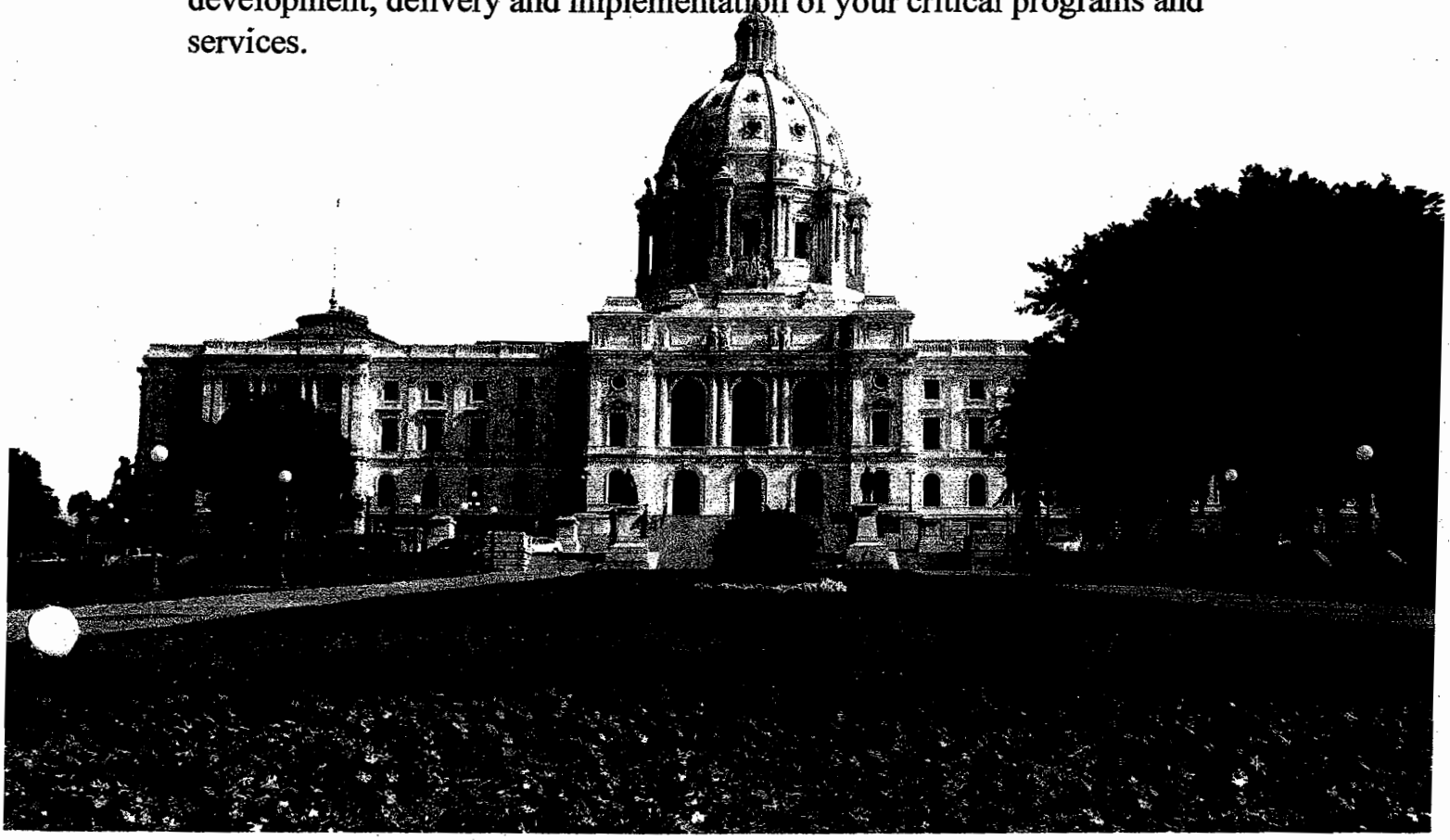
Sincerely,

Patrick A. Pechacek

Patrick Pechacek
Director

Section 2 — Our understanding of your needs

Deloitte Consulting is pleased to have the opportunity to assist DOER with its actuarial, insurance, employee benefits and risk management consulting needs. This section of our proposal outlines our understanding of the DOER programs, the services that you are seeking, your goals and objectives, and how our services align with those goals and objectives. Our organization's mission, which is to help our clients and our people excel, strongly parallels your own mission to provide outstanding programs and benefits to your members—with an emphasis on the highest standards of customer service. Our goal is to continue to serve and collaborate with you on the design, development, delivery and implementation of your critical programs and services.



Background

As the largest purchaser of employee health benefits in the state, the Minnesota Department of Employee Relations (or its successor agency, herein referred to as DOER) is viewed as a marketplace leader both locally and nationally. This role creates unequaled purchasing power locally and the responsibility to manage the benefit programs effectively. As a result, DOER must continue to be positioned for dynamic changes in the marketplace while maintaining its focus on providing cost effective, high-quality and accessible benefit programs to its constituents.

DOER's mission statement is: *"Making a positive impact on state managers and employees…for the benefit of all Minnesotans."* DOER is proud to be part of the State of Minnesota's Human Resource System, an inter-agency partnership of dedicated professionals who are committed to the continuous improvement of human resource products and services that support state government in providing exceptional service to all citizens.

DOER is soliciting proposals from qualified vendors for actuarial, insurance, employee benefits and risk management consulting services. The vendor chosen to provide these services will assist the State Employees Group Insurance Program (SEGIP), the Public Employees Group Insurance Program (PEIP), and Health Risk Management. DOER administers these programs through its Employee Insurance Division (EID).

DOER has contracted with Deloitte Consulting for actuarial and consulting services since 1981. During this long-standing relationship we have been privileged to assist you in making many critical decisions, developing effective and innovative employee benefit plans, and controlling or reducing benefit and healthcare costs.

Over the years, we have provided high quality, cost-effective delivery of actuarial and consulting services to meet the changing needs of DOER and its constituents. In addition, we have worked to improve the supporting processes and methodologies needed to transfer knowledge and responsibility to DOER staff as appropriate.

We have provided consulting and advisory services to DOER and the programs administered by the EID, including SEGIP, PEIP, and Health Risk Management. A description of each of these programs follows:

State Employees Group Insurance Program

The State Employees Group Insurance Program provides employee insurance benefits including self-insured health, pharmacy and dental insurance programs; fully insured life, disability, and optional dental insurance programs; and pre-tax spending accounts for dependent care, medical/dental, and employment-related transportation expenses. Employees also have access to a self-insured, limited Canadian pharmacy benefit. The program provides insurance benefits to executive branch employees and to other organizations authorized by law to participate in the State program, including legislative and judicial branches of state government and numerous smaller organizations. The program is the largest employment-based insurance benefit program in Minnesota, covering over 124,000 employees, retirees and dependents.

Public Employees Insurance Program

The Public Employees Insurance Program facilitates the purchase of health, dental and life insurance benefits for employees of local units of government that have elected to participate. PEIP is an insurance program that was created by legislation with the intent of making uniform, high-quality, affordable employee insurance coverage available to employee groups representing Minnesota's counties, cities, towns, school districts and other public jurisdictions -- regardless of their size or location. PEIP is a significant source of competitive insurance coverage for local governments in Minnesota, covering over 1,600 employees. The members of the insurance pool include 15 school districts, 50 cities/townships, three counties, and 17 other public employers.

Health Risk Management

Health Risk Management develops, implements and evaluates policies, systems, programs and projects aimed at reducing costs associated with state employee healthcare, lost employee work time, and lost productivity. Health Risk Management addresses issues related to employee health and the state work environment through an interdisciplinary approach, based on collaboration of the following teams:

- Health Risk Management
- Employee Assistance
- Disability Management

Health Risk Management's goals are to improve employee health and well being, reduce health care expenditures, increase employee productivity and reduce absenteeism. Some of the areas Health Risk Management is focusing on include analysis of health care claims, development of prevention/disease management initiatives and utilizing health plan resources more effectively.

Goals and Objectives

A key DOER objective is to establish an actuarial team that will be instrumental in helping the Minnesota Advantage Health Plan maintain its leadership position in the advancement of healthcare improvement for state employees and the community through the right balance of measurable quality and cost control. This includes being able to demonstrate the ability to work closely with DOER and the many interested parties in the community and across the country who are seeking ways to collaborate, with the ultimate goal of improving healthcare.

To accomplish this objective, DOER is looking for assistance in the design and administration of employee insurance benefits, including analysis and consultation in the areas of:

- Cost/benefit estimates and analysis, including providing estimates and analysis of various legislative proposals and community-wide initiatives
- Rating methods
- Coverage levels
- Risk pool structures
- Evaluation of current programs
- Strategic planning

- Benefit design and integration strategies
- Statistical/data analysis
- Design, integration and measurement of quality initiatives
- Data management
- Risk management
- Disease management
- Other issues related to the administration of insurance benefits and workers' compensation

DOER continues to analyze and assess the existing plans in order to enhance the State's ability to moderate cost increases, while providing quality insurance coverage for all stakeholders. The consultant chosen through this RFP process will establish an ongoing relationship with DOER in all areas of program development to provide continuing actuarial analysis, consultation and advice.

Deloitte Consulting, through our long-standing relationship with DOER, is uniquely positioned to assist you in achieving these goals. We have a proven track record of successfully working with DOER and the State to develop leading-edge health care strategies, including but not limited to:

- Development, design, implementation, and management of the current health care purchasing model, the Minnesota Advantage Health Plan. As part of the development and management process, we worked closely with DOER to:
  - Develop an innovative care system or provider group approach to accessing health care — a strategic departure from existing or similar strategies in order to meet the needs of a statewide workforce
  - Design a plan that uses benefit differentials rather than premiums to provide steerage and direct participants to use the most cost-effective provider groups
  - Design a plan that assigns providers to cost levels based on risk adjusted cost results to encourage and reward efficient care delivery and member choice
  - Make ongoing modifications to the Advantage plan in a challenging bargaining environment:
    - » Introduction of first dollar deductible
    - » Addition of fourth cost level
    - » Movement to three-tier drug benefit including extension of differential between tier 2 and 3 to capture additional rebates
    - » Access level moved from cost level 1 to level 2
    - » Enhancement of provider placement strategies
      - Adding peering level grades for categories of service
      - Assisting in provider cost reimbursement negotiations
  - Work closely with three plan administrators to ensure that all were operating consistently with respect to all aspects of administration
- Participation in the Joint Labor-Management Committee process from its inception
- Development and maintenance of a health care data warehouse
- Various studies of risk-adjustment methodologies and tools and implementation of the methodology for use within the healthcare plan
- Design, development and implementation of the Public Employees Insurance Program as well as several program modifications to maintain market competitiveness and program viability

  - Extending the Advantage plan to PEIP
- As a reminder of our longstanding performance, we worked with DOER to actively manage a managed competition model for health care purchasing – over a period of ten years this strategy served to moderate the State's contribution costs for healthcare and in some years resulted in actual reductions. Upon recognition that the managed competition model had leveraged its maximum savings potential, we began to proactively pursue new models prior to the demise of the old one.
  - Development of a statewide preferred provider arrangement for the State's only self-insured program at the time.
  - Development of the State Health Plan (SHP) Select whereby individual provider groups, as well as the health plan administrator, was held financially accountable for results.
  - Conversion of several fully insured health plan options to a self-funded basis resulting in a single risk pool.

As you will read throughout this proposal, our seasoned DOER client service team brings strong relationships with a focus on responsive client service, deep technical knowledge, customized tools and databases, and rich public sector and healthcare industry experience.

Section 3 — Our approach and timeline

The following section describes our proposed, detailed approach for delivering the services and operations being requested by DOER. We have also included a table at the end of this section which shows the anticipated timing of the required services based on our past experience in serving you.

A. Rate development

The vendor must provide premium rate development services including:

1. ***Rate Submission Template***

   Assistance in developing and refining the rate submission template and instructions for the State Employees Group Insurance Program.

2. ***"Rate Need" Analysis***

   Analysis and criticism of rate or "rate need" proposals and supporting materials for the State Employees Group Insurance Program and the Public Employees Insurance Program.

3. ***Rate Updates***

   Regularly (quarterly) updated rates consistent with the plan methodology currently in use for PEIP.

4. ***New and Renewal Computer Rate Materials***

   Automated supporting materials (computer diskettes) for prospective new entrants and renewal quotes for PEIP.

5. ***DOER Administrative Fees Analysis***

   Analysis of workers' compensation and other DOER administrative fees to determine the appropriate rate to charge agencies.

State employees group insurance program

In the past, Deloitte Consulting assisted DOER in the rate development process primarily through coordinating and analyzing the data submitted by the health plan administrators in the Rate Submission Template. In addition, we negotiated with the benefit plans administrators/insurers to arrive at an overall "Rate Need." This negotiation process resulted in a defensible, understandable, and appropriate rate. This process has continued for the fully insured post-65 retiree medical, life, disability and HealthPartners dental insurance plan vendors. Essentially, the process for the state dental plan administered by Delta Dental Plan is almost the same. However, since it is a self-insured plan, the final rates are determined by Deloitte Consulting and DOER, with the final rates usually aligning closely with those proposed by Delta Dental as the result of final negotiations.

With the implementation of the Minnesota Advantage Health Plan (Advantage), effective for the 2002 plan year, the rate setting activities performed by DOER and Deloitte Consulting became more involved and critical to the success of the program. DOER is no longer dependent on the health plan administrators to define networks and set rates. Instead, DOER is setting its own rates using the trends received from the administrators, historical claims information from the DOER data warehouse, benefit factors from the Benefit Pricing Model, and provider group efficiencies calculated by Deloitte Consulting. This information is run through the Advantage Rating Model which incorporates the Advantage level structure and member movement assumptions to calculate the new rate need requirements. Deloitte Consulting has worked jointly with DOER in the design of these pricing components, and their construction allows for the accurate and efficient calculation of renewal rates.

Since the inception of Advantage, DOER and Deloitte Consulting have successfully set the rates such that they have met two original goals:

- Stabilize Premium Contributions
- Hold average employer increases below 10%

Since its inception, the Advantage program has had stable increases averaging 8.7% and the overall program continues to be in a good financial position with sufficient reserves.

Health care renewals

Premium rate development — MN Advantage Health Plan

The Advantage plan pricing process involves several steps. These steps are briefly described below and in more detail under Part B of this response, which refers specifically to the administration of the Advantage plan.

- **Rate submission template** — Prior to releasing the rate submission templates to the health plan administrators, Deloitte Consulting works with DOER to finalize the templates used to collect the data and information needed to perform the rate development process and continue to improve the program. Recent enhancements to the rate submission templates include trend details by provider group, an expanded questionnaire and defined performance guarantees/target incentives. These enhancements have enabled our teams to better understand the nuances of the rate need and provide more upfront discussion, limiting the need for multiple negotiations meetings with the plan administrators.
- **Rate need analysis** — Following receipt of the rate submission templates, we review the information provided for reasonableness and identify any critical changes or missing information. Based on our extensive experience in working with the plan administrators, we then prepare a set of proposed questions for their response. Next we conduct a renewal strategy meeting with DOER staff to review these questions, any issues, and decide upon an overall renewal strategy.

The two services listed above are similar to those Deloitte Consulting has performed historically during the rate development process. Because of the implementation of the Advantage plan, there are several additional services Deloitte Consulting currently performs when assisting DOER in setting the proper premium rates.

- **Trend review** — Since the claim cost projections are heavily reliant on the trends provided by the plan administrators, Deloitte Consulting conducts a thorough analysis of the submitted cost and utilization trends. Meetings are held with each of the administrators to review and understand the results of their analysis, and to make sure the trends meet the specifications required by DOER. These discussions have proven to be a vital component of the renewal process, as they have prompted the plan administrators to thoroughly support and analyze their trend projections. Based on this review the plans have made modifications to their trends as appropriate. The plan administrators are held financially accountable for the trends provided during the rate setting process.
- **Administrative service fee review** — Subsequent to the submission of the administrators' service fee proposals, Deloitte Consulting assists DOER in reviewing and negotiating the proposed fee levels. Our extensive experience in working with the plan administrators allows

us to effectively assist DOER to negotiate the competitive Administrative Services Only (ASO) fee arrangements. Again, as part of this process, the administrators are held financially accountable for meeting expected performance targets around cost management, health outcomes and operational performance.

- **Provider group definition** — Deloitte Consulting and DOER staff work together to update the provider group definitions based on the data provided by the health plans. The development of provider group definitions involves a process that positively maps every participating primary care provider in Advantage to a uniquely identified provider group. We also ensure that these clinic to provider group mappings are appropriately consistent across plan administrators. These definitions are used both for cost level development and communication to participants.
- **Efficiency assessment** — Using ACG risk adjustment, we analyze and quantify the efficiency of the provider groups. This efficiency rating is used to determine the provider groups' level placement and project the future costs of their enrollment mix.
- **Member claim cost analysis** — Using the trend rates provided by the plans, the average member cost is calculated for the renewal year. This cost is modified to reflect the most recent changes in provider group enrollment mix. Special discount arrangements agreed to by providers in an effort to move their provider group to a more favorable benefit level must also be factored into the analysis.
- **Benefit factor calculation** — We use the Deloitte Consulting Benefit Pricing Model to value and quantify the cost-sharing provisions. The resulting factors are based on actual Advantage plan population claims experience and trended appropriately to reflect the projected renewal year claim incidence and cost. During bargaining sessions, the Benefit Pricing Model is used extensively to accurately assess the cost impact of various proposed benefit designs.
- **Level placement** — The provider groups are assigned to the proper benefit plan level (often referred to as a tier). This process involves a considerable joint effort from DOER and Deloitte Consulting, as it is necessary to guarantee statewide access to Level Two providers in as cost-effective a manner as possible.
- **Movement assumptions** — We project member movement between benefit cost levels. Generally, members will elect to move from a level with less benefits (e.g., higher cost sharing) to one which provides more benefits. As a result, it is necessary to estimate the percent of members who will move, as well as estimated member illness burden of those moving.
- **Health plan renewals — Post-65 retiree medical** — due to the introduction of Medicare Part D, the renewals for this coverage were detached from the active health plan renewal activities and moved to the fall. We work with DOER to review the templates and suggest revisions. We review the renewal submissions, and assist DOER with the negotiations meeting with BCBS (the only experience rated plan). We meet with other plans if prudent. At times, we assist DOER in a discussion with retiree association representatives if requested.

Other benefit plan renewals

Dental Plans

In the past, the State has offered a choice of three dental plans to eligible participants. The State Dental Plan is self-funded and administered by Delta Dental of Minnesota. We assist DOER in

the analysis of the rate development and claims experience submitted by Delta Dental. We also assist in the negotiations regarding the setting of the maximum provider fee cap increases to be established with dental providers throughout the State.

In addition to the State Dental Plan, two fully insured dental plans have been offered in the past. BluePlus Dental is administered by Delta Dental on behalf of BluePlus of Minnesota. The second plan is provided by HealthPartners. For these plans, we reviewed the rate renewal submission and assist in the rate renewal negotiations. For the 2008 dental plan, we worked with The State and the participating dental plans to reduce the number of dental plan choices to two plans, the State Dental Plan and HealthPartners.

Life, AD&D, and disability plans

For the life, AD&D, and short- and long-term disability programs, we use our experience and software to evaluate the appropriateness of the unpaid and open claim reserves for the appropriate coverages. We use actual to expected claim experience studies to project future claims and the necessary premium contributions. Deloitte Consulting also performs a financial analysis to project the impact of any experience, plan, or funding change on these funds. We assist DOER in negotiation meetings with each carrier. We also review the actuarial projections for the post-retirement life insurance program. Consideration is given annually to the need of considering an increase in the benefit or a potential for rate reduction. We are familiar with the State's reserve requirements as well as the financial status of the life and AD&D premium stabilization reserve.

Finally, we assist DOER in defining the reserves needed at fiscal year end and maintaining and justifying sufficient reserves to fund all programs.

Public Employees Insurance Program

Deloitte Consulting assisted in the development and implementation of PEIP and has assisted DOER with the management of PEIP since its inception. With the changes to the plan in 1998, specifically the change to a self-insured plan, our role has focused on the underwriting requirements of the program, rate determination for the participating groups, management of vendor relationships, and general plan consulting related to benefit design and financial results. In 2007, we assisted with the redesign of the current benefit plan design to include three new Minnesota Advantage Health Plan options. Specifically, we offered assistance in developing the plan benefits, marketing information, and pricing assumptions for the three products. We assisted in negotiating the inclusion of PEIP by the Advantage plan administrators and with contractual negotiations with those administrators. Deloitte Consulting has also recently established and currently manages a claims and enrollment data warehouse for PEIP for three of the participating plans. This background knowledge puts us in a unique position to serve DOER and PEIP. This program uses several vendors and relies heavily on its marketing/billing administrator, Mercer Health & Benefits (Mercer), whom we have worked with fluidly since the program inception. Through the years we have established the specific work-steps necessary to efficiently deliver the needed services for PEIP. Based on that knowledge, we have identified the following services that we would provide for its management.

Rate development

The level of activities required to support PEIP in the area of rate need analysis fall into four categories:

1. Participating group renewal underwriting

2. New business group underwriting

3. Development and maintenance of the small group rating program

4. Financial review and monitoring of plan results

Participating group renewal underwriting

We perform group underwriting monthly for participating groups renewing under the PEIP program. Deloitte Consulting manages a data warehouse for three of the PEIP plans, which houses claims and enrollment information for the PEIP groups in each plan. Each month, this information is retrieved and analyzed for enrollment and claim trends as well as high case claimants for each renewal group. With PEIP, we have developed an underwriting methodology that takes into account the past two to three years of the group's experience. Using this process, we develop a renewal rate recommendation to be reviewed with PEIP management and Mercer. The underwriting process takes into consideration past experience, pool trends, expenses and vendor competition. In most cases, small group renewals are a function of both the group and pool experience.

For groups with greater than 50 participants, our renewal underwriting places more emphasis on the group's own experience. Deloitte Consulting will continue to use the renewal process described above, with past experience and total plan experience driving any recommendations.

Once the renewal rates are finalized for the month, we communicate the final renewal numbers to DOER and Mercer and document the files with the appropriate information.

New business group underwriting

For prospective new business group underwriting, we have developed steps to gather the appropriate historical claims data in cooperation with Mercer. If a prospective group has less than 50 eligible employees, Mercer collects medical underwriting forms on every eligible person and Deloitte Consulting reviews those forms to determine a medical debit score. We have developed a specialized pricing model for PEIP based upon the DOER population and current PEIP administrative costs and trends. This model uses the group's medical debit score and other demographic assumptions to determine a final rating for the new business proposal prepared by Mercer.

For large groups (greater than 50 employees), we analyze the experience data provided through a Request for Proposal and any data collected by Mercer to determine the underwriting premium needed. Deloitte Consulting will gather key statistics from the PEIP data warehouse to ensure a competitive and accurate quote. Some of the tactics we employ include:

- Incurred but not reported (IBNR) claims analysis for various claim experience and payout periods

- Claim trend analysis by service category
- Utilization tracking by service category and demographics
- Pricing Request for Proposal benefit plan designs versus similar PEIP plan designs

Our premium recommendation is reviewed with PEIP management for final approval. Lastly, we communicate all pertinent information to Mercer for final proposal preparation.

Development and maintenance of the automated small group rating program

Deloitte Consulting has developed an automated small group rating program for PEIP that takes actual group demographics and risk profiles to set appropriate rates. We review annually the entire PEIP pool to assess and modify the rating factors to be used in the small group rating program. These factors include per member per month (PMPM) costs, demographic adjustments, trend adjustments, benefit plan design, and vendor network analysis. This information is used to update the Deloitte Consulting automated rating program for preparation of new business proposals. We also review any necessary programming changes needed to keep the calculation current on an annual basis.

Financial review and monitoring of plan results

For the financial review process, we utilize a predictive underwriting model that examines the entire PEIP program experience on a group-by-group basis in order to forecast future plan results. This forecast is developed each year based on the most up-to-date fiscal years. Currently we are using fiscal years 2006 and 2007 to measure the PEIP program performance and identify any adjustments needed to judiciously manage the plan. This model is particularly helpful in determining total plan strategy, since identifying adverse trends is more difficult on a month-by-month basis. This program has also proven to be useful in identifying groups with negative results where adjustments need to be made, including changes to expense loads and stop-loss reimbursement cases.

We suggest that the plan modeling continue to be performed annually to utilize the known results of the past fiscal year and to forecast the next two years. This information can be used to help set the rating strategy for the following calendar year. Also, in conjunction with this review, we have continuous discussions with PEIP management to discuss monthly renewals, new group quotes, and the financial status of the program. These discussions help us determine if the resulting plan experience is tracking with our goals, or if further corrective action is necessary. Corrective actions could include trend adjustments, expense allocation or further stop-loss insurance investigation.

General plan consulting services

In addition to the rate development services described above, we provide additional plan consulting as necessary. Examples of these services include:

- Review of program administrative costs, including the administrative fee proposals for the health plan vendors and Mercer services fees.
- Contract language review and analysis.
- Development and implementation of administrative performance guarantees with the plan vendors (health plans and marketing/administration vendors).

- Recommendations on plan design issues and changes. We can utilize the existing SEGIP or PEIP data warehouse information to determine plan values and benefit plan design change values. This will be a valuable tool to PEIP as the cost of the program increases and the market requests plan modifications.
- Negotiation and recommendation related to stop-loss policies and costs. General assistance in the management of the stop-loss program.
- General market updates related to the emerging trends in health care.
- Participation in any Joint Labor Management Advisory Committee meetings held by PEIP.
- Identification of needed experience reports and negotiations with the health plans for those reports.
- Marketing initiative recommendations.
- Changes to communications materials to ensure compliance with any required legislation.

DOER administrative fees analysis

Deloitte Consulting periodically assists DOER in determining the appropriate rate to charge agencies for the many services it provides. To do this, we review the existing cost structure and services provided and benchmark them against external vendors. A methodology and appropriate rate are then determined, discussed with DOER, and rolled out to the agencies. Our past experience in this area and our overall knowledge of the plan benefits will allow us to continue to effectively support DOER in this function. In addition, our experience with the programs offered by the states of Alaska, North Dakota, Wisconsin, Iowa, and Illinois permits us to provide additional information to use as an informal benchmark. Although part of our current contract, DOER has not utilized Deloitte Consulting to analyze workers' compensation administrative fees. Deloitte Consulting has the needed subject matter experts and is prepared to provide assistance as deemed appropriate by DOER.

B. Health benefit administrative support — Minnesota advantage health plan

1. ***Data Warehouse.*** *Maintenance of data warehouse for health claims data to include maintenance and updates of collected claims data, reporting and analysis.*
2. ***Claims Analysis and Reporting*** *to support the risk adjustment function of the Minnesota Advantage Health Plan.*
3. ***Network Analysis and Reporting*** *to support the cost level structure of health care providers.*

Minnesota Advantage Health Plan

The State of Minnesota recognized the need for a new health care delivery model in 1999. With the assistance of Deloitte Consulting, the Advantage plan was designed, developed, and implemented for the 2002 plan year. The Advantage plan involves the use of risk-adjustment and cost-sharing provisions to steer participants into more cost-efficient providers. This unique approach required the development of complex modeling and data analysis tools, and has received significant attention from the health care community at large. Subsequent to implementation, the Advantage plan has proven to be a major success for the State in many respects:

- Introduced new cost-sharing provisions
- Holds participants accountable for health care decisions
- Aligned administrator and provider goals regarding cost efficiency
- Produced significant fee schedule reductions from several large provider groups
- Reduced overall annual cost increases
- Lowered administrative fee increases

Because of the risk-adjustment, cost-sharing, and provider assessment components of the model, Advantage was, and is, a very complex plan to operate, manage and price. Some of these requirements are discussed below, as well as the tools and methodologies we have deployed for management of the Advantage plan.

Data warehouse

The State and Deloitte Consulting have invested significant financial resources, time, and intellectual capital into the development of the data warehouse. This project involved developing and executing the following complex processes:

- Gathering claims data from the health plan administrators.
- Cleansing the data.
- Collapsing and reconfiguring the data into final action claims.
- Data storage.

These data warehouse processes, as well as the structure, were designed exclusively to meet the State's needs in terms of data, data fields, and features. Beyond its support of the Advantage plan management, the data warehouse is used on a regular basis to support the risk-management initiative, and to answer questions related to enrollment counts, provider group costs, and many other day-to-day issues.

Although the major investments in the data warehouse processes have already been made, Deloitte Consulting will continue to perform the following maintenance and update services:

Claims data updates

The health plan quarterly data submissions are cleansed and processed in order to integrate them into the historical data warehouse. Our current methodologies and programs developed specifically for the State's data have automated the claim update process. This significantly reduces the time necessary to integrate new monthly data submissions from the plans. In addition, while we have assigned the update responsibility for each plans' data set to a specific staff member to develop data experience and maximize efficiency, our staff is cross-trained on the update processes to assure that multiple staff members can update the data sets, These timesaving methodologies have proven to be extremely valuable in allowing DOER to receive and share results within a few days of the monthly data submissions. We are also able to efficiently assess the quality of the claims data submissions, and quickly report back to the plan administrators any errors discovered. Deloitte Consulting will continue to leverage our knowledge of the State's data to further refine the data update processes and perform this service in an increasingly efficient manner.

Starting in 2008 we will also be receiving prescription drug claims data directly from a newly contracted pharmacy benefits manager (PBM). We currently are leveraging our current methodologies and programs to quickly bring this process in line with the current medical claims data updates. We will also be able to efficiently assess the quality of the claims data submission and provide reports to the PBM regarding any errors discovered.

Changes to the data warehouse

As DOER envisions broader use of the data warehouse, it may be necessary to change its format in order to meet the new informational requirements. Although there were several changes to the warehouse structure during its initial period of use, we have not made significant changes to the warehouse format recently. This is largely due to the issues and needs already anticipated during the warehouse construction. Furthermore, aside from a change requiring historical data resubmission by the plans, we would not anticipate accommodating structural changes to the data warehouse requiring a significant amount of time and resources beyond the development time necessary to integrate the claims data from the new pharmacy benefit manager.

Data submission modifications

Changes in the health plan data submissions (additional data fields, alterations to field characteristics, etc.) require corresponding alterations in the data warehouse's processes and structure. Because of our knowledge of the State data, we are able to assess the implications of any changes and efficiently integrate them into the warehouse processes. Furthermore, our knowledge of the data and DOER's requirements for use of the data allows us to understand the underlying value of integrating and accepting any and all proposed changes to the claims submissions.

With the addition of a new PBM there will need to be alterations to the prescription drug claims update methodologies and processes. However, these methodologies and processes were dynamically developed and the logic should prove appropriately adaptable. This will enable us to efficiently integrate a new claims data set by leveraging the logic and structure already built.

Reporting and analysis

Due to the breadth and scope of information contained in the data warehouse, the claims data has proven to be an extremely useful tool to DOER in many respects. Beyond its uses in analysis essential to the Advantage plan and the Risk Management initiatives, we have provided output from the data related to:

- Membership and contract counts.
- Cost-sharing scenarios/continuance tables.
- Claim costs by division (bargained employees, direct pay employees etc.).
- Claim utilization/cost by service category.
- Provider group experience.

In addition, responding to data requests has become an increasingly important part of the collective bargaining process through information requests directly from the unions, and information used to support DOER in the negotiation process. Data warehouse information is often used when responding to legislative initiatives and assessing their potential impact.

Our knowledge of the data, and our experience in analyzing and reporting information derived from the data, allows us to efficiently provide information to DOER on both a formal and ad-hoc basis.

Claims analysis and reporting

There are several components of the Advantage plan that create complexities in determining cost level structures and developing future cost projections. During the development and implementation stages of the Advantage plan, DOER and Deloitte Consulting worked together to determine the appropriate ways to administer and price the plan. The data warehouse and other tools we developed generated much of the information used to support these decisions. The knowledge and experience we gained throughout the development process has been further enhanced in subsequent renewal efforts, and will continue to inform DOER's renewal decisions in the future. The following sections highlight some of the tools and technical specializations we have developed that currently assist us in the claims analysis and reporting functions for the Advantage plan.

Adjusted Clinical Groups (ACG) risk adjustment

In order to determine the appropriate level designation for each provider, we analyze their efficiency using risk-adjustment techniques. The risk-adjustment methodology currently in use is based on the ACG scoring system developed by Johns Hopkins University. Deloitte Consulting has extensive experience with the ACG software, and we are familiar with how the particular intricacies of the software apply to the State data and the Advantage plan. Furthermore, our methodologies and experience in executing the risk-adjustment component of the Advantage plan enable us to perform this function efficiently, understand the results, and expand upon the results where necessary. For example, we have developed risk-adjustment processes to develop efficiency scores for specific categories of care, such as prescription drugs and inpatient admissions. In addition, we have maintained a good working relationship with the software developers at Johns Hopkins and are aware of the latest software developments. In the future, we will continue to refine our risk-adjustment processes and expand on our knowledge of the ACG software.

Benefit pricing model

During the bi-annual contract bargaining sessions, it is essential for DOER to have the ability to quickly and efficiently determine the cost of the various proposed employee cost-sharing scenarios. To support the past and recent bargaining sessions, Deloitte Consulting developed the Benefit Pricing Model. This model allows us to produce expected cost-sharing percentages for the various benefit plan designs based on actual State claims experience. The cost-sharing estimates reflect actual State population experience, as opposed to standardized industry factors. Furthermore, the model allows for cost-sharing estimates that vary by health status, allowing for differences in expected cost sharing among groups with differing illness burdens. The model has been further refined to better reflect the way the health plans are actually administering the various cost-sharing provisions of the Advantage plan. In the future, this model will continue to be a valuable tool as DOER designs and determines future cost-sharing provisions. Deloitte Consulting's knowledge of and experience with the Benefit Pricing model and the health data allow us to efficiently assess the value of standard benefit plan designs and to modify the model to reflect the value of the different types of cost-sharing provisions that DOER may wish to implement. In the future, we plan on enhancing the analytic capacity of the model to allow DOER

to better understand the financial value of changes in individual benefit plan provisions, which was critical to the 2008 collective bargaining negotiations.

Advantage rating model

Due to the Advantage plan's many moving parts, it was essential to develop a sophisticated model to easily reflect changes in the cost of many different types of assumption modifications. The Advantage rating model allows us to assess the cost impact of changes in benefit design, level composition, member movement assumptions, contribution strategies, plan efficiencies, ASO fees, and many other pricing components. The changes are incorporated into a financial projection model that allows DOER to assess the budgetary impact of changes and bargaining scenarios. During the bargaining process, the model has been an essential tool in allowing for efficient price reflection of changes to the various design elements that were subject to bargaining. Although the model has multiple moving parts and input variables, the front-end development time has paid dividends in both efficiency and speed of cost calculations and ease of integrating new information into the model. Based on the modifications and updating performed during the recent renewals, we would not expect to spend a significant amount of time on design and maintenance of the Advantage rating model. We will continue to leverage our past experience and time invested to perform these pricing functions both quickly and efficiently.

Network analysis and reporting

The multiple layers of administrators and providers in the Advantage plan create many challenges related to network analysis. These challenges are important to address in discussing the network analysis process. Assessing provider efficiency, which requires a significant amount of actuarial knowledge, is a primary component of the Advantage plan operations. Furthermore, the multiple administrators and providers necessitate careful communication. We must be very organized and clear in order to correctly assess and communicate the various provider and level options available to plan participants. The following sections highlight some of our services related to network analysis and reporting:

Efficiency assessment

One of the Advantage plan's critical success factors is the placement of health care providers into the appropriate cost levels. In order to determine the appropriate level placement, it is essential to determine provider group efficiency. This complex process involves several steps including risk adjustment, matching members to providers, matching providers to provider groups, and assessing the expected cost of each provider group. During the initial implementation stages of the Advantage plan, Deloitte Consulting carefully analyzed the efficiency assessment results to determine whether aspects of the methodology or data unfairly biased the findings. The results of this research were integrated into our processes, increasing our confidence in the efficiency assessments and the resulting level placements. We have continued our research during each subsequent renewal, by analyzing efficiency changes, modifying our processes to reflect any new findings, and developing a process to reach appropriate consensus on initial cost level placement. In the future, the processes and methodologies that we have developed will continue to allow us to quickly produce credible provider efficiency assessments and level placements and reach consensus with DOER on the appropriate initial tier placement for each provider organization.

Provider level placement – communications and negotiations

To increase access and reduce costs to the State, DOER allows providers to negotiate fee schedule discounts to achieve more advantageous cost level placement. Subsequent to the initial cost level placement, DOER sends letters to each of the provider groups explaining their cost level placement, the cost factors impacting their placement, and the necessary discount that would need to be achieved to change their level placement. Deloitte Consulting has supplied DOER with the necessary information to effectively meet the communication requirements and will continue to enhance the process to meet DOER's needs in the future. The negotiation process with plan administrators and providers for cost level movement is often complex, due to the multiple players involved, the complexity of the potential financial arrangements, and the requests for supplemental information. Deloitte Consulting has effectively assisted DOER in negotiating these arrangements and identifying the risks, rewards, complexities, and potential alternatives to the proposed financial packages. In the future, we will work with DOER to enhance the communication and negotiation process to ensure that the plan administrators and providers appropriately understand the process, and the negotiations are executed as efficiently as possible. In addition, we will continue to explain the risk-adjustment process to any interested parties so that the cost level assignment process retains its credibility.

Cost Level Two access analysis

Every State employee must have reasonable access to a Cost Level Two provider. Because of this requirement, there are several providers in Level Two that do not meet DOER's minimum efficiency standards. To accommodate the requirement, and determine which providers to move into Cost Level Two, it is necessary to assess which providers will deliver the desired access at the most efficient cost. During the initial plan implementation and the subsequent renewals, Deloitte Consulting worked jointly with DOER to determine which providers to add to the access level of providers in order to achieve statewide access at a minimal cost. This process involved a rigorous analysis of provider location, member location, and the resulting potential disruption issues. In the future, as level composition is changed to reflect both efficiency improvements and special state-specific provider financial arrangements, the issue of statewide access will need to be revisited. Deloitte Consulting has the experience and tools to help DOER determine the best way to provide statewide Cost Level Two access in a cost-effective manner.

Risk share calculation/communication

Although the health plan administrators are no longer responsible for setting premium rates, they do have financial culpability related to trends provided to DOER. This requirement discourages the health plan administrators from reporting lower than expected trends in order to have more of their provider groups in advantageous cost levels and increase participation in their plan offering. After receiving the projected trends from the health plan administrators, DOER is responsible for providing the risk-adjusted target costs associated with the risk-share arrangements. At the end of the plan year, the risk-adjusted results need to be calculated in order to determine whether or not there are any risk-share funds to be distributed to the State. Because the risk-share arrangement is based on the efficiencies at the provider group level, it is essential that the members be matched with the proper providers and that changes in provider group composition are taken into account. We are able to leverage the tools and experience we have generated to effectively assist DOER in performing the risk-share calculations. Our experience in risk adjustment allows us to react to plan administrator questions and address issues and concerns related to the methodologies and results of the calculations.

C. Risk management activities support

1. Data Management

The vendor must be proficient and have experience in assimilating raw data from multiple sources (e.g., medical claims, workers' compensation, absenteeism, short-term and long-term disability, FMLA, etc.) and warehousing that data in database structures that are accessible to analytic and reporting tools.

Act on behalf of the State of Minnesota to manage initial and ongoing data submissions from carriers and vendors and developing and managing data quality improvements. Develop and maintain data specifications to meet analytic and reporting needs. Assess data quality through automated quality checks, evaluation of changes in variables over time, and produce outcome reports for quality assessments. Maintain security provisions that meet HIPAA and Minnesota data practices requirements to ensure confidentiality of all information.

2. Analytic and Reporting Services

Provide reports according to specifications set forth by the State of Minnesota, including standard and ad hoc reports with drill-down capabilities. Reporting examples may include but are not limited to:

- *Aggregate views of data to make comparisons between different plans*
- *Normative reports to compare the State of Minnesota experience against benchmarks*
- *Drill-down capability to analyze detailed information about health, disability and other data elements specific to health and productivity management*
- *Statistical applications that can assess the significant findings*

3. Consulting Expertise

Provide a service team that exhibits experience and expertise in data integration, analysis and reporting, benefit design and integration related to health care, workers' compensation, and short-term and long-term disability, as well as ongoing customer support. Must have experience and expertise in developing effective strategies and programs for targeted disease management, prevention-based initiatives, and population health management. In addition, must have the ability to assist the State of Minnesota in monitoring and assessing the effectiveness of such programs and strategies. Examples of service team personnel to meet our needs may include:

- *Lead Account Manager — primary contact on all matters related to data management, integration and reporting needs*
- *Data Manager — is thoroughly familiar with data specifications, carrier data feeds, account structure and quality assessment*
- *Data Processor — processes and structures the data*
- *Lead Consultant — conducts special studies on behalf of the State of Minnesota and helps us to make optimal use of our data to develop and implement risk management strategies.*

Risk management activities support

The main goals of the Risk Management initiative are improving health and reducing costs. It is not always obvious, however, what the best means are for achieving these goals. Risk Management is a developing field, and the potential impact of both available and self-constructed

programs and methodologies is difficult to predict. Because of our work experience with DOER, our subject matter expertise, and our existing analytical tools, Deloitte Consulting is uniquely qualified to deliver consultative services related to Risk Management activities.

Deloitte Consulting has assisted DOER in the various stages of the historical Risk Management activities using the data warehouse and ACG risk-adjustment tools to identify prevalent conditions in the DOER population, and to produce reports to support the initiative. We have also offered consultative support in developing the Risk Management Roadmap. Recently, we have worked with DOER and their chosen vendors to help develop Centers of Excellence choices for participants. This initiative has identified best in class facilities for targeted procedures that should improve quality outcomes for Advantage plan members. In addition to the services we are currently performing. We have provided information and reports to help DOER understand the health statuses of their members, risk changes in the population over time, and the effectiveness of some of their programs. Finally, Deloitte Consulting has a broad variety of experience in designing and implementing care management plans, along with considerable experience in vendor selection and valuation. Below, we have addressed DOER's particular concerns related to Risk Management, highlighting both our past assistance and additional services available from Deloitte Consulting.

Data management

Deloitte Consulting has extensive experience in handling membership and claims data and turning it into useable information. We have the data analysis experts, self-constructed tools, and appropriate hardware and software to allow us to request, receive, process, and analyze many types of data from multiple sources. More importantly, we are aware of both the appropriate uses and limitations of claims data, and are able to determine the best way, if any, to derive appropriate information from that data.

Currently, we are using the DOER data warehouse to analyze claims and membership data in support of the Risk Management initiative. The data warehouse was constructed by gathering claims data from the three health plan administrators, cleansing the data, and collapsing and reconfiguring the data into final action claims. We have added additional data fields that allow us to better understand utilization and the health-status indicators of the State membership. We are also able to efficiently assess the quality of the data submissions, and quickly report back to the plan administrators any errors that we discover. We have also worked alongside DOER to identify additional information needed from the plan administrators to allow us to perform more extensive reviews of current programs and new initiatives in the Risk Management arena. We will continue to use the data warehouse and make appropriate modifications to its structure to meet the needs of the Risk Management initiative.

Our experience in analyzing and handling data will allow us to efficiently integrate and add data from other sources into the information we are currently producing. Should DOER determine that they wish to analyze information related to disability programs, absenteeism, workers' compensation, etc., Deloitte Consulting will be able to effectively request, receive, and integrate the data from the appropriate source or sources.

In dealing with health care data, there are confidentiality concerns that must be properly addressed. Our past experience has given us a strong background in issues related to data confidentiality and shaped the way we are currently handling the claims data and the information that we report to DOER. Furthermore, our HIPAA compliance specialists are available to assist

DOER in determining and assessing any concerns related to the upcoming implementation of the new privacy requirements.

Analytic and reporting services

Currently, Deloitte Consulting is assisting DOER in assessing member health status through a variety of analyses. We began by looking at the diseases prevalent in the population and moved to a more technically rigorous analysis of member morbidity. Finding the proper way to segment the population into areas for analysis is, and has been, an ongoing and collaborative process. Along the way, we have produced reporting templates to support the State population analysis and changes over time. Our historical experience with DOER, technical skills, and developed tools will continue to assist us in performing analytic and reporting services related to Risk Management.

One important tool used for assessing member health status is the ACG software developed by Johns Hopkins University. The software includes several analytic tools that examine the illnesses prevalent in the population (EDCs), the overall health status of members (ACGs), and indicators for future resource use (ADGs). We have a good working relationship with the software developers at Johns Hopkins, which allows us to be aware of the latest software developments. During the primary phases of our support for the Risk Management initiative, we worked jointly with DOER to determine the types of analysis that would help DOER better understand member health characteristics.

We have also utilized the information in the data warehouse to examine resource use details (inpatient stays, prescription drug use, etc.) for various segments of the population. The data warehouse contains detailed claims information spanning several years, and can be a very powerful tool for examining changes in health status and membership characteristics. Historically, we have provided information from the Data Warehouse to meet specific analytic needs (i.e. prevalence of hip and total knee arthroplasty) or to meet ongoing reporting requirements (i.e. annual Risk-Management presentation).

In the past, we have produced several reports for DOER showing the results of the various Risk Management related analyses. These reports were designed jointly in order to meet the specific needs of the Risk Management team. Additionally, the reports were designed to be easily replicated under different member and time criteria, allowing for both efficient updating of information and apples-to-apples comparisons of different segments of the population.

Our knowledge of and experience in analyzing health care data will continue to allow us to meet your future analysis and reporting needs. Whether this involves the development of statistical tools (i.e., regression-based predictive models) or different types of research (i.e., benchmark comparisons), Deloitte Consulting is able to draw upon a variety of resources and specialists to perform any type of analysis necessary. More importantly, we are also able to help you assess the usefulness and appropriateness of proposed analyses. Although there may be an inherent value in most types of population health status assessment, DOER has expressed a desire to maintain focus on the ultimate goals. We will continue to assist you in determining which types of studies are most useful to meeting the Risk Management initiative goals, and perform the analyses deemed necessary and appropriate.

Consulting expertise

Although we have primarily provided consulting services related to claims analysis and reporting functions, Deloitte Consulting has considerable experience in many other areas of Risk Management consulting. We have assembled a DOER client service team with deep technical skills and formidable experience in designing and implementing disease management programs, vendor analysis and selection, and program effectiveness reviews. Our team consists of clinical and analytic consultants including several board-certified physician consultants and registered nurses. Following their earlier years in active practice, all have many years of experience as full-time consultants to all constituencies. They are experts in managed care operations, effective utilization management, disease management models, and the clinical coding aspects of billing and payment systems.

We assisted DOER in developing the Centers of Excellence program in conjunction with its vendor, HealthPartners. One of our physician consultants assisted in the implementation and helped to mediate discussions between the medical directors of the three health plan administrators during the process. To date, centers of excellence have been identified for several transplants and for bariatric surgery.

Please refer to Section 4, Qualifications of Our Team of this proposal for more information regarding our specialty consultants.

Currently, DOER relies on the programs designed and offered by the health plan administrators and other outside vendors to meet their disease management and care management needs. Should DOER wish to design and implement their own programs, Deloitte Consulting can draw upon members of our team of experts to offer assistance in that process. Our clinical and analytical consulting team members have worked closely with various clients in the management of diabetes, congestive heart failure, coronary artery disease, hypertension, asthma, depression and total population health management. The scope of this work has included the following types of services that may be of interest to DOER as it considers techniques for identifying and impacting potential quality of care issues:

- Algorithm development using administrative data (medical and pharmacy data) sources for identification of patients with chronic diseases where poor management signals serious quality of care issues.
- Development of reporting models for these diseases including cost, utilization, quality measures and co-morbidity trends as well as the review and development of disease-related cost classification methodologies. These models help organizations properly assess the risks they are managing on a retrospective and prospective basis.
- Predictive model research and development, including multi-year studies to understand disease trends and isolate adverse outcomes that can be impacted through interventions in the short-term. Specifically, we have assisted and/or managed the development of logistic regression predictive models in asthma, diabetes, CAD, CHF and for total high-cost populations (without regard to their primary disease classification).
- Our research has also been used to assist in the creation of care profiling tools to better inform intervention and management efforts on these populations. We have also assisted in the development of care coordination scenarios used in a pilot program to improve care management in Medicare risk programs.

Along with extensive experience in designing and implementing Risk Management programs, Deloitte Consulting is able to draw upon experience in vendor valuation. Whether DOER wishes to evaluate the quality of an existing vendor's operations and program design or choose a new vendor for an existing or proposed program, the specialists at Deloitte Consulting have the experience to examine the program's selection criteria, interventional strategies, and health improvement methodologies to determine vendor/program quality and value.

Examining the effectiveness of implemented programs will be an important part of the Risk Management initiative. Although results information should be provided by the health plan administrators, it will be important to obtain independent assessments of program effectiveness. Through use of the data warehouse, we are able to easily determine changes in member health status or resource utilization over periods of time. This will allow us to review results based on the criteria specified by the program (i.e., reductions in hospital utilization) or by other appropriate indicators of health improvement (i.e., changes in ACG scores). Furthermore, our specialists in program evaluation will assist in determining whether or not the program-specified improvement criteria properly indicate improvements in health.

The following list of select clients and projects is representative of the breadth and scope of Deloitte Consulting work in relation to Risk Management activities:

Hughes Electronics Corporation

Deloitte Consulting assisted Hughes Electronics in the design, development and vendor selection for a care management program. During an audit of the existing utilization management program for the PPO plan, Deloitte Consulting and Hughes became convinced that a different approach to management would have more impact on the overall health status of Hughes employees. A care management strategy was conceived with preventive and demand management programs that would impact the relatively well population, chronic care programs for plan participants with specific diseases, utilization management for the sick and injured, and case management programs for the severely ill or injured. An inventory of existing programs available in the marketplace led to a Request for Proposal process and selection of a vendor to implement the program.

Disease management vendor

Deloitte Consulting assisted a large disease management vendor by performing the following consultative services:

- Algorithm development using administrative data (medical and pharmacy data) sources for identification of patients with asthma, cardiovascular disease and diabetes.
- Development of reporting models for these diseases including cost, utilization, quality measures and co-morbidity trends as well as the review and development of disease-related cost classification methodologies.
- Predictive model research and development, including multi-year studies to understand disease trends and isolate adverse outcomes that can be impacted through interventions in the short-term. Specifically, we have assisted and/or managed the development of logistic regression predictive models in asthma, diabetes, coronary artery disease, congestive heart failure and for total high-cost populations (without regard to a patient's primary disease classification).

Nationwide insurance carrier

Deloitte Consulting performed an internal assessment of the insurer's disease management data analytics capabilities, evaluating their use of data to identify patients with chronic conditions, profile their care issues and needs, and target patients for appropriate interventions. In addition, we assisted them in their outsource vendor selection process.

iMcKesson

Deloitte Consulting was engaged to assist iMcKesson in developing a new product design for Disease Management. The product combined iMcKesson's Disease management, medical management, and predictive modeling capabilities, and was designed to be used by both employers and providers.

Provider/software company joint venture

Deloitte Consulting assisted an at-risk provider organization, Medicare HMO and health management software company in the creation of care profiling tools to better inform intervention and management efforts on a Medicare population. Our work involved the development of care coordination scenarios, which identify specific triggers that signal potential utilization management issues, and the preparation of a return on investment model to help evaluate the savings achieved during the initial pilot program phase.

Pediatric physicians group

Deloitte Consulting conducted a strategic assessment for an asthma disease management program for a large southern U.S. pediatric physicians group.

Blue Cross Blue Shield of Massachusetts

Deloitte Consulting was engaged to conduct an "As-Is Assessment" of the existing medical management department and its programs. Based on the findings of the assessment, Deloitte identified gaps through our comparative industry best practice model and redesigned the existing medical management programs to meet or exceed industry best practices. The functional areas evaluated and/or redesigned included utilization, case, and disease management. In addition, Deloitte introduced the client to a proactive concept of anticipatory management and developed a program and processes to support this approach. Our strategic redesign will assist our client in managing its medical costs and meeting its customers' expectations for the next three to five years.

D. Analysis of plan and/or care system operations

The vendor may be asked to analyze specific features of health plan and/or care system operations such as:

1. ***Performance***

   Analysis of performance based on results of claim or performance audits.

2. ***Financial Analysis***

   Analysis of each program's financial experience associated reserve requirements and incurred but unreported liability determinations.

3. ***Anti-selection Analysis***

Analysis of biased selection across alternative plans or care systems in the various programs.

4. ***Variations***

   Analysis of variations in plan or care system experience by region, department or other factors.

5. ***Managed Care Activities***

   Analysis of each plan or care system included in the various programs relating to the carrier's managed care activities.

6. ***Evaluation of Current Programs***

   Evaluation of current program activities, benefit designs, benefit delivery systems, health care quality and performance measurement.

7. ***Risk Management Activities***

   Analysis of effectiveness of disease management activities performed by the plans or care systems.

Analysis of health plan and/or care system operations

Historically, Deloitte Consulting has assisted DOER in many areas of health plan and care system operations analysis. Fundamentally, the Advantage program is built on the care system performance analysis that groups providers into cost levels or tiers. In addition, we assist DOER in negotiating with the health plans through the contracting and renewal process, and support DOER in their internal plan performance assessment activities as needed. We believe we provide valuable assistance in helping DOER enhance their vendor and provider relationships and optimize the value of their purchased services. Along with these types of ongoing activities, we are poised to assist DOER in the future through other areas of performance and operations assessment such as quality analyses, hospital efficiency assessments and performance analysis of risk-management vendors.

Performance

Health plan

Deloitte Consulting will continue to support DOER in developing performance guarantees and will assist wherever possible in holding the plan administrators accountable for DOER's requirements and expectations. In the past, we have assisted DOER in integrating performance targets for cost management, health outcomes and operational performance into the plan administrators' administrative service agreements. As always, continuous monitoring of performance will be necessary to align incentives between the plans and DOER. In the future, we will continue to advise DOER on appropriate changes or enhancements to its current performance standards and associated financial penalties and incentives. Where necessary, Deloitte Consulting will assist DOER in integrating the Risk Management activities into the health outcomes performance goals to further the success of this valuable initiative.

Care systems/provider groups

The Advantage program has successfully integrated provider efficiency accountability into the care delivery process. The provider tiering and negotiation process has been continually evolving, to achieve the ultimate balance of fairness, consistency and cost savings to the State.

We will continue to develop and refine this process, and will develop means for integrating new measurements (quality, hospital performance, etc.) at DOER's request. Beyond these annual activities, we will continue to perform whatever ad-hoc analyses are necessary to support DOER with their communications to the unions, provider negotiation, and internal review activities related to care system/provider group analysis.

Financial analysis

Health plan

Deloitte Consulting would continue to use the Advantage Benefit Pricing and Rating Models in the annual rating process and biannual collective bargaining process (these models are also described in Appendix A, Tools and Methodology). The models have been developed to appropriately balance the need for efficient and accurate analysis, along with the need for effective communication of the rating results and the total anticipated budgetary costs to the State. In the future, we plan on enhancing our models to better meet the State's informational needs during the bargaining and renewal processes and provide more detailed analysis of the financial impact of individual benefit plan provisions.

In addition, we will continue to monitor and provide information on claims costs both by provider groups and health plan administrators as requested by DOER. Deloitte Consulting will continue to monitor these costs with the potential to limit providers offered by health plan administrators or modify the tier placement strategy to account for differentials in provider performance between plans.

With regards to reserve requirements and incurred but unreported liability determinations, Deloitte Consulting will continue to estimate reserve levels for the State's benefit plans as requested. Our actuaries have many firm resources available to assist in their analysis, including our proprietary system for estimating Incurred But Not Paid (IBNP) claims. We have extensive experience in reserve development and analysis. In Minneapolis alone, we perform reserve analyses for more than 50 HMOs, insurance companies and self-funded employers. In addition, we will continue to advise DOER on their reserve setting process as requested.

Care systems/provider groups

One of the main factors contributing to the success of the Advantage plan is a credible and defensible tier placement process for provider groups. In order to determine the appropriate level of placement, it is essential that the provider groups' risk-adjusted financial experience be reviewed and tested for credibility. This complex process involves several steps including risk adjustment, matching members to providers, matching providers to provider groups, and assessing the expected cost of each provider. Several interactions of this analysis are performed to determine the sensitivity of the individual provider results to high-cost cases, the integration of multiple years of information, and other key environmental factors. Deloitte Consulting has worked collaboratively with DOER to define the appropriate process and determine the critical tier placement criteria. Deloitte Consulting has significant historical knowledge of the efficiency of Minnesota (and regional) providers and DOER's assessment process and will be able to leverage this knowledge to provide DOER with a thorough and evolving analysis of financial performance of providers.

Anti-selection analysis

Adverse plan selection occurs when employees who utilize more services seek or maintain higher-level benefits and when employees who utilize fewer services seek the least expensive alternative. Adverse selection may also occur based upon the level of managed care, when employee contributions increase, or due to increasing age or known disease. Risk selection issues are always present in a multiple-option environment and must be addressed through a variety of means. These issues have taken on even greater importance as employers offer their employees additional choices through the introduction of new consumer choice and purchasing models and possible contribution strategy changes.

Our consultants are trained to recognize the events that create and perpetuate situations of adverse risk and to design plan options to prevent its occurrence wherever possible. These issues may be addressed through a variety of means, including plan design, risk adjustment, contribution formula, and health plan carrier/administrator negotiations.

We have comprehensive experience in providing anti-selection analysis based on our work with DOER and several other clients. We have performed this type of work for DOER in past years as needed and integrated anti-selection risk into our pricing and benefit value project assessments (see p. 9 of this proposal, movement assumptions, for more information). The risk-adjustment process provides substantial member illness burden information and we are able to perform a variety of additional selection analyses as needed. For example, at the request of the DOER commissioner, we conducted a study of the potential impact of members dropping coverage during the spring of 2007.

In addition to DOER, we consult with or have provided assistance to other large, public sector employers who employ managed competition models. For example, we performed several studies for the University of California, including a risk-assessment study and risk-adjustment study, which resulted in the implementation of a revised contribution strategy. We have also worked in this capacity with the State of Wisconsin, CalPERS, and Stanford University.

Variations

Deloitte Consulting has the knowledge and experience to efficiently use the State claim data to perform a variety of requested analyses for DOER to assess variations of plan or care system experience. With the investment in the data warehouse, Deloitte Consulting and DOER have been able to look at actual claims, risk-adjusted claims, and member enrollment by plan, provider, and county of residence. We also have the ability to break out claims by department, type of illness, age, and gender. This type of analysis is currently being performed for the Risk Management group and is also actively used in the efficiency assessments used to determine cost level placement of providers in the Advantage plan.

Managed care activities

As part of the Risk Management support activities, Deloitte Consulting participated in the cataloging of the current programs offered by the health plans as well as review of the return on investment (ROI) claims made by the plans and their contractors (currently HealthPartners, BlueCross BlueShield of Minnesota, PreferredOne, American Healthways, Accordant, etc.). Our health care practice provides high quality strategic, technical and operations consulting services

to employers, health care providers, and payors. As such, we are in a unique position to provide continued thought leadership and analysis of the managed care activities currently performed by DOER's plan administrators or care systems.

We have worked with several clients to develop effective care and/or risk management programs. We can work directly with the health plans using their data or with our clients to develop disease management initiatives, target specific enrolled populations, and develop benchmarks to be used across multiple plans to help quantify the results of the care management efforts. We have also successfully incorporated care/disease management criteria in health plan performance standards to ensure accountability and monitor progress from year to year. At DOER's request, we can explore integration of care management performance measures into the tiering process to recognize quality of care and encourage members with specified needs to access providers who can provide optimal care for their particular condition.

As a trusted business advisor to many leading health care organizations, Deloitte Consulting has been instrumental in the creation and implementation of many of the theories and strategies that have shaped the evolution of the health care industry. We provide health care clients with solutions that successfully deliver and manage cost-effective, quality care in a competitive environment. Section 5, our organization profile and experience, describes a few of our selected health care and managed care client engagements.

Evaluation of current programs

As part of our ongoing consulting services to our large clients, we conduct annual, or more frequent, strategic planning processes to evaluate the effectiveness of the current programs. In these reviews, we establish short- and long-term benefit objectives which align with the overall business objectives and mission of the organization. We have assisted DOER in several strategic planning initiatives.

For DOER, we propose participating in the annual strategic planning meetings involving key decision makers and stakeholders. In these sessions, DOER defines long-term benefit goals related to total compensation, business objectives, and benefit offerings.

Your client service team has experience facilitating strategic planning sessions to discuss benefit objectives and goals for the future, focusing on the following key elements:

- Understand the benefits philosophy and objectives and how benefit plans should be aligned to support those objectives.
- Review current benefit plan offerings and designs, including the contribution strategy and funding relative to those objectives.
- Determine the role of collective bargaining on benefit design and flexibility.
- Determine the role of the external environment and competitive marketplace.
- Identify the short-term and long-term strategies, including plan design alternatives, for future management of benefit programs.
- Other key topics, including:
  - Current plan performance and issues.
  - Retiree health benefits and strategy.

- Role of quality and member satisfaction.
- Plan performance expectations.
- Other strategies/issues such as benefits outsourcing, etc.

Deloitte Consulting has significant experience consulting on the development of new products. We are well positioned to advise DOER around emerging trends and innovations in the new health care marketplace such as consumerism, technology and next generation products.

Risk management activities

Examining the effectiveness of implemented programs has been an important part of the Risk Management initiative. Although some information on program results has been provided by the program administrators (both plans and their contractors), it has been important to obtain independent assessments of program effectiveness. Using the data warehouse, we are able to determine changes in member health status or resource utilization over periods of time. In the past we have prepared program effectiveness reports for the major disease management program (American Healthways) and provided other information to help assess program performance and understand other changes in the population. We are able to review the results based on the criteria specified by the program (i.e., reductions in hospital utilization) or by other appropriate indicators of health improvement (i.e., changes in ACG scores). As requested, we can continue to analyze program results and help determine whether or not the program specified improvement criteria properly indicates improvements in health.

E. Analysis of current and alternative plan designs

1. Benefit Designs

Benefit design may include analyses of alternative benefit designs in preparation for collective bargaining and analysis of flexible or cafeteria benefit design options.

2. General Plan Designs

General plan design may include:

- *Alternative underwriting, rating and risk pooling approaches;*
- *Alternative employer contributions formulas;*
- *Alternative carrier reimbursement and performance incentive structures; and*
- *Stop-loss coverage options*

3. Report Design

Analysis of claims and utilization reporting requirements and design of DOER's internal report formats and analyses. Ability to provide comparison data and information for state to benchmark results with other large purchasers.

Analysis of current and alternative plan designs

Benefit designs

Collective bargaining support

During the collective bargaining process, it is essential for DOER to have the ability to quickly and efficiently determine the cost of the various proposed employee cost-sharing scenarios. To achieve this, Deloitte Consulting developed the Benefit Pricing model. The model produces expected cost-sharing percentages for the various benefit plan designs based on the actual claims incurred by the State employee population. The model allows for cost-sharing estimates that reflect the actual State experience, as opposed to those derived from standardized industry factors. Furthermore, the model produces cost-sharing estimates that vary by health status, allowing for differences in expected cost sharing among groups with differing illness burdens. Throughout the years, the model has been further refined to better reflect the way the plans administer the State's various cost-sharing provisions. In the future, this model will continue to be a valuable tool, as DOER identifies and implements future cost-sharing provisions. Our knowledge of the model and the State data allow us to both efficiently assess the value of standard benefit plan designs and to modify the model to reflect the value of the different types of cost-sharing provisions that DOER may wish to implement. In the future, we plan to expand the informational capabilities of this model to better allow DOER and the Unions to understand how the individual benefit changes impact the financial projections

In preparation for collective bargaining and throughout the bargaining process, we have worked with the State's JLMC to analyze and price alternative benefit designs. The State's JLMC began in the mid 1980's and is made up of all of the State bargaining groups. Deloitte Consulting has been working with this group since its inception. We have extensive experience working on health and other benefit programs issues and projects with stakeholder, constituent, consumer advocacy, labor, retiree groups, Boards, and health benefits staff. For example, we worked extensively with the JLMC and the health benefits staff in implementing the Advantage plan model in 2002 in modifying the plan provisions during subsequent bargaining periods. During the past several bargaining sessions, Deloitte Consulting has made the initial presentation to the JLMC to address the full range of potential modifications that DOER may wish to introduce during the upcoming collective bargaining process. Deloitte Consulting has provided 24-hour coverage during the closing weeks of the collective bargaining process, often participating in the bargaining information exchanges, and contributing to the negotiation strategy. During the 2007 session, several suggestions provided by Deloitte Consulting were instrumental in bringing closure on the health plan issues.

PEIP support

For PEIP, we have assisted DOER staff in developing and reshaping the program. PEIP is managed by the State with input from an Advisory Committee made up of major bargaining group leaders and management representatives from large jurisdictions and associations. In addition, we have published reports for, and met with members of the Legislature upon request.

Legislative responses

Over the next few years there will likely be considerable legislative effort at both a State and Federal level to address the coverage, cost and access concerns related to health care. In addition, providers and plans continue to work through legislative channels to maintain and protect their interests. In the past, Deloitte Consulting has consistently and effectively helped DOER respond to legislative changes and develop fiscal notes. Our experience in working with Advantage and the other State employee benefit plans allows us to assess the potential impact of proposed legislative initiatives and communicate them clearly to the appropriate constituencies. Furthermore, our data analysis capabilities and historical program information allow us to efficiently project the financial implications of the various scenarios in support of the fiscal note preparation process. In past years we have met with legislators at DOER's request to address concerns about the Advantage program. We have also assisted DOER in drafting written responses to legislators to address similar concerns. In the future, we will continue to support DOER in this role whenever necessary and look forward to helping DOER maintain an effective and efficient program during a time of potentially significant legislative activity.

Flex benefits

In the area of flexible benefits, Deloitte Consulting has assisted clients in all areas of flexible benefit plans ranging from implementing spending account only programs to the design and implementation of full-flex programs. Our practitioners are well versed in the regulatory requirements governing these plans and can help with plan document compliance as well as non-discrimination testing. Our previous experience includes designing and implementing various flexible benefit programs for several state, county and school district clients.

General plan design

Since Deloitte Consulting consults with purchasers, providers and health plans, our actuarial and underwriting staff has extensive experience in all aspects of general plan design.

Successful general plan design depends on the recognition of plan intent, fiscal limits, legislative compliance, collective bargaining constraints, knowledge of the provider environment, and thorough understanding of the compounding effect of program components. Our extensive experience consulting to health care payors and providers enables us to bring valuable insights to DOER in the areas of alternative rating methods, employer contribution formulas, provider reimbursement, performance incentives, and stop-loss options.

We have a history of providing these services and will continue to provide the most up-to-date methods in assisting DOER as requested. In the past, we have assisted DOER in developing and supporting their reserving strategy, to assure that the program would remain fiscally sound in the event of significant cost fluctuations. During the annual rate setting process, we work jointly with DOER to ensure that the rates developed incorporate all necessary factors to meet DOER's overall funding strategies. Our rating models incorporate changes in employee and dependant relative costs, to ensure that premiums collected are aligned with projected population experience. During the collective bargaining years, we efficiently and accurately assess the impact of changes in member premium share strategies and incorporate a variety of potential cost impacts (revenue changes, contract termination, illness burden increases, etc.) into the budgetary projections.

Deloitte Consulting has worked with many large employers in developing and implementing consumer driven health care plans. These programs often result in the offering of high deductible health plans linked to medical savings accounts (heath reimbursement accounts (HRA) or health savings accounts (HSA)) as either an optional or total replacement plan. In part, because of the success of the Advantage plan and significant resistance in the collective bargaining process, this strategy has only been discussed at a high level at the State.

We assist DOER throughout the plan renewal and contract negation process. In the past we have helped DOER negotiate risk share strategies, stop loss coverage provisions, administrative service fees, and performance guarantees. We will continue to assist DOER in this capacity and can offer insight wherever necessary as to alternative strategies or arrangements.

Report design

Due to the breadth and scope of information contained in the data warehouse, the claims data have proven to be an extremely useful tool to the State in many respects. Our knowledge of the data, and our experience in analyzing and reporting information derived from the data, allows us to efficiently produce information for DOER on both a formal and ad-hoc basis. Beyond its uses in analysis essential to the Advantage plan and the Risk Management initiatives, we have provided output from the data related to:

- Membership and contract counts.
- Cost-sharing scenarios/continuance tables.
- Claim costs by division (bargained employees, direct pay employees etc.).
- Claim utilization/cost by service category.
- Provider group experience.

In addition, responding to data requests has become an increasingly important part of the collective bargaining process through information requests made by the unions, and information used to support DOER in the negotiation process. Information from the data warehouse is often used when responding to legislative initiatives and assessing their potential impact as well.

State employees and public sector employees in general, have many attributes that make them significant users of health care. As Deloitte Consulting works with a number of state and public sector clients, we are uniquely qualified to assist you in your benchmarking efforts. In addition to our internal and purchased database information, we have considerable experience developing benchmark models for employers, public sector clients, providers of care and payor/insurance companies.

F. Contracting

Assist in development of contracts and administrative agreements for the fully-insured and self-insured medical, dental, life and disability programs available to state employees.

State employees group insurance program

The written contract between DOER and its benefit plan vendors (medical, dental, life, disability and pharmacy benefit manager) helps to establish the terms and effectively "manage" the relationship throughout the term of the contract. The content of the contracts and administrative agreements for all benefit programs is critical to accurate benefit plan administration, correct pricing and fees, and the vendors' ability to meet DOER's requirements.

We have extensive experience assisting with the contract and agreement negotiation process with the health plan administrators, the State Dental plan administrator, and the pharmacy benefit manager. Typically we begin the annual contract negotiation process after the renewal negotiations for each of the benefit plans has been completed. This year, we are assisting with the development of a new contract with the pharmacy benefit manager. This process involves ensuring that the new vendor fulfills its obligations as communicated throughout the Request for Proposal process, as well as accurately reflecting the processes, programs and services reviewed and agreed to during the implementation process. On an ongoing basis, we will continue to work jointly with DOER and its legal counsel to ensure that all vendor contracts and agreements reflect the most recently agreed-upon renewal rates, fees, performance expectations, financial accountability, and terms.

To that end, we will help negotiate and advise on best practices with respect to required duties, contractual terms, plan provisions, performance standards and risk-sharing arrangements where applicable for the medical, dental, life, disability and pharmacy benefit manager programs. We will continue to work closely with you and your various vendors to ensure that we meet the established timelines for the contract and administrative agreement negotiation activities.

Public employees group insurance program

PEIP maintains contracts with its plan administrators and marketing vendors and, like with the SEGIP program, these contracts are critical to both the benefit plan administration and the vendors' ability to meet DOER's requirements. Deloitte Consulting has assisted PEIP in negotiating favorable administrative contract terms and provisions related to the program. We have also been able to incorporate the majority of the performance expectations, fees, and terms of SEGIP contracts into the Advantage contracts of PEIP. Our knowledge of the vendors' service capabilities and experience with PEIP help to support delivery of the agreed-upon services. Examples of this include experience reporting, performance guarantees and marketing goals. This also includes advice about current duties and best practices. Our team will continue to work closely with you and your vendors to ensure that we meet the established timelines for the contract and administrative agreement negotiation activities.

G. *Assistance in implementing new programs and plan or care system relationships*

DOER may require the vendor to assist in implementing new programs and plan or care system relationships. The assistance includes RFP development and design, solicitation of RFP respondents, proposal evaluations and contract development and negotiations.

We have provided considerable assistance to DOER in the development and implementation of new programs in the past, and are prepared to continue working with you on these important initiatives. Examples of new programs implemented over the years include the managed competition program, PEIP, the State Health Plan (SHP), the SHP Select plan, and the Minnesota Advantage Health Plan, which included the development of relationships with strategic provider care systems. We have assisted with the development, introduction, and implementation of other initiatives including disease management, health risk assessment, Advantage Health Advisor (AHA), and Centers of Excellence. In addition, we have assisted in the development of other concepts that were not implemented but may have future utility, such as the Supplemental Reimbursement Plan (SuRP) for AFSCME and the use of a health reimbursement account within Advantage.

We also have extensive experience with managing the Request for Proposal (RFP) process. We have assisted many of our public sector clients with RFPs covering all health and welfare programs, including but not limited to medical, dental, life, disability, flexible spending accounts, employee assistance programs, and workers compensation administrators. The services we provide, and the degree of client involvement in the process, are customized for each client, based on specific preferences including your procurement processes, interaction with the Joint Labor Management Committee, the need for formal scoring criteria and public disclosure of vendor proposals and results. We have the ability to operate with as much or as little client involvement as desired.

We have assisted DOER with several RFP processes in past years, including the recent RFP for a pharmacy benefit manager in 2007 and the RFP for MN Advantage Health Plan administrators several years ago. We understand that DOER will be soliciting competitive proposals from the marketplace for its medical, dental, life and disability benefit programs in 2008, and our customized client service team is well positioned to work collaboratively with you again on these important projects.

The chart below shows the typical RFP process steps and activities:

Planning and Review	Development and Distribution	Response Analysis	Selection	Implementation
Step 1	Step 2	Step 3	Step 4	Step 5
• Define issues, goals and objectives • Develop project work plan and timeline • Compile data required for RFP development • Establish baseline understanding of current plans • Determine requested plan designs, alternative options and funding options to include in the request • Develop and review potential vendor list	• Develop RFP specifications and questionnaire • Establish scoring criteria and weighting • Finalize the vendor list • Agree on final RFP and vendors with DOER • Distribute RFP to selected vendors • Conduct bidders' conference, if desired • Respond to vendor questions • Collect vendor responses	• Analyze each vendor's ability to meet key criteria • Present clarifying questions to vendors • Evaluate proposed plans, options, rates/fees and contract terms • Begin initial negotiations; identify additional required negotiations • Prepare findings summary report • Identify top finalists based on selection criteria • Meet with DOER and other key stakeholders as appropriate	• Conduct finalist interviews • Facilitate site visits, if desired • Assist with vendor references check • Incorporate findings from the finalist interviews, site visits and reference checks • Facilitate consensus meeting(s) with DOER and other key stakeholders to select the final vendor • Notify vendors of award of business	• Assist with implementation activities as needed • Review feasibility of proposed implementation work plans • Lead/facilitate implementation meetings, if desired • Finalize any outstanding negotiations • Assist with contract negotiations

H. Quality improvement

Assist in the development of quality improvement measures to appropriately benchmark and incent plans, care systems, administrators, and others with whom DOER contracts.

Maintaining and improving the quality of care for State members is a critical program goal. Quality of care is receiving enhanced attention and scrutiny from the unions, legislators and other critical constituencies, and will require continued attention and study through the next several years. Deloitte Consulting has assisted the State in quality enhancement initiatives in the past, and is poised to do so in the future. Our knowledge of the State's programs and goals, relationships with the plan administrators, access to reliable information, and data analytic capabilities will allow us to effectively assist DOER in developing quality improvement measures and incentives. Below are examples of the areas where we believe quality improvement initiatives can be effectively integrated.

Advantage Health Plan

The State currently assigns providers to cost levels based on their risk-adjusted financial results. Providers whose members incur costs that are lower than their suggested health status are placed in more advantageous tiers. In the past, the Advantage plan has been criticized for not taking quality measurements into account and focusing exclusively on cost. We believe there are two specific ways that the State may consider addressing this issue.

First, Deloitte Consulting is prepared to assist DOER in developing a strategy for integrating specific quality measurements into the provider tiering process. In the past, we have successfully supported the State in determining the appropriate strategy, development and communication around changes

to the Advantage program. We have the ability to effectively identify strategies that appropriately balance the needs for transparency, consistency, and credibility with the need for development efficiency. We can develop a methodology using publicly available data and information, or we can work jointly with the plan administrators to leverage information that they already have and develop an appropriate blending methodology. Furthermore, we can work with our clinical professionals and the information stored in the data warehouse to assess the providers' performance in critical areas of quality. At the same time, it is important to recognize that measuring quality for the State on a stand-alone basis could be more costly than the value of the information garnered. In the end, the proposed process and measurements will need to be appropriately integrated with the current tiering methodology to ensure that the gains from the current tiering strategy are not overly impacted by the quality measurement integration. Lastly, we will support and work with you to effectively communicate changes to the tiering criteria to providers, plan administrators, and other stakeholders (unions, legislators, employees), if DOER ultimately opts to implement the strategy.

Second, we think it is critical to create an understanding with the unions and other key constituencies that risk-adjustment does not focus on service cost alone; and that there is an inherent quality measurement in risk-adjusted cost results. To the extent that a health care provider's treatment protocols result in a reduction or increase in catastrophic incidents and other preventable costs, that quality of care will be reflected in the risk adjusted scores. We believe it is crucial to appropriately "cement" this concept in the minds of DOER's constituencies. To that end, we are prepared to develop an actuarial analysis of the statistical correlation between risk-adjusted efficiency and quality, at DOER's request. Given that the results would prove to be appropriately conclusive, the analysis could help DOER better defend the risk-adjustment process and address questions of provider performance quality. Although we believe such an effort would prove to be beneficial, we recognize that this analysis would be somewhat experimental and could ultimately require a large number of service hours to complete. We would be willing to discuss alternate fee arrangements (where Deloitte Consulting would also invest in the analysis) for the completion of this analysis (reduced rates, capped fee amounts, etc.). While we cannot guarantee that the analysis would supply DOER with the necessary information to defend the inherent quality measurements in the tiering process, we believe it would be worthwhile to explore and understand any statistical correlation between quality measurements and efficiency.

Risk management initiative

The Risk Management initiative is, at heart, the implementation of programs and standards to improve quality of care for members with high risk characteristics. Whether these initiatives focus on encouraging positive member action or deal directly with the plan administrators and providers to improve care, the ultimate goal is optimal care and the avoidance of catastrophic incidents that result from poor care. In the past, Deloitte Consulting has assisted DOER throughout the various stages of the Risk Management initiative, using the data warehouse and ACG risk-adjustment tools to identify prevalent conditions in the DOER population, and to produce reports to support the initiative. We have also offered consultative support in selecting, analyzing and monitoring the performance of the current risk management vendors. We have also worked with DOER and their chosen vendor to help develop Centers of Excellence for a limited set of conditions and procedures. This initiative resulted in the identification of best in class facilities for targeted procedures that should improve quality outcomes for Advantage plan members. In addition to the services we are currently performing, Deloitte Consulting has in depth experience in designing and implementing care management plans and the vendor selection and valuation process. We are poised to continue offering these services to the State to help ensure that their high-risk members receive the highest quality of care.

Contracting services

The health plan administrators are a critical partner in ensuring that Advantage plan members receive excellent quality of care. Historically, Deloitte Consulting has assisted DOER in negotiating with the health plans through the contracting and renewal process, and supported DOER in their internal plan performance assessment activities as needed. We have provided valuable assistance to DOER in enhancing their vendor and provider relationships and optimizing the value of these purchased services. Along with these types of ongoing activities, we are poised to assist DOER in the future through areas of performance assessment and quality analyses.

Deloitte Consulting will continue to support DOER in developing performance guarantees related to quality of care and will assist wherever possible in holding the plan administrators accountable to DOER's requirements and expectations. In the past, we have assisted DOER in integrating performance targets for cost management, health outcomes and operational performance into the plan contracts. As always, continuous monitoring of performance will be necessary to align incentives between the plans and DOER. In the future, we will continue to advise DOER on appropriate changes or enhancements to its current performance standards and associated financial penalties and incentives.

Other quality initiatives

Deloitte Consulting has supported DOER in evaluating and promoting several initiatives and programs including Bridges to Excellence and QCare initiatives among others. We will continue to support these efforts and others not yet identified with data support, actuarial analysis, and thought leadership as needed by DOER or the State (subject to approvals by DOER).

I. Special projects

DOER may require the vendor to undertake or participate in a variety of special projects, including but not limited to analysis of legislative proposals and fiscal notes related to programs administered by DOER, and projects undertaken on behalf of the state's Human Resources Directors Partnership (HRDP). The chosen vendor may also participate in and make presentations in a wide variety of venues including but not limited to labor union bargaining and legislative hearings.

In the past, we have assisted DOER with a variety of special projects for various stakeholders. Deloitte Consulting has assembled a seasoned client service team with significant DOER and other public sector experience, as well as technical skills in specific areas we anticipate DOER may need. In addition, we can draw upon national firm resources with a wealth of capabilities and experience to creatively assist DOER with its goals and objectives. Examples of areas where we can provide additional subject matter expertise, ***other than those already addressed*** in our proposal, include:

- Systems analysis, including Human Resources Information Systems
- Section 457 deferred compensation plans
- Post-retirement health plan design
- Performance management and compensation consulting
- Long-term care insurance
- Governmental Accounting Standards
- Paid time off feasibility study and analysis
- Health Insurance Portability and Accountability Act compliance services

Throughout our long-standing relationship with DOER, but most recently, we have been asked to provide strategic and technical consulting assistance to DOER and/or other departments (as an extension of our DOER contract) on a variety of projects. We are prepared to continue to provide this assistance as needed. Examples of these recent projects include:

- Retiree Medical Valuation under GASB 45
- Opt-Out study at request of DOER Commissioner
- PBM analysis and proposal support
- Legislative analysis
- Excess reserve analysis and reduction strategy recommendation (resulted in 2006 premium holiday)
- Fiscal note analysis and review
- Conceptual design and pricing of a mandated Secure Benefit Set
- Review and analysis of Centers of Excellence
- Reserve analysis and strategy review
- Participation in the Statewide Task Force on Health Care Pooling and Post Retirement Medical Program
- Assistance in development and drafting of the Advantage plan employee communication pieces
- Directional support of the SEMA4, PeopleSoft, upgrade and planning
- Development of AFSCME Supplemental Out-of-Pocket Reimbursement Plan (SuRP) concept proposal

J. Administrative assistance

DOER may require the vendor to provide occasional program administrative assistance concerning matters that fall within the vendor's areas of expertise such as underwriting services for the Public Employers Insurance Program.

Deloitte Consulting is comprised of several complementary practices that include: Human Capital, Enterprise Applications, Strategy and Operations and Technology Integration. These practices working together can bring special talents to DOER as needed under this proposal. At DOER's request, Deloitte Consulting will provide occasional administrative assistance within any of our areas of expertise. We can also assist in filling key staffing vacancies which require a unique skill. We have assisted clients in the final interviews and selection process for key benefit professionals.

Deloitte Consulting has supported the underwriting and financial management of the PEIP program since its inception, and has been pleased to report that the program is in good financial standing with adequate reserves. A description of our underwriting assistance to PEIP was provided in response to Section A of this Approach section.

K. Legal awareness and compliance

The vendor will advise DOER of changes or proposed changes in state and federal laws or regulations that ay impact the various programs, and assist in implementing changes. In addition, the vendor must maintain security provisions that meet HIPAA and Minnesota data practices requirements to ensure confidentiality of all information received by the vendor in any of the activities undertaken under the terms of the contract.

Deloitte Consulting is well qualified to monitor and advise DOER on state and federal legislation across a wide number of topics. Since our firm advises clients on tax and accounting issues in addition to benefits and actuarial matters, the State can expect that we will be aware of Federal legislation which impacts group programs. In addition, because of our historical experience with DOER and knowledge of your programs, we are well positioned to continue assisting DOER in identifying and quantifying the impact of proposed changes and responding to legislative initiatives.

We provide a range of actuarial and consultative assistance to State governments; from developing State government healthcare strategies to assessing the impact of legislative bills and preparing responses. Our consultants also work with health insurance carriers, both through direct consulting, and on behalf of our clients. Our knowledge and experience allows us to understand the potential impact of legislative changes across the spectrum of constituencies, with the special emphasis on the ultimate impact to the DOER programs.

Beyond our ability to understand the impact of legislative changes, we have the ability to assess the financial impact and communicate the assumptions and results in an effective, timely and credible manner. Deloitte Consulting actuaries have the ability to effectively communicate detailed and summarized cost projection results to a variety of audiences. Many of our actuaries are nationally recognized experts in their fields and speak regularly at Society of Actuary meetings and other professional functions. Our actuaries also have experience in providing expert testimony at legal proceedings as well.

In service to our public sector and state government clients, members of the team have testified to Legislative Task Force Committees, State Senate Subcommittees, and as subject matter experts in various legal and arbitration hearings. We currently provide fiscal notes and legislative advice to various clients including the State of Minnesota and Wisconsin.

Pat Pechacek and Mike Schoeberl will be responsible for attending hearings or providing testimony. Pat Pechacek has extensive experience speaking before legislative committees and task forces, State Executive Council meetings, and boards. Mike Schoeberl also has experience in speaking before administrative bodies in support of actuarial positions and the principles used in valuing employee benefit systems. In addition he has provided expert testimony and analysis for legal proceedings.

As the State's current consultant and actuary, we regularly make detailed presentations to the JLMC and supply information to DOER in support of fiscal notes and other responses to legislative initiatives. In Wisconsin we have participated in numerous State board meetings presenting actuarial theory, basis for assumptions, and other various actuarial matters to a broad audience.

Finally, it is our practice to update clients about current developments in accounting, reporting, actuarial science, and tax matters through the distribution of firm-prepared information releases covering industry-specific topics.

As one of the largest professional services firms in the world, we recognize our responsibility to provide up-to-date information and leading edge solutions to our clients. Our knowledge of emerging trends, including legislation, is one of our core services. Deloitte Consulting approaches conducting research from two distinct perspectives: future insight and current/historical. Key research capabilities are described below:

Research capabilities and service specialists

Beyond the skills and knowledge of the client service team, our research capabilities and legal skills may be used to meet DOER's legal and compliance needs. These capabilities include:

Deloitte Research: We recognize the dynamic changes taking place in the marketplace and developed Deloitte Research to assist organizations to remain leaders in the marketplace. This group was established as a cutting edge thought leadership group that provides ongoing research and insight into industry-specific issues facing organizations today. Our research identifies and analyzes market forces and major strategic, organizational and technical issues that are changing the dynamics of business, providing insight into new and evolving changes.

Deloitte Research is comprised of consulting practitioners and dedicated research professionals, industry experience and academic rigor. Deloitte Research focuses on several industries, including health care and public sector, which would be of interest to the State. The information from Deloitte Research will be beneficial to the State's long-term strategy and future initiatives.

Washington Service Center

Our Washington Service Center is comprised of consultants specializing in emerging Federal legislation as well as technical subjects. The information is obtained from various sources including contacts in Congress and lobbyist groups to enable our clients to be proactive. The Washington Service Center is responsible for collecting and disseminating the information to all Deloitte Consulting practitioners. Two key areas of focus of the Washington Service Center are tax and health care legislation.

Human Capital Practice professionals

Deloitte Consulting's Human Capital practice has dedicated resources in Washington, D.C. that daily track federal legislation and regulations and report to all Human Capital professionals both on a regular basis through our Internal Bulletin and, for immediately breaking hot topics, on a real time basis through Knowledge Exchange, the Deloitte Consulting Human Capital practice web-based knowledge network. Our Director of Employee Benefits Policy Analysis, Martha Priddy Patterson, is active in the ERISA Industry Committee and the Association of Private Pension and Welfare. She is also a board member of the Tax Coalition, a group of government and private tax practitioners that meets once a month for a background briefing with a member of Congress or staffer who serves on the Senate Finance Committee or the House Ways and Means Committee. Her goal is to assist our firm in providing leadership and in serving as an active player in all human resources areas of interest to our clients.

For clients, Martha provides briefings, background papers, and specific research memos on Federal legislation and regulation on an as-requested basis. She also edits our client newsletter, The Washington Bulletin, which provides periodic updates of legal and regulatory developments relating to employee benefits.

Sam Raia, a senior lead with Deloitte Consulting Minneapolis, will be available to assist the State in connection with regulatory compliance and legislative analysis. Sam has provided consultation and counsel for more than 20 years to governmental entities, public companies, and tax-exempt health care organizations regarding pension, welfare, 401(k), 457(b), 403(b), severance pay, and executive compensation plans and human resource policies. He has served governmental entities by providing analyses of proposed legislation, and has obtained on their behalf from the Internal Revenue Service private letter rulings, determination letters, and closing agreements under the agency's Voluntary Compliance Program. He was formerly employed with the federal government as attorney-advisor to the Office of Chief Counsel, IRS, and the United States Tax Court. Prior to joining Deloitte Consulting, he oversaw pension and welfare benefit regulatory compliance as Honeywell Inc.'s senior benefits counsel. He is a former chairperson of the Employee Benefits Section of the Minnesota State Bar Association.

National Service Line Practitioners also provide specialized research on their areas of expertise. These practitioners are responsible for collecting and disseminating emerging trends and legislation that is specific to those areas. Examples of these research areas include Employee Benefit Tax, Health Care Legislation, Medicare and Medicaid, and Actuarial and Underwriting. Local Human Capital offices also monitor state and regional developments, in order to alert our clients on issues that we suspect may specifically affect their programs and practices. In addition to our practitioners, Deloitte Consulting employs research librarians in its regional practices that are available to do literature searches via Internet and other search engines like Intellinet, Dow Jones Interactive, Factiva, and Lexis.

HIPAA compliance services

HIPAA regulations can be a challenging compliance issue for many reasons. One of DOER's primary concerns related to HIPAA compliance is the privacy regulations, and how they relate to the data contained in the data warehouse and the data used in the Risk Management initiative. Our data handling experience has given us a strong background in issues related to data confidentiality, and has shaped the way we are currently handling the DOER data. Furthermore, our HIPAA compliance specialists will be able to assist in determining and assessing any concerns related to current privacy requirements and any future changes.

Key services and activities timeline

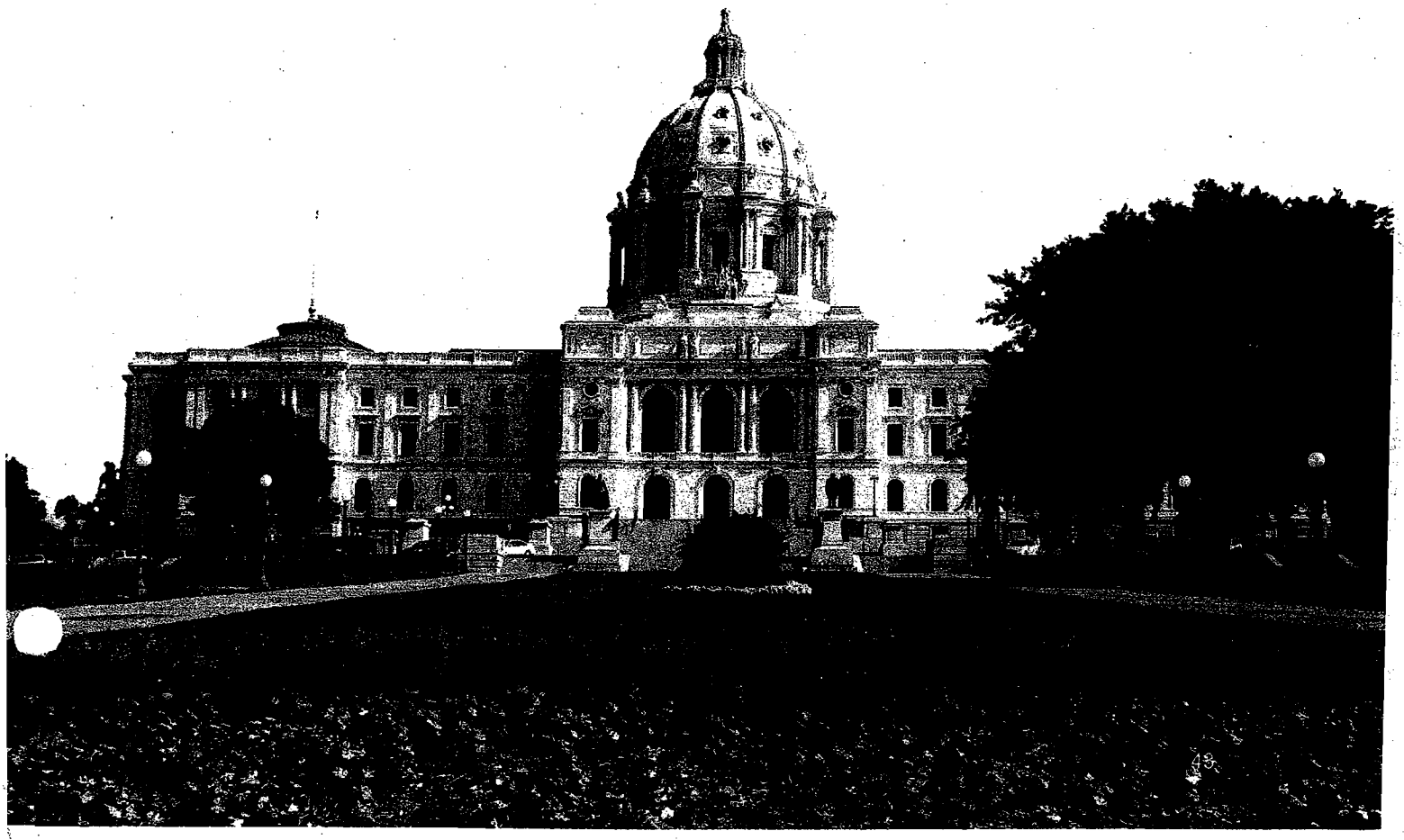
The table below lists the proposed key services and activities and their associated timing.

Activity	Timing
Requested Services	
Rate Development	
• Rate Submission Template	February-March of each year
• "Rate Need" Analysis	April-June of each year
• DOER Administrative Fees Analysis	March-June of each year
Health Benefit Administrative Support	
• Data Warehouse	Monthly updates or As Needed
• Claims Analysis and Reporting	As Needed
• Network Analysis and Reporting	April-June of each year
• Health Plan and PBM Steering Committee Meetings	Quarterly (schedule TBD)

Activity	Timing
Requested Services	
Risk Management Activities Support	
• Data Management	Ongoing
• Analytic and Reporting Services	Ongoing
• Consulting Expertise	Ongoing
Analysis of Plan and/or Care System Operations	Upon request, but generally performed during Rate Need Analysis and Provider Tiering activities
• Performance	April-June of each year
• Financial Analysis	April-June of each year
• Anti-Selection Analysis	April-June of each year
• Variations	April-June of each year
• Managed Care Activities	April-June of each year
• Evaluation of Current Programs	April-June of each year
• Provider Communications (Cost-Level Placement)	April-June of each year
• Cost Level Negotiations	April-October of each year
• Risk Management Activities	Ongoing
Analysis of Current and Alternative Plan Designs	
• Benefit Designs	June-July of each year
• General Plan Designs	June-July of each year
• Report Design	As Needed
Contracting	October-December of each year
Assistance in Implementing New Programs and Plan or Care System Relationships	As Needed
Quality Improvement	Ongoing
Special Projects	As Needed
Administrative Assistance	Ongoing
Legislative Analysis / Fiscal Note Assistance	As Needed
Legal Awareness	Ongoing
Compliance	As Needed
Joint Labor Management Committee and Bargaining Support	As Needed — Timing is generally spring and summer, every other year, prior to the year in which the bargaining agreements expire
Requested Services — PEIP	
Rate Development	
• Rate Need Analysis	Ongoing – Monthly
• Rate Updates	
Total PEIP Plan Analysis	October – December of each year
Individual Group Renewals	Ongoing – Monthly (90 days prior to group's renewal)
• New and Renewal Computer Rate Material	October – December of each year
• Administrative Fee Analysis	October – November of each year
Analysis of Current and Alternative Plan Designs	October – December of each year
Contracting	October – December of each year

Section 4 — Qualifications of our team

This section of our proposal introduces you to the professional services team that has been selected to serve DOER. To meet your expectations, we have assembled a group of talented and highly experienced actuarial and benefit consultants who bring a rich history of past experience and strong relationships with DOER. Our core client service team members practice out of the Minneapolis office, providing you with strong local presence and a commitment to proactive service excellence. We have included an organizational outline and brief biographies for each of our Client Service team members, and have provided full business resumés for each of our team members in Appendix A of our proposal.



Our client service team approach

Deloitte Consulting uses a client service team approach to all consulting engagements. For each client we serve, we select a client service partner or director who oversees and has direct responsibility for the successful delivery of all services we provide, has the authority to commit resources and make decisions on behalf our of our organization. **Pat Pechacek** has served and will continue to serve as DOER's engagement and client service director. Pat's hands-on approach to client service, his deep experience in the public sector industry, and his prior service to DOER will ensure that you have immediate access to the resources and intellectual capital you need. In this role, he will continue to be supported by a client service team of talented, experienced, and committed professionals with whom you are familiar.

Our primary objective is to understand your goals and expectations and to help you formulate a strategy to support these goals. We do not believe that we can effectively provide service to you without working closely with you to understand your needs, issues, objectives, and organizational resource realities. Deloitte Consulting's approach to working with clients is reflected in our mission: *"To help our clients and our people excel."*

Because most of our team members are located in our Minneapolis office, we are able to deliver optimal services and lessen any potential service issues. Deloitte Consulting has also invested in developing outstanding tools to facilitate the sharing of information and ensuring high quality client service.

Our customized client service team for DOER

The key to exemplary professional services is talented, experienced, and dedicated people. Led by Pat, the multidisciplinary team of professionals selected to serve you brings a combination of high-level client service commitment, public sector industry knowledge, actuarial and benefits consulting experience, and business acumen that you will not find from another service provider. Collectively, they possess the breadth of skills needed to address DOER's needs over the long term. We are sensitive to the importance of maintaining continuity of engagement partners, directors and staff. It enables us to focus on substantive issues rather than start-up concerns, and fosters strong working relationships among our clients and personnel. Although some turnover is unavoidable on any engagement, we have maximized continuity by our efforts to become an employer of choice in our profession, with a stable workforce, an environment where teamwork and collegiality thrive, and employees who are committed to career excellence.

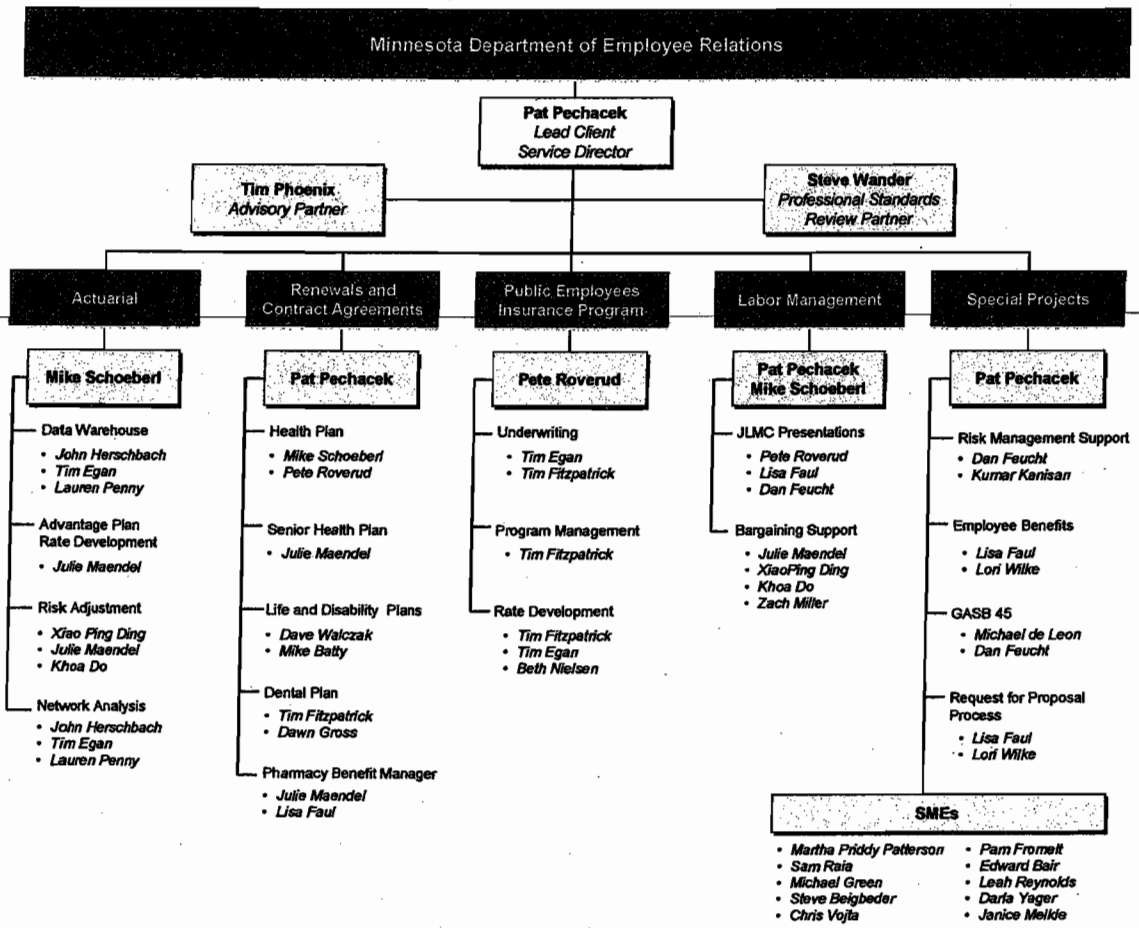
Our client service team represents our commitment to bring the best team to DOER. Each member of our core DOER client service team has a strong working relationship with you and your staff, as well as intimate knowledge of DOER's current programs. We are committed to working with you in a highly coordinated and collaborative approach. To ensure a common understanding of your goals and objectives, we will work closely with you in the initial planning and ongoing management of all projects. Close contact with DOER management and staff helps to maintain consistency and quality during ongoing design, consultation, analysis, and support for programs. We selected this team for you based on:

- Continuity of relationships with DOER staff
- Previous experience with the State of Minnesota
- Practitioner experience in and knowledge of the public sector
- Broad base of actuarial, health and welfare benefits, and consulting talent
- In-depth knowledge of the health care and insurance industries
- Technical skills in specific areas including underwriting, pricing models, network management, and benefit plan consulting
- Ability to commit time required
- Project management skills
- Client relationship and personal attributes
- Client/staff communication capabilities

Our seasoned team brings a rich heritage of past experience with DOER and the State along with the flexibility to meet your needs. Rather than employ "off-the-shelf" solutions, we work collaboratively with you to creatively address your goals and objectives. You will also have access to the full breadth of services offered by Deloitte Consulting and our member firms.

Our DOER client service team members

Below is an organizational outline of our DOER client service team. We also introduce the core team members and specialists in more detail below, with a brief description of their qualifications, roles, and responsibilities. Full resumés for all team members can be found in Appendix A.



Lead client service director

In order to continue to provide the best service to DOER, we are proposing that Pat Pechacek continue in his role as lead client service director for the DOER engagement. Pat has successfully served on our DOER client service team since 1986, and will continue to lead our multidisciplinary team of actuarial and benefits consultants. In this role, Pat oversees and has direct responsibility for the successful delivery of all services we provide to DOER.

Patrick L. Pechacek, CEBS is a Director in the Human Capital practice of Deloitte Consulting in Minneapolis and holds a leadership position in our public sector benefits practice. Pat has been consulting to clients in the public sector for over 25 years, including a close relationship and long history with the DOER team. Pat's extensive experience working with the public sector is demonstrated by his role as the group insurance consultant and client manager responsible for delivery of services to the State

of Minnesota State Employees Group Insurance Program; State of Minnesota Public Employees Insurance Program; State of Wisconsin Department of Employee Trust Funds; State of Iowa Human Resources Enterprise; and Hennepin, Dakota, Ramsey, and Olmsted Counties, Met Council, Anoka-Hennepin IDS 11, and St. Paul Public Schools.

Advisory partner

Tim Phoenix is a Partner in the Human Capital Practice and global and US leader for the Total Rewards service line within the Human Capital practice of Deloitte Consulting. Tim will serve as the Advisory Partner to the DOER team. As the lead for the Public Sector Industry Group in Human Capital, Tim will bring a national perspective to the team. Tim's specific experience includes assisting clients with the following services: Redesign employee benefit programs to achieve changing sponsor strategies; Develop workforce transition strategies to address aging workforce and talent management issues; Develop employee communication programs to manage organizational change; Design of employee benefits programs to include strategic planning, administration design, documentation, communications; pricing and carrier/vendor selection.

Lead client service team manager and underwriting specialist

Peter Roverud, a Senior Manager in our Human Capital Practice will continue to serve as Lead Client Service Team Manager and Underwriting Specialist for DOER. Pete has worked closely with our actuaries and all DOER team members on plan design strategy, pricing, premium development, and all aspects of benefit consulting for the last eight years. In addition, Pete provides leadership and management to the PEIP team. He has a strong working relationship and excellent track record of responsive service to DOER. He also has extensive knowledge of health plan operations, next generation product design, underwriting, strategic and financial consulting. Pete specializes in work for large public sector clients and health plans.

Lead actuary

Michael Schoeberl, FSA, MAAA, a Senior Manager in our Human Capital Practice, will continue to serve as Actuarial Lead for the State of Minnesota. Mike has worked with DOER for over eight years and has played a key role in the development of the MN Advantage Health Plan tiered care system model and DOER's data warehouse. He will continue to oversee the provider tiering, pricing, risk-adjustment, and data-warehousing activities to support DOER's operations, and will assist DOER in their strategic efforts, union negotiations, provider negotiations, ad-hoc analyses and responses to legislative bills and Governor's issues. In addition to serving the State of Minnesota DOER, he has also served other states including Alaska, North Dakota, Maine, and Wisconsin.

Consulting actuary and professional standards reviewer

Steve Wander, FSA, MAAA, is a Principal in our Human Capital Practice. Steve will serve as the Professional Standards Reviewer for DOER. In this role, Steve will ensure that our work product meets Deloitte Consulting's standards of quality and provides the best value to the State. He has 17 years of experience as a health actuary and currently leads Deloitte's Public Sector actuarial practice. He has consulted with HMOs, large national health insurers, Blue Cross/Blue Shield plans, medical device companies, health care providers, government agencies, and employers. He is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries.

Actuarial managers

Daniel Feucht, FSA, MAAA, is a Manager in our Human Capital Practice and will service DOER in an Actuarial Manager role. Dan is an actuary with eight years of health care experience. He has experience in developing Medicaid managed care rates, Medicare Part D bids and has reviewed Medicare Advantage and Part D bids for CMS. He has also worked on risk management issues including the financial evaluation of disease management programs. His other experience includes risk adjustment modeling, fee schedule development and benchmarking; pricing model development; reserve calculations and certifications; health care financial projections; and several projects that include operation within a data warehouse.

Julie A. Maendel, ASA, MAAA, is a Manager in our Human Capital Practice and will continue to serve DOER in an Actuarial Manager role. Julie has over seven years of health care and employee benefit consulting experience and has worked on DOER for over six years. She will work closely with the core client service team members to provide actuarial and benefits consulting support. Julie has worked with a variety of private and public sector employers and health care organizations, including the State of Minnesota, State of Wisconsin, Ramsey County, Anoka-Hennepin Independent School District #11, Capital Blue Cross, and M Plan.

Tim Fitzpatrick, is a Manager in our Human Capital Practice and will continue to serve DOER in an Actuarial Manager role, primarily managing PEIP and the dental plan. Tim will work with other team members on pricing and underwriting for PEIP and reviewing the annual DOER dental renewals. Tim has six years of health care and employee benefit consulting experience, with strong analytical, organizational and management skills. He also assists other state clients including the States of Texas, Wisconsin, and Iowa.

Actuarial advisors

Michael de Leon, EA, FCA, MAAA, is a Senior Manager in our Human Capital Practice will continue to serve in an Actuarial Advisor role for the retiree medical (GASB 45) valuation for the State of Minnesota DOER. Michael has over 10 years of experience consulting with post-retirement health and welfare plans and defined benefit pension plans, including extensive experience with public sector retirement systems. His experience includes evaluating retiree medical liability and plan design; evaluating the costs associated with retiree medical plan design changes; and projecting benefit payments for retiree medical plan.

Dave Walczak, FSA, MAAA, is a Senior Manager in our Human Capital Practice and will serve in an Actuarial Advisor role, primarily supporting the life and disability insurance programs. Dave has over 15 years of experience in financial and actuarial assignments. He has counted among his clients leaders in life insurance, annuities, and reinsurance. Clients served include Allstate, American Express, Met Life, Nationwide Financial Services, New York Life, Pacific Life and Zurich Financial Services.

Actuarial consultants

Xiaoping Ding, a Consultant in our Human Capital Practice, will serve as an Actuarial Consultant and will work closely with team members on all aspects of actuarial and employee benefit consulting. Xiaoping has more than three years of health care consulting experience working with employers, government agency and health plans, including regional HMOs. Over the past two years, Xiaoping has focused on Medicare Part D and Medicare Advantage strategy analysis, bid development and financial forecasting.

Khoa Do, a Consultant in our Human Capital Practice, will serve as an Actuarial Consultant and will work closely with all team members on all aspects of our actuarial and employee benefit consulting. Khoa has three years of healthcare benefit and consulting experience, with strong analytical and organizational skills.

Tim Egan, a Consultant in our Human Capital Practice, will serve as an Actuarial Consultant and will work closely with team members on all aspects of our actuarial and employee benefit consulting. Tim has three years of health care and employee benefit consulting experience. Tim has done extensive work for DOER in maintaining the data warehouse, creating cost and efficiency models, and pricing and underwriting for PEIP renewals.

Jon Herschbach, an Analyst in our Human Capital Practice, will serve as an actuarial consultant and will work closely with team members on all aspects of our actuarial and employee benefit consulting. Jon has two years of health care and employee benefit consulting experience and has worked extensively on DOER throughout that time.

Zach Miller, a Consultant in our Human Capital Practice, will serve as an Actuarial Consultant and will work closely with team members on all aspects of our actuarial and employee benefit consulting. Zach has three years of health care and employee benefit consulting experience.

Lauren Penny, a Consultant in our Human Capital Practice, will serve as an actuarial consultant and will work closely with the Actuarial Lead and other team members on all aspects of our actuarial and employee benefit consulting. Lauren has two years of health care and employee benefit consulting experience and has worked with the DOER Data Warehouse on a regular basis.

Gnana Kumar Kanisan is a Senior Consultant in the Human Capital Practice and will serve as an Actuarial Consultant. Kumar has over four years of consulting experience in health actuarial work. Kumar has experience in the product and bid strategy development for Medicare Advantage and Medicare Part D products as well as experience in analyzing outstanding claim liabilities. In addition, he is experienced in many aspects of data warehousing and health care data analysis.

Beth Nielsen, an Analyst in our Human Capital Practice, will serve as an Actuarial Consultant and will work closely with team members on all aspects of actuarial and employee benefit consulting. Beth has over a year of health care experience, and recently assisted with the evaluation of the DOER pharmacy benefit manager proposals.

Dawn Gross, an Analyst in our Human Capital Practice, will serve as an Actuarial Consultant and will work closely with team members on all aspects of our actuarial and employee benefit consulting. Dawn has four years of health care and dental experience. In addition to serving DOER, she also assists other state clients including States of Texas, Iowa and Wisconsin.

Mike Batty, ASA, a Consultant in our Human Capital Practice, will serve as an Actuarial Consultant and will work closely with team members to primarily support the life and disability program renewal process. Mike has two years of life insurance and long-term disability consulting experience.

Client service managers

Lisa Faul, CEBS, will serve as a Client Service Manager and continue to work closely with the Lead Client Service Director and other members of the client service team on all aspects of DOER's benefit

programs. Lisa is a Senior Manager within the Minneapolis Total Rewards practice of Deloitte Consulting LLP. She has over sixteen years of experience in the health care and employee benefits field, and has extensive experience working with public sector employers. Lisa has worked closely with DOER over the past several years on various aspects of its benefit plans. Most recently she worked closely with DOER staff on the pharmacy benefit manager Request for Proposal process and implementation of the new prescription drug program. Lisa currently serves other public sector employer clients including Hennepin, Ramsey, and Dakota counties and Anoka-Hennepin Independent School District #11.

Lori Wilke, a Manager in our Human Capital Practice, will serve as a Client Service Manager on all aspects of DOER's benefit programs. She has over 20 years of health care market and employee benefits experience. Lori has worked with DOER in the past on PEIP underwriting and benefits plan consulting. She specializes in managed care, regulatory compliance, competitive market assessments, group underwriting, and Medicare. Lori has served the States of Minnesota, Wisconsin and Iowa, Hennepin, Dakota and Anoka Counties and Anoka-Hennepin and St. Paul Public School Districts.

Benefit plan consultants

Allison Austing, a Consultant in our Human Capital Practice, will serve as a Benefit Plan Consultant for DOER. Allison joined Deloitte in 2006 and has served local public sector clients. Her experience includes data analysis for health and ancillary plans, market assessments, vendor selection, benchmarking, and plan design consulting. Allison has recently served Dakota County and Saint Paul Public Schools.

DOER core client service team experience

Consultant	Office	Years of Public Sector Experience	Years Working with DOER
Pat Pechacek	Minneapolis	25	21
Pete Roverud	Minneapolis	18	8
Lori Wilke	Minneapolis	11	7
Lisa Faul	Minneapolis	10	10
Mike deLeon	Minneapolis	10	2
Mike Schoeberl	Minneapolis	8	8
Dan Feucht	Minneapolis	8	4
Julie Maendel	Minneapolis	7	6
Dave Walczak	Minneapolis	5	4
Tim Fitzpatrick	Minneapolis	5	3

DOER will continue to have access to the full breadth of services offered by Deloitte Consulting. We have identified several specialty consultants or subject matter experts that represent services that DOER may request from its service provider from time to time.

Legal and compliance issues

Martha Priddy Patterson, J.D., a Director in our Washington Service Center, will provide employee benefits policy analysis. She will serve as a resource to team members in the Legal and Compliance area. Martha is an attorney and employee benefits consultant with 26 years of experience in advising clients on plan design and compliance in the tax, ERISA and employment areas. She routinely works with our consulting teams and clients to follow congressional and administrative action on human resource issues and routinely briefs and informs clients regarding the potential impact of such actions.

Sam Raia, a Senior Lead in our Human Capital Practice, will assist DOER with regulatory compliance and legislative analysis. Sam has provided consultation and counsel for more than 20 years to governmental entities, public companies, and tax-exempt health care organizations regarding pension, welfare, 401(k), 457(b), 403(b), severance pay, and executive compensation plans and human resource policies. He has served governmental entities by providing analyses of proposed legislation, and has obtained private letter rulings, determination letters, and closing agreements under the agency's Voluntary Compliance Program from the Internal Revenue Service on their behalf. He was formerly employed with the federal government as attorney-advisor to the Office of Chief Counsel, IRS, and the United States Tax Court. Prior to joining Deloitte Consulting, he had oversight over pension and welfare benefit regulatory compliance as Honeywell Inc.'s senior benefits counsel. He is a former chairperson of the Employee Benefits Section of the Minnesota State Bar Association.

Workers' compensation and disability management

Michael Green, ACAS, MAAA, will provide consulting assistance for issues involving workers' compensation. Mike is a Principal and the leader of Deloitte Consulting's Property & Casualty Actuarial group in the Midwest. He has over 20 years of actuarial experience and serves both self-insured entities and insurance companies.

Stephen Beigbeder will also continue to provide consulting assistance for issues related to the workers' compensation and disability management programs. Steve is a Senior Lead in our Actuarial and Insurance Services service line within our Human Capital practice in Hartford and has worked with many clients to manage their workers' compensation, long- and short-term disability programs. He is the developer of the firm's Disability Management Unit and has over 26 years of experience in human resource and workers' compensation disability management.

Clinical specialists

Dr. Chris Vojta is a Director in Deloitte Consulting LLP's healthcare consulting practice. Dr. Vojta will provide clinical expertise to the DOER team. He has over a decade of health plan experience including development of disease and care management programs, as well as launching and running specialized health plans. Dr. Vojta holds an MD and Master of Science in Clinical Epidemiology from the University of Pennsylvania's School of Medicine and an MBA from the Wharton School. He is Board Certified in Internal Medicine and Geriatrics. Dr. Vojta's areas of expertise include strategic planning for health plans; strategic development of clinical strategies for health plans; medical management operations review and restructuring; Pharmacy Benefit Manager contract and relationship evaluation; Medicaid and Medicare health plan evaluation

Pam Fromelt, RN, will serve as an advisor and subject matter expert working closely with the Lead Client Service Director and other members of the client service team on clinical and wellness strategies for

DOER's benefit programs. Pam is a Specialist Lead within the Chicago Strategy and Operations practice of Deloitte Consulting. She has over twenty years of clinical and related experience in health care. She has served large employers and multiple public sector clients. Pam recently rejoined Deloitte Consulting, after holding the position of Vice President, Government Programs for a disease management organization. She has significant experience and improving outcomes and financial performance for payers, purchasers and providers.

Pharmaceutical consultants

Jan Meikle, RPH, is a Senior Lead in the Deloitte Consulting Strategy and Operations practice. She is a pharmacist with over 30 years of experience in pharmacy strategy, operations and pharmacy benefit management services. Areas of expertise include: pharmacy benefit design, management and payer operations, specialty pharmaceutical programs, drug formulary and rebate management, Pharmacy Benefit Manager (PBM) selection, contracting and vendor oversight programs.

Edward Bair is a Director in our Human Capital practice and has more than twenty years of experience in employee benefit consulting, including plan design, administration, and funding and expense determination. He has performed comprehensive reviews of rebate payments made by pharmaceutical companies to pharmacy benefit managers. Reviews included operational and electronic reviews of prescription drug payments made for the NDCs that were included in the rebate agreement. He has also performed comprehensive reviews of rebate payments made to employer groups by pharmacy benefit managers. Reviews included contract compliance and electronic analysis, by NDC, of rebates paid to the employer. In addition, he provides health care consulting services to payer/providers and to the purchasers of health & welfare plan products. In particular, he provides claims payment and operational expertise to managed care organizations and specializes in the design, financing, communication and administration of group health and welfare plans for employers.

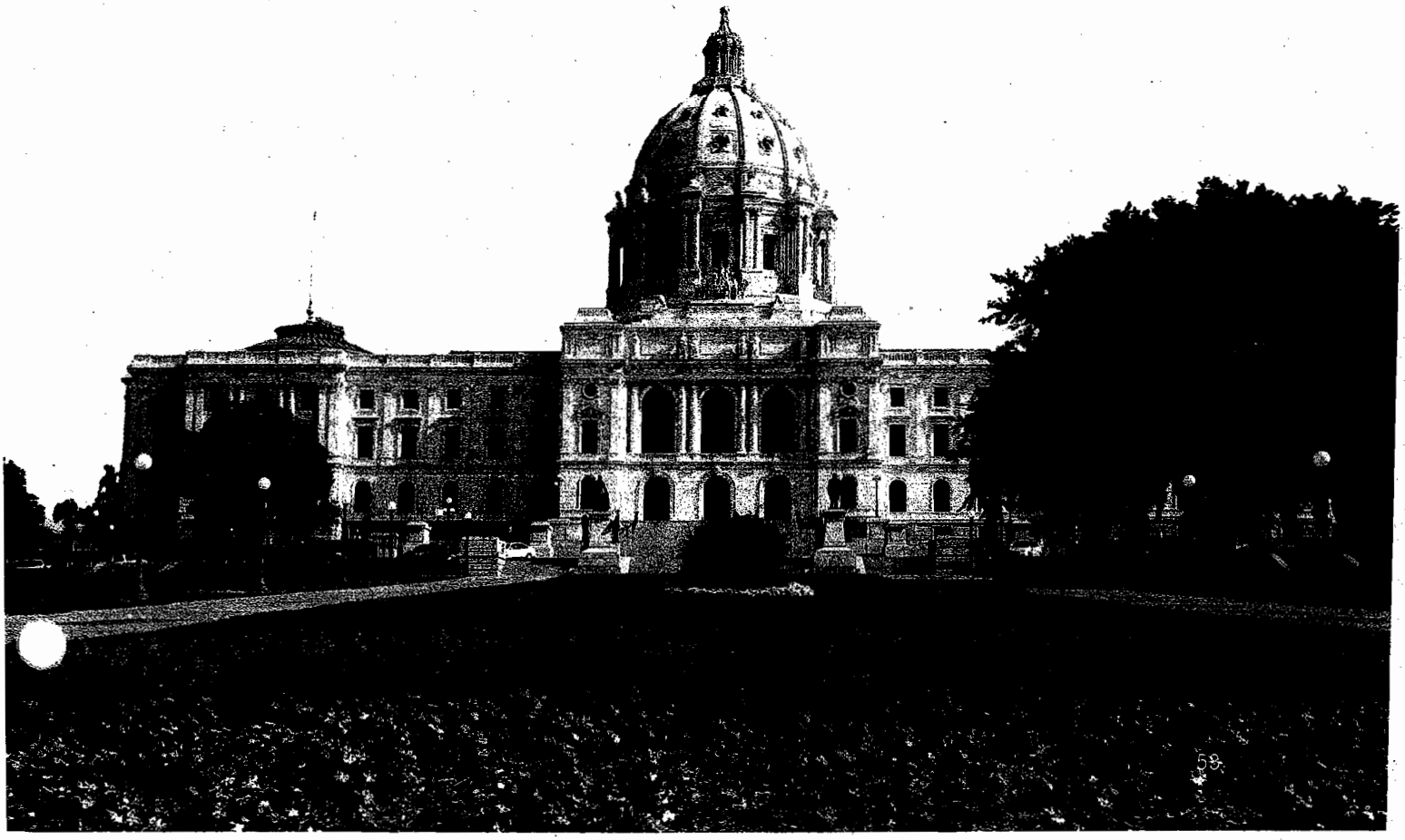
Employee communications

Leah Reynolds is a National Practice Leader for Generational Change and Total Rewards Communication with Deloitte Consulting LLP's Human Capital Practice. Leah has an extensive track record designing communication strategies for Fortune 100 companies. Her experience includes work for numerous automobile manufacturers and suppliers, health care organizations and financial institutions.

Darla J. Yager is a Senior Consultant specializing in Total Rewards communications. Her background is in workplace communications and her areas of focus have been change management and consumer-driven healthcare implementations. Darla has worked with clients such as American Red Cross, Hennepin County Medical Center and Pfizer.

Section 5 — Our organization profile and experience

This section of our proposal introduces our firm, provides an overview of Deloitte Consulting and its multidisciplinary service areas, and outlines the actuarial and benefits consulting capabilities of our Human Capital practice. This section also includes detailed, relevant examples of our experience in providing actuarial and consulting services to several large public sector employer and managed care organizations. Finally, we provide a list of public sector organizations that have been served by our local Human Capital/Total Rewards practice. We are confident you will find that we have outstanding public sector qualifications and unmatched health care industry experience.



5a — Firm profile

Introducing our firm

Deloitte refers to the associated partnerships of Deloitte & Touche USA LLP (Deloitte Consulting LLP, Deloitte & Touche LLP, Deloitte Financial Advisory Services LLP, and Deloitte Tax LLP) and subsidiaries. Deloitte is the U.S. member of Deloitte Touche Tohmatsu, a Swiss Verein (association). Our headquarters are located in Wilton, Connecticut.

Deloitte Touche Tohmatsu is an organization of member firms devoted to excellence in providing professional services and advice. We are focused on client services through a global strategy executed locally in nearly 150 countries. With access to the deep intellectual capital of 120,000 people worldwide, our member firms, including their affiliates, deliver services in four professional areas: audit, tax, consulting, and financial advisory services.

Deloitte & Touche USA LLP is one of the nation's leading professional services firms, providing audit, tax, consulting, and financial advisory services through 30,000 people in more than 90 U.S. cities. Known as an employer of choice for innovative human resources programs, the firm is dedicated to helping its clients and its people excel.

Deloitte & Touche USA LLP is governed by a board of directors, which has general authority and supervision over the management, practice, and affairs of Deloitte & Touche USA LLP and establishes its various policies. Our member firms serve approximately 60% of the Global Fortune 100 and 29 of the top 30 CPG companies worldwide.

A look at Deloitte Consulting

Deloitte Consulting is one of the world's leading consulting firms for business strategy, operations, technology, and human resource planning. We bring together a unique combination of experience, scale, and capabilities to help clients address their most complex business problems. Our unique organizational structure and our collaborative approach integrate consulting with tax solutions, financial advisory services, and risk management capabilities. Clients depend on us for straightforward advice and results that create value.

With nearly 10,000 Deloitte Consulting professionals in more than 80 U.S. cities and our Region 10 office in India, we understand that people are our most precious resource. We also know that serving our clients and helping them and our people excel demands a diverse range of skills, talent, experiences, and backgrounds. We are a remarkably diverse organization united by our shared beliefs:

- Integrity
- Outstanding value to markets and clients
- Commitment to each other
- Strength from cultural diversity

Deloitte Consulting is different from the other major consulting service providers because we are part of a large professional services organization, aligned with our audit, tax, and financial advisory businesses

under the Deloitte & Touche USA LLP umbrella. We believe that drawing upon a combination of the disciplines of consulting, finance, tax, and risk allows us to address our clients' most complex business issues from every angle. By combining these best-in-class resources, we are able to develop and implement innovative solutions that create greater value for the clients we serve.

Deloitte Consulting is organized by services areas and industries. Our consulting services are organized by the following areas:

- Human Capital
- Strategy and Operations
- Technology Integration
- Enterprise Applications
- eXtended Business Services

A key component of Deloitte member firms' ability to provide quality service is their knowledge of their clients' industries. We serve a wide range of national and middle market enterprises, public institutions, privately owned companies and pubic sector organizations. We serve the following leading industries around the globe, and have highlighted our public sector and life sciences and health care industries:

- Public Sector
- Life Sciences and Health Care
- Financial Services
- Technology, Media and Telecommunications
- Energy and Resources
- Consumer and Industrial Products
- Aviation and Transport Services

Our national public sector practice

Overview

The aspirations of citizens across the world place new demands on government to meet growing expectations. At Deloitte Consulting, we believe that the success of government leaders will be measured by the true advantages they create for their constituents – citizens, communities and industries together. Such advantages demand:

- Greater efficiency and performance
- Enhanced accountability and public trust
- A true focus on delivering better service and results

Our service to the public sector

- More than 31 agencies in the U.S. federal government
- 45 of the 50 states in the U.S.
- 19 of the largest counties in the U.S.
- 15 of the largest cities in the U.S.
- More than 200 higher education institutions in the U.S.
- A majority of the major not-for-profit associations in the U.S.

Through our member firms, Deloitte acts as a trusted business advisor to our global Public Sector clients and a source of leading practices for world class government and commercial organizations. Every day across the world, teams

from these member firms work with public organizations to build trusted relationships with their constituencies and deliver extraordinary advantages to their citizens.

The Public Sector practice consists of a group of 80 principals and directors and more than 600 practitioners dedicated exclusively to government programs and initiatives. The result of this dedication is a group of professionals who can apply leading practices in strategy, operations improvement, systems integration, human capital, and outsourcing specifically to government agencies—and generate results for those organizations. By integrating the full complement of disciplines offered by our firm with the deep programmatic knowledge of a dedicated pool of Public Sector practitioners, Deloitte Consulting offers what no other firm can—an all-in-one service source for government agencies.

Tradition of success

Our tradition of success is driven by our commitment to a teaming relationship with our clients, our strong project management capability, and our proven knowledge of the programs driving government policy. Deloitte Consulting works in step with our clients, emphasizing knowledge transfer and development of permanent internal technical and change leadership capabilities. Our understanding of the unique issues that government agencies face is reflected by the amount of positive change we have been able to achieve with our clients and in the positive project feedback we have received from both current and past projects.

Government executives consider Deloitte Consulting to be one of the outstanding professional services firms serving the Public Sector today. Our leadership is evident in the clients we serve and in the experience and knowledge we offer. We have more than 40 years of experience helping state and local government clients with their operations and their systems. This means that we can offer our clients the time-tested, specialized experience that they need, and the depth of experience in emerging solutions that can make the difference for their future success.

As business advisors to Public Sector management, we identify the sources of difficulty, not just the symptoms, and offer recommendations that can be implemented successfully. We bring a deep understanding of government programs and operations coupled with our practical approach to get things done on time, within budget, and right—the first time.

State and local government

From the largest, multi-tiered state agencies and metropolitan areas to the smallest counties and towns in rural America, Deloitte Consulting serves a broad range of state and local government clients. Our professionals work with public officials to find practical solutions to the challenges they face on a daily basis. Because of our diverse experience, we understand these entities, their operations, and the problems confronting them.

Commitment to innovation in government

Deloitte Consulting brings an in-depth understanding of local, state, federal and provincial government gained through years of consistent service to Public Sector clients. It is this understanding that allows us to develop advanced research for the topics top-of-mind to government officials today.

Industry leading health care practice

Deloitte Consulting's Health Care practice consists of a talented group of multi-functional industry specialists dedicated to helping clients evaluate complex issues, develop fresh approaches to problems and implement practical solutions. The practice draws upon a combination of the disciplines of Audit, Tax, Financial Advisory and Consulting services, allowing us to see more clearly – creating greater value for our clients. Known as the Deloitte Difference, this 360-degree strategy gives you a team with broad perspective on the internal and external dynamics of an issue. By collaborating with our team of specialists in risk management, regulatory affairs, technology integration and human capital, you will receive innovative and thorough solutions.

Deloitte Consulting's Health Care practice works with Providers, Health Plans, and Life Sciences segments. Provider clients include Hospitals and Integrated Delivery Systems, Academic Medical Centers, Home Health, Long Term Care, Ambulatory Surgical Centers and Wholesalers. Health Plan clients consist of Health Insurance Companies, MCOs/HMOs/PPOs, and Blues Plans. Pharmaceuticals, Biotechnology, and Medical & Scientific Equipment companies make up the Life Sciences practice. We have also worked with State Health Care programs in a number of states including Minnesota, Texas, Ohio, Maine, and Pennsylvania.

Our Health Care practice is highly regarded by our clients and boasts deep industry experience. Our participation in virtually every business and financial issue facing health care institutions today means that we are familiar with the unique issues and challenges the industry faces and the implications of those challenges for private companies and governments.

Our Health Care has the depth of knowledge and resources to serve you, leveraging the knowledge gained from service to:

- More than 75 percent of Fortune 1,000 Health Care & Life Sciences companies
- Over 70 percent of the largest managed-care organizations (as ranked by AIS's Directory of Health Plans)
- Over 70 percent of the nation's Blue Cross Blue Shield Plans
- Over 60 percent of the Honor Roll hospitals (as ranked by U.S. News & World Report)
- 8 of the 10 largest healthcare systems (as ranked by Modern Healthcare)
- 6 of the 8 largest for-profit healthcare systems (as ranked by Modern Healthcare)
- 7 of the 10 largest Catholic healthcare systems (as ranked by Modern Healthcare)
- 5 of the 10 largest secular not-for-profit healthcare systems (as ranked by Modern Healthcare)
- 50 percent of the top pediatric hospitals (as ranked by U.S. News & World Report)

Deloitte Consulting's healthcare practice was once again recognized by Kennedy Information as the Number 1 Global Healthcare Consulting Practice.

Kennedy Healthcare Consulting Marketplace 2007

"Deloitte continues to be the dominant force in North America throughout all healthcare industry areas."

2006 Rank	Practice	2006 Healthcare Consulting Revenue, Est. ($ mil.)	2006 Healthcare Consulting Market Share, Est.	2007 Healthcare Consulting Revenue, Est. ($ mil.)	2007 Healthcare Consulting Market Share, Est.
1	Deloitte	$1,295	6.1%	$1,420	6.2%
2	Accenture	$1,250	5.9%	$1,380	6.0%
3	Booz Allen Hamilton	$925	4.4%	$1,010	4.4%
4	IBM	$910	4.3%	$980	4.2%
5	CSC	$850	4.0%	$850	3.7%
6	McKinsey & Co.	$600	2.8%	$670	2.9%
7	Capgemini	$540	2.6%	$575	2.5%
8	BearingPoint	$440	2.1%	$460	2.0%
9	Boston Consulting Group	$405	1.9%	$450	2.0%
10	Bain & Company	$240	1.1%	$260	1.1%
	Total Top 5	**$5,230**	**24.7%**	**$5,640**	**24.4%**
	Total Top 10	**$7,455**	**35.3%**	**$8,055**	**34.9%**
	Total Healthcare Consulting Market	**$21,145**	**100.0%**	**$23,070**	**100.0%**

Note: Numbers may not be exact due to rounding. Source: Kennedy Information estimates.

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In addition, of the "Big Five" Consulting Organizations, Deloitte Consulting is the most active in Government Health Consulting.

Firm rankings

Areas of Strength for Former "Big Five" Consulting Organizations

FIRM	LIFE SCIENCES	PROVIDER	INSURER/ PAYER	GOVERNMENT HEALTH	TOTAL MARKET SHARE
Deloitte Consulting	7.2%	6.5%	6.6%	3.0%	6.1%
Accenture	6.8%	6.8%	7.0%	2.2%	5.9%
IBM	5.2%	5.8%	3.7%	1.5%	4.3%
Capgemini	2.9%	3.3%	3.1%	0.5%	2.6%
BearingPoint	2.0%	1.8%	2.9%	2.2%	2.1%

Source: Firm data and Kennedy Information estimates

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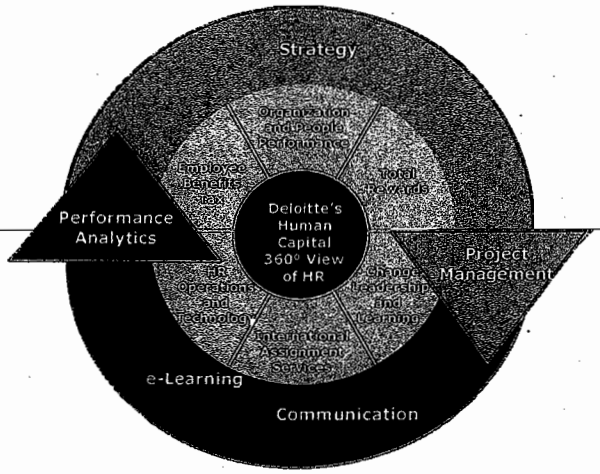
Deloitte Consulting's actuarial, analytic and financial management experience spans the current public health and welfare system in the United States. We have worked with the Centers for Medicare & Medicaid Services (CMS) and many state governments to improve Medicaid processes, develop and certify rates, and confirm accurate claims. We have further assisted CMS in reviewing Medicare Advantage and Part D bid submissions. We have extensive experience with designing and pricing public healthcare programs. We are committed to providing high quality actuarial, analytic, and financial

management experience to our clients and helping states develop innovative solutions that meet their unique needs.

Our Human Capital practice

Deloitte Consulting's Human Capital practice assists clients in virtually all aspects of attracting, retaining, motivating, developing, compensating, organizing, and benefiting people. It also provides consulting to those businesses and industries that deliver and insure employee benefits and provide risk coverage.

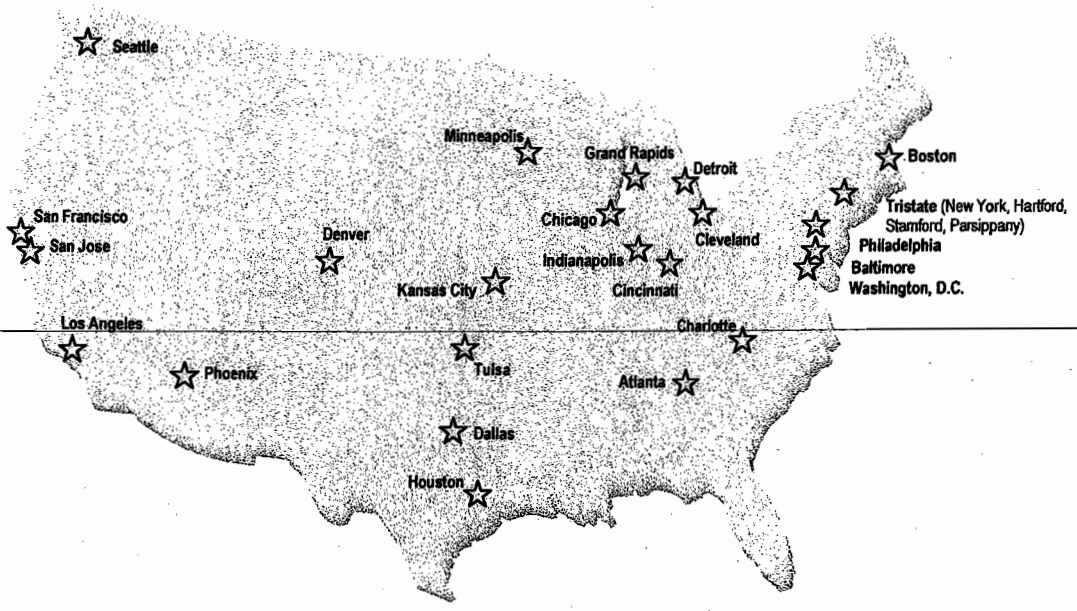


Human resource, actuarial, insurance, and managed care consultants work with clients to identify, manage, and measure the human capital issues that can impact financial performance. For more than two decades, the Deloitte Consulting Human Capital practice has helped clients align the many dimensions of human capital with their business objectives. Our team of specialists combines exceptionally deep analytical and technical skills in disciplines related to human capital with equally broad strategic capabilities and business insight.

The Deloitte Consulting Human Capital practice, located in 55 major offices globally, is comprised of more than 7,500 consultants with deep industry knowledge and technical specialists grouped into four general areas of expertise:

- **Total Rewards** – Uniquely addressing overall business strategy, corporate culture and global alignment of employee programs. We provide design, delivery and performance improvement solutions to purchasers, providers and administrators of employee programs. Our integrated approach includes technical experience in retirement, health care, benefits, compensation, communications and tax.
- **Human Resources Transformation** – Advising clients on how to maximize the efficiency and effectiveness of their HR service delivery model and operation of the HR function, ranging from process design to self-service applications and enabling technologies, and considering insourcing, outsourcing, and offshore solutions.
- **Organization and Change** – Addressing the critical elements of organizational effectiveness, including workforce planning and analytics, talent management, workforce strategies, the people dimension of transformation, and virtual workplace management. We also help improve key components of change leadership, including leadership development, technology and process adoption, learning and development, culture, knowledge management, capability transfer, and communications.

- **Actuarial and Insurance Services** – working with providers and self-insured organizations in virtually all aspects of insurance, financial services, and risk-related issues. Our professionals deliver advice and solutions related to strategy, actuarial and financial analysis, underwriting and claim operations, information systems, and data mining predictive modeling.



Our Total Rewards practice

The majority of our DOER client service team members come from our Total Rewards practice in Minneapolis. The Total Rewards practice is dedicated to uniquely addressing overall business strategy, corporate culture and global alignment of employee programs. We provide design, delivery and performance improvement solutions to purchasers, providers and administrators of employee programs. Our integrated approach includes technical experience in retirement, health care, benefits, compensation, communications and tax.

One of our core competencies is providing consulting services to employers on all aspects of their health and welfare benefit programs. We serve all industry segments, including large public and private sector employers, hospitals, physicians, regulatory agencies, managed care organizations, and insurance companies. Our familiarity with all facets of health care delivery provides our employer clients with unique insight into the pressures and challenges facing payers and providers. Because we consult to payers and providers, we understand health plan and insurance operations as well as the underlying cost drivers and utilization — a distinct advantage for our clients purchasing health and welfare benefits consulting services.

Professional designations

Our consultants hold many different professional designations including Fellow of the Society of Actuaries (FSAs), Associate of the Society of Actuaries (ASAs), Enrolled Actuaries (EAs), Master of Business

Administration (MBAs), Certified Public Accountants (CPAs), Chartered Life Underwriters (CLUs), Juris Doctorates (JDs), Chartered Financial Analyst (CFAs), and Certified Employee Benefits Specialists (CEBS). For more information on our professional designations and experience, please see our DOER client service team resumés in Appendix A of this proposal.

Role of consultants and health care actuaries

Our consultants and actuaries work together on many of our public sector and health care clients. For example, our benefit consultants and health actuaries have served DOER as well as the State of Wisconsin ETF, State of Iowa, and several other public and private sector clients. Deloitte Consulting has extensive experience in providing actuarial support for health benefits programs. Our approach is to bring the best team, with benefit consultants, actuarial consultants, and other professionals as necessary to ensure that all relevant issues are considered and addressed when developing actuarial and financial projections and interpreting operational results. Actuarial support is provided in analysis of rate proposals, rate development, health, dental and pharmacy benefit manager plan negotiations, risk sharing assessments, and modeling the potential impact of implementing new health care strategies or employer contribution approaches.

Clinical and consulting staff

The DOER team is comprised of strategic benefit consultants, physicians, nurses, pharmacists, data analytics professionals, actuaries, and experts in health plan operations. In a complex and competitive health care environment, this extensive understanding of the "consumer" and "provider" makes a noticeable difference in the quality of our advice.

Our commitment to diversity

Our diversity and inclusion strategy

At Deloitte Consulting, we value diversity because it enables us to bring together the best people, create the best teams, develop the best ideas, and deliver the best service to our clients. Diversity includes everyone at Deloitte Consulting. We strive to attract and retain professionals of all backgrounds and experiences and to provide an inclusive culture. This allows us to offer clients the best solutions and help our people realize their greatest potentials.

The Deloitte U.S. Firms are determined to lead, not follow, to push the envelope, be original and take risks. Diversity is a business priority critical to our success. It is why we have developed innovative work/life balance programs, flexible work arrangements and creative responses to the demands of business travel. It is why we have opened doors and minds. It is why we encourage mentoring and foster networking. And it is why we are focused on results.

Deloitte & Touche USA LLP has earned praise from many organizations for fostering a supportive culture. We have been especially acknowledged for our dedication to women's advancement, diversity and inclusion, professional development and workplace flexibility. Some recent honors include:

- *BusinessWeek* names U.S. Deloitte Firms as #1 Place to Launch a Career in 2007, moving up two places on the list from last year.
- Kennedy Information ranks Deloitte Consulting as Second-Largest HR Consultancy and the #1 Healthcare Consulting Practice.
- Deloitte is named one of *Working Mother* magazine's 2007 "Best Companies for Multicultural Women."
- *Working Mother* magazine named Deloitte & Touche USA LLP to its 2006 list of "Top 100 places for working mothers." It was the 13th consecutive year that Deloitte & Touche USA LLP was honored.
- Sharon Allen, chairman of the board, Deloitte & Touche USA LLP, was named to the 2006 *Forbes* magazine "World's Most Powerful Women" list.

The future will belong to those companies that fully appreciate and value diversity. Therefore, just as we have maintained our strength and increased our market share by diversifying our services, so we must also continue to diversify our workforce and equip our people with the necessary skills to work effectively in this increasingly diverse environment.

We support the varied members of our team with progressive practices that help provide opportunities to further develop skills, follow their interests down new roads, enjoy productive time with their colleagues and balance the demands of work with the pleasures of family and friends.

But it does not end there. We have many diversity initiatives that are moving forward. We are establishing accountability measures to assess effectiveness and produce results — plus we are monitoring promotion, turnover and development of minorities and women. We are structuring annual diversity plans and mentoring and networking programs to aid in career development. The objective is to lead the way and weave diversity policies into every part of our day-to-day business life.

At the Deloitte U.S. Firms, we believe the organization that best understands how to attract, recruit, hire, and develop critical talent wins in the marketplace. And because we intend to win, we are involved in a broad array of actions to help us attract the best and the brightest. And keep them.

Nationally recognized Women's Initiative

The Initiative for the Retention and Advancement of Women

Deloitte & Touche USA LLP is proud to be recognized as a leader in the advancement of women and as an employer of choice – thanks in large part to its "waging change" 14 years ago when it launched the Initiative for the Retention and Advancement of Women. That Women's Initiative (WIN) has helped give us the intellectual capital to meet aggressive growth targets. It was—and is—the smart and right thing to do.

We are passionate about eliminating the barriers to the development of women and hopeful that our Women's Initiative will serve as a model for our profession and employers around the world. Through leadership development, succession planning, mentoring, work/life programs, and other innovations, WIN is recognized as a market leader in issues concerning women in the workplace. An open, inclusive and flexible culture is helping practitioners to take ownership and control of their lives and careers. This year, WIN teams were honored with seven major awards and were invited by more than 60 clients to help initiate or better execute their WIN efforts.

The success of WIN is also evident in the high number of women in leadership roles. Already ranked number one among the Big Four accounting firms in percentage of women partners, principals and directors, Deloitte & Touche USA LLP remains committed to providing our women with opportunities to drive marketplace growth and customize their careers, creating a culture where the best women choose to be.

Our commitment to community

The people of Deloitte & Touche USA LLP share a decades-long tradition of giving back to the communities in which we live and work. Our mission is to mobilize the core strengths of our organization to drive meaningful social impact in a manner that strengthens our communities and our business.

Our community involvement strategy has three drivers:

Focus on outcomes, not inputs

In our client business, we don't judge our effectiveness by how many hours we put into a project. We look at the value we create for our clients. If we approach community involvement with the same rigorous focus on outcomes that we bring to our business clients, we can achieve the same level of success.

Appreciate the connection between achieving social and business outcomes

Compelling community involvement starts with an authentic commitment to making a difference. Community involvement initiatives must also deliver business value in order to sustain themselves. Ultimately, unless we achieve both social impact and business value, we cannot achieve either.

Getting out of the office — to celebrate IMPACT Day

We begin each new fiscal year with a statement of how important community involvement is to our organization. All across the country, our people get out of the office and into the community. We put a face on business volunteerism. More than 20,000 volunteers in blue t-shirts work on hundreds of daylong projects—from beautifying parks to visiting residents at nursing homes.

In 2006, we went a step further, offering more than 100 skills-based projects—from helping nonprofit organizations develop a public relations plan to advising a nonprofit on their real estate portfolio.

Leverage our intellectual capital

While financial donations are important, our most valuable asset is our intellectual capital. We make the most significant and lasting impact by contributing our business knowledge and experience to help build stronger nonprofit organizations.

Our commitment to quality

Deloitte Consulting is committed to quality as it is central to achieving our mission: to help our clients and our people excel. To that end, we have long-established client service standards and rigorous quality control policies and procedures designed and implemented to meet and exceed our standards. As part of Deloitte Consulting USA LLP, Deloitte Consulting is held to the same high standards as the organization in general.

Key components of our Quality Assurance Plan include the following:

- Formal Procedures
- Training and Specialization
- Professional Practice Directors
- Monitoring and Measurement and Internal Review
- Data Confidentiality and Integrity

Formal procedures

Our engagement teams employ a formal review process whereby all major work products receive at least one level of peer review and final partner review before delivery to the client. The peer review is performed by an actuary or consultant with appropriate expertise, providing both a technical perspective and a broader perspective to surface and address appropriate issues. The professional standards review partner who serves in this role for DOER is Steve Wander. Overall responsibility for the quality of actuarial work lies with the lead actuary, Mike Schoeberl. Similarly, responsibility for consulting services lies with

Pat Pechacek and Peter Roverud. For less formal communications with DOER, the team will operate in a manner such that there is at least one review before transmittal.

Training and specialization

The most critical aspect of quality control is having professionals who possess a high level of technical know-how and understand fully their professional responsibilities. Our organization has an outstanding professional education program that builds and maintains relevant technical capabilities in all of our people.

Professional practice directors

Each region has a professional practice director who reviews that professional responsibilities are performed and who provides technical advice to our engagement teams. We encourage a climate of consultation among our leaders and discuss technical matters with the professional practice director or specialists at the national level to deliver the highest caliber services to our clients.

Performance measures and clients

Deloitte Consulting has client service standards that we will apply in monitoring and evaluating the quality of our services for DOER. Key to these standards is the concept of setting measurable client service objectives with you, and then asking how well we are meeting these objectives. This framework establishes performance goals and expectations, solicits your feedback, and enables us to refine our services in real time to meet changes in your needs or expectations. It provides you with a mechanism for influencing the type and direction of the services you receive. Also, evaluating our performance against agreed objectives helps us to customize our services to your requirements and to track performance and make changes as necessary. If a performance measure is not being met, this process enables early identification, correction, and implementation of the required change.

Measurement and monitoring of quality standards and internal review

Peer review, during a client project and before any report, letter, or document containing recommendations or financial data is delivered, is a professional mandate and an integral part of our consulting process.

Additionally, to help us achieve a high level of consistency, principals and senior managers from one office regularly review the quality control standards and auditing work of colleagues at other offices, both nationally and internationally. Each office's work is independently reviewed in this manner at intervals not exceeding three years. Our most recent internal review was conducted in 2007 and our office was commended for the quality assurance processes in place.

Data confidentiality and integrity

Deloitte Consulting is committed to confidentiality and integrity based on the highest standards of professional ethics, including compliance with all rules with respect to the confidentiality of client information. Deloitte Consulting maintains the confidentiality of client data in the following ways:

- Data are submitted using patient identification scrambling techniques
- All data reside on a dedicated analytical platform that restricts access to authorized personnel only
- Our data analytics staff has participated in HIPAA training sessions which include instruction on privacy issues and protection of confidential information.

While no quality assurance plan will completely eliminate errors, we believe that our multi-faceted approach effectively minimizes them and finds and corrects those that do occur.

5b — Relevant client experience

Select Deloitte Consulting client experience

Deloitte Consulting and members of the DOER client service team have extensive experience providing comprehensive benefit and actuarial consulting services to state and local governments, health care organizations, and private sector employers. Nationally, we can draw upon the diverse skills and experience of our colleagues who manage numerous state, county, city, and other public sector plans throughout the country.

Deloitte Consulting has demonstrated success over a period of years supporting public sector clients of comparable size and circumstances to the State of Minnesota. Among others, our local public sector clients include the States of Minnesota, Iowa, Texas, Wisconsin and Maine along with many cities, counties and school districts. Our local team has also served several health care organizations, including but not limited to Hennepin County Medical Center and M Plan among others. Nationally, we also serve the University of California and Los Angeles City Employees' Retirement System (LACERS).

Select public sector employer experience

The following section includes detailed examples of Deloitte Consulting's experience in providing relevant actuarial and consulting services to several large public sector employer organizations.

State of Minnesota Department of Employee Relations (DOER)

Deloitte Consulting has provided extensive actuarial and consulting services to DOER through a long-standing relationship that dates back to 1981. The State covers approximately 45,000 employees and 15,000 retirees in its benefit plans, which include health, dental, life, and long- and short-term disability. During this time we have worked closely with DOER on all aspects of its benefit plans. Most notably, we have worked with DOER to develop leading-edge health care strategies, including but not limited to:

- A managed competition model for health care purchasing which, over a period of 10 years, served to moderate the State's contribution costs for health care, and in some years resulted in actual reductions.
- Development of a statewide preferred provider arrangement for the State's only self-insured program at the time.
- Development of the State Health Plan (SHP) Select plan whereby individual providers groups, as well as the health plan administrators, were held financially accountable for results.
- Participation in the Joint Labor-Management Committee process from its inception.
- Recognition that the managed competition model had leveraged the maximum savings potential and proactively began pursuing new models prior to its actual demise.
- Conversion from a fully insured health plan funding arrangement to self-funded resulting in a single risk pool utilizing multiple administrators and provider networks.
- Development and ongoing maintenance of a state-of-the-art, fully functional health care data warehouse.

- Studies of various risk-adjustment tools and methodologies as well as implementation for use within the health care plan.
- Design, development, and implementation of the Minnesota Advantage Health Plan. In collaborating on this groundbreaking approach, we were able to accomplish the following:
  - A consumer-driven health care plan was designed that uses benefit differentials rather than premiums to direct participants to utilize the most cost-effective provider groups.
  - Provider groups were assigned to the appropriate benefit level based upon their risk-adjusted health care costs.
  - When implemented in 2002, the plan used three benefit levels. In 2004, four benefit levels were adopted to further encourage movement to cost-effective providers.
  - An innovative care system or provider group approach to accessing health care was developed. This was a strategic departure from the existing or any similar strategies and was specifically designed to meet the needs of a statewide workforce. For example, provider groups were "split off" or separated from their larger affiliated care system in order to provide necessary access to care without assigning the entire provider group to a more favorable benefit level.
  - Work closely with three health plan administrators to effectively implement this new model and plan design. In addition, we worked to see that these administrators were operating consistently with respect to all aspects of administration.
  - In 2003, specific disease management programs were implemented where a return on investment ("ROI") could be guaranteed. Deloitte Consulting assisted in supporting client negotiations of ROI provisions where the plan administrators put a portion of their fees at risk if certain ROI guarantees are not met.
  - DOER relies upon Deloitte Consulting to set the self-funded premiums for the Advantage plan.
- In bargaining years, Deloitte Consulting has worked extensively with DOER in the labor-management process and actively supported the client in the final negotiation sessions that led to settlements, thereby avoiding potential strikes by unions.
- Each legislative session, we assist DOER in responding to potential bills in both the write-up and fiscal note as requested.

Public Employees Insurance Program (PEIP)

Deloitte Consulting has assisted DOER with management of PEIP since its inception in 1989. This program is a voluntary participation plan that includes health, life, and dental insurance plans. Any political subdivision employer with one or more employees is eligible to participate. The program has been modified to keep it market competitive and viable. In 1998, PEIP became a self-insured plan. Our role has been expanded to focus on the underwriting requirements of the program, management of vendors, and general plan consulting related to benefit design and financial results.

Our services for the PEIP program include:

- Rate development
- Participating group renewal underwriting
- New business group underwriting
- Development and maintenance of the automated small group rating program
- Annual financial review and monitoring of plan results
- Development and implementation of the Advantage plan to PEIP participants

State of Iowa – Human Resources Enterprise

The State of Iowa Department of Personnel (IDOP) retained Deloitte in 2002 to provide ongoing actuarial and employee benefits consulting services. In 2003, IDOP was re-organized under the Department of Administration, and is now called the Human Resources Enterprise. The State covers approximately 28,000 employees in its benefit plans, which include medical, dental, long term disability, life, supplemental retirement, workers compensation and flexible spending accounts (FSAs).

Initially, we assisted the State in analyzing proposal for the life and disability insurance plans. Over the years, we have also worked with the State to request proposals for the workers compensation, medical, dental and voluntary benefits programs. Further, we annual negotiate the health insurance renewals for the State's insured and minimum premium plans. Our services included analysis of the insurance carrier renewal rates, reviewing claims utilization and trend rates, and negotiating contracts. We have also reviewed and commented on possible legislation and its impact.

We recently again assisted the State in the request for proposal process for the life and disability insurance plans. Our services also include workers compensation consulting, deferred compensation consulting, and valuation of the retiree medical plans under the requirements of GASB 45. Further, we continue to assist the State with interpretation and cost-impact analysis of proposed legislation and work on special projects as needed.

State of Texas – Health and Human Services Commission
Medicaid Rate Setting and Inpatient Reimbursement

The state of Texas Health and Human Services Commission (HHSC) has contracted with Deloitte Consulting to:

- Advise and assist them with the calculation of managed care rates for the aged, blind, and disabled program (STAR+Plus)
- Rebase of hospital payments
- Develop an analysis of uncompensated care and inpatient reimbursement reform strategy
- Provide support in 1115 and 1915(b) waiver development and submission

Managed care rate setting, 1915(b) waiver support, and state budget impact evaluation was performed for the expansion of the STAR-Plus program and the Intensive Care Management (ICM) program. STAR-Plus and ICM serve the aged, blind, and disabled populations and get these populations into a well-managed setting. STAR-Plus uses HMOs to manage the patients' care and ICM uses a non-capitated model for managing the care. The STAR-Plus capitations do not pay for inpatient hospital services in this model, however the HMOs are responsible for reducing inpatient costs. The ICM program is paid entirely fee-for-service with performance targets to reduce costs.

Hospital payment analysis included rebasing the hospital rates with more current data and moving the rates into a regionally calculated model. The rebasing allows the State to regulate amounts paid for administration and capital costs. The State focuses payments on the patient care costs, rather than administration and capital costs.

Currently we are supporting the HHSC on an 1115 waiver submission. This waiver will allow the State to provide Medicaid services to a population that is currently uninsured.

The report on uncompensated care is in response to Rider 61 and examines the uncompensated care situation in the State, including reporting issues. Uncompensated care is reported at the highest charge levels without accounting for programs that reimburse hospitals (at least in part) for uncompensated care costs. These issues are examined in the report in order to get a clearer picture of uncompensated care in the State.

Deliverables

- STAR-Plus Expansion and Carve Out
- Modeling of carve-out program and calculation of savings which allowed real-time assumption testing
- Actuarial rates for the STAR-Plus program
- Meetings and negotiations with the HMOs on rates, assumptions, and contracting provisions

Hospital Re-Pricing

- DRG and Standard Dollar Amounts (SDAs) update
- Regional rebasing of SDAs
- Inclusion of Administrative costs and Capital costs in the rate

State of Wisconsin – Department of Employee Trust Funds

Deloitte Consulting has served the State of Wisconsin Department of Employee Trust Funds (ETF) as its consultant and actuary for over 10 years. The plans cover state and local government employees. In the past, the State employed a managed competition model utilizing a low cost carrier by county contribution strategy. During 2003, we worked with ETF to redesign the group health insurance program and delivery model. We have provided the following services since the commencement of our relationship:

- Assisted ETF in evaluating the cost impact of specific benefit plan coverage changes.
- Serve as the ongoing consultant for the State of Wisconsin's medical, life, and disability plans.
- Assisted in developing disabled lives reserves and rate setting for the self insured disability programs.
- Solicited proposals for the health, dental, pharmacy, audio, vision, group life insurance, EAP, and administrative managed care services.
- Provided assistance with the renewals and rate development for ETF's more than 15 HMOs and three self-insured plans with BCBS and currently WPS.
- Completed a HIPAA Readiness Assessment report to be used in the HIPAA compliance process.
- Transitioned the old managed competition model to a target premium negotiation model and then transitioning to the current tiered premium structure.
- Developed a risk adjusted tiered health plan model.
- Assisted ETF in the selection and pricing of a new Pharmaceutical Benefit Manager (PBM) used to carve out pharmacy claims.
- Analyzed the medical program structure and participated in annual premium rate negotiations with individual health plans.
- Provided Medicare Part D Retiree Direct Subsidy Attestation.
- Provided consultation services regarding fiscal and policy effect and administrative problems of implementing new legislation.

Deloitte Consulting has been performing the rate setting and negotiations for the last 10 years and is pleased to say that fund balances are at or above targeted levels and premiums have increased less than 10% for the last four years.

University of California

Deloitte Consulting has served the University of California and its 120,000 employees since 1989. Our consulting services have primarily focused on managing the University's health plans, but have also included a diverse set of activities summarized below.

- Deloitte Consulting has focused on strategy development and effective management of the health plans the University offers to its employees and retirees. This includes financial activities, such as rate negotiations with health plans, proposing and evaluating alternative plan designs, and estimating the budget impact of health plan rate action in combination with alternative contribution strategies. Equally important are activities that focus on monitoring health plan performance, including the development and management of health plan performance standards, detailed cost and utilization analyses that identify underlying cost drivers, and conducting performance reviews of claim payment operations.
- Our annual work with the University includes an extensive analysis of contribution strategy, with substantial evaluation of alternatives. The alternatives and final decisions balance several competing goals, which are related to the University's budget, affordability for employees and retirees, consistency with long-term strategy and plan positioning, and evolving philosophies of contribution levels by different family categories or employee/retiree status.
- We worked with the University several years ago to implement a four-tiered family category structure that created the "Adult + Child(ren)" category. This category has an actuarial cost lower than two adults, so rates and contributions can be established to favor single parents, with any number of children. At the same time, two-earner couples with children have a financial incentive to consider having the second adult covered by the other employer. This incentive is not present for a traditional three-category structure if there are two or more children. This advantages both the employee and employer.
- Deloitte Consulting developed for the University a salary-based approach to setting employee contributions. This was consistent with the University's strategy for ensuring affordable coverage to all employees, regardless of pay, since lower-paid employees have lower net contributions than higher-paid employees. Deloitte Consulting developed alternatives that addressed the University's goals and presented information on the after-tax effect for each affected employee group.
- We have implemented evolving risk adjustment approaches in determining employer and employee contribution levels, and recently, health plan rates. This has been an important factor in achieving the University's goal of continuing to offer full choice to employees and retirees, without creating a "death spiral" for the PPO or POS health plans. For 2006, we implemented an innovative risk adjustment approach that changed how the health plans provided rate quotes and improved the competitiveness of these quotes. The key feature of this approach is that the health plans provide quotes as if they cover an "average risk mix" of members, and then are paid an adjusted rate that reflects the risk mix of the members they actually enroll. The first-year implementation of this approach has been very successful in managing costs and achieving contribution objectives.
- Beginning in 2004, we have provided consulting and actuarial valuation services for the retiree health plans, including initial assessment of projected accounting costs under the related Governmental Accounting Standards Board (GASB) statements that will be implemented in the near future. This has included working with the University to develop and evaluate alternative strategies to manage retiree health costs and to prepare presentations for internal constituencies, which in turn have included selected task forces and, later this year, will include the University Board of Regents. Our analysis has

taken into consideration that the drivers for evaluating changes to retiree health coverage go beyond GASB issues, and include the related issues of compensation policy changes and budget constraints, as well as a need to balance the goals of recruiting and retention. In particular, we view the retiree health plans as part of the University's overall retirement program and strategy, and believe it should be considered in concert with the pension plan changes under discussion. In addition to GASB consulting, Deloitte Consulting has prepared FAS 106 retiree health valuations for various business entities within the University that required them (e.g., Department of Energy laboratories).

- Deloitte Consulting advised the University on the implementation of Medicare Part D in 2006. This led to one business unit taking advantage of the CMS Employer 28% subsidy, with a Deloitte Consulting actuarial attestation. However, with our help, the majority of the University's plans participate in an employer group waiver approach through the health plans. This provided much larger savings to both the University and its retirees than the subsidy approach, given that the University receives no tax advantage from the subsidy.
- We regularly provide support to the University in communicating with various stakeholders, including the University Committee on Faculty Welfare and its subcommittees, the task forces that the university has established related to compensation, benefits, and contribution strategy; Department of Energy laboratory management; and collective bargaining groups. This has provided Deloitte Consulting with an understanding of and sensitivity to the various groups' perspectives as we support university communications with them.
- Our consulting on financial issues has also provided a deep understanding of the University's budget process and the effect of California state funding.

State of Maine

The state of Maine implemented a new Medicaid claims payment system in January 2005. The new claims system was to process $1.5 billion in Medicaid claims. A number of issues were encountered in the initial months of operation and in April 2005 Deloitte Consulting was engaged to help the State of Maine, Office of MaineCare Services (OMS) stabilize their struggling claims processing functions, assist with reconciling the financial issues resulting from the systems failures, and transform the structure and operations of the Medicaid agency. When Deloitte Consulting arrived, the new system was rejecting 50% of submitted claims and the backlog of rejected claims had reached 300,000 claims. Maine had issued contingency payments but had not reconciled those payments against the claims backlog. OMS was struggling organizationally to maintain management and staff headcount and continue operations. We have been working with the Medicaid agency and implementation vendor, CNSI, to identity and resolve claims processing system, business process, and organizational issues. We have helped Maine improve problem identification, error analysis, management reporting and the overall testing process.

As a result of these efforts, Maine's claims suspension rate has stabilized, the rate of claims processed successfully has greatly improved. Deloitte Consulting deployed a team of claims system, operations specialists, financial auditors and actuaries to reconcile contingency payments and identify issues and implement a quality assurance plan to prevent the emergence of more issues.

As a result of the work regarding system stabilization and financial reconciliation, Deloitte Consulting was asked to assist with transforming the office of MaineCare Services into a high-performing organization that would be capable of supporting the human service program that represents the State's largest capital expenditure.

In addition to helping the State deal with the financial forecasting implications of an improperly functioning claims system, Deloitte Consulting actuaries assisted the State by designing and implementing the

processes for recovery of over $500 million in interim payments made to providers. Deloitte actuaries have also analyzed the State's Medicaid claims data to identify cost savings opportunities and have assisted the finance department in performing ad-hoc analyses.

We continue to assist the State of Maine with system completion; claims inventory reduction, reconciliation and recovery of contingency payments made to providers, organizational transformation, and the implementation of quality assurance processes across the project, business and technology processes. Deloitte Consulting is assisting Maine in the CMS certification process post recovery.

Los Angeles City Employees' Retirement System (LACERS)

Deloitte Consulting was selected to provide LACERS' health and welfare benefit and communications consulting services effective December 1999. Deloitte Consulting's first charge was to analyze LACERS' benefits program including their population's demographics, PPO/indemnity plan utilization patterns, benefit coverage levels, and provider network needs. As a result of this analysis we developed recommendations for 2001. We then assisted LACERS with their medical, dental, and vision services request for proposal. As a result of our recommendations, LACERS implemented new benefit vendors that minimized the 2001 premium increases and added out-of-state options that LACERS did not have previously.

Since that time we have helped LACERS:

- Analyze and negotiate their insured benefit programs renewals
- Understand the current and potential future of health care in the United States
- Analyze and understand the potential impact of plan modifications
- Develop the retiree subsidies and contributions
- Develop retiree communications
- Analyze the impact of subsidizing retiree Medicare premiums
- Comply with legislated privacy requirements
- Make quarterly Benefit Administration Committee presentations
- Negotiate vendor contract language
- Understand the taxability of the benefits provided to retirees
- Negotiate year-end accounting settlements
- Effectively manage change
- Train its employees on HIPAA compliance
- Review and understand the implications of the health and pension valuations conducted by LACERS current actuary

Select health care client experience

The following section includes examples of select health care organizations for which Deloitte Consulting and select members of the DOER client service team have served.

Hennepin County Medical Center

Our solution is intended to contribute to the foundation for the people, process and technology that the organization will use to create their future Human Resource service delivery model, which defines the Human Resource services that will be delivered to employees and managers, and how those services will be delivered. Our projects included the development of employee benefit and paid time off programs, compensation programs, Human Resources policy, process and handbooks, and an enterprise-wide Human Resource technology solution. These projects present short- and long-term term opportunities to shape the future state of the health system.

Deloitte Consulting deployed teams across multiple Human Capital service lines including HR Transformation, Total Rewards, and Organization and Change. The HR Transformation team focused on the development of the Human Resource service delivery model, future state processes and polices, and implementing the enabling technology solution. The Total Rewards team focused on the development of employee benefit, paid time off, and compensation programs, in addition to the selection of a third-party administrator for benefits. And the Organization and Change team focused on the development of change, communications, and training strategies and solutions.

M Plan

M-Plan is a provider owned network model HMO and is the largest HMO in Indiana, with approximately 130,000 members. Deloitte Consulting was retained as the HMO's actuarial consultant in 2000, and we continue to provide ongoing support and assistance. We have worked with them on several projects, including:

- Premium rate filings and capitation rate development
- Claim reserve analyses
- Board reporting package development
- Network reporting package development
- Book of business review
- Rx analyses
- Data warehouse development
- ASO product development
- ACG risk-adjustment analyses
- Disease management analyses
- Reinsurance analyses
- Fee schedule development
- Federal Employee Health Benefits (FEHB) account review

5c — Public sector client list

Our commitment to the public sector

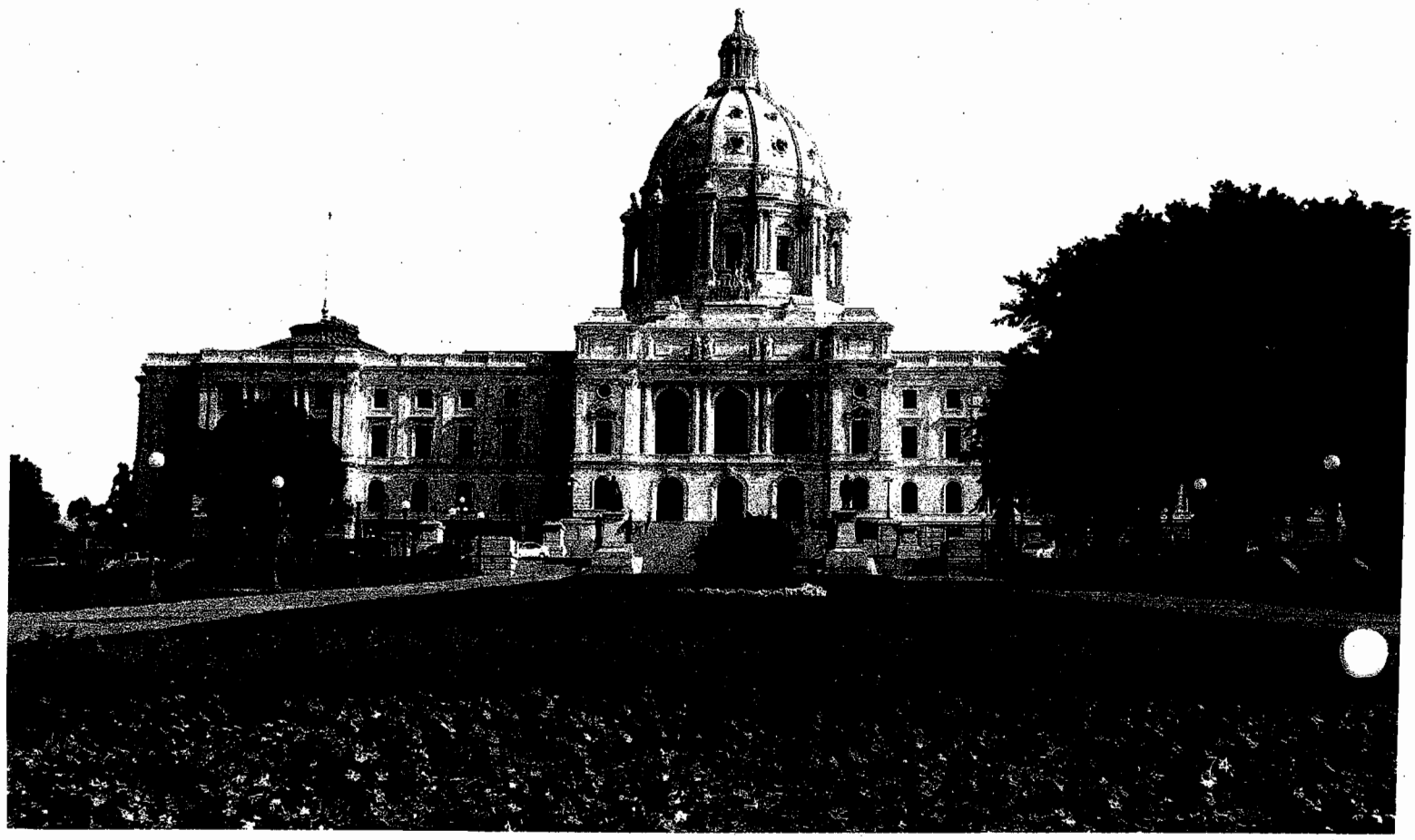
Deloitte Consulting serves a broad range of federal agencies, state and local government clients, public school districts, special purpose authorities, and higher education institutions. Our professionals work with public officials to find practical solutions to the challenges they face on a daily basis. Because of our diverse experience, we understand these entities, their operations, and the problems confronting them.

In addition to our experience outlined in detailed in the previous section, members of our Minneapolis Total Rewards practice also serve or have served the following public sector employers:

Alaska Railroad
Anoka County
Anoka-Hennepin Independent School District #11
Burnsville School District
City of Minneapolis
City of Winona
Cook County
Dakota County
Government of Guam
Hennepin County
Indiana Department of Corrections
Iowa Farm Bureau
Metropolitan Council of the Twin Cities
Minneapolis Public Schools
Minnesota Department of Corrections
Minnesota Public Employees Insurance Program
Ramsey County
Rosemount-Apple Valley-Eagan School District #196
Scott County
St. Paul Public Schools
State of Alaska, Division of Retirement and Benefits
State of Illinois
State of Iowa
State of Minnesota Department of Employee Relations
State of North Dakota PERS
State of Texas
State of Wisconsin Employee Trust Funds
Three Rivers Park District
Tri-County Project CARE
Veteran's Health Administration
Wisconsin Department of Corrections

Section 6 — References

This section provides a list of our client references. We understand the quality of a professional services firm is often measured by the perception and satisfaction level of our clients. We are pleased to have developed and maintained long-standing relationships with many of the finest organizations in the region, United States, and across the globe. We encourage you to contact these clients to validate the quality of our delivery and client service philosophy.



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Phone: (651) 259-3747
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Mr. Paul Larson
Deputy Commissioner
Department of Employee Relations
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Ms. Liz Houlding
Manager, Workers' Compensation Program
Department of Employee Relations
Phone: (651) 259-3700
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State of Iowa

Department of Administrative Services
Grimes State Office Building
East 14th and Grand Avenue
Des Moines, IA 50319

Mr. Ed Holland
Administrator, Risk and Benefits Management
Phone: (515) 242-6143
Email: ed.holland@iowa.gov

State of Wisconsin

Department of Employee Trust Funds
801 West Badger Road
Madison, WI 53702

Mr. Tom Korpady
Administrator, Division of Insurance Services
Phone: (608) 266-0207
Email: tom.korpady@etf.state.wi.us

Appendices

Appendix A —
Client service team resumés

Following are the professional resumés of the client service team members selected to serve DOER. Please refer to Section 4., Qualifications of our team, for our team organizational outline, biographies, and roles and responsibilities.

Pat Pechacek

Director
Deloitte Consulting LLP

Experience

Pat is a Director within the Human Capital Practice of Deloitte Consulting. He has more than 25 years of experience as a consultant and insurance broker to both public and private sector employers.

Recent examples of Pat's consulting experience include:

- Development of a new health care delivery model using cost-sharing incentives to encourage participants to use the most cost-effective providers (on a risk adjusted basis)
- Overseeing the implementation and management of a data warehouse for a self-funded employer using multiple health plans
- Developing and implementing risk adjuster mechanisms for a large client offering multiple health plans
- Performing extensive benefits work with labor-management committees.
- Leading human resource transformation project include HR policy and guidelines, total rewards and compensation
- Lead Client Service Director for several GASB 45 studies
- Development and implementation of post-employment health savings account for employer using current contributions and "severance pay" contributions
- Developing and reviewing both conventional and alternative funding methods for health, pharmacy benefit manager, dental, life/AD&D, vision, and disability plans
- Development and implementation of strategy to move from managed competition program to consumer driven health care model
- Implementation of disease management programs incorporating client specific return on investment guarantees subject to financial penalties
- Analyzing premium rate structure, claims experience, retention costs, reserve levels, and contractual arrangements for group insurance and HMO plans
- Consulting on plan design and cost containment provisions
- Negotiating with insurance carriers, TPAs, and HMOs regarding performance penalties/incentives within contractual agreements
- Preparing requests for proposals, analyzing proposals, and developing recommendations regarding selection of carriers and administrators
- Developing, implementing, and communicating flexible benefit plans
- Restructuring and introduction of new plan options for a self-insured employer sponsored long term care plan
- Reviewing plan design features and funding/contractual provisions for employer-sponsored long-term care plans
- Oversight of RFP process for self-insured workers' compensation plan administration
- Reviewing, implementing, communicating, and servicing 403(b) tax sheltered annuity plans and deferred compensation (§ 457) plans
- Assisting state prison systems in evaluating and restructuring of purchasing and delivering health care services to prisoners in multiple locations

Clients served

- State of Minnesota Department of Employee Relations
- State of Alaska Division of Retirement & Benefits
- State of Connecticut
- State of Illinois, Central Management Services
- State of Iowa Department of Management
- North Dakota PERS
- State of Wisconsin Employee Trust Fund
- CalPERS
- Government of Guam
- Met Council (MN)
- Anoka County (MN)
- Dakota County (MN)
- Hennepin County (MN)
- Olmsted County (MN)
- Ramsey County (MN)
- Anoka-Hennepin Schools (MN)
- Burnsville-Savage-Eagan Schools (MN)
- St. Paul Public Schools (MN)
- Ohio Education Association
- Indiana Department of Corrections
- Minnesota Department of Corrections
- Wisconsin Department of Corrections
- Georgia Department of Community Health

Professional and Civic Affiliations

Pat is a Certified Employee Benefits Specialist (CEBS), and is a past president of the Twin Cities Chapter of the International Society of CEBS. He has served as a course instructor for the CEBS program at the University of Minnesota and is a frequent speaker on benefits planning. In addition, he is also an Associate Member of the State and Local Government Benefits Association (SALGBA) and International Personnel Management Association (IPMA).

Education

Pat received his bachelor's degree from the University of Minnesota.

Tim Phoenix

Principal
Deloitte Consulting LLP

Experience

Tim is the Global Leader of the Total Rewards service line within Deloitte Consulting's Human Capital practice. He has consulted with clients in various business sectors for the design, implementation and administration of qualified retirement plans, welfare benefit plans, nonqualified deferred compensation plans and executive compensation programs.

In addition, Tim is active in internal training programs for the Firm and is a frequent speaker on employee benefit-related subjects for various organizations and clients.

Recent examples of Tim's consulting experience include:

- Design, implementation and administration of defined benefit, defined contribution, employee stock ownership plans and stock purchase programs
- Design and implementation of deferred compensation arrangements for nonresident aliens and third-country nationals under the laws of a number of countries, including offshore funding arrangements for plans for third-country nationals
- Design and pricing of benefits programs to include strategic planning, administration design, documentation, communications; and carrier/vendor selection
- Consulted with a major international technology firm to restructure the process by which the company administered their defined benefits and health plans globally in order to streamline an inefficient process; distribute tasks throughout the year to improve time management; automatically generate additional information from standard results to assist with financial planning; and, to implement a controls tool for global plan design management and monitoring to assist HR
- Led a multidisciplinary team to create from the ground up the HR function and employee benefit plans for a major automotive company entering a new country market for the first time
- Consulted with a major energy company to implement Sarbanes Oxley controls and processes for the HR function and retirement, health and welfare programs

Areas of experience

- Global Leader within Deloitte Human Capital practice
- Design and pricing of benefit programs
- Restructuring of defined benefits and heath plans

Clients served

- Eastman Kodak
- Nationwide Insurance
- CITGO Petroleum
- Toyota

Education and credentials

LL.M. (Taxation), Georgetown University Law Center
J.D., The University of Tulsa College of Law
B.S. in Economics, Georgetown University

Steve Wander

Principal
Deloitte Consulting LLP

Experience

Steve is a principal within the Human Capital practice of Deloitte Consulting. He has over 17 years of experience as a healthcare actuary. He has consulted with HMOs, large national health insurers, Blue Cross/Blue Shield plans, medical device companies, health care providers, government agencies, and employers.

Recent examples of Steve's consulting experience include:

- Advising a State Medicaid program on risk-adjustment issues
- Rate setting for a State Medicaid program
- Providing expert testimony related to a dispute involving health care benefits
- Developing a "white paper" on uncompensated care for a State Medicaid agency
- Assisting a medical device company demonstrate a positive return on investment for a new device
- Developing consumer driven health care products and tiered-networks for a regional HMO
- Representing the finance department of a medium-sized HMO on an internal data warehousing project
- Developing a cost-based service fee pricing model for a large insurer's "national accounts" self funded business
- Developing separate reporting packages for the board, senior management, providers, and customers of a regional HMO
- Analyzing claim reserves for HMOs, employer groups, and state Medicaid programs
- Assisting an HMO develop a risk-adjusted network capitation model. This methodology is based on the DxCG prospective payment model
- Preparing competitive bids by aide category for a Medicaid HMO
- Developing Medicare Advantage bids for a health plan
- Assisting a health plan develop a new retiree market strategy
- Analyzing the effectiveness of a large employer's mail order prescription drug benefit
- Measuring the effectiveness of various health status risk-adjustment methodologies, including ACG, PIP-DCG, DCG/HCC, and age/gender methods, for a large employer
- Performing a provider discount analysis and comparison for a national PPO network
- Assisting in due diligence process related to acquisitions of several HMOs and insurance companies
- Analyzing the impact of risk-based capital standards on HMOs

Clients served

- Aetna
- Allina Health System
- Blue Cross Blue Shield of Minnesota
- BlueCross BlueShield Northern Plains Alliance
- Columbia HCA
- GlaxoSmithKline
- M-Plan
- South Carolina Department of Health and Human Services
- Alaska Department of Administration
- Santa Barbara Regional Health Authority
- St. Jude Medical
- State of Minnesota Department of Employee Relations
- Target Corporation
- Texas Health & Human Services Commission
- The American Hospital Association
- The Centers for Medicare & Medicaid Service
- UniCare
- Private Health Care Systems

Professional and Civic Affiliations

Steve is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries.

Education

Steve received his bachelor's degree in mathematics from the University of Minnesota.

Pete Roverud

Senior Manager
Deloitte Consulting LLP

Experience

Pete is a senior manager within the Human Capital practice of Deloitte Consulting. He has over 18 years of experience in health care, working for both major employers and payers. His employer experience has centered on large public sector clients at the federal, state and local levels. Payer experiences are with both national and regional insurance companies. He has extensive experience in strategic development, next generation product design, underwriting, negotiation and financing of health plans. His most recent experiences revolve around new product designs for health plans (consumer directed, tiered networks), and strategic and financial benefit consulting for employers.

Recent examples of Pete's consulting experience include:

- Negotiation, review, and implementation of complex financial and performance contracts
- Assist in labor negotiations for large public sector clients
- Developing and implementing new underwriting methodologies for a large insurance company
- Subject matter expert in legislative hearings, arbitrations, and legal proceedings.
- Combined multiple data sources into a cost model for a large public sector client
- Developing and implementing alternative healthcare delivery models for employers and health plans
- Proposal and renewal analysis for large multi-state employers
- Employer and provider fee negotiations
- Design and implement new network strategies for large insurance company

Clients served

- Allina Health System
- Anoka-Hennepin School District
- BlueCross BlueShield of Minnesota
- Capital Blue Cross
- Dakota County
- Hennepin County
- Hennepin County Medical Center
- Iowa Farm Bureau Federation
- Medco Health Solutions
- Metropolitan Council
- Minnesota Department of Corrections
- Olmsted County
- Prudential Insurance
- Ramsey County
- State of Alaska
- State of Iowa
- State of Minnesota Department of Employee Relations
- State of North Dakota
- State of Wisconsin
- Wisconsin Department of Corrections

Education

Pete received his Bachelor of Arts degree from the University of Minnesota, Morris where he majored in Mathematics and Computer Science.

Mike Schoeberl

Senior Manager
Deloitte Consulting LLP

Experience

Mike is a Senior Manager within the Human Capital practice of Deloitte Consulting. He has over 10 years of employer and provider consulting experience and specializes in risk-adjustment, cost modeling, provider efficiency analysis, and data management.

Mike is currently the lead actuary for the State of Minnesota Department of Employee Relations (DOER) and has worked with DOER for over eight years. During this time he played a key role in the development of the Advantage tiered care system plan and DOER's data warehouse. He currently oversees the provider tiering, pricing, risk-adjustment, and data-warehousing activities to support DOER's operations, and assists DOER in strategic efforts, union negotiations, provider negotiations, ad hoc analysis and responses to legislative bills and Governor's issues.

Mike is an expert on risk-adjustment techniques with primary focus on ACGs. He has been a speaker at numerous professional conferences on the use of risk-adjustment in provider analysis and cost forecasting. He has advised clients in the public and private sector on the theoretical concepts and uses of the various risk-adjustment techniques and has participated as an outside reviewer/advisor in the development and implementation of one of the first efficient specialist networks.

From 2005 through 2007, Mike worked with the State of Maine's Medicaid program to help them solve some of the financial problems associated with a 2005 claims system implementation. Primarily, he had been involved in developing and managing the process for recovering and reconciling the $500M in interim payments paid to providers during the system's implementation. He also assisted the State by identifying cost savings opportunities for their program, supporting their internal audit and budgeting processes, and helping them in their negotiations and communications with CMS and the State Legislature.

Recent examples of Mike's consulting experience include:

- Development and pricing of "Consumer Driven" healthcare programs
- Tiered network development
- Risk adjusted cost analysis/forecasting
- Claim processing analysis/modeling
- Data warehouse construction
- Cost model development/analysis
- Champus/Tricare financial analysis
- Medicare Cost Modeling
- Long-term care modeling
- Employer group consulting
- Assisting and completing reserve valuations and benefit cost calculations
- Review of life and health rate filings

Before joining Deloitte Consulting, Mike was an actuarial analyst for a Seattle consulting firm.

Clients served

- State of Minnesota Department of Employee Relations
- Aetna, Inc.
- Allianz Life Insurance Company of North America
- Blue Cross Blue Shield of Michigan
- Episcopal Homes Foundation
- Milwaukee Protestant Homes
- St. Jude Medical
- Sierra Health Services
- State of Alaska
- State of Maine
- State of North Dakota
- State of Wisconsin

Professional and civic affiliations

Mike is a Fellow of the Society of Actuaries and a Member of the Academy of Actuaries.

Education

Mike received his Bachelor of Arts degree in mathematics from the University of Minnesota.

Dan Feucht

Manager
Deloitte Consulting LLP

Experience

Dan is a manager within the Human Capital practice of Deloitte Consulting. He has been consulting for Deloitte since 1999. He has led projects on a variety of topics including risk adjustment, Medicare Part D bid development, actuarial cost modeling, data manipulation with large data sets, fee schedule development and benchmarking, reserve calculations and certifications and other actuarial projects for the federal government, several state governments and other healthcare providers, payers, and purchasers.

Recent examples of Dan's consulting experience include:

- Medicaid rate development
- Medicare Part D bid development
- Review of Medicare advantage/part d plan bids
- Hospital contract comparison
- Disease management analysis
- Health care financial projection modeling
- Risk adjustment modeling
- Assisting in developing national provider contracting process
- Developing a pharmacy and medical quote model
- Pricing models relative to Medicare
- Determining benefit adjustment factors
- Health industry benchmarking

Clients served

- State of Minnesota Department of Employee Relations
- Centers for Medicare and Medicaid Services
- South Carolina Department of Health and Human Services
- Dean Health Plan (Madison, WI)
- Department of Veterans Affairs
- M Plan (Indianapolis)
- Unicare (Massachusetts)
- BCBS Minnesota
- Health Alliance Plan Michigan
- Kaiser Permanente
- Health Net Inc.
- Capital Blue Cross (Pennsylvania)

Professional and civic affiliations

Dan is a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries

Education

Dan received his Bachelor of Science majoring in mathematics/statistics University of Minnesota, Duluth.

Julie Maendel

Manager
Deloitte Consulting LLP

Experience

Julie is a manager within the Human Capital practice of Deloitte Consulting. She has over seven years of healthcare consulting experience. She is multi-focused and assists the health actuarial team on actuarial projects for healthcare providers, payers, and purchasers. Julie assists in a variety of health actuarial employer projects and her experience includes both public and privately held companies. Her managerial responsibilities have included direct supervision of several consultants. She is proficient in data analysis and SQL programming.

Recent examples of Julie's consulting experience include:

- Develop and manage a risk adjusted tiered health plan model to manage the selection of pricing risks inherent in multiple HMOs
- Provide renewal assistance and develop rate projections for self-insured medical, dental and prescription drug plans
- Maintain and analyze prescription drug data warehouse from RX carve-out program
- Perform renewal group underwriting for a state-sponsored insurance plan
- Perform Medicare Part D subsidy qualification analysis
- Assist with analysis of disease management programs
- Assist in evaluating the cost impact of specific benefit plan coverage changes
- Assist with analysis of vendor proposals including recommendations on vendor selection for health, dental and prescription drug benefits
- Assist in negotiations with health plans
- Develop and support prescription drug projection model
- Develop and maintain cost/pricing models for a large preferred provider organization (PPO)
- Assist in analysis of incurred but not paid reserves for both audit and certification purposes
- Preparing and evaluating standardized and prestandardized Medicare supplement rate filings

Clients served

- State of Minnesota Department of Employee Relations
- State of Wisconsin
- State of Iowa
- State of Alaska
- Dakota County
- Anoka-Hennepin School District #11
- United Health Group
- Capital Blue Cross
- M-Plan
- Allianz Life Insurance Company of North America

Professional and Civic Affiliations

Julie is an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries. She has also completed all the requirements necessary to attain her Fellowship of the Society of Actuaries and will be attending the

Fellowship Admissions Course in November 2007.

Education

University of Manitoba, Canada, Bachelor of Science degree with Honors in Actuarial Mathematics/Statistics

Tim FitzPatrick

Manager
Deloitte Consulting LLP

Experience

Tim is a manager within the Human Capital practice of Deloitte Consulting. Prior to Deloitte Consulting he worked as a health care consultant at another firm. He has consulted with employers, state governments, pharmacy benefit managers, and provider groups on issues such as financial analysis and management, benefit design, and rate setting. He is proficient in data analysis, SQL and Visual Basic.

Recent examples of Tim's consulting experience include:

- Prepare rates and develop underwriting strategy and tools for The State of Minnesota Public Employees Insurance Program
- Review a annual vision and dental renewals for the states of Minnesota and Wisconsin
- Analyze and develop State of Texas HHSC Medicaid hospital reimbursement methodologies
- Evaluated and provided recommendation for Commonwealth of Pennsylvania Medicaid reinsurance policy
- Created an actuarial projection model to determine the effects of implementing a benefit management firm for the State of Ohio Medicaid population
- Develop flexible models used in budget analysis and forecasting for State of Texas Medicaid population
- Developed Medicare Advantage and Medicare Prescription Drug bids for a healthcare provider
- Analyzed and maintained a health care data warehouse for large employers
- Developed rate-setting methodologies based on fee-for-service data, financial reports and encounter data for Commonwealth of Pennsylvania, State of Ohio, State of Missouri, and State of Texas
- Developed trend projections, analysis of claims run out, and estimation of programmatic changes for health plans for the State of Ohio and Commonwealth of Pennsylvania
- Supported the State of Texas in the implementation of a 1915(b) waiver
- Priced various pharmacy health benefit plan designs
- Health industry benchmarking
- Assisted in performing a clinical pharmacy audit; including review of copay structure, clinical programs, and preferred drug list
- Involved in and led both commercial sector and public sector PBM benchmarking and contract analysis, including development of electronic RFP
- Helped manage the implementation of a new product for a healthcare provider through a Project Management Office, which included; scope management, timeline and work plan management, communications management, issue management, and risk management

Clients served

- State of Minnesota Department of Employee Relations
- State of Texas Health and Human Services
- Commonwealth of Pennsylvania
- State of Missouri
- The Centers for Medicare & Medicaid Services
- Health Net
- Blue Cross Blue Shield of Minnesota
- Blue Cross Blue Shield of Tennessee
- Kaiser
- Dean Health Plan
- M-Plan
- State of Ohio

Education

Tim received his Bachelor of Science degree in Mathematics, with an emphasis in Actuarial Science, from the University of Minnesota, Institute of Technology.

Professional and civic affiliations

Tim is an Associate in the Society of Actuaries.

Mike de Leon

Senior Manager
Deloitte Consulting LLP

Experience

Michael is a senior manager in the Human Capital practice of Deloitte Consulting. He has over 10 years of experience as an actuary consulting with postretirement medical plans and defined benefit pension plans. His experience has been focused on public sector retirement systems at the state and local levels.

Recent examples of Michael's consulting experience include:

- Designing defined benefit and defined contribution retirement plans for public sector retirement systems
- Designing and communicating postretirement medical plan alternatives
- Creating strategic funding and administration policies for public sector retirement systems
- Preparing annual valuation reports for qualified retirement plans and postretirement medical plans
- Providing audit support regarding the reasonableness of actuarial assumptions and methods used to value defined benefit and postretirement medical plan liabilities of public sector retirement systems
- Assisting public sector retirement systems with the preparation and costing of proposed legislation
- Evaluating the impact of changes in benefit structure and actuarial assumptions for defined benefit plans
- Preparing GASB Statement Nos. 25, 27,43, and 45 disclosure information for public sector retirement systems
- Reviewing and updating actuarial assumptions based on plan experience
- Preparing SFAS No. 87, 88, 106, 112, and 132 expense and disclosure information for plan sponsors

Clients served

- Alabama State Port Authority
- City of Minneapolis
- Eastman Kodak
- Fulton County Employees' Retirement System
- Government of Guam Retirement Fund
- Inver Grove Heights School District
- Los Angeles City Employees' Retirement System
- South Dakota Department of Labor
- State of Alaska
- State of Iowa
- State of Minnesota Department of Employee Relations
- State of Wisconsin
- University of California

Professional and civic affiliations

Enrolled Actuary under ERISA
Fellow of the Conference of Consulting Actuaries
Member of the American Academy of Actuaries – Public Plans Task Force
Associate of the National Association of State Retirement Administrators

Education

B.B.A., Actuarial Science, Georgia State University

Dave Walczak

Senior Manager
Deloitte Consulting LLP

Experience

Dave is a Senior Manager in the Human Capital practice of Deloitte Consulting and has over 20 years of experience in financial and actuarial assignments for both Deloitte Consulting and his previous employer, Allianz Life. He has the ability to use many tools to both subjectively and objectively consult to life insurance company's challenges involving reserve and DAC determination, mergers & acquisitions, financial analysis, stochastic modeling or other assignments.

Recent examples of Dave's consulting experience includes:

- Lead actuary on statutory/GAAP audits and examinations of several life insurers
- Coordinated product design, valuation, cashflow testing and financial reporting on several major annuity lines
- Jointly created the Investment Actuary role at a major US insurer
- Guided staff during redesign and key data warehouse phase of GAAP reporting system installation for a mid-sized U.S. life insurer
- Managed training of large group of new Deloitte CPAs with regard to all aspects of insurance benefits, financials, operations and risk management
- Modeling and pricing expert using the Prophet & TAS projection systems, fluent in the many aspects of projecting expenses, mortality, lapse and investment experience
- Assisted a Canadian client in purchase GAAP phase and other M&A due diligence work around acquisition of a mid-sized U.S. life insurer. Further assisted company in GAAP aspects of acquisition of a separate large U.S. block of business
- Coordinated advice to client as member of audit team for large Canadian client which has recently purchased U.S. business resulting in U.S. and Canadian GAAP reporting challenges
- Organized and supported purchase GAAP accounting project for top 10 U.S. life insurer which involved allocating expenses and expense savings to lines-of-business and particular issue year cohorts. Benchmarking to peer companies was key
- Performed walk through of key Sarbanes Oxley controls for 5 units of large client and then directed staff on documentation including creation of Visio charts

Clients served

- ING ReliaStar
- Metropolitan Life
- Minnesota Life (Securian)
- Nationwide
- New York Life
- Pacific Life
- Pan American Life
- SwissRe

Professional and civic affiliations

Fellow of the Society of Actuaries

Member of the American Academy of Actuaries

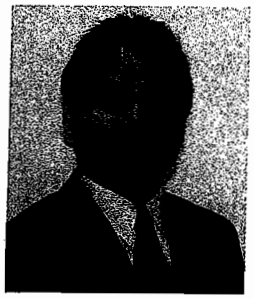
Leadership council member of Management and PD section of Society of Actuaries

Twin City Actuarial Club (subsection chair)

Education

Bachelor of Arts, Mathematics and Computer Science, University of St. Thomas

Xiaoping Ding



Consultant
Deloitte Consulting LLP

Experience

Xiaoping has more than three years of consulting experience as a healthcare actuary. He has provided healthcare consulting services for health plans, government entities and employer groups. His experience includes many aspects of data warehousing and healthcare data analysis. Xiaoping has also experience in development and pricing of Medicare products, Medicare Advantage strategy analysis, market strategy of Medicare product placement relative to regional competition, medical management, provider reimbursement and risk sharing arrangements, hospital rate setting for Medicaid as well as experience in analyzing outstanding claims unpaid liabilities.

Recent examples of. Xiaoping's consulting experience include:

- Medicare Advantage (MA) strategy development
- Hospital rate setting for Medicaid
- Development of bid strategies and support through the actual bid process for Medicare Prescription Drug Plan (PDP)
- Clinical informatics for a medical cost management turnaround
- Network reimbursement gap analyses, benchmarking and provider reimbursement analysis for commercial products
- Chronic disease management and analysis
- Maintaining and analyzing data warehouses
- Analysis of incurred but not paid reserves for both audit and certification purposes

Clients served

- Dean Health Plan
- BlueCross BlueShield of Tennessee
- Boston Medical Center HealthNet Plan
- State of Texas
- AvMed Health Plan
- BlueCross BlueShield of Minnesota
- Centers of Medicare & Medicaid Services
- M-Plan
- Tufts Health Plan
- Ford Motor Company

Professional and civic affiliations

Xiaoping is an Associate of the Society of Actuaries and a member of the American Academy of Actuaries.

Education

Xiaoping received his Master of Science in Actuarial Science and Finance from the University of Nebraska, Lincoln.

Khoa Do

Consultant
Deloitte Consulting LLP

Experience

Khoa has more than three years of healthcare consulting experience. He is multi-focused and assists the health actuarial team on actuarial projects for healthcare provider, payer, purchaser. His experience includes both private and public sectors.

Recent examples of Khoa's consulting experience include:

- Data manipulation on large dataset
- Fee schedule analysis
- Rate setting
- Contract Comparison
- Reserve calculation and certification

Clients served

- State of South Carolina
- State of Texas
- M-Plan Health Plan
- Unicare Health Plan
- Regence Group
- Sanford Health Plan

Professional and civic affiliations

Khoa is pursuing his certification as a fellow of the Society of Actuaries

Education

Bachelor of Science in Business, University of Minnesota, Twin Cities Campus

Tim Egan

Consultant
Deloitte Consulting LLP

Experience

Tim joined Deloitte Consulting in June 2004 assisting the health actuarial team in actuarial and non-actuarial Total Rewards' projects. Tim's primary focus has been in the area of health actuarial and data management services. He has worked with health plans, employers, state governments, and provider groups on issues such as financial analysis, financial projections, and benefit design. Tim's most recent experience includes working on Medicare Advantage and Medicare Part D bid reviews, bid strategy, Pro Forma modeling and monthly underwriting quotes and renewals.

Recent examples of Tim's consulting experience include:

- Preparing rates and developing underwriting strategies and tools for The State of Minnesota Public Employees Insurance Program
- Assisting the Centers for Medicare and Medicaid Services (CMS) in reviewing the Medicare Advantage and Medicare Part D bids for the actuarial soundness of their development
- Coordinating with a large financial services client in a Disability Income system software conversion
- Developing actuarial Pro Forma models to determine the financial impact of new Medicare Advantage and Medicare Part D product offerings
- Assisting in the analysis, development, bid process and offering of Medicare Advantage PPO products and Medicare Part D products
- Developing cost models for a large Minnesota county's RFP vendor selection process
- Analyzing and maintaining a health care data warehouse for a large employer
- Healthcare reserve model development and analysis

Clients served

- Ameriprise Financial
- Blue Cross Blue Shield of Michigan
- Blue Cross Blue Shield of Minnesota
- Blue Cross Blue Shield of Mississippi
- Centers for Medicare and Medicaid Services
- Ford Motor Company
- Hennepin County
- M-Plan
- Ramsey County
- State of Minnesota Department of Employee Relations

Professional and civic affiliations

Tim is pursuing his certification as a fellow of the Society of Actuaries and has successfully completed three exams.

Education

Tim received his Bachelor of Science degree in Mathematics with an Actuarial Specialization from the Institute of Technology and his Bachelor of Science degree in Economics from the College of Liberal Arts at the University of Minnesota.

John Herschbach

Analyst
Deloitte Consulting LLP

Experience

Jon has over two years of professional experience in actuarial consulting, specializing in both healthcare and pension plans. He has experience working with health plans and employers on multiple projects. In working with health plans, Jon has spent significant time on data warehousing and risk management projects. Jon also has some experience with Medicare Part D.

Recent examples of Jon's consulting experience include:

- Warehouse medical claims and membership data
- Modeling annual claims curves for Medicare Part D
- Analyze various Risk Management data
- Run pricing models and price many varied plan designs
- Prepare in-depth cost models
- Perform reserve reviews

Clients served

- State of Minnesota Department of Employee Relations
- Blue Cross and Blue Shield of Minnesota
- State of Minnesota Retiree Medical Plan

Professional and civic affiliations

Jon is pursuing his certification as a Fellow of the Society of Actuaries.

Education

Masters Degree in Pharmaceutical Chemistry from University of Wisconsin
Bachelor of Science in Mathematics from University of Minnesota-Duluth

Zachary Miller

Consultant
Deloitte Consulting LLP

Experience

Zach has almost three years of professional experience in actuarial consulting, specializing in both healthcare and pension plans. He has experience working with health plans and employers on multiple projects. In working with health plans, Zach has spent significant time on product pricing and risk adjustment processes. He also has significant knowledge on Medicare and Medicaid.

Recent examples of Zach's consulting experience include:

- Prepare annual Medicare Part D bids
- Data analysis and benchmarking of a Medicaid plan
- Disease management vendor assessment
- Determine monthly risk adjusted capitation payments to providers
- Warehouse and data integrity assessment
- Develop pricing models and price many varied plan designs
- Prepare in-depth cost models
- Perform reserve reviews

Clients served

- State of Minnesota Department of Employee Relations
- Blue Cross and Blue Shield of Minnesota
- Boston Medical Center Health Plan
- M•Plan
- Hennepin County of Minnesota
- Mower County of Minnesota
- State of Wisconsin

Professional and civic affiliations

Zach is pursuing his certification as a Fellow of the Society of Actuaries.

Education

Zach received his Masters Degree in Statistics from North Dakota State University

Lauren Penny

Consultant
Deloitte Consulting LLP

Experience

Lauren has two years of professional experience in actuarial consulting, specializing in both healthcare and pension plans. She has experience working with health plans and employers on multiple projects. In working with health plans, Lauren has spent significant time on data warehousing processes and risk management analysis. She also has significant knowledge on Medicare and Medicaid.

Recent examples of Lauren's consulting experience include:

- Warehouse data and assess the validity of it
- Disease management vendor assessment
- Prescription drug data and trend analysis
- Develop pricing models and price many varied plan designs
- Health and Welfare benefit statement analysis
- Perform reserve reviews

Clients served

- State of Minnesota Department of Employee Relations
- State of Wisconsin
- Health Net
- State of TexasCitistreet
- Ford Motor Company

Professional and civic affiliations

Lauren is pursuing her certification as a Fellow of the Society of Actuaries.

Education

Lauren received her Bachelor of Science (Honors) in Actuarial and Management Sciences from the University of Manitoba

Kumar Kanisan

Senior Consultant
Deloitte Consulting LLP

Experience

Kumar has four years of consulting experience as a health actuary. His experience includes many aspects of data warehousing and health care data analysis. Kumar has also experience in the product and bid strategy development for Medicare Advantage and Medicare Part D products as well as experience in analyzing outstanding claims unpaid liabilities

Recent examples of Mr. Kanisan's consulting experience include:

- Developing bid strategies and provided support through the actual bid process for both Medicare Advantage Regional PPO with Prescription Drug Coverage (RPPO-D) and stand alone Prescription Drug Plan (PDP)
- Collecting and analyzing claims and enrollment data from various health insurance carriers and populated the model used to develop a set of prospectively developed rates by coverage tier
- Assisting and completing reserve valuations and benefit cost calculations for both audit and certification purposes
- Maintaining and analyzing data warehouses
- Developing cost/benefit analysis models
- Assisting in risk-adjusted provider performance analysis, along with pricing activities for employee benefits bargaining
- Participating in the development of a consumer-driven, internet-based healthcare product
- Assisting a client to assess its relative competitive position in various markets through the collection and analysis of market data on provider network discounts, specific reimbursement information and network access fees
- Assisting in stabilizing the claims payment system, improving internal controls, recovering interim payment and cash flow projection for a Medicaid organization

Clients served

- BlueCross BlueShield of Minnesota
- M-Plan
- Ford Motor Company
- United Health Group
- Harrah's Entertainment Inc
- CareChoices Michigan
- Private Healthcare Systems
- Health Alliance Plan
- Great-West Healthcare
- BlueCross BlueShield of Mississippi
- State of Maine – OMS
- State of Texas

Professional and Civic Affiliations

Kumar is pursuing his certification as a Fellow in the Society of Actuaries and has successfully completed four of the exams required.

Education

Kumar received his Bachelor of Commerce (Honours) degree in Actuarial Science, from the University of Manitoba, Canada.

Dawn Gross

Analyst
Deloitte Consulting LLP

Experience

Dawn has been consulting for Deloitte Consulting since April 2007. Prior to Deloitte Consulting she worked as a pricing actuary at another firm and has nearly twenty years experience in education as an educator and department chairperson. She has worked on the implementation of a new dental product and has organized and managed the actuarial portion of dental rate filings. She also has extensive experience working with a diverse group of people including clients (parents/students), community members and individuals/groups within the government.

Recent examples of Dawn's consulting experience include:

- Review annual vision and dental renewals for large public sector employer
- Analyze rate setting update for large state Medicaid population
- Review Medicare Advantage bids
- Develop Medicaid rate setting presentation
- Fee schedule analysis for Unicare
- Perform various corporations quarterly and annual reserve analysis
- Involved in developing a Health Plan market stream financial services brochure

Clients served

- State of Minnesota Department of Employee Relations
- State of Texas Health and Human Services
- Children's Hospital
- State of Iowa
- The Centers for Medicare & Medicaid Services
- Scottrade
- Stride Rite
- Grants Pass
- Saint Paul School District
- Interstate Brands Corporation
- UniCare
- State of Wisconsin
- Perkins – Marie Callender
- Health Alliance Plan – Henry Ford
- Valspar

Education

Dawn received her Bachelor of Science and Master of Science degrees in Mathematics/Secondary Education from Indiana University.

Professional Registrations and Affiliations

Dawn is pursuing her certification as a Fellow of the Society of Actuaries.

Beth Nielsen

Analyst
Deloitte Consulting LLP

Experience

Beth joined Deloitte Consulting in August 2006 assisting both the health actuarial team and employee benefits team in actuarial Total Rewards' projects. Beth's primary focus has been in the area of health actuarial and data management services. She has worked with health plans, employers and state governments on issues such as financial analysis and benefit design. Beth's most recent experience includes analyzing pricing strategies for a state's Medicaid population. She also has worked on developing post-retirement medical valuations for numerous new clients.

Recent examples of Beth's consulting experience include:

- Develop flexible models used in budget analysis and forecasting for a state's Medicaid population
- Created models used to show multiple scenarios of pricing and forecasting assumptions
- Help produce underwriting quotes and renewals on a monthly basis
- Assisted in the development of a two-year financial projection of future revenue and claims for the public employer's groups. This consists of a financial review of each group's claims and revenue which is used in our projections as well as underwriting strategy for the following year.
- Developed tools to help organize twelve pharmacy benefit management proposals to assist colleagues to evaluate each proposal

Clients served

- State of Texas
- State of Minnesota Department of Employee Relations
- Allianz Life Insurance Company of North America

Professional and civic affiliations

Beth is pursuing her certification as a Fellow of the Society of Actuaries.

Education

Beth received her Bachelor of Science in Mathematics from the University of Minnesota, Minneapolis

Mike Batty

Consultant
Deloitte Consulting LLP

Experience

Mike is a Consultant with the Actuarial and Insurance Solutions practice in Minneapolis. Since joining Deloitte Consulting in 2005 he has been involved in life insurance and annuity company consulting projects involving actuarial valuation, statutory and GAAP financial reporting, enterprise risk management (ERM), experience analysis, actuarial valuation system selection and implementation, financial projections and modeling, data warehouse and inforce file applications, control environment testing, and group life and disability valuation. He also possesses strong oral and written communication skills and works well in teams. A significant proportion of his work has been on an outsourced basis where he has been an external resource to fill the Company's staffing needs. Mike is an Associate of the Society of Actuaries and holds a bachelor's degree from the Massachusetts Institute of Technology in Management Science, concentrating in Finance.

Recent examples of Mike's consulting experience include:

- Engaged to select and implement a vendor based actuarial valuation system for GAAP, Statutory, and Tax financial reporting
- Completed projects for the corporate actuarial valuation department, primarily focusing on DAC models for GAAP financial reporting
- Assistance on Deloitte external audit engagements for 2005 and 2006
- Long term disability reserve calculations of several public long term disability plans. Compared current reserves against past trends. Performed reasonableness checks of the inforce data provided by the client by analyzing lag trends
- Assisted the internal audit department in its review of consistency with the company's policyholder dividend policy
- Reviewed ERM model built by other team members to ensure the insurance business was accurately reflected, risks were appropriately quantified, and stochastic scenarios were properly generated

Clients served

- Ameriprise Financial
- Wisconsin ETF
- MetLife
- Northwestern Mutual
- Country Insurance

Professional Registrations and Affiliations

Mike is an Associate of the Society of Actuaries and is pursuing his Fellowship to the Society of Actuaries

Education

Mike received his Bachelor's degree from the Massachusetts Institute of Technology majoring in Management Science, concentrating in Finance.

Lisa Faul

Senior Manager
Deloitte Consulting LLP

Experience

Lisa is a Senior Manager in the Human Capital practice of Deloitte Consulting. She has over 16 years of health care and employee benefits consulting experience. Lisa serves as an Advisor, Lead Client Service Manager, and Project Manager for several public and private sector employer clients. Her extensive experience includes working with employers on all aspects of their benefit programs, including strategy development, transformation, design, financing, administration, and communication of employer group health and welfare plans. She also has health care payer experience, including consumer driven health care product feasibility, design and development, sales organization customer segmentation approach and strategy, and the development of an integrated health care reporting and analytics strategy, package, and rollout.

Recent examples of Lisa's consulting experience includes:

- Assisting a large medical center with its Human Resources transformation effort, including the development of a benefit and total rewards strategy, analysis and review of the current programs, plan design recommendations and vendor search and selection process, and implementation
- Leading a project to assist a regional Blues plan enhance its external client reporting and analytical capabilities including report development, design, execution and communication
- Assisting a large public sector employer with the implementation of its pharmacy benefit manager carve out program
- Assisting a regional Blues plan with the development of a customer segmentation approach, customer profiles, value proposition and strategic goals by segment
- Assisting a Midwest managed care organization with a next generation/consumer driven health care product feasibility study. Served as co-team lead for two teams for Market Research/Sales and Marketing and Vendor Assessment and Selection; work included providing direction to project team, developing client deliverables, managing project activities and meetings with client on an ongoing basis
- Managing the Request for Proposal process, including drafting the document, handling vendor questions, analyzing proposals, managing negotiations, conducting interviews and developing recommendations regarding vendor selection for health, dental, vision, life, disability, flexible benefits, and workers' compensation
- Assisting a multi-site employer in restructuring and consolidating benefit plans including medical, EAP, dental, vision, life and disability
- Reviewing a Midwest third party administrator's consumer driven health care product, business plan, and collateral
- Facilitating joint-labor management committee sessions on employee benefit issues
- Assisting with a full flexible benefit plan feasibility study
- Reviewing, evaluating, and benchmarking employee benefit packages, including designing and conducting an employee benefits survey for benchmarking purposes

- Assisting with the claims administration and operational review of a third-party administrator of workers' compensation services and a large managed care organization
- Assisting with implementation and communication of health, dental, life, AD&D, disability and PTO plans, including facilitation of employee focus groups
- Reviewing plan design features, contracts, and administrative agreements and assisting with negotiations with insurance carriers, TPAs, and HMOs regarding performance guarantees
- Providing ongoing consulting support, including renewal assistance, plan performance monitoring, vendor negotiations, premium estimates and discrimination testing for flexible benefit plans
- Preparing and reviewing plan documents, benefit summaries, and employee handbooks
- Assisting with the design, implementation and communication of a paid time off plan
- Assessing and reviewing the dental program and strategic objectives of that program for a large managed care organization

Before joining Deloitte Consulting, Lisa worked for one of the largest health care organizations in Minnesota.

Clients served

- Amherst H. Wilder Foundation
- Anoka-Hennepin ISD #11
- Anoka County
- BlueCross BlueShield of MN
- Capital BlueCross
- City of Winona
- Dakota County
- DeCare International
- Hennepin County
- Hennepin County Medical Center
- Mayo Management Services, Inc.
- Mayo Management Services, Inc.
- MPlan
- Medica
- North Dakota Public Employees Retirement System
- North Memorial Health Care
- Ramsey County
- Scott County
- State of Minnesota Department of Employee Relations
- State of Wisconsin
- Three Rivers Park District

Professional and civic affiliations

Lisa is a Certified Employee Benefit Specialist (CEBS) and is also a licensed resident accident, health and life agent in the state of Minnesota.

Education

Lisa received her bachelor's degree (with distinction) from the University of Wisconsin - Madison.

Lori Wilke

Manager
Deloitte Consulting LLP

Experience

Lori is a Manager within the Human Capital practice of Deloitte Consulting. She has over 18 years of health care market and employee benefits experience. Her expertise is in employee benefits, managed care, regulatory compliance issues and human resources.

Recent examples of Lori's consulting experience include:

- Drafting of Request for Proposals and analysis of submitted responses including recommendations on vendor selection for health, life, dental, vision and disability benefits
- Presentations to labor management committee groups regarding trends in employee benefits
- Competitive market research and analysis for health plans and public sector clients
- Assisting in the implementation and communication of employee benefit plans including the production of communication materials
- Reviewing, evaluating and benchmarking employee benefit packages
- Paid time off (PTO) plan design evaluation and implementation
- Designing and conducting employee benefits surveys for benchmarking purposes and analyzing results
- State and federal regulatory compliance research and analysis
- Ongoing financial analysis and group underwriting for state sponsored insurance plan

Before joining Deloitte Consulting, Lori worked in the Government Programs Department for HealthPartners, Inc. in Minneapolis.

Clients served

- State of Minnesota Department of Employee Relations
- Anoka County
- Capital Blue Cross and Blue Shield
- Children's Health Care of Minnesota
- Deloitte Consulting LLP
- Green Tree Financial
- Hennepin County
- Metropolitan Council
- North Memorial Health Care
- Santa Barbara Regional Health Authority
- St. Paul Public Schools
- Caradon, Inc.
- Care Choices/Mercy Health Plans
- Dakota County
- Dean Health Plan
- Health Care Financing Administration
- Hennepin County Medical Center
- Metropolitan Health Plan
- St. Jude Medical Center
- State of Illinois
- Trinity Medical Center
- Unisys Corporation
- Wilder Foundation

- State of Wisconsin
- UCare Minnesota

Education

Lori received her Bachelor of Arts degree in Organizational Leadership from Bethel College in St. Paul.

Allison Austing

Consultant
Deloitte Consulting LLP

Experience

Allison joined Deloitte Consulting in November 2006 and is a consultant within the Employer Healthcare Practice of Total Rewards. Prior to joining Deloitte Consulting, Allison worked in a Benefits Management and Brokerage firm.

Recent examples of Allison's consulting experience include:

- Significant work with Medicare plans
- Change and communications support for change implementation
- Data analysis, including health plan and ancillary line proposals
- Market assessment, vendor selection and benchmarking
- Plan design consulting and cost-sharing strategies

Clients served

- Dakota County
- Saint Paul Public Schools
- Deloitte & Touche USA
- Deloitte Consulting LLP

Professional and civic affiliations

State of Minnesota Insurance Producers License

Education

University of St. Thomas, St. Paul MN

Martha Priddy Patterson

Director
Deloitte Consulting LLP

Experience

Martha is the Director of Employee Benefits Policy Analysis for Deloitte Consulting's Human Capital Practice. She is an attorney and employee benefits consultant with 20 years of experience in employees' retirement, health and welfare benefits. She has worked with the Congress and federal agencies supporting clients and issues throughout her career. She closely follows congressional and administrative action on human resources issues and routinely briefs and informs clients regarding the potential impact of such actions. She and her staff also produce weekly bulletins for both internal users and for clients on the latest regulations, legislation and trends affecting human capital issues.

Martha advises companies on plan design and compliance in the tax, ERISA and employment area. She has designed and implemented retirement plans, health benefits and cafeteria for companies of every size, as well as for government entities and nonprofit organizations.

Recent examples of Martha's consulting experience include:

- Consulted with government agencies, employers and health providers on the privacy and administrative simplification provisions of the Health Insurance Portability and Accountability Act (HIPAA)
- Prepared client publication, training materials and conducted seminars and training sessions on the benefits changes in the Economic Growth and Tax Relief Reconciliation Act of 2001
- Consulted with managed care health companies regarding insurance products using medical spending account concepts for large employers
- Prepared training materials and conducted training sessions on the privacy and administrative simplification provisions of HIPAA
- Produced for a national government a draft regulatory outline for revisions to its law covering the private pension system
- Produced background analysis and facilitated state's task force to revise funding for retiree medical benefits; reviewed its report to the legislature
- Analyzed HIPAA privacy and uniform standards regulations for in-house use, as well as published various articles on those regulations
- Contributing Editor, 401(k) Handbook, published by Thompson Publishing Co. and updated monthly. Substantially revised and updated the entire book during 1999
- Principal author of manual for employee benefits issues in mergers and acquisitions
- Author of The New Working Woman's Guide to Retirement Planning (University of Pennsylvania Press: Philadelphia 1999)
- Created and conducted annual retirement benefits survey and survey of supplemental executive retirement plans
- Researched and compiled legislative analysis of all legislation pending in the Congress and significant regulatory projects affecting employee benefit plans

of large employers for the ERISA Industry Committee; available in hard copy and posted to the internet

- Severance benefits survey for World Bank. Served as part of an engagement to rapidly review and further survey severance benefits among comparators of earlier survey performed for the World Bank and additional comparators. Reviewed revised questionnaire; conducted literature search for relevant analysis of severance benefits among international organizations; reviewed and assisted in drafting of report to World Bank
- Created internal Employee Benefits Plans Diagnostic Review Guide, checklists, authorities and guidelines for conducting compliance reviews of ERISA and tax-qualified retirement plans for clients
- Assisting in creation and communication of 401(k) plan, design and purchasing of health benefits and other benefits for U.S. operations of Canadian publishing company, integrating those benefits to reflect comparable compensation, including pension and salary, in light of Canada's various provincial public health systems and a national retirement system
- Worked with various divisions of major insurer to design and communicate benefits package during merger. Served as adviser to vice-president of human resources in development of the package
- Assisted state government in designing and communicating flexible benefits package developed on extremely tight schedule

Clients served

- Academy for Educational Development
- Anchorage Police and Firefighters
- ERISA Industry Committee
- Farm Credit Bank of Baltimore
- Federal Express
- Government of Brazil
- Lincoln National Life
- Lucent Technologies
- New York State Nurses Association
- State of Alaska
- State of Maryland
- State of Minnesota
- Target Corporation
- The World Bank
- Toronto Sun
- University of California
- Vanderbilt University

Professional and civic affiliations

Member of the District of Columbia bar (and inactive status in Texas and Virginia); U.S. Court of Appeals for the D.C. Circuit, U.S. Supreme Court

Member, Board of Directors of the Pension Research Council at the Wharton School

Member, National Academy of Social Insurance

Co-Chair, The Tax Coalition

Member, Secure Retirement Coalition

Member representative, The ERISA Industry Committee (ERIC)

Member representative, American Benefits Council

Frequent speaker to both local chapters and national meetings of International Society of Certified Employee Benefits Specialists and the American Payroll Association

Instructor, Employee Benefits Certification, Institute of Applied Management and Law, February 2002; August 2001.

Education

University of Texas School of Law, 1971-1974, Juris Doctor

Vanderbilt University, 1967-1971, Bachelor of Arts, Political Science, Economics, cum laude

Sam Raia

Senior Lead
Deloitte Consulting LLP

Experience

Sam is a Senior Lead in the Human Capital practice of Deloitte Consulting. He provides consulting and compliance services to the Employee Benefits Consulting Practice and the Tax Accounting Practice.

He has more than 20 years of employee benefits experience and has provided consultation and counsel regarding pension, welfare, 401(k), severance pay, executive compensation plans, and governmental systems.

Before joining Deloitte Consulting, Sam was employed by Honeywell Inc. as senior counsel in its Office of General Counsel, which he served as employee benefits counsel. At Honeywell, he was responsible for the drafting and maintenance of all types of employee benefit plans, investment management agreements, trust instruments, presented all ERISA claims and appeals, and advised its pension committee on ERISA fiduciary issues. Previous positions in private practice involved the drafting of pension, profit sharing, and ESOP's, advanced estate planning and counseling professional medical corporations. Mr. Raia also served as attorney-advisor to the Office of Chief Counsel to the Commissioner of Internal Revenue Service (1971-1972) and to Judge William A. Goffe of the United States Tax Court (1972-1974) in Washington, D.C., respectively.

Examples of Sam's consulting experience include:

- Installing supplementary executive retirement plans, nonqualified deferred compensation programs, and options plans.
- Assisting in the submission of Voluntary Compliance Programs and PLR requests for governmental defined benefit plans.
- Assisting in the design and implementation of governmental defined contribution retirement plans.
- Designing and negotiating the treatment of employees and their benefits in corporate mergers and acquisitions.
- Conducting compliance reviews of qualified plans and tax sheltered annuity arrangements
- Performing Sarbanes-Oxley 404 reviews and testing of employee benefit controls
- Providing compliance reviews for retirement service providers

Clients served:

- Alaska, State of
- Allina Health System
- Cenex Harvest States Cooperatives
- Dairy Farmers of America
- DeCare International
- Fargo, City of
- HealthPartners
- Hennepin County and Hennepin County Medical Center
- Lutheran Brotherhood
- ThedaCare
- Thrivent Financial
- Trinity Health

Professional and civic affiliations

Sam has served as a member of the visiting faculty of the University of St. Thomas Graduate School of Business while coordinating the employee benefits course in the MBA human resources program. He was elected as the chairperson of the governing council of the Employee Benefits Section of the Minnesota State Bar Association for the 1994-1995 fiscal year. He is admitted to practice before the U.S. Supreme Court, the U.S. Tax Court, the U.S. Court of Claims, the Eastern District of the State of Minnesota, the Supreme Court of Minnesota and is an inactive member of the State Bar of Texas. He is a member of the American Bar Association (Section of Taxation) and the Minnesota State Bar Association.

Education

Sam received his law degree from the University of Houston Law Center and his Master of Laws, specializing in taxation, from the Southern Methodist University School of Law.

Michael Green

Principal
Deloitte Consulting LLP

Experience

Michael joined the firm in 1991. He is the leader of Deloitte Consulting's Midwest property and casualty Actuarial & Insurance Solutions group. He has over 20 years of actuarial experience. Prior to joining the firm, he worked for CNA Insurance Companies for three years focusing on professional liability and large account multi-line package policies. His consulting experience has focused on workers compensation and liability issues. His clients include both self-insured entities and insurance companies.

Recent examples of Michael's consulting experience includes:

- Perform pricing and reserving analysis for professional liability coverages including analysis of report year coverage, prior acts coverage, and extended reporting endorsement coverage
- Pricing and reserving studies for self-insured entities and pools
- Perform retention and deductible analysis including per occurrences and aggregate covers for self-insured entities
- Perform feasibility studies on alternative risk financing techniques for self-insured entities
- Analyze future excess frequency and severity trends using a combination of client data and geographic specific economic industry data
- Analysis of pricing, reserving and profitability forecasting studies for long tail coverages including: medical malpractice, hospital malpractice, nursing home liability, lawyers malpractice, architects and engineers liability, and products liability
- Actuarial due diligence for mergers and acquisitions
- Financial modeling and valuation of insurance companies
- Perform reserving studies for reinsurers
- Design and analysis of specifications for management information systems and actuarial reports
- Analysis of buy out proposals for large account retro plans to include Workers Compensation, General Liability, and Commercial Auto Liability

Clients served

- Berkshire Hathaway
- Chicago Housing Authority
- Chicago Transit Authority
- City of Chicago
- City of Minneapolis
- CNA Insurance Companies
- DaimlerChrysler Corporation
- Horace Mann Insurance Company
- Regional Transportation Authority
- Unitrin
- Wayne County Michigan

Professional and civic affiliations

Associate, Casualty Actuarial Society
Member, American Academy of Actuaries

Education

B.A., Economics and Business Administration Degree, Knox College

Steve Beigbeder

Senior Lead
Deloitte Consulting LLP

Public Sector Worker's Compensation Experience

Steve counts among his clients the U.S. Department of Homeland Security, Anoka-Hennepin Independent School District, MN, State of Illinois DCMS, Cities of San Diego and Long Beach, CA, Maryland Injured Workers' Insurance Fund, New York State Insurance Fund, New York Metropolitan Transportation Authority; Kentucky School Boards Insurance Trust, Metropolitan Government of Nashville and Davidson County, and the State of New Mexico.

Insurance Industry Experience

Steve has extensive experience with public sector workers' compensation self-insured, self-administered programs. Other areas of expertise include:

- Claim Audits / Reviews – Best Practice comparisons, reserve analysis, managed care evaluation, litigation management assessment
- Analysis of absence management program performance
- Development of client-specific cost allocation programs
- Establishment of performance measurement systems
- Labor Relations in a variety of settings
- Project Management for large engagements
- Vendor contract review and negotiation

Steve has lectured extensively to employer groups and written numerous articles on Best Practices for managing disability. He's been published in Business Insurance, Employee Benefits News, Workers' Compensation Managed Care, Risk & Insurance and Controller magazines. He has been a featured speaker at several RIMS' national conferences, the National Workers' Compensation and Disability Conference, Public Risk & Insurance Management Association and NY Self-Insurers' Association seminars, and national conferences sponsored by the World Research Group and the Institute of International Research.

Professional and civic affiliations

2001-Present – Member Board of Directors, New York Claims Association
2002-2003 – Member Advisory Board for Business Insurance annual Workers' Compensation & Disability Management Conference.
1991-2002 – Member municipal Personnel Board

Education

Northeastern University – BA
Bentley College – Human Resource Management certification

Christopher Vojta, MD

Director
Deloitte Consulting LLP

Experience

Dr. Vojta is a Director in Deloitte Consulting LLP's healthcare consulting practice. He has over a decade of health plan experience including development and sales of disease and care management products, as well as launching and running specialized health plans. Prior to joining Deloitte, Dr. Vojta held positions as Vice President of Business Development at UnitedHealth Group's Ovations and Evercare divisions where he helped lead United's Chronic Illness Special Needs Plan strategies and develop United's Medicare Disease Management strategy. Before that, he was Vice President of Medical Affairs for Cigna's Intracorp medical management subsidiary.

Recent examples of Dr. Vojta's consulting experience include:

- Strategic planning for health plans
- Strategic development of clinical strategies for health plans
- Target analysis
- Medical management operations review and restructuring
- Pharmacy Benefit Manager contract and relationship evaluation
- Medicaid and Medicare health plan evaluation

Clients served

- Blue Cross Blue Shield of Minnesota
- Capital Blue Cross
- BMC HealthNet
- Cardinal Health
- Pfizer Health Solutions

Professional affiliations and education

Dr. Vojta holds an MD and Master of Science in Clinical Epidemiology from the University of Pennsylvania's School of Medicine and an MBA from the Wharton School. He is Board Certified in Internal Medicine and Geriatrics.

Pamela Fromelt

Specialist Lead
Deloitte Consulting LLP

Experience

Pam is a registered nurse (RN), with more than 20 years of clinical and professional experience in the health care industry. Pam is a subject matter expert in our health care practice specializing in care management, disease management and wellness strategies. She has extensive experience in designing programs and processes to improve health outcomes and reduce medical costs. She has assisted employers, payers and providers in clinical, quality and financial improvement initiatives. Prior to joining Deloitte Consulting, Pam held positions as Vice President of Government Programs for a disease management organization, Vice President of Managed care for a regional health plan and Regional Directors of Quality and Utilization Management for a large national insurance company.

Recent examples of Pam's consulting experience include:

- Assessed health plan/insurance company operations on behalf of numerous employer clients
  - Recommended performance improvements for strategic contract negotiations with vendors
- Redesigned care management operations and processes
- Developed disease management and quality management programs
- Developed and improved health plan operations
- Designed and conducted multiple Request for Proposals (RFPs) for health plan and employer clients
  - Evaluated Disease and Demand Management vendors
  - Evaluated options for total health plan replacement
  - Evaluated behavior health programs and plans
  - Evaluated care management software applications
- Assisted Disease Management Vendor in developing Medicare/Medicaid strategy
- Assisted Health Plan with re-engineering its Medicare Program with specific focus on Care Management for seniors
- Conducted compliance reviews and lead compliance improvement projects
- Perform pricing and reserving analysis for professional liability coverages including analysis of report year coverage, prior acts coverage, and extended reporting endorsement coverage

Clients served

- Blue Cross Blue Shield Massachusetts
- Capital Blue Cross
- Health Management Corporation
- McKesson Health Solutions
- Medica Health Plans
- SaraLee Corporation
- Target Corporation
- University of Califomia

Professional and civic affiliations

Executive Board of Mental Health Association of Greater Chicago

Education

University of Tulsa, Tulsa, Oklahoma

Edward Bair

Director
Deloitte Consulting LLP

Experience

Ed has more than twenty years of experience in employee benefit consulting, including plan design, administration, and funding and expense determination. He provides health care consulting services to payer/providers and to the purchasers of health & welfare plan products. In particular, he provides claims payment and operational expertise to managed care organizations and specializes in the design, financing, communication and administration of group health and welfare plans for employers.

Recent examples of Ed's consulting experience include:

- Provided general health and welfare consulting to employer clients in the areas of plan design, administration and funding
- Performed comprehensive reviews of rebate payments made by pharmaceutical companies to pharmacy benefit managers. Reviews included operational and electronic reviews of prescription drug payments made for the NDCs that were included in the rebate agreement
- Performed comprehensive reviews of rebate payments made to employer groups by pharmacy benefit managers. Reviews included contract compliance and electronic analysis, by NDC, of rebates paid to the employer
- Performed welfare plan marketing for employers to help them select insurers or third party administrators. These have included plan design, financial analysis, market assessments, etc. for medical, prescription drug, dental, life and AD&D
- Developed a comprehensive annual claim review program for a Fortune 100 company that helps them target which of its third party administrators should be reviewed based on claim edits and other data analysis. These have included medical, prescription drug, dental, long-term disability and short-term disability claims
- Performed systematic utilization reviews to identify aberrant claim utilization and distribution patterns. Goals were to ensure proper claim payments, to identify trends in healthcare services and to calculate baseline pricing
- Conducted reviews of a random selection of claims to measure performance and to identify areas for improved efficiency. Reviews have been done for both employers and managed care organizations
- Performed systematic electronic reviews of client specific claim data to reveal potential errors in the standard claim adjudication process and developed program language to reveal potential errors in non-standard benefit administration
- Developed and maintained a system to capture and report medical, dental, prescription drug, vision and foot care claims experience for a major automaker
- Performed due diligence analysis of a pharmacy benefit manager for an investment company that acquired a controlling interest in the pharmacy benefit manager

Clients served

- Aetna
- Cigna
- Florida Power & Light
- Medical Card Systems
- Memorial Sloan Kettering Cancer Center
- New York State Nurses Association Benefits Fund

- Foot Locker
- General Electric
- IBM
- Kaiser
- Oxford Health Plans
- Pitney Bowes
- University of Michigan
- University Radiology Group

Education

Clarion University in Pennsylvania, BS in Mathematics

JANICE MEIKLE, RPH

Senior Lead
Deloitte Consulting LLP

Experience

Jan has over 30 years of experience in pharmacy strategy, operations and pharmacy benefit management services. Her areas of expertise include pharmacy benefit management, specialty drug programs, drug formulary and rebate management, and retail, mail service and hospital pharmacy supply chain, operations and technology. Jan has developed Medicare Part D benefit designs for pharmacy and synchronized with medical benefits for HMO and PPO products; created Fraud, Waste and Abuse programs including operational policies, procedures and quality assurance methods for producing and submitting reports to CMS, and supported development of post implementation solutions to achieve operational efficiency and effectiveness for Medicare Part D requirements.

Recent examples of Jan's consulting experience include:

- Developed Requests for Proposals (RFP) for Pharmacy Benefit Manager (PBM) and Specialty Pharmacy (SP) vendors to support Commercial and Medicare pharmacy benefits and Specialty Pharmacy services. Project scope included the development of proposal scoring methodologies, creation of framework for business unit leads to evaluate proposals, financial modeling, facilitation of the selection of vendor finalists, and negotiations with finalists.
- Assisted a variety of payers with a strategic review of pharmacy benefit designs, PBM contract terms, clinical programs and specialty drugs. Identified opportunities, modeled financial impact and developed a road map for implementing internal controls, benefit design modifications and contracting changes.
- Conducted an assessment of pharmacy benefit manager systems, pursuant to an acquisition, to identify the best overall package for an integrated solution; evaluation framework included an assessment of systems, services, infrastructure and total cost of ownership.
- Designed a contingent supply program for a pharmaceutical manufacturer including development of a vision, high-level design of key components and architecture, deployment staging, proof of concept requirements, high level resource requirements, sourcing/ cost model, implementation roadmap, program management requirements, definition of key work streams and identification of critical path items. Developed discussion materials and whitepapers around a number of the critical topics including retail pharmacy operations and systems, pharmacy distribution (mail order, PBM etc), logistics, distribution and transportation, physician portal development, therapies alternatives, medical management, and call center programs.

Clients served

- Aetna
- Anthem Wellpoint Health Plans
- Blue Cross Blue Shield of Minnesota
- Capital Blue Cross
- CareFirst Blue Cross
- Disney
- Express Scripts, INC
- Health Alliance Plan / Henry Ford Health System
- Kaiser Permanente
- Medco Health
- Ohio State University Medical System

Education

West Virginia University, BS Pharmacy
Licensed Pharmacist, State of Pennsylvania

Leah Reynolds

Senior Lead
Deloitte Consulting LLP

Experience

Leah is a Senior Lead in our Communications practice. She has an extensive track record working with executive-level teams and designing change communication and total reward strategies. She is highly regarded for strong relationship building skills, excellent problem solving abilities and proven leadership strengths. She has qualitative research, formal and group facilitation skills, and is a frequent speaker and writer on generational change in the workplace.

- Served as communication strategist and advisor to HR executives and leadership team. Developed HR communication strategy, key messages and communication implementation plan.
- Served as change communication strategist and advisor to executive divestiture team. Acted as liaison with business integration and human resource representatives from purchasing entity. Developed change and crisis communication plans and key messages for delivery by executive spokespersons.
- Conducted 50+ interviews with board members, executives and directors to support the creation of a delegation of authority policy and organizational design recommendations. Wrote report on findings and conducted strategic planning sessions with client's executive leadership team.
- Worked with Deloitte team members from strategy and operations (S&O) and organization and people performance (OPP) to develop a multi-faceted change communication strategy. Met with project steering committee and members of client's executive leadership team to develop a communication approach and review key messages. Collaborated with client's communication professionals to utilize existing communication resources and involve internal spokespersons in the roll out of the plan.
- Advised team of executives on introducing a new, lean manufacturing process in their North American plan locations. Anticipated employee reaction and counseled team on potential issues. Developed key messages and wrote scripts for executive-level management. Created change communication plan.
- Conducted interviews with executives and employees to measure current knowledge and perceptions about an existing continuous improvement process. Developed year-long communication and change strategy to increase understanding and commitment. Created presentations and speeches for executives to support the change process.
- Led a team of 25 communicators from around the country in implementing a $1.5 million total reward communication strategy for a newly merged energy company. Worked with client to create an internal brand identity and crafted key messages to support the new entity's business and people strategies. Developed and monitored project budget. Coached team on quality, consistency and timeliness.
- Led a human resource executive team through a communication strategy planning process to develop an approach for introducing consumer-driven health care. Advised team on behavior changes employees would need to make and education the company would need to provide.
- Spearheaded total reward communication planning and led team of 20+

communicators involved with culture change, benefit communication and web development activities

Clients served

- City of Detroit
- Bank of New York Mellon
- Ford Motor Company
- Kodak
- Visteon Corporation
- ICMA-RC

Professional and civic affiliations

International Association of Business Communicators, Past President/Board Member

Leadership Detroit, Detroit Regional Chamber, Graduate, Class of XXV

Education

Master of Arts, Organizational Communication — Eastern Michigan University
Bachelor of Arts, Music — William Tyndale College

Articles

Getting Ready to Communicate with a New Generation, **Writing that Works**, 2005

Communicating Total Rewards to the Generations, **Benefits Quarterly**, 2005

Ten Ways to Be a Great People Manager, **The Detroiter**, 2004

Creating a Winning Work Environment, **Workforce Central Resource Guide,** 2004

Managing Change in the Workplace, **The Detroiter**, 2004

Darla Yager

Senior Consultant
Deloitte Consulting LLP

Experience

Darla is a Senior Consultant in the Human Capital practice of Deloitte Consulting. Her background is in workplace communications and her areas of focus have been consumer-driven healthcare and change management. She has worked with companies to promote employee engagement during times of change and develop strategic benefits communications. Darla also has project management experience leading and managing projects with internal and external client team members. Her clients include private and public-sector companies in a variety of industries, including public sector, healthcare and manufacturing.

Darla is currently working on a large-scale Human Resource and Finance shared services implementation for a prominent not-for-profit organization that provides disaster relief and blood services globally.

Recent examples of Darla's consulting experience includes:

- Developed and managed the communications strategy and workplan for the implementation of an organization-wide benefits program
- Led communications work stream to develop and deliver customized technical communications and classroom-based training for a financial system implementation supported by SAP. Partnered with functional and technical team members to implement and provide post go-live support including a command center and resource room, and end-user assistance
- Served as communications specialist and project manager for communications work stream of a rewards transformation project. Helped develop and implement a communications and education campaign for a new retiree medical plan option
- Developed and implemented change management communication strategy and tactics to support a new business process methodology supported by SAP technology tools
- Managed client relationships, quality, milestones, issues and risks for various communications projects

Clients served

- American Red Cross
- Harley-Davidson
- Visteon Corporation
- Hennepin County Medical Center (HCMC)
- Pfizer
- Sara Lee

Professional and Civic Affiliations

International Association of Business Communicators (IABC)

Education

Darla received her Master of Arts degree in Communication from DePaul University and a Bachelor of Arts degree in Speech Communication from Eastern Illinois University.

CONTENT REMOVED
Appendix B — Tools and methodologies

This appendix outlines some of the custom tools and methodologies Deloitte Consulting uses to meet the needs of DOER. These tools have been developed to align with your overall project objectives and goals. Your customized client service team has in-depth knowledge and experience in utilizing these tools to perform DOER's requested services.

Appendix C — Thought leadership

Our understanding of the unique issues government agencies face today is reflected not only by the amount of positive sustained change achieved together with our clients, but also in the recognition and eminence our clients have experienced. Our work on these projects, as well as the strategic investments made in our practice's people, tools, research centers, and thought leadership are captured in our publications.

Deloitte Research

A driving factor in the development of recommendations is a thorough understanding of the prevailing issues in the marketplace, trends currently underway, and risks that may be encountered. To fill that need, Deloitte Research, a cutting-edge thought leadership group within Deloitte, was established. The group provides ongoing research and insight into critical, industry-specific issues facing organizations today. Comprising both consulting practitioners and dedicated research professionals, Deloitte Research combines industry experience and academic rigor. Deloitte Research is an umbrella organization for several industry-specific institutes including:

- Public Sector
- Health Care and Life Sciences
- Consumer Business
- Energy and Resources
- Financial Services
- Manufacturing
- Technology, Media and Telecommunications
- Aviation and Transportation

Deloitte Research identifies and analyzes market forces and major strategic, organizational and technical issues that are changing the dynamics of business within each of these industries, providing insight into new and evolving challenges.

Deloitte Research is built upon a foundation of original and topical research, offering a range of products and services to clients.

Publications: In-depth studies, sector updates, and industry indices that provide insight into critical industry issues. Studies identify benchmarks by which market leaders in their industry differentiate themselves. Conclusions enable executives to formulate growth strategies and map future strategic directions of their business.

Alliance Program: Deloitte Research teams with leading organizations and universities from around the world to explore top-of-mind questions. With traditional approaches of forecasting and planning rapidly becoming obsolete, Deloitte Research aligns with partners to define scenarios for moving into the 21st century.

Deloitte Research industry panels: Participation gives clients, industry experts, and academics an opportunity to influence and shape the direction of research and to get integrally involved with conferences and seminars.

Industry Executive Briefings: Meetings provide opportunities for discussion and insights into research findings with Deloitte practitioners and Deloitte Research professionals.

Deloitte Center for Health Solutions (the "Center")

In addition to Deloitte Research our commitment to industry thought leadership recently evolved to a whole other level with the creation of the Center.

To keep ahead of industry trends, we regularly publish thought leadership that helps our clients understand this ever-changing industry. With a dedicated team of professionals focused on research, analysis, and reporting, our bank of insightful materials provides a framework for both practical and visionary solutions for our clients as well as the fostering of legislative developments and solutions.

About the Center

The Center is located in Washington, D.C., and it is part of Deloitte & Touche USA LLP. The Center was formed to further research and develop solutions to some of our nation's most pressing health care and public health-related challenges. Tommy G. Thompson, former Secretary of Health and Human Services and former Governor of Wisconsin, is the Independent Chairman of the Center.

The Center is committed to developing answers to the most difficult challenges facing U.S. health care by bringing all sides together to find common-ground solutions to shared problems: patients and families, health care providers, health plans and other payors, life sciences companies, employers and employees, and the government.

The Center examines what works in health care and why. It also develops innovative ideas and programs to make health care more efficient, more affordable and more accessible, with an emphasis on prevention, Medicare and Medicaid, health information technology, consumerism, quality outcomes, and the uninsured. The Center focuses on the development of solutions with the following characteristics:

- The solutions must be practical – whether they are technical, operational or policy-oriented.
- The solutions must be developed by bringing together various stakeholders to address health care and public health issues.
- The solutions make extensive use of leading practices from organizations, businesses, and governments that have taken innovative steps to face health care challenges.
- The solutions must have a real impact on the issues facing patients, employers, the health care industry, and government.

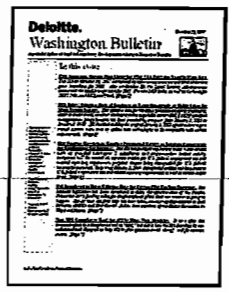
The Deloitte Center for Health Solutions develops workable solutions by undertaking independent and shared research, bringing together relevant stakeholders through round tables and other forms of engagement, and applying a deep knowledge of health care – both in practice and policy – to the analysis. To that end, the Center sponsors and publishes research projects, innovative solutions to health care technology challenges, and public policy position development related to public health and the health care industry.

The following publications illustrate our attention to the issues facing the industry. They represent publications from Deloitte Research and the Deloitte Center for Health Solutions; industry specific thought leadership publications and articles by our professionals and provides a brief overview of the range of services that we offer in particular to governmental and health care clients

Deloitte
Human Capital I.Q.

Human Capital I.Q.

Human Capital I.Q. is a monthly newsletter published by the Human Capital practice of Deloitte Consulting LLP. It offers timely news and information on employee benefit and human resources issues.


Deloitte.
Washington Bulletin

Washington Bulletin

The Washington Human Capital Office produces a weekly internal bulletin, focusing on updates to all members of Human Capital on the legislation, regulations, laws, and court cases affecting employee benefits and compensation. This office also produces a monthly client newsletter on these issues, which is automatically mailed or e-mailed, depending on your preference. The office monitors both congressional and regulatory action, including bills introduced and relevant committee action on a daily basis when Congress is in session, using all available print and electronic resources, as well as direct contacts with relevant congressional and agency staff. A recent edition of our Washington Bulletin is included in this section our proposal.

Publications

Deloitte

Deloitte Center for Health Solutions - About the Center

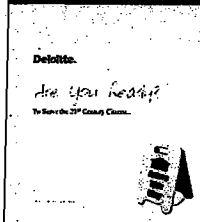
The Deloitte Center for Health Solutions (the "Center"), located in Washington, D.C., is part of Deloitte & Touche USA LLP and was formed to further research on and develop solutions to some of our nation's most pressing health care and public health-related challenges. Tommy G. Thompson, former Secretary of Health and Human Services and former Governor of Wisconsin, is the Independent Chairman of the Center. The Deloitte Center for Health Solutions is committed to developing answers to the most difficult challenges facing U.S. health care by bringing all sides together to find common-ground solutions to shared problems: patients and families, health care providers, health plans and other payors, life sciences companies, employers and employees, and the government. The Center is examining what works in health care and why. It is developing innovative ideas and programs to make health care more efficient, more affordable and more accessible, with an emphasis on prevention, Medicare and Medicaid, health information technology, consumerism, quality outcomes, and the uninsured.

Deloitte

Serving the Aging Citizen

As the population and work force ages, governments at all levels will have to address the challenge of how to deliver retirement and medical benefits to a surging number of aging citizens. Many of the key questions—including those about extending retirement ages and reducing benefits—have been probed in depth elsewhere. Less examined but just as critical is how the growing ranks of the elderly will impact the way government agencies are organized and the services they deliver: the design and mix of services they offer; the delivery channels they use; the funding sources they rely upon; and how the aging citizen will affect civic participation. As a first step, governments need to thoroughly understand how they will be impacted by changes in certain demographic trends

Publications



Are You Ready to Serve the 21st Century Citizen

State and local governments today face a swiftly changing landscape. New issues, problems and trends that have taken shape over the last several years are combining to challenge government agencies to adapt and adjust like never before.

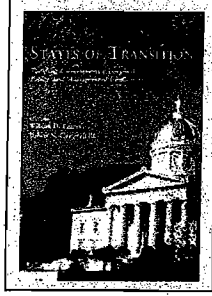
For one thing, citizens are demanding more timely, accurate and convenient services. A society of citizens accustomed to on-demand access is forcing agencies to reevaluate antiquated service delivery channels. Citizens are no longer satisfied with calling or visiting a local government office to get the information they need. Instead, they expect government agencies to perform like private sector businesses in delivering services quickly and accurately where and when they need them.

Governing Forward — New Direction for Public Leadership

Governments today are caught in a painful squeeze. On one side are internal pressures such as the aging population, rising citizen expectations and a rapidly growing bill from entitlement spending. On the other side are external pressures such as global competition and the threat of terrorism. This report provides an in-depth look at these challenges—and how leading governments are responding: Rethinking the way they operate. Offering more choices, channels and personalization for public services. Focusing on outcomes and accountability. And collaborating with organizations in the commercial and non-profit sector to become more flexible.

The member firms of Deloitte Touche Tohmatsu (Deloitte) offer a full range of consulting, audit, tax and financial advisory services to help governments meet the challenge of delivering better service to more citizens for less money.

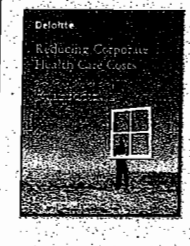
Understanding how business affects government, and how government affects business allows Deloitte member firms to deliver projects on time, on budget and on scope—and offer clients practical advice that stimulates effective public policy, economic competitiveness and growth.



States of Transition

Americans expect more from government in a post 9-11/Katrina world, but they trust it less. States today have a unique window of opportunity to regain public trust by tackling some of the toughest policy issues, those that have proven vexing for a generation, while also positioning themselves to address the new challenges of the 21st century—from an aging population to growing security concerns. This book provides a roadmap for new and returning governors and their administrations to address sobering challenges—from spiraling Medicaid costs to under funded public pensions, among others—and capitalize on the unparalleled opportunities before them.

Publications



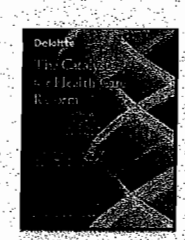
Reducing Corporate Health Care Costs: Refocusing the Strategy

Employers currently spend more than $390 billion per year on employee health insurance. Lacking innovative solutions from other sources, employers are now taking the reins of health care cost reduction. Consumer-driven health care (CDHC) is a cost-containment trend that encourages individuals to get the care they need and helps make employees more engaged health care consumers. The Deloitte Center for Health Solutions (the "Center"), in conjunction with Deloitte Consulting LLP, has released in 2007 a point-of-view entitled "Reducing Corporate Health Care Costs: Refocusing the Strategy," that discusses how employers are adopting CDHC options such as consumer-directed health plans (CDHPs) and care management programs as a way to control excessive benefits consumption and curb costs.

"Reducing Corporate Health Care Costs: Refocusing the Strategy" complements the *Reducing Corporate Health Care Costs 2006* Survey. According to that survey, nearly 70 percent of responding employers are considering offering a CDHP in the next five years.

Reducing Corporate Health Care Costs 2006 Survey

A recent survey of 152 large employers conducted jointly by Deloitte Consulting's Human Capital practice and the Deloitte Center for Health Solutions (sponsored by Deloitte & Touche USA LLP) found that the average increase for Consumer Driven Health Plans was 2.6% in 2006. All other plan designs had increases ranging from 6.6% to 7.5%. The average annual medical plan cost was $6,905 per employee (a 7.1% increase over the last year) among survey participants. The rising cost of health care benefits for existing employees was overwhelmingly listed as the primary factor driving respondents' health care strategy. Rich plan designs, increasing utilization and catastrophic claims were listed as having the greatest impact on medical plan costs.



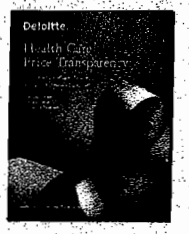
The Catalyst for Health Care Reform

Anchored by research conducted by Deloitte Consulting LLP, will highlight the health care system's current flaws and introduce a proposed approach to get everyone – employers, consumers, health plans, providers, life sciences companies and governments – engaged in a dialogue around innovative approaches to health care financing. The proposed solution detailed here represents the beginning of a journey that will ultimately lead to a stronger, healthier U.S. health care financing system – one with the potential to increase access to health care for those who need it most and to serve as a stimulant to our economy.

FY 2006 Medicaid Survey of the States

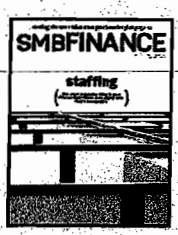
"FY 2006 Medicaid Survey of States" provides insight into the current condition of Medicaid from the perspective of those managing the program – state Medicaid directors.

Publications



A New Era of Transparency: What Does Health Care Really Cost?

Recognizing the importance of price (and quality) transparency discussions in public policy circles, The National Governors Association (NGA) commissioned the Deloitte Center for Health Solutions (the Center), part of Deloitte & Touche USA LLP, to produce a point of view on the status of current efforts to improve price transparency in the U.S. health care system. "Health Care Price Transparency: A Strategic Perspective for State Government Leaders," examines efforts and attitudes of major health care stakeholder groups (employers, health plans, policymakers, providers and organizations that provide goods/services to providers/plans/consumers) toward price transparency and offers perspectives on how states can use their considerable leverage to direct these efforts more effectively.



Benefiting from Benefits

The economic impact of employee benefits is measurable - sometimes a third of a company's payroll. The high and rising cost of these benefits is often accepted as a given - there's nothing you can do about it. "We should look at this like we do any other business function," says Joe Rosalie, the global leader of Deloitte Consulting's employee rewards practice. "Am I getting a return on my money?" In this article, "Benefiting from Benefits" in SMB Finance magazine, Rosalie and others discuss how a company can gain value and a return on their investing in employee benefits plans. (Used with permission from SMBFinance.)

Governing Forward: New Directions for Public Leadership - Global Perspectives 2006

Governments today are caught in a painful squeeze. On one side are internal pressures such as the aging population, rising citizen expectations and a rapidly growing bill from entitlement spending. On the other side are external pressures such as global competition and the threat of terrorism. This report provides an in-depth look at these challenges – and how leading governments are responding: Rethinking the way they operate. Offering more choices, channels and personalization for public services. Focusing on outcomes and accountability. And collaborating with organizations in the commercial and non-profit sector to become more flexible.

Wealth and Wisdom: Serving the Needs of Aging Consumers

Due to dramatic demographic changes around the globe and the aging of the baby boomer market, by 2008, companies in a range of sectors – including the consumer packaged goods, retail, financial services, healthcare, automotive, real estate and hotel and lodging businesses — will have to focus with ever greater savvy on serving the needs of a very different type of consumer: one that is age 50+ or older with shifting biological, psychological, social, and economic characteristics, needs, and expectations. This report examines the four areas of change affecting older consumers and explains new demands on business sectors such as retail, consumer packaged goods, financial services, health care, automotive, real estate, hotel and lodging.

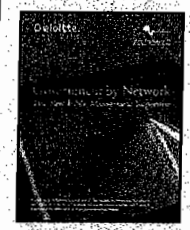
Publications

Are We There Yet? – A Roadmap for Integrating Health and Human Service Delivery

Are We There Yet introduces many of the concepts of Health and Human Services service integration, describing in detail how it can help states deliver services more efficiently and effectively; identify fraud, waste and other avoidable costs; and allocate resources where they will do the most good. The book then helps agencies understand where they are on the roadmap of service integration, where they want to go, and how to get from here to there. It also points out common pitfalls and provides suggestions to help agencies avoid trouble along the way.

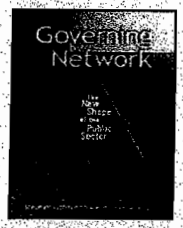
Medicaid Makeover

Medicaid Makeover urges states to address six tough choices that go to the very heat of what kind of a program they want to provide. The study also presents a new approach to Medicaid reform, including a framework for assessing the current condition of state Medicaid programs, and a set of guidelines states can use for moving forward with reform, The study goes beyond the simplistic policy prescriptions to address purposeful and direct reform efforts from a management and implementation point of view



Governing by Network – The New Public Management Imperative

The era of hierarchical government bureaucracy, for a century the predominant organizational model used to deliver public services and fulfill public policy goals, is coming to an end, according to this joint study, conducted by Deloitte Research and the Ash Institute for Democratic Governance and Innovation at Harvard University. Emerging in its place is a fundamentally different model, "governing by network," in which government executives redefine their core responsibilities from managing people and programs to coordinating resources for producing public value



Governing by Network – The New Shape of the Public Sector

The era of hierarchical government bureaucracy, for a century the predominant organizational model used to deliver public services and fulfill public policy goals, is coming to an end, according to this joint study, conducted by Deloitte Research and the Ash Institute for Democratic Governance and Innovation at Harvard University. Emerging in its place is a fundamentally different model, "governing by network," in which government executives redefine their core responsibilities from managing people and programs to coordinating resources for producing public value

Economic Outlook 2007

Beginning with market crashes, fears of pandemics and terrorism, to war, accounting scandals and Wall Street malfeasance, nothing has kept the economy from growing since the post-9/11 recovery began in late 2001. And that growth was not confined to the United States; the past five years showed more aggregate global economic growth than any other five-year period since World War II.

The scenario today is no different. The latest worries center around the collapse of the housing market, the inversion of the yield curve in the Treasury market, the size of the trade deficits and the health of consumer finances. Are these enough to bring down the economy, or will the caravan once again move on?

Deloitte's Life Sciences and Health Care Brochures

Deloitte's Life Sciences and Health Care brochures provide a general overview of our Health Care and Government Practice

Web Casts Dbriefs

In addition to publications, Deloitte offers the Dbriefs webcast series to help our clients stay on top of the latest issues and strategies in their industry. Dbriefs currently offers over 60 webcasts each quarter geared towards an executive level audience in the following functions and industries:

Function:

- Financial
- Human Resources
- Tax

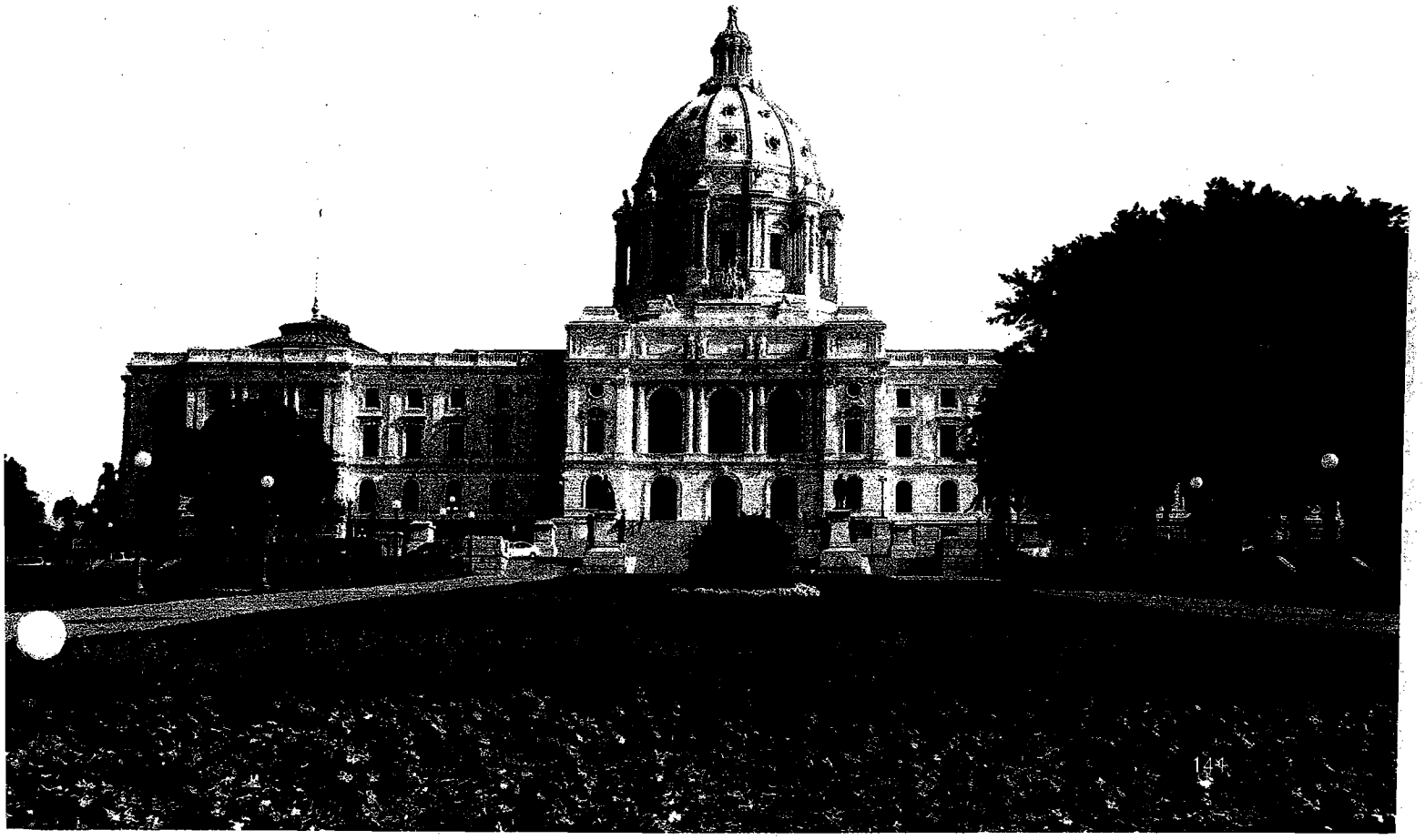
Industry•Consumer Business

- Life Sciences and Health Care
- Public Sector
- Consumer Business
- Financial Services
- Manufacturing
- Real Estate
- Energy and Resource
- Technology, Media and Telecommunications

Dbriefs are live webcasts that provide valuable insights on important developments affecting your business. Dbriefs features topical series that are:

- Informative, with a variety of timely, relevant business topics aimed at an executive-level audience (financial, human resources and tax)
- Interactive, with immediate and measurable feedback through polls and surveys, including real-time benchmarking with your peers.
- Convenient, one to two hour live webcasts in the comfort of your own office.
- Flexible, offering archived webcasts available anytime, from anywhere, for 90 days after the live presentation.
- Educational, with Continuing Professional Education (CPE) credit available toward career development for most live webcasts.

Appendix D — Required forms



X. STATE OF MINNESOTA - AFFIRMATIVE ACTION DATA PAGE

If your response to this solicitation is or could be in excess of $100,000, complete the information requested below to determine whether you are subject to the Minnesota Human Rights Act (Minnesota Statutes 363A.36) certification requirement, and to provide documentation of compliance if necessary. **It is your sole responsibility to provide this information and—if required—to apply for Human Rights certification prior to the due date and time of the bid or proposal and to obtain Human Rights certification prior to the execution of the contract. The State of Minnesota is under no obligation to delay proceeding with a contract until a company receives Human Rights certification.**

BOX A – For companies which have employed more than 40 full-time employees within Minnesota on any single working day during the previous 12 months. All other companies proceed to Box B.

Your response will be rejected unless your business:

has a current Certificate of Compliance issued by the Minnesota Department of Human Rights (MDHR)

–or–

has submitted an affirmative action plan to the MDHR, which the Department received prior to the date and time the responses are due. Check one of the following statements if you have employed more than 40 full-time employees in Minnesota on any single working day during the previous 12 months:

- ☐ We have a current Certificate of Compliance issued by the MDHR. **Proceed to BOX C. Include a copy of your certificate with your response.**
- ☑ We do not have a current Certificate of Compliance. However, we submitted an Affirmative Action Plan to the MDHR for approval, which the Department received on March, 27, 2007 (date). [If the date is the same as the response due date, indicate the time your plan was received: _____ (time). **Proceed to** BOX C.
- ☐ We do not have a Certificate of Compliance, nor has the MDHR received an Affirmative Action Plan from our company. **We acknowledge that our response will be rejected. Proceed to** BOX C. **Contact the Minnesota Department of Human Rights for assistance.** (See below for contact information.)

Please note: Certificates of Compliance must be issued by the Minnesota Department of Human Rights. Affirmative Action Plans approved by the Federal government, a county, or a municipality must still be received, reviewed, and approved by the Minnesota Department of Human Rights before a certificate can be issued.

BOX B – For those companies not described in BOX A

Check below.

- ☐ We have not employed more than 40 full-time employees on any single working day in Minnesota within the previous 12 months. **Proceed to** BOX C.

BOX C – For all companies

By signing this statement, you certify that the information provided is accurate and that you are authorized to sign on behalf of the responder. You also certify that you are in compliance with federal affirmative action requirements that may apply to your company. (These requirements are generally triggered only by participating as a prime or subcontractor on federal projects or contracts. Contractors are alerted to these requirements by the federal government.)

Name of Company: Deloitte Consulting LLP Date October 26, 2007

Authorized Signature: Patrick Pechacek Telephone number: 612-397-4033

Printed Name: Patrick Pechacek Title: Director

For assistance with this form, contact:

Minnesota Department of Human Rights, Compliance Services Section

Mail:	190 East 5th St., Suite 700 St. Paul, MN 55101	TC Metro:	(651) 296-5663	Toll Free:	800-657-3704
Web:	www.humanrights.state.mn.us	Fax:	(651) 296-9042	TTY:	(651) 296-1283
Email:	employerinfo@therightsplace.net				

The **Deloitte & Touche LLP - Twin Cities** *is hereby certified by the Department of Human Rights, State of Minnesota, as having an affirmative action plan approved by the Commissioner. This certification shall extend for two years beginning* **March 9, 2005** *and is subject to revocation or suspension by the Commissioner of Human Rights for failure to make a good faith effort to implement the affirmative action plan.*

Commissioner of Human Rights

XI. AFFIDAVIT OF NONCOLLUSION

I swear (or affirm) under the penalty of perjury:

1. That I am the Responder (if the Responder is an individual), a partner in the company (if the Responder is a partnership), or an officer or employee of the responding corporation having authority to sign on its behalf (if the Responder is a corporation);
2. That the attached proposal submitted in response to the Actuarial and Consulting Request for Proposals has been arrived at by the Responder independently and has been submitted without collusion with and without any agreement, understanding or planned common course of action with, any other Responder of materials, supplies, equipment or services described in the Request for Proposal, designed to limit fair and open competition;
3. That the contents of the proposal have not been communicated by the Responder or its employees or agents to any person not an employee or agent of the Responder and will not be communicated to any such persons prior to the official opening of the proposals; and
4. That I am fully informed regarding the accuracy of the statements made in this affidavit.

Responder's Firm Name: **Deloitte Consulting LLP**

Authorized Signature: Patrick Pechacek

Subscribed and sworn to me this 24th day of October, 2007

Notary Public: Kathryn A. Wegner

My commission expires: Jan. 31, 2010

KATHRYN A. WEGNER
NOTARY PUBLIC-MINNESOTA
My Commission Expires Jan. 31, 2010

XII. LOCATION OF SERVICE DISCLOSURE AND CERTIFICATION

Check all that apply:

- ☐ The services to be performed under the anticipated contract as specified in our proposal will be performed ENTIRELY within the State of Minnesota.
- ☐ The services to be performed under the anticipated contract as specified in our proposal entail work ENTIRELY within another state within the United States.
- ☑ The services to be performed under the anticipated contract as specified in our proposal will be performed in part within Minnesota and in part within another state within the United States.[1]
- ☐ The services to be performed under the anticipated contract as specified in our proposal DO involve work outside the United States. Below (or attached) is a description of

  (1) the identity of the company (identify if subcontractor) performing services outside the United States;

  (2) the location where services under the contract will be performed; and

  (3) the percentage of work (in dollars) as compared to the whole that will be conducted in each identified foreign location.

CERTIFICATION

By signing this statement, I certify that the information provided above is accurate and that the location where services have been indicated to be performed will not change during the course of the contract without prior, written approval from the State of Minnesota.

Name of Company: Deloitte Consulting LLP

Authorized Signature: Patrick Pechacek

Printed Name: Patrick Pechacek

Title: Director

Date: October 26, 2007

Telephone Number: 612-397-4033

[1] Vast majority of services will be performed within the State of Minnesota. Occasionally subject matter experts will be utilized that practice in another state within the United States.

Conflicts of interest

Deloitte Consulting does not foresee any current potential conflicts of interest with respect to the State. A subsidiary of Deloitte & Touche USA LLP, Deloitte & Touche LLP through its AERS practice is the external auditor for HealthPartners. However, no members of the DOER team work on, or are involved in, these engagements. Any potential future conflicts would be discussed with management and resolved. As with any large professional services firm, it is possible for other member firms from other parts of the country to be hired for a project which the members of the client service team would not have knowledge of taking place. However, as such potential appearances of conflict are identified; we proactively discuss and resolve such issues with DOER. This has not presented an issue during the period of time which we have served DOER (since 1980).

Appendix E — Exceptions to the terms and conditions

Minnesota Department of Employee Relations

Request for Proposal for
Actuarial and Consulting Services

Exceptions to Terms and Conditions

Deloitte Consulting LLP (Deloitte Consulting) has read the Request for Proposal (RFP), and accepts in principle the contract terms and conditions as set forth in the RFP as drafts of certain provisions of a contract, the final terms of which will be negotiated by the State of Minnesota Department of Employee Relations (the State) and Deloitte Consulting if we are chosen as the successful contractor. We recognize that, as with all complex engagements, there will be certain clarifications to the requirements in the RFP that the parties may wish to negotiate prior to initiation of the project, based on the requirements of the engagement as finally awarded.

As requested in the RFP, we have set forth in the text below certain terms and conditions of the RFP that we propose to modify along with an approach to these issues that we believe will equitably serve the interests of both parties. We reserve the right, if chosen as the successful contractor, to negotiate clarifications, changes and additional provisions to cover the circumstances of the engagement as finally awarded.

If awarded this contract, we intend to negotiate in good faith with the State to reach an agreement as expeditiously as possible, as we have done in the past. We look forward to discussing this important engagement with the State in the near future.

IX. Required Contract Terms and Conditions

K. Subcontractors/ XIII. Sample Professional and Technical Services Contract- 15. Payment to Subcontractors

The State's request that any resultant subcontract agreements be incorporated into the resultant services agreement shall be further discussed by the parties. In addition, Deloitte Consulting would like to clarify that all subcontractor relationships shall be governed by the terms and conditions of the resultant subcontract agreements, including payment terms, as negotiated by Deloitte Consulting and the applicable subcontractor.

M. Data Privacy

Terms relative to the protection of each party's confidential information shall be further discussed by the parties during negotiations.

N. Ownership of Materials/ XIII. Sample Professional and Technical Services Contract- 10. Government Data Practices and Intellectual Property

We would like to clarify that while Deloitte Consulting would agree to assign ownership of work product specifically designed for and delivered to the State in connection with the engagement, we would propose to discuss the parties' rights with respect to intellectual property other than copyrightable materials developed under the Contract. We would also propose language to protect Deloitte Consulting's rights in intellectual property developed prior to or outside of its work for the State including modifications to such intellectual property and to tools, methodologies, templates or other intellectual property developed in the performance of the services..

Deloitte Consulting proposes the incorporation of the following verbiage into the resultant contract:

Deliverables.

a) For purposes of these terms (i) "Technology" means works of authorship, materials, information and other intellectual property; (ii) "Deloitte Consulting Technology" means all Technology created prior to or independently of the performance of the Services, or created by Deloitte Consulting or its subcontractors as a tool for their use in performing the Services, plus any modifications or enhancements thereto and derivative works based thereon; and (iii) "Deliverables" means all Technology that Deloitte Consulting or its subcontractors create for delivery to the State as a result of the Services.

b) Upon full and final payment to Deloitte Consulting hereunder, and subject to all other terms and conditions herein, Deloitte Consulting hereby (i) assigns to the State all rights in and to the Deliverables, except to the extent they include any Deloitte Consulting Technology; and (ii) grants to the State the right to use, for State's internal business purposes, any Deloitte Consulting Technology included in the Deliverables in connection with its use of the Deliverables. Except for the foregoing license grant, Deloitte Consulting or its licensors retain all rights in and to all Deloitte Consulting Technology.

XIII. SAMPLE PROFESSIONAL AND TECHNICAL SERVICES CONTRACT

3. Time

Deloitte Consulting would like to discuss the applicability of this clause to the services to be provided. Deloitte Consulting agrees to use commercially reasonable efforts to meet the timeframes as set forth in the RFP. Notwithstanding any other provision of this Agreement, if Deloitte Consulting utilizes commercially reasonable efforts but does not meet such timeframes, it shall not be considered to have defaulted in its obligations hereunder.

8. Liability

Deloitte Consulting agrees in principle and would agree to indemnify the State for certain damages to third parties. We would propose that Contractor's indemnification obligations under the Contract place reasonable, commercially standard parameters on Contractor's indemnification obligations. In addition, we would propose procedural terms to ensure Contractor is given prompt notice of and the ability to effectively defend or settle, as appropriate, any indemnification claims.

In addition, the proposed liability limitation is higher and broader than what is customary in the industry and what is necessary to provide adequate protection to the State. We would propose that the liability limitation be modified to place reasonable, commercially standard parameters on Contractor's liability obligations.

Deloitte Consulting proposes the incorporation of the following verbiage into the resultant contract:

Limitation on Damages and Indemnification.

a) The State agrees that Deloitte Consulting, its subcontractors and their respective personnel shall not be liable to the State for any claims, liabilities, or expenses relating to this engagement ("Claims") for an aggregate amount in excess of the fees paid by the State to Deloitte Consulting pursuant to this engagement, except to the extent finally judicially determined to have resulted primarily from the recklessness, bad faith or intentional misconduct of Deloitte Consulting or its subcontractors. In no event shall Deloitte Consulting, its subcontractors or their respective personnel be liable for any loss

of use, data, goodwill, revenues or profits (whether or not deemed to constitute a direct Claim), or any consequential, special, indirect, incidental, punitive or exemplary loss, damage, or expense, relating to this engagement. In circumstances where all or any portion of the provisions of this Paragraph are finally judicially determined to be unavailable, the aggregate liability of Deloitte Consulting, its subcontractors and their respective personnel for any Claim shall not exceed an amount which is proportional to the relative fault that their conduct bears to all other conduct giving rise to such Claim.

b) Deloitte Consulting shall indemnify, defend and hold harmless the State and its personnel from and against any and all Claims attributable to claims of third parties solely for bodily injury, death or damage to real or tangible personal property, to the extent directly and proximately caused by the negligence or intentional misconduct of Deloitte Consulting while engaged in the performance of the Services.

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Member of
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TAB 3

CFMS Contract No. 312665

STATE OF MINNESOTA
PROFESSIONAL AND TECHNICAL SERVICES CONTRACT

This contract is between the State of Minnesota, acting through its Department of Employee Relations or successor agency ("State") and Deloitte Consulting LLP, 400 One Financial Plaza, 120 South Sixth Street, Minneapolis, MN, 55402-1844 ("Contractor").

Recitals

1. Under Minn. Stat. § 15.061 the State is empowered to engage such assistance as deemed necessary.
2. The State is in need of actuarial, insurance, employee benefits and risk management consulting services.
3. The Contractor represents that it is duly qualified and agrees to perform all services described in this contract in accordance with the terms hereof.

Contract

1 Term of Contract

1.1 ***Effective date***: January 1, 2008, or the date the State obtains all required signatures under Minnesota Statutes Section 16C.05, subdivision 2, whichever is later.
The Contractor must not begin work under this contract until this contract is fully executed and the Contractor has been notified by the State's Authorized Representative to begin the work.

1.2 ***Expiration date***: December 31, 2009, or until all obligations have been fulfilled in accordance with the terms hereof, whichever occurs first. The contract may renew for up to three successive one-year terms. Each renewal shall be documented by an amendment to the contract mutually agreed upon by the parties that details any changes in duties or fees which are not included in the original contract.

1.3 ***Survival of Terms.*** The following clauses survive the expiration or cancellation of this contract: 4. Consideration and Payment; 8. Liability; 9. State Audits; 10. Information Privacy and Security and Intellectual Property; 12. Publicity and Endorsement; 13. Governing Law, Jurisdiction, and Venue; 14 Data Disclosure; 20. Other Provisions; and Appendix 1.

2 Contractor's Duties

The Contractor, who is not a state employee, will:

Provide actuarial, insurance employee benefits, and risk management consulting services to the Department of Employee Relations or its successor agency, the State Employees Group Insurance Program (SEGIP) including its health risk management programs, and the Public Employees Insurance Program (PEIP).

The Contractor will perform the duties specified in Exhibit A, "Contractor's Duties" which is attached and incorporated into this contract, as supplemented by Section 3 of the Contractor's response to the Request for Proposal for Actuarial and Consulting Services which is included as Exhibit C. In the event that there is a conflict between the Contractor's duties as outlined in Exhibit A and those as outlined in Exhibit C, the duties as outlined in Exhibit A and this contract will prevail.

No terms or conditions of the contractor's proposal will be construed to modify, diminish or derogate the terms and conditions of this contract.

3 Time

The parties will comply with all the time requirements described in sections 15, 16, and Appendix 2 of this contract.

Portions of this contract constitute non-public data and may not be disclosed without the consent of Deloitte Consulting LLP and the Minnesota Department of Employee Relations.

4 Consideration and Payment

4.1 ***Consideration***. The State will pay for all services performed by the Contractor under this contract as follows:

(A) ***Compensation.*** The State will pay for all services performed by the Contractor under this contract pursuant to the Fee Schedule which is attached and incorporated into this contract as Exhibit B.

(B) ***Travel Expenses.*** Reimbursement for travel and subsistence expenses actually and necessarily incurred by the Contractor as a result of this contract will not exceed $4,000.00; provided that the Contractor will be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than provided in the current "Commissioner's Plan" promulgated by the commissioner of Employee Relations, which is incorporated into this contract by reference. The Contractor will not be reimbursed for travel and subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state.

(C) ***Total Obligation.*** The total obligation of the State for all compensation and reimbursements to the Contractor under this contract will not exceed $1.75 million in each of the first two years of the contract.

4.2. ***Payment***

(A) ***Invoices.*** The State will promptly pay the Contractor after the Contractor presents an itemized invoice for the services actually performed and the State's Authorized Representative accepts the invoiced services. Invoices must be submitted on a timely basis.

(B) ***Retainage.*** Under Minnesota Statutes Section 16C.08, subdivision 5(b), no more than 90% of the amount due under this contract may be paid until the final product of this contract has been reviewed by the State's agency head. The balance due will be paid when the State's agency head reviews the final product(s) of the contract and reasonably determines that the Contractor has satisfactorily fulfilled all the terms of this contract.

(C) ***Federal funds.*** **NOTAPPLICABLE** (Where applicable, if blank this section does not apply) Payments under this contract will be made from federal funds obtained by the State through Title _____ CFDA number _____ of the _____ Act of _____. The Contractor is responsible for compliance with all federal requirements imposed on these funds and accepts full financial responsibility for any requirements imposed by the Contractor's failure to comply with federal requirements.

5 Conditions of Payment

All services provided by the Contractor under this contract must be performed in conformance in all material respects with the terms hereof and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Contractor will not receive payment for work not performed in material conformance with the terms hereof or work performed in violation of federal, state, or local law.

Portions of this contract constitute non-public data and may not be disclosed without the consent of Deloitte Consulting LLP and the Minnesota Department of Employee Relations.

6 Authorized Representatives

The State's Authorized Representative is H. Budd Johnson, Benefit Manager, Department of Employee Relations, 651/259-3720, or his successor, and has the responsibility to monitor the Contractor's performance and the authority to accept the services provided under this contract. If the services are performed in accordance with the terms hereof in all material respects, the State's Authorized Representative will certify acceptance on each invoice submitted for payment.

The Contractor's Authorized Representative is Patrick L. Pechacek, 612/397-4033, or his successor. If the Contractor's Authorized Representative changes at any time during this contract, the Contractor must promptly notify the State.

7 Assignment, Amendments, Waiver, and Contract Complete

7.1 ***Assignment.*** The Contractor may neither assign nor transfer any rights or obligations under this contract without the prior consent of the State and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this contract, or their successors in office.

7.2 ***Amendments.*** Any amendment to this contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original contract, or their successors in office.

7.3 ***Waiver and Severability.*** If either party fails to enforce any provision of this contract, that failure does not waive the provision or its right to enforce it. If any provision of this contract is held unenforceable, then such provision will be modified by mutual agreement of the parties or by the relevant court of competent jurisdiction to the extent necessary to render it enforceable. All remaining provisions of this contract shall remain in full force and effect.

7.4 ***Contract Complete.*** This contract contains all negotiations and agreements between the State and the Contractor. No other understanding regarding this contract, whether written or oral, may be used to bind either party.

8 Liability

Each party will be responsible for its own acts and behavior and the results thereof. The Minnesota Torts Claims Act, Minn. Stat. § 3.736 and other applicable laws govern the State's liability.

Notwithstanding anything herein to the contrary, irrespective of form of action, the Contractor, its affiliates and personnel shall not be liable for any claims, liabilities or expenses relating to this contract for an aggregate amount in excess of four million dollars ($4,000,000), except to the extent finally judicially determined to have resulted primarily from the Contractor's bad faith or intentional misconduct.

In no event shall either party, its affiliates or their respective personnel be liable for any loss of goodwill, revenues or profits (whether or not deemed to constitute a direct loss, cost or expense), or any consequential, special, indirect, incidental punitive or exemplary loss, damage, or expense relating to this contract. Consequential, indirect or incidental damages shall not be construed to include damages incurred in completing the services described herein which are a direct result of Contractor's failure to provide services in material conformance with this contract.

9 State Audits

Under Minn. Stat. § 16C.05, subd. 5, the Contractor's books, records, documents, and accounting procedures and practices relevant to this contract are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this contract.

10 Information Privacy and Security and Intellectual Property

10.1. ***Information Privacy and Security.*** The Contractor and State must comply with their respective obligations set forth in Appendix 1 hereto.

Portions of this contract constitute non-public data and may not be disclosed without the consent of Deloitte Consulting LLP and the Minnesota Department of Employee Relations.

10.2. ***Intellectual Property Rights.***

(A) Intellectual Property Rights and Deliverables.

For purposes of this Section 10.2(A): (i) "Technology" means works of authorship, materials, information and other intellectual property; (ii) "Contractor Technology" means all Technology created prior to or independently of the performance of the services, or created by Contractor or its subcontractors as a tool for their use in performing the services, plus any modifications or enhancements thereto and derivative works based thereon; and (iii) "Deliverables" means all Technology that Contractor or its subcontractors create for delivery to the State as a result of the Services.

Upon full and final payment to Contractor hereunder, and subject to all other terms and conditions herein, Contractor hereby (i) assigns to the State all rights in and to the Deliverables, except to the extent they include any Contractor Technology; and (ii) grants to the State the right to use, for State's internal business purposes, any Contractor Technology included in the Deliverables in connection with its use of the Deliverables. Except for the foregoing license grant, Contractor or its licensors retain all rights in and to all Contractor Technology.

(B) *Obligations* Upon written request of the State, the Contractor will provide all reasonable assistance, at Client's sole expense, necessary to ensure that all intellectual property rights in the Deliverables are the sole property of the State, except for any Contractor Technology contained therein and that neither Contractor nor its employees, agents, or subcontractors retain any interest in and to the Deliverables, except with respect to any Contractor Technology contained therein. The Contractor will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless the State, at the Contractor's expense, from any action or claim brought against the State to the extent that it is based on a claim that all or part of the Deliverables infringe upon the intellectual property rights of third parties, except to the extent that such infringement arises from (i) the State's modification of the Deliverable or use thereof in a manner not contemplated by this contract, (ii) the failure of the indemnified party to use any corrections or modifications made available by Contractor, (iii) information, materials, instructions or specifications provided by or on behalf of the State, or (iv) the use of the Deliverable in combination with any product or data not provided by Contractor whether or not with Contractor's consent. The Contractor will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including but not limited to, reasonable attorney fees. If such a claim or action arises, or in the Contractor's or the State's opinion is likely to arise, the Contractor shall, at the Contractor's discretion, either (i) procure for the State the right or license to use the Deliverable or (ii) replace or (iii) modify the allegedly infringing Deliverable as necessary and appropriate so it is non-infringing ; provided that if option (ii) or (iii) is chosen by Contractor, the replacement or modified Deliverable is capable of performing substantially the same function. The foregoing provisions of this section constitute the sole and exclusive remedy of the State, and the sole and exclusive obligation of the Contractor, relating to a claim that the Deliverables infringe any intellectual property right of a third party. As a condition to the foregoing indemnity obligations, the State shall provide the Contractor with prompt written notice of any claim for which indemnification shall be sought hereunder and shall cooperate in all reasonable respects with the Contractor in connection with the claim. In accordance with the Minnesota Statutes, Section 8.06, the State's Attorney General's Office must provide consent and approval with respect to Contractor's ability and right to control the handling of any such claim and to defend or settle any such claim with counsel of its own choosing. Such consent and approval shall only be withheld when the Attorney General determines that the case presents a significant or sensitive issue of public policy or public interest.

Portions of this contract constitute non-public data and may not be disclosed without the consent of Deloitte Consulting LLP and the Minnesota Department of Employee Relations.

11 Workers' Compensation and Other Insurance

Contractor certifies that it is in compliance with all insurance requirements as specified in Appendix 2 of this Contract. Further, the Contractor certifies that it is in compliance with Minn. Stat. § 176.181, subd. 2, if applicable, pertaining to workers' compensation insurance coverage. The Contractor's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees or agents and any claims made by any third party as a consequence of any act or omission on the part of these employees or agents are in no way the State's obligation or responsibility.

12 Publicity and Endorsement

12.1 ***Publicity.*** Any publicity regarding the subject matter of this contract must identify the State as the sponsoring agency and must not be released without prior written approval from the State's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Contractor individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this contract. The State agrees that Contractor may reference this contract or the services in any future work reference or qualification submission, however, such reference cannot be referenced as an endorsement of the Contractor by the State.

12.2 ***Endorsement.*** The Contractor must not claim that the State endorses its products or services.

13 Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this contract. Venue for all legal proceedings out of this contract, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

14 Data Disclosure

Under Minn. Stat. § 270C.65, Subd. 3 and other applicable law, the Contractor consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state laws which could result in action requiring the Contractor to file state tax returns, pay delinquent state tax liabilities, if any, or pay other state liabilities.

15 Payment to Subcontractors

(If applicable) As required by Minn. Stat. § 16A.1245, the prime contractor must pay all subcontractors, less any retainage, within 10 calendar days of the prime contractor's receipt of payment from the State for undisputed services provided by the subcontractor(s) and must pay interest at the rate of one and one-half percent per month or any part of a month to the subcontractor(s) on any undisputed amount not paid on time to the subcontractor(s).

Portions of this contract constitute non-public data and may not be disclosed without the consent of Deloitte Consulting LLP and the Minnesota Department of Employee Relations.

16 Termination

16.1 ***Termination by the State.*** The State or commissioner of Administration may cancel this contract at any time, without cause, upon 30 days' written notice to the Contractor. Upon termination, the Contractor will be entitled to payment, determined on a pro rata basis, for services performed in material conformance with the contract requirements.

16.2 ***Termination for Insufficient Funding.*** Notwithstanding clause 16.1, the State may immediately terminate this contract if it does not obtain funding from the Minnesota Legislature, or other funding source; or if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Contractor. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Contractor will be entitled to payment, determined on a pro rata basis, for services performed in material conformance with the contract requirements to the extent that funds are available. The State will not be assessed any penalty if the contract is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State must provide the Contractor notice of the lack of funding within a reasonable time of the State's receiving that notice.

16.3 ***Breach.*** Notwithstanding clause 16.1, upon either party's knowledge of a material breach of this contract by the breaching party, the non-breaching party shall provide the breaching party written notice of the breach and thirty (30) days to cure the breach or provide an acceptable plan for correction of such breach within the time allowed, the breaching party will be in default of this agreement and the non-breaching party may cancel this contract immediately thereafter.

16.4 ***Termination for Change in Law.*** Contractor may terminate the performance of any part of the services hereunder, if it determines that a governmental, regulatory or professional entity (including, without limitation, the American Institute of Certified Public Accountants, the Public Company Accounting Oversight Board or the Securities and Exchange Commission) or entity having the force of law has introduced a new, or modified an existing, law, rule, regulation, interpretation or decision the result of which would render the Contractor's performance of any part of the services hereunder illegal or otherwise unlawful or in conflict with independence or professional rules.

17 Minn. Stat. § 181.59

In accordance with the provisions of Minn. Stat. § 181.59, if this contract is for materials, supplies, or construction, the Contractor agrees:

(1) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no contractor, material supplier, or vendor, shall, by reason of race, creed, or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; (2) That no contractor, material supplier, or vendor, shall, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause (1) of this section, or on being hired, prevent, or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed, or color; (3) That a violation of this section is a misdemeanor; and (4) That this contract may be canceled or terminated and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this contract.

18 Affirmative Action Requirements for Contracts in Excess of $100,000 and if the Contractor has More than 40 Full-time Employees in Minnesota or its Principal Place of Business

Portions of this contract constitute non-public data and may not be disclosed without the consent of Deloitte Consulting LLP and the Minnesota Department of Employee Relations.

The State intends to carry out its responsibility for requiring affirmative action by its Contractors.

18.1 ***Covered Contracts and Contractors.*** If the Contract exceeds $100,000 and the Contractor employed more than 40 full-time employees on a single working day during the previous 12 months in Minnesota or in the state where it has its principal place of business, then the Contractor must comply with the requirements of Minn. Stat. § 363A.36 and Minn. R. Parts 5000.3400-5000.3600. A contractor covered by Minn. Stat. § 363A.36 because it employed more than 40 full-time employees in another state and does not have a certificate of compliance, must certify that it is in compliance with federal affirmative action requirements.

18.2 ***Minn. Stat. § 363A.36.*** Minn. Stat. § 363A.36 requires the Contractor to have an affirmative action plan for the employment of minority persons, women, and qualified disabled individuals approved by the Minnesota Commissioner of Human Rights ("Commissioner") as indicated by a certificate of compliance. The law addresses suspension or revocation of a certificate of compliance and contract consequences in that event. A contract awarded without a certificate of compliance may be voided.

18.3 ***Minn. R. 5000.3400-5000.3600.***

(A) *General.* Minn. R. 5000.3400-5000.3600 implement Minn. Stat. § 363A.36. These rules include, but are not limited to, criteria for contents, approval, and implementation of affirmative action plans; procedures for issuing certificates of compliance and criteria for determining a contractor's compliance status; procedures for addressing deficiencies, sanctions, and notice and hearing; annual compliance reports; procedures for compliance review; and contract consequences for non-compliance. The specific criteria for approval or rejection of an affirmative action plan are contained in various provisions of Minn. R. 5000.3400-5000.3600 including, but not limited to, parts 5000.3420-5000.3500 and 5000.3552-5000.3559.

(B) *Disabled Workers.* The Contractor must comply with the following affirmative action requirements for disabled workers.

(1) The Contractor must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The Contractor agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

(2) The Contractor agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

(3) In the event of the Contractor's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with Minnesota Statutes Section 363A.36, and the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

(4) The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the commissioner of the Minnesota Department of Human Rights. Such notices must state the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified disabled employees and applicants for employment, and the rights of applicants and employees.

(5) The Contractor must notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the Contractor is bound by the terms of Minnesota Statutes Section 363A.36, of the Minnesota Human Rights Act and is committed to take affirmative action to employ and advance in employment physically and mentally disabled persons.

(C) *Consequences.* The consequences for the Contractor's failure to implement its affirmative action plan or make a good faith effort to do so include, but are not limited to, suspension or revocation of a certificate of compliance by the Commissioner, refusal by the Commissioner to approve subsequent plans, and termination of all or part of this contract by the Commissioner or the State.

(D) *Certification.* The Contractor hereby certifies that it is in compliance with the requirements of Minn. Stat. § 363A.36 and Minn. R. 5000.3400-5000.3600 and is aware of the consequences for noncompliance.

Portions of this contract constitute non-public data and may not be disclosed without the consent of Deloitte Consulting LLP and the Minnesota Department of Employee Relations.

19 Foreign Outsourcing

Contractor agrees that the disclosures and certifications made in its Location of Service Disclosure and Certification Form submitted with its proposal are true, accurate and incorporated into this contract by reference.

20 Other Provisions

20.1 Cooperation. The State shall cooperate with the Contractor in the performance by the Contractor of its services hereunder. The State acknowledges and agrees that the Contractor's performance is dependent on (i) the State's timely and effective satisfaction of the State's responsibilities under this contract, including its responsibility to provide accurate and complete data or information to Contractor, and (ii) timely decisions and approvals of the State in connection with the services hereunder. It is understood and agreed that the services provided hereunder may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, the State.

20.2 Limitation on Warranties. This is a services agreement. Contractor warrants that it will perform the services hereunder in good faith and in a professional manner. EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION, THE CONTRACTOR DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTIBILITY AND FITNESS FOR A PARTICULAR PURPOSE.

20.3 Confidentiality. To the extent that, in connection with this contract, either party (each, the "receiving party") comes into possession of any trade secrets or other proprietary or confidential information of the other (the "disclosing party"), it will not disclose such information to any third party without the disclosing party's consent. The disclosing party hereby consents to the receiving party disclosing such information (i) to subcontractors that are providing services in connection with this engagement and that have agreed to be bound by confidentiality obligations similar to those in this Section 20.3 (ii) as may be required by law, regulation, judicial or administrative process, or in accordance with applicable professional standards or rules, or in connection with litigation pertaining hereto, or (iii) to the extent such information (A) shall have otherwise become publicly available (including, without limitation, any information filed with any governmental agency and available to the public) other than as the result of a disclosure in breach hereof, (B) becomes available to the receiving party on a nonconfidential basis from a source other than the disclosing party which the receiving party believes is not prohibited from disclosing such information by obligation to the disclosing party, (C) is known by the receiving party prior to its receipt from the disclosing party without any obligation of confidentiality with respect thereto, or (D) is developed by the receiving party independently of any disclosures made by the disclosing party to the receiving party of such information. In satisfying its obligations under this Section 20.3, each party shall maintain the other's trade secrets and proprietary or confidential information in confidence using at least the same degree of care as it employs in maintaining in confidence its own trade secrets and proprietary or confidential information, but in no event less than a reasonable degree of care.

20.4 Force Majeure. Neither party shall be liable for any delays or nonperformance resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire, epidemic or other casualty; act of God; strike or labor dispute; war or other violence; or any law, order, or requirement of any governmental agency or authority.

20.5 Independent Contractor. It is understood and agreed that each of the Contractor and the State is an independent contractor and that neither of them is, nor shall be considered to be, the other's agent, distributor, partner, fiduciary, joint venturer, co-owner or representative. Neither the Contractor nor the State shall act or represent itself, directly or by implication, in any such capacity or in any manner assume or create any obligation on behalf of, or in the name of, the other.

Portions of this contract constitute non-public data and may not be disclosed without the consent of Deloitte Consulting LLP and the Minnesota Department of Employee Relations.

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Portions of this contract constitute non-public data and may not be disclosed without the consent of Deloitte Consulting LLP and the Minnesota Department of Employee Relations.

1. STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minn. Stat. §§ 16A.15 and 16C.05.

Signed: P Fesenmaier

Date: 3/10/2008

CFMS Contract No. # B12665

2. CONTRACTOR

The Contractor certifies that the appropriate person(s) have executed the contract on behalf of the Contractor as required by applicable articles, bylaws, resolutions, or ordinances.

By: Patrick Pacheco

Title: DIRECTOR

Date: 3-6-08

By: _____

Title: _____

Date: _____

3. STATE AGENCY

By: Nathan J Moracco
(with delegated authority)

Title: Director, EID

Date: 3/17/08

4. COMMISSIONER OF ADMINISTRATION

As delegated to Materials Management Division

By: _____

Title: Contracts Manager

Date: 3/14/08

318541.DOC

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Exhibit A

Contractor's Duties

A. Rate Development

The vendor must provide premium rate development services including:

1. Rate Submission Template

Assistance in developing and refining the rate submission template and instructions for the State Employees Group Insurance Program.

2. "Rate Need" Analysis

Analysis and criticism of rate or "rate need" proposals and supporting materials for the State Employees Group Insurance Program and the Public Employees Insurance Program.

3. Rate Updates

Regularly (quarterly) updated rates consistent with the plan methodology currently in use for PEIP.

4. New and Renewal Computer Rate Materials

Automated supporting materials (computer diskettes) for prospective new entrants and renewal quotes for PEIP.

5. DOER Administrative Fees Analysis

Analysis of various DOER administrative fees to determine the appropriate rate to charge agencies.

B. Health Benefit Administrative Support – Minnesota Advantage Health Plan

1. Data Warehouse. Maintenance of data warehouse for health claims data to include maintenance and updates of collected claims data, reporting and analysis.
2. Claims Analysis and Reporting to support the risk adjustment function of the Minnesota Advantage Health Plan.
3. Network Analysis and Reporting to support the cost level structure of health care providers.

C. Risk Management Activities Support

1. Data Management

The vendor must be proficient and have experience in assimilating raw data from multiple sources (e.g., medical claims, workers' compensation, absenteeism, short-term

and long term disability, FMLA, etc.) and warehousing that data in database structures that are accessible to analytic and reporting tools.

Manage initial and on-going data submissions from carriers and vendors and developing and managing data quality improvements. Develop and maintain data specifications to meet analytic and reporting needs. Assess data quality through automated quality checks, evaluation of changes in variables over

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Exhibit B

Fee Schedule

Consulting Professionals	**2008**	**2009**
Principal	$491	$516
Director	$399	$419
Specialist Leader	$399	$419
Senior Manager	$351	$369
Manager	$291	$306
Senior Consultant	$215	$226
Consultant	$153	$161
Analyst	$139	$146
Clerical	$ 70	$ 74

Actuarial Professionals	**2008**	**2009**
Principal	$568	$596
Director	$526	$552
Senior Manager	$395	$415
Manager	$311	$327
Senior Consultant	$223	$234
Consultant	$183	$192
Analyst	$166	$174

Rate of Increase, 2009 – 2012			
2009	2010	2011	2012
5%	5%	5%	5%

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Exhibit C

Section 3 of Contractor's Response to Request for Proposal

Portions of this contract constitute non-public data and may not be disclosed without the consent of Deloitte Consulting LLP and the Minnesota Department of Employee Relations.

Appendix 1

Information Privacy and Security

1. Information Covered by this Appendix. In carrying out its duties, the Contractor will be handling one or more types of private information, collectively referred to as "protected information," concerning individual State clients. "Protected information," for purposes of this Appendix, includes any or all of the following:

(a) Private data (as defined in Minn. Stat. §13.02, subd. 12), confidential data (as defined in Minn. Stat. §13.02, subd. 3), welfare data (as governed by Minn. Stat. §13.46), medical data (as governed by Minn. Stat. §13.384), and other non-public data governed elsewhere in the Minnesota Government Data Practices Act (MGDPA), Minn. Stats. Chapter 13;

(b) Medical records (as governed by the Minnesota Medical Records Act [Minn. Stat. §144.335]);

(c) Chemical health records (as governed by 42 U.S.C. § 290dd-2 and 42 CFR § 2.1 to § 2.67);

(d) Protected health information ("PHI") (as defined in and governed by the Health Insurance Portability Accountability Act ["HIPAA"], 45 CFR § 164.501); and

(e) Other data subject to applicable state and federal statutes, rules, and regulations affecting the collection, storage, use, or dissemination of private or confidential information.

2. Duties Relating to Protection of Information.

(a) Duty to ensure proper handling of information. The Contractor shall assure proper handling and safeguarding by its employees, subcontractors, and authorized agents of protected information collected, created, used, maintained, or disclosed on behalf of the State. This responsibility includes ensuring that employees and agents supporting the services comply with and are properly educated regarding, as applicable, the laws listed above in paragraph 1.

(b) Minimum necessary access to information. The Contractor shall comply with the "minimum necessary" access and disclosure rule set forth in the HIPAA and the MGDPA. The collection, creation, use, maintenance, and disclosure by the Contractor shall be limited to "that necessary for the administration and management of programs specifically authorized by the legislature or local governing body or mandated by the federal government." See, respectively, 45 CFR §§ 164.502(b) and 164.514(d), and Minn. Stat. § 13.05 subd. 3.

(c) Information Requests. Unless provided for otherwise in this Appendix, if the Contractor receives a request to release the information referred to in this Clause, the Contractor must promptly notify the State. The State will give the Contractor instructions concerning the release of the data to the requesting party before the data is released; provided, that, the Contractor may release information to the extent required by applicable law.

Portions of this contract constitute non-public data and may not be disclosed without the consent of Deloitte Consulting LLP and the Minnesota Department of Employee Relations.

required audit retention schedule to retain beyond the life of the contract, the Contractor will extend the protection of this Appendix to the contract to the protected information and/or other State confidential information not returned or destroyed, and refrain from further use or disclosure of such information, except as required by law, regulation, judicial or administrative process, for as long as the Contractor retains the protected information.

6. Sanctions. In addition to acknowledging and accepting the terms set forth in Section 8 of the contract relating to liability, the parties acknowledge that violation of the laws and protections described above could result in limitations being placed on future access to protected information, in investigation and imposition of sanctions by the U.S. Department of Health and Human Services, Office for Civil Rights, and/or in civil and criminal penalties.

7. Additional Business Associate Duties. To the extent the Contractor handles protected health information in order to provide health care-related administrative services on behalf of the State and is a "Business Associate" of the State, as that term is defined in HIPAA, the Contractor shall also:

(a) Make available protected health information in accordance with 45 CFR §164.524.

(b) Make available protected health information for amendment and incorporate any amendments to protected health information in accordance with 45 CFR §164.526.

(c) Make its internal practices, books, records, policies, procedures, and documentation relating to the use, disclosure, and/or security of protected health information available to the other party and/or the Secretary of the U.S. Department of Health and Human Services (HHS) for purposes of determining compliance with the Privacy Rule and Security Standards, subject to attorney-client and other applicable legal privileges.

(d) Comply with any and all other applicable provisions of the HIPAA Privacy Rule and Security Standards, including future amendments thereto.

(e) Document such disclosures of protected health information and information related to such disclosures as would be required for the State to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.

(f) Provide to the State information required to respond to a request by an individual for an accounting of disclosures of protected health information in accordance with 45 CFR §164.528.

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Appendix 2

Contractor shall not commence work under this contract until they have obtained all the insurance described below and the State of Minnesota has approved such insurance. Contractor shall maintain such insurance in force and effect throughout the term of the contract.

A. Contractor is required to maintain and furnish satisfactory evidence of the following insurance policies:

1. **Workers' Compensation Insurance:** Except as provided below, Contractor must provide Workers' Compensation insurance for all its employees and, in case any work is subcontracted, Contractor will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota, including Coverage B, Employer's Liability. Insurance **minimum** amounts are as follows:

$100,000 – Bodily Injury by Disease per employee
$500,000 – Bodily Injury by Disease aggregate
$100,000 – Bodily Injury by Accident

If Minnesota Statute exempts Contractor from Workers' Compensation insurance or if the Contractor has no employees in the State of Minnesota, Contractor must provide a written statement, signed by an authorized representative, indicating the qualifying exemption that excludes Contractor from the Minnesota Workers' Compensation requirements.

2. **Commercial General Liability:** Contractor is required to maintain insurance protecting it from claims for damages for bodily injury, death, and claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the contractor or by a subcontractor or by anyone directly or indirectly employed by the Contractor under the contract. Insurance **minimum** amounts are as follows:

$1,000,000 – per occurrence
$2,000,000 – annual aggregate
$2,000,000 – annual aggregate – Products/Completed Operations

The following coverages shall be included:

Premises and Operations Bodily Injury and Property Damage
Personal and Advertising Injury
Contractual Liability
Products and Completed Operations Liability
State of Minnesota named as an Additional Insured

3. **Commercial Automobile Liability:** Contractor is required to maintain insurance protecting the contractor from claims for damages for bodily injury as well as from claims for property damage resulting from the ownership, operation, or use of all owned, hired, and non-owned autos which may arise from operations under this contract, and in case any work is subcontracted the contractor will require the subcontractor to provide Commercial Automobile Liability. Insurance **minimum** amounts are as follows:

Portions of this contract constitute non-public data and may not be disclosed without the consent of Deloitte Consulting LLP and the Minnesota Department of Employee Relations.

$1,000,000 – per occurrence Combined Single limit for Bodily Injury and Property Damage

In addition, the following coverages should be included:

Owned, Hired, and Non-owned Automobile
State of Minnesota named as an Additional Insured

4. **Professional/Technical, Errors and Omissions, and/or Miscellaneous Liability Insurance**

Contractor is required to carry the following **minimum** amounts:

$1,000,000 – per claim or event
$1,000,000 – annual aggregate

Any deductible will be the sole responsibility of the Contractor and may not exceed $50,000 without the written approval of the State. If the Contractor desires authority from the State to have a deductible in a higher amount, the Contractor shall so request in writing, specifying the amount of the desired deductible and providing financial documentation by submitting the most current audited financial statements or other approved documentation so that the State can ascertain the ability of the Contractor to cover the deductible from its own resources.

The retroactive or prior acts date of such coverage shall not be after the effective date of this Contract.

This policy will provide coverage for all claims the contractor may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Contractor's professional services required under the contract, and include an extended reporting period provision of a minimum of three (3) years following completion of the work, if commercially available.

Additional Insurance Conditions:

- Contractor's policy(ies) shall be primary insurance to any other valid and collectible insurance available to the State of Minnesota with respect to any claim arising out of Contractor's activities under this contract ;
- Contractor's certificates of insurance shall indicate the insurers will endeavor to provide the State of Minnesota with thirty (30) days advance notice of cancellation, or nonrenewal;
- Contractor is responsible for payment of Contract related insurance premiums and deductibles;
- If Contractor is self-insured, a Certificate of Self-Insurance must be attached;
- Include legal defense fees in addition to its liability policy limits, with the exception of B.4 above; and

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- Obtain insurance policies from an insurance company having an "AM BEST" rating of A- (minus); Financial Size Category (FSC) VII or better and must be authorized to do business in the State of Minnesota.

D. The State reserves the right to immediately terminate the contract if the contractor is not in compliance with the insurance requirements and retains all rights to pursue any legal remedies against the contractor.

E. The successful responder is required to submit acceptable evidence of insurance coverage requirements prior to commencing work under the contract.

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MINNESOTA
Management
&Budget

January 15, 2013

Ms. Lisa Meador
Deputy Bureau Chief – Director of Labor Relations
Cook County
118 North Clark Street
Chicago, Illinois 60602

Re: Deloitte Consulting Contract Extension

Dear Ms. Meador:

This letter serves as confirmation that Deloitte Consulting LLP ("Deloitte Consulting") is currently serving as the actuarial consultant for Minnesota Management and Budget ("the State"). Deloitte Consulting LLP's actual contract expired December 31, 2012; however, the State has been granted permission to extend Deloitte Consulting's existing contract for one (1) year, and a bridge agreement is currently being drafted to allow for that extension.

Please let me know if there is anything further you need.

Sincerely,

Mary Regnier

Mary Regnier
Manager, Contracts and Networks
Employee Insurance Division
651/259-3723
Mary.regnier@state.mn.us

COOK COUNTY
OFFICE OF THE CHIEF PROCUREMENT OFFICER
CERTIFICATION FOR CONSULTING OR AUDITING SERVICES
OFFICES OF THE PRESIDENT

This Certification is made and required pursuant to Section 34-193 (a) of the Procurement Code, and must be completed by any Contractor providing Consulting or Auditing Services for Cook County. For purposes of this Certification, "County" shall mean the offices which are administered by the President of the County Board. Please print or type responses clearly and legibly. Add additional pages if needed, being careful to identify each portion of the form to which each additional page refers to.

SECTION 1: CONTRACTOR'S INFORMATION

COMPANY NAME: Deloitte Consulting LLP

ADDRESS: 111 S WACKER Chicago IL 60606

TELEPHONE: 312-486-3057

CONTACT NAME: DAVID HILKO

CONTACT EMAIL: dahilko@deloitte.com

SECTION 2: AFFILIATE INFORMATION

If the Contractor has any "Affiliates" please provide the names, addresses and telephone numbers of each Affiliate below. For purposes of this Certification "Affiliates" shall mean a person or "Entity" that directly or indirectly controls the Contractor, is controlled by it, or with the Contractor, is under common control of another person or entity. For purposes of this Certification, "Entity" shall mean a sole proprietorship, corporation, partnership, association, business trust, estate, two or more persons having a joint or common interest, trustee of a land trust, other commercial or legal entity or any beneficiary or beneficiaries thereof.

Deloitte LLP 1633 Broadway, New York, NY 10019

(212) 489-1600

SECTION 3: CONTRACT INFORMATION

a. This Certification relates to the following Contract: 13-30-069

b. The Contractor is providing the following type of Services: [ ] Auditing or [X] Consulting

c. The Contractor is providing the Services under the Contract for the following Cook County Business Unit or Office: Bureau of Human Resources

d. Is the Contractor or its Affiliates, if any, providing Consulting or Auditing Services, either directly, or as a subcontractor to the County under any other Contracts? [ ] Yes or [X] No.

If yes, please state the other Contract Number(s) and the Nature of Services.

_____

_____

_____

THE CONTRACTOR ACKNOWLEDGES, UNDERSTANDS AND AGREES AS FOLLOWS:

a. It has read Section 34-193 (a) of the Procurement Code, which provides as follows:

The County will not enter into any Contract for Auditing Services, nor shall it consent to a subcontract for such Auditing Services, with any Person, if such Person, or any Affiliate of such Person, has a Contract or subcontract for consulting services for or with the County. Additionally, the County will not enter into any Contract for Consulting Services, nor shall it consent to a subcontract for such Consulting Services, with any Person, if such Person, or any Affiliate of such Person, has a Contract or subcontract for Auditing Services for or with the County. For purposes of this provision, "County" shall refer only to offices which are administered by the President of the County Board and shall not refer to offices which are administered by Elected Officials.

b. The Contractor's Services under the Contract shall not violate Section 34-193 (a) of the Procurement Code.

c. The information provided herein is a material inducement to the CPO's execution of the Contract, and the CPO may rely on the information provided herein. The Contractor warrants that the information contained herein is true and incorrect. If the CPO determines that any information provided herein is false, incomplete, or incorrect, the CPO may terminate the Contract.

David Hilko

Signature

DAVID HILKO

Name (Type or Print)

Director

Title

ECONOMIC DISCLOSURE STATEMENT
AND EXECUTION DOCUMENT
INDEX

Section	Description	Pages
Instructions	Instructions for Completion of EDS	EDS i - ii
1	MBE/WBE Utilization Plan	EDS 1
2	Letter of Intent	EDS 2
3	Petition for Reduction/Waiver of MBE/WBE Participation Goals	EDS 3
4	Certifications	EDS 4, 5
5	Economic and Other Disclosures, Affidavit of Child Support Obligations and Disclosure of Ownership Interest	EDS 6 – 12
6	Sole Proprietor Signature Page	EDS 13a/b/c
7	Partnership Signature Page	EDS 14/a/b/c
8	Limited Liability Corporation Signature Page	EDS 15a/b/c
9	Corporation Signature Page	EDS 16a/b/c
10	Cook County Signature Page	EDS 17

INSTRUCTIONS FOR COMPLETION OF
ECONOMIC DISCLOSURE STATEMENT AND EXECUTION DOCUMENT

This Economic Disclosure Statement and Execution Document ("EDS") is to be completed and executed by every Bidder on a County contract, every party responding to a Request for Proposals or Request for Qualifications "(Proposer"), and others as required by the Chief Procurement Officer. If the Undersigned is awarded a contract pursuant to the procurement process for which this EDS was submitted (the "Contract"), this Economic Disclosure Statement and Execution Document shall stand as the Undersigned's execution of the Contract.

Definitions. Capitalized terms used in this EDS and not otherwise defined herein shall have the meanings given to such terms in the Instructions to Bidders, General Conditions, Request for Proposals, Request for Qualifications, or other documents, as applicable.

> ***"Affiliated Entity"*** means a person or entity that, directly or indirectly: controls the Bidder, is controlled by the Bidder, or is, with the Bidder, under common control of another person or entity. Indicia of control include, without limitation, interlocking management or ownership; identity of interests among family members; shared facilities and equipment; common use of employees; and organization of a business entity following the ineligibility of a business entity to do business with the County under the standards set forth in the Certifications included in this EDS, using substantially the same management, ownership or principals as the ineligible entity.
>
> ***"Bidder," "Proposer," "Undersigned,"*** or ***"Applicant,"*** is the person or entity executing this EDS. Upon award and execution of a Contract by the County, the Bidder, Proposer, Undersigned or Applicant, as the case may be, shall become the Contractor or Contracting Party.
>
> ***"Proposal,"*** for purposes of this EDS, is the Undersigned's complete response to an RFP/RFQ, or if no RFQ/RFP was issued by the County, the "Proposal" is such other proposal, quote or offer submitted by the Undersigned, and in any event a "Proposal" includes this EDS .
>
> ***"Code"*** means the Code of Ordinances, Cook County, Illinois available through the Cook County Clerk's Office website (http://www.cookctyclerk.com/sub/ordinances.asp). This page can also be accessed by going to www.cookctyclerk.com, clicking on the tab labeled "County Board Proceedings," and then clicking on the link to "Cook County Ordinances."
>
> ***"Contractor"*** or ***"Contracting Party"*** means the Bidder, Proposer or Applicant with whom the County has entered into a Contract.
>
> ***"EDS"*** means this complete Economic Disclosure Statement and Execution Document, including all sections listed in the Index and any attachments.
>
> ***"Lobby"*** or "lobbying" means to, for compensation, attempt to influence a County official or County employee with respect to any County matter.
>
> ***"Lobbyist"*** means any person or entity who lobbies.
>
> ***"Prohibited Acts"*** means any of the actions or occurrences which form the basis for disqualification under the Code, or under the Certifications hereinafter set forth.

Sections 1 through 3: MBE/WBE Documentation. Sections 1 and 2 must be completed in order to satisfy the requirements of the County's MBE/WBE Ordinance, as set forth in the Contract Documents, if applicable. If the Undersigned believes a waiver is appropriate and necessary, Section 3, the Petition for Waiver of MBE/WBE Participation must be completed.

Section 4: Certifications. Section 4 sets forth certifications that are required for contracting parties under the Code. Execution of this EDS constitutes a warranty that all the statements and certifications contained, and all the facts stated, in the Certifications are true, correct and complete as of the date of execution.

Section 5: Economic and Other Disclosures Statement. Section 5 is the County's required Economic and Other Disclosures Statement form. Execution of this EDS constitutes a warranty that all the information provided in the EDS is true, correct and complete as of the date of execution, and binds the Undersigned to the warranties, representations, agreements and acknowledgements contained therein.

INSTRUCTIONS FOR COMPLETION OF ECONOMIC DISCLOSURE STATEMENT AND EXECUTION DOCUMENT

Sections 6, 7, 8, 9: Execution Forms. The Bidder executes this EDS, and the Contract, by completing and signing three copies of the appropriate Signature Page. Section 6 is the form for a sole proprietor; Section 7 is the form for a partnership or joint venture; Section 8 is the form for a Limited Liability Corporation, and Section 9 is the form for a corporation. Proper execution requires **THREE ORIGINALS**; therefore, the appropriate Signature Page must be filled in, three copies made, and all three copies must be properly signed, notarized and submitted. The forms may be printed and completed by typing or hand writing the information required.

Required Updates. The information provided in this EDS will be kept current. In the event of any change in any information provided, including but not limited to any change which would render inaccurate or incomplete any certification or statement made in this EDS, the Undersigned will supplement this EDS up to the time the County takes action, by filing an amended EDS or such other documentation as is requested.

Additional Information. The County's Governmental Ethics and Campaign Financing Ordinances, impose certain duties and obligations on persons or entities seeking County contracts, work, business, or transactions. For further information please contact the Director of Ethics at (312) 603-4304 (69 W. Washington St. Suite 3040, Chicago, IL 60602) or visit our web-site at www.cookcountygov.com and go to the Ethics Department link. The Bidder must comply fully with the applicable ordinances.

MBE/WBE UTILIZATION PLAN (SECTION 1)

BIDDER/PROPOSER HEREBY STATES that all MBE/WBE firms included in this Plan are certified MBEs/WBEs by at least one of the entities listed in the General Conditions.

I. **BIDDER/PROPOSER MBE/WBE STATUS:** (check the appropriate line)

____ Bidder/Proposer is a certified MBE or WBE firm. (If so, attach copy of appropriate Letter of Certification)

____ Bidder/Proposer is a Joint Venture and one or more Joint Venture partners are certified MBEs or WBEs. (If so, attach copies of Letter(s) of Certification, a copy of Joint Venture Agreement clearly describing the role of the MBE/WBE firm(s) and its ownership interest in the Joint Venture and a completed Joint Venture Affidavit – available from the Office of Contract Compliance)

X Bidder/Proposer is not a certified MBE or WBE firm, nor a Joint Venture with MBE/WBE partners, but will utilize MBE and WBE firms either directly or indirectly in the performance of the Contract. (If so, complete Sections II and III).

II. [X] **Direct Participation of MBE/WBE Firms** [ ] **Indirect Participation of MBE/WBE Firms**

Where goals have not been achieved through direct participation, Bidder/Proposer shall include documentation outlining efforts to achieve Direct Participation at the time of Bid/Proposal submission. Indirect Participation will only be considered after all efforts to achieve Direct Participation have been exhausted. Only after written documentation of Good Faith Efforts is received will Indirect Participation be considered.

MBEs/WBEs that will perform as subcontractors/suppliers/consultants include the following:

MBE/WBE Firm: MWM Consulting Group

Address: 55 East Jackson Blvd

E-mail: KMANNING@MWMCG.com

Contact Person: Kathy Manning Phone: 312-987-9097

Dollar Amount Participation: $ $10,500

Percent Amount of Participation: 10 %

*Letter of Intent attached? Yes ____ No X

*Letter of Certification attached? Yes X No ____

Reciprocal Affidavit

MBE/WBE Firm: ____

Address: ____

E-mail: ____

Contact Person: ____ Phone: ____

Dollar Amount Participation: $ ____

Percent Amount of Participation: ____ %

*Letter of Intent attached? Yes ____ No ____

*Letter of Certification attached? Yes ____ No ____

Attach additional sheets as needed.

***Additionally, all Letters of Intent, Letters of Certification and documentation of Good Faith Efforts omitted from this bid/proposal must be submitted to the Office of Contract Compliance so as to assure receipt by the Contract Compliance Administrator not later than three (3) business days after the Bid Opening date.**

COOK COUNTY GOVERNMENT LETTER OF INTENT (SECTION 2)

M/WBE Firm: MWM Consulting Group | Certifying Agency: WBENC (Chicago)

Address: 55 East Jackson Blvd. | Certification Expiration Date: 6/30/2013

City/State: Chicago / Ill Zip 60604 | FEIN #: 36-3870584

Phone: 312.987.9097 Fax: 312.987.9219 | Contact Person: Hedy M. Ratner

Email: KManning@MWMCG.com | Contract #: _____

Participation: [X] Direct [ ] Indirect

Will the M/WBE firm be subcontracting any of the performance of this contract to another firm?

[X] No [ ] Yes – Please attach explanation. Proposed Subcontractor: _____

The undersigned M/WBE is prepared to provide the following Commodities/Services for the above named Project/ Contract:

Consulting Services related to the healthcare plans for Cook County employees.

Indicate the **Dollar Amount**, or **Percentage**, and the **Terms of Payment** for the above-described Commodities/ Services:

Payment of $10,500 (10% of fixed fee of $105,000) - other services provided at hourly rate per attached.

(If more space is needed to fully describe M/WBE Firm's proposed scope of work and/or payment schedule, attach additional sheets)

THE UNDERSIGNED PARTIES AGREE that this Letter of Intent will become a binding Subcontract Agreement conditioned upon the Bidder/Proposer's receipt of a signed contract from the County of Cook. The Undersigned Parties do also certify that they did not affix their signatures to this document until all areas under Description of Service/ Supply and Fee/Cost were completed.

Kathleen E. Manning	David Hilko
Signature (M/WBE)	Signature (Prime Bidder/Proposer)
KATHLEEN E. MANNING	DAVID HILKO
Print Name	Print Name
MWM Consulting Group	Deloitte Consulting LLP
Firm Name	Firm Name
2/4/2013	2/5/2013
Date	Date
Subscribed and sworn before me	Subscribed and sworn before me
this 4th day of February, 20 13.	this 5th day of Feb, 2013.
Notary Public Drew Dubeck	Notary Public Judy Wicherek
SEAL	SEAL

OFFICIAL SEAL
DREW DUBECK
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES JUL. 08, 2013

OFFICIAL SEAL
JUDY WICHEREK
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:11/04/13

Deloitte.

Deloitte Consulting LLP
111 S. Wacker Drive
Chicago, IL 60606
USA
Tel: 312 486 1000
Fax: 312 247 1486
www.deloitte.com

February 7, 2013

Attachment to EDS Form for Benefit Consulting Services for Deloitte Consulting

Reason for Waiver Request.

This contract is being piggybacked from a contract with the Chicago Transit Authority. The contract with the Chicago Transit Authority did not contain either a MBE or WBE requirement. We are requesting a waiver from the MBE requirement but will comply with the WBE requirements.

Deloitte LLP and Deloitte Consulting LLP pride ourselves on our focus on diversity and advancement of women. Our inclusion strategy focuses on promoting an inclusive environment and attracting, retaining, developing and advancing the best talent representing the broadest range of backgrounds, perspectives and experiences. We have received recognition for our commitment from the following organizations and media:

- DiversityIncs "Top 50 Companies for Diversity"
- DiversityIncs Top 10 Companies for the following groups: Asian Americans, People with Disabilities, LGBT, Executive Women, and Latinos
- Working Mother's "100 Best Companies" (Including Top 10 and Hall of Fame status)
- Consulting magazine's "Excellence in Diversity Award"
- New Freedom Initiative Award for our work with disabled veterans
- Black Collegian's "Top 100 Employers" Award

We annually spend in excess of $250M with SBE, MBE, WBE and DVBE suppliers that include more than 780 businesses.

We believe the above should be considered as part of meeting the MBE requirements.

Cook County Government
M/WBE Certification
Reciprocal Affidavit

Firm Name MWM Consulting Group, Inc.

Address 55 East Jackson Blvd.

City Chicago, Illinois

County Cook

State Illinois Zip 60604

Phone 312.987.9097 Email KManning@MWMCG.com

I Kathleen E. Manning, Contract #
(Print Name)

President
(Print Title)

do hereby affirm that I am a Minority and/or Women Business Enterprise, currently certified as;
[ ] Black [ ] Hispanic [ ] Asian [X] Woman [ ] DBE
and, the Personal Net Worth of the qualifying (51%) individual(s) does [ ] does not [ ] exceed $2 million, excluding the individual's ownership interest in the M/WBE firm and the equity of the owner's primary residence. An individual's personal net worth includes only his or her own share of assets held jointly or as community/marital property with the individual's spouse.

I also affirm that MWM Consulting Group, Inc.
(Name of Company)
meets the U. S. Small Business Administration Table of Small Business Size Standards.

Upon penalty of perjury, I Kathleen E. Manning
(Print Name)
affirm that, to the best of my knowledge and belief, the information herein is true and accurate.

Signature Kathleen E. Manning

Title President *Date* 2/4/2013

Subscribed and sworn to before me this 4th day of February (Month) / 2013 (Year)

Drew Dubeck
(Notary's Signature)

My Commission Expires July 8, 2013

Notary's Seal

OFFICIAL SEAL
DREW DUBECK
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES JUL. 08, 2013

WBENC | Women's Business Enterprise National Council

hereby grants

National Women's Business Enterprise Certification

to

MWM Consulting Group , Inc.

who has successfully met WBENC's standards as a Women's Business Enterprise (WBE).
This certification affirms the business is woman-owned, operated and controlled; and is valid through the date herein.

WBENC National WBE Certification was processed and validated by Women's Business Development Center – Chicago, a WBENC Regional Partner Organization.

Expiration Date: 06/30/2013
WBENC National Certificate Number: 240496

Authorized by Hedy M. Ratner, Co-President, S. Carol Dougal, Co-President
Women's Business Development Center – Chicago

Women's Business Development Center

NAICS Codes: 541612, 541690

UNSPSC Codes: 80110000

PETITION FOR WAIVER OF MBE/WBE PARTICIPATION (SECTION 3)

A. **BIDDER/PROPOSER HEREBY REQUESTS:**

☒ **FULL MBE WAIVER** ☐ **FULL WBE WAIVER**

☐ **REDUCTION (PARTIAL MBE and/or WBE PARTICIPATION)**

____ % of Reduction for MBE Participation
____ % of Reduction for WBE Participation

B. **REASON FOR FULL/REDUCTION WAIVER REQUEST**

Bidder/Proposer shall check each item applicable to its reason for a waiver request. Additionally, supporting documentation shall be submitted with this request. If such supporting documentation cannot be submitted with bid/proposal/quotation, such documentation shall be submitted directly to the Office of Contract Compliance no later than three (3) days from the date of submission date.

☐ (1) Lack of sufficient qualified MBEs and/or WBEs capable of providing the goods or services required by the contract. **(Please explain)**

☐ (2) The specifications and necessary requirements for performing the contract make it impossible or economically infeasible to divide the contract to enable the contractor to utilize MBEs and/or WBEs in accordance with the applicable participation. **(Please explain)**

☐ (3) Price(s) quoted by potential MBEs and/or WBEs are above competitive levels and increase cost of doing business and would make acceptance of such MBE and/or WBE bid economically impracticable, taking into consideration the percentage of total contract price represented by such MBE and/or WBE bid. **(Please explain)**

☒ (4) There are other relevant factors making it impossible or economically infeasible to utilize MBE and/or WBE firms. **(Please explain)** See attached letter

C. **GOOD FAITH EFFORTS TO OBTAIN MBE/WBE PARTICIPATION**

☐ (1) Made timely written solicitation to identified MBEs and WBEs for utilization of goods and/or services; and provided MBEs and WBEs with a timely opportunity to review and obtain relevant specifications, terms and conditions of the proposal to enable MBEs and WBEs to prepare an informed response to solicitation. **(Please attach)**

☐ (2) Followed up initial solicitation of MBEs and WBEs to determine if firms are interested in doing business. **(Please attach)**

☐ (3) Advertised in a timely manner in one or more daily newspapers and/or trade publication for MBEs and WBEs for supply of goods and services. **(Please attach)**

☐ (4) Used the services and assistance of the Office of Contract Compliance staff. **(Please explain)**

☐ (5) Engaged MBEs & WBEs for indirect participation. **(Please explain)**

D. **OTHER RELEVANT INFORMATION**

Attach any other documentation relative to Good Faith Efforts in complying with MBE/WBE participation.

CERTIFICATIONS (SECTION 4)

THE FOLLOWING CERTIFICATIONS ARE MADE PURSUANT TO STATE LAW AND THE CODE. THE UNDERSIGNED IS CAUTIONED TO CAREFULLY READ THESE CERTIFICATIONS PRIOR TO SIGNING THE SIGNATURE PAGE. SIGNING THE SIGNATURE PAGE SHALL CONSTITUTE A WARRANTY BY THE UNDERSIGNED THAT ALL THE STATEMENTS, CERTIFICATIONS AND INFORMATION SET FORTH WITHIN THESE CERTIFICATIONS ARE TRUE, COMPLETE AND CORRECT AS OF THE DATE THE SIGNATURE PAGE IS SIGNED. THE UNDERSIGNED IS NOTIFIED THAT IF THE COUNTY LEARNS THAT ANY OF THE FOLLOWING CERTIFICATIONS WERE FALSELY MADE, THAT ANY CONTRACT ENTERED INTO WITH THE UNDERSIGNED SHALL BE SUBJECT TO TERMINATION.

A. PERSONS AND ENTITIES SUBJECT TO DISQUALIFICATION

No person or business entity shall be awarded a contract or sub-contract, for a period of five (5) years from the date of conviction or entry of a plea or admission of guilt, civil or criminal, if that person or business entity:

1) Has been convicted of an act committed, within the State of Illinois, of bribery or attempting to bribe an officer or employee of a unit of state, federal or local government or school district in the State of Illinois in that officer's or employee's official capacity;

2) Has been convicted by federal, state or local government of an act of bid-rigging or attempting to rig bids as defined in the Sherman Anti-Trust Act and Clayton Act. Act. 15 U.S.C. Section 1 *et seq.;*

3) Has been convicted of bid-rigging or attempting to rig bids under the laws of federal, state or local government;

4) Has been convicted of an act committed, within the State, of price-fixing or attempting to fix prices as defined by the Sherman Anti-Trust Act and the Clayton Act. 15 U.S.C. Section 1, *et seq.;*

5) Has been convicted of price-fixing or attempting to fix prices under the laws the State;

6) Has been convicted of defrauding or attempting to defraud any unit of state or local government or school district within the State of Illinois;

7) Has made an admission of guilt of such conduct as set forth in subsections (1) through (6) above which admission is a matter of record, whether or not such person or business entity was subject to prosecution for the offense or offenses admitted to; or

8) Has entered a plea of *nolo contendere* to charge of bribery, price-fixing, bid-rigging, or fraud, as set forth in sub-paragraphs (1) through (6) above.

In the case of bribery or attempting to bribe, a business entity may not be awarded a contract if an official, agent or employee of such business entity committed the Prohibited Act on behalf of the business entity and pursuant to the direction or authorization of an officer, director or other responsible official of the business entity, and such Prohibited Act occurred within three years prior to the award of the contract. In addition, a business entity shall be disqualified if an owner, partner or shareholder controlling, directly or indirectly, 20 % or more of the business entity, or an officer of the business entity has performed any Prohibited Act within five years prior to the award of the Contract.

THE UNDERSIGNED HEREBY CERTIFIES THAT: The Undersigned has read the provisions of Section A, Persons and Entities Subject to Disqualification, that the Undersigned has not committed any Prohibited Act set forth in Section A, and that award of the Contract to the Undersigned would not violate the provisions of such Section or of the Code.

B. BID-RIGGING OR BID ROTATING

THE UNDERSIGNED HEREBY CERTIFIES THAT: *In accordance with 720 ILCS 5/33 E-11, neither the Undersigned nor any Affiliated Entity is barred from award of this Contract as a result of a conviction for the violation of State laws prohibiting bid-rigging or bid rotating.*

C. DRUG FREE WORKPLACE ACT

THE UNDERSIGNED HEREBY CERTIFIES THAT: The Undersigned will provide a drug free workplace, as required by Public Act 86-1459 (30 ILCS 580/2-11).

D. DELINQUENCY IN PAYMENT OF TAXES

THE UNDERSIGNED HEREBY CERTIFIES THAT: *The Undersigned is not an owner or a party responsible for the payment of any tax or fee administered by Cook County, by a local municipality, or by the Illinois Department of Revenue, which such tax or fee is delinquent, such as bar award of a contract or subcontract pursuant to the Code, Chapter 34, Section 34-129.*

E. HUMAN RIGHTS ORDINANCE

No person who is a party to a contract with Cook County ("County") shall engage in unlawful discrimination or sexual harassment against any individual in the terms or conditions of employment, credit, public accommodations, housing, or provision of County facilities, services or programs (Code Chapter 42, Section 42-30 *et seq*).

F. ILLINOIS HUMAN RIGHTS ACT

THE UNDERSIGNED HEREBY CERTIFIES THAT: *It is in compliance with the the Illinois Human Rights Act (775 ILCS 5/2-105), and agrees to abide by the requirements of the Act as part of its contractual obligations.*

G. MACBRIDE PRINCIPLES, CODE CHAPTER 34, SECTION 34-132

If the primary contractor currently conducts business operations in Northern Ireland, or will conduct business during the projected duration of a County contract, the primary contractor shall make all reasonable and good faith efforts to conduct any such business operations in Northern Ireland in accordance with the MacBride Principles for Northern Ireland as defined in Illinois Public Act 85-1390.

H. LIVING WAGE ORDINANCE PREFERENCE (COOK COUNTY CODE, CHAPTER 34, SECTION 34-127;

The Code requires that a living wage must be paid to individuals employed by a Contractor which has a County Contract and by all subcontractors of such Contractor under a County Contract, throughout the duration of such County Contract. The amount of such living wage is determined from time to time by, and is available from, the Chief Financial Officer of the County.

For purposes of this EDS Section 4, H, "Contract" means any written agreement whereby the County is committed to or does expend funds in connection with the agreement or subcontract thereof. The term "Contract" as used in this EDS, Section 4, I, specifically excludes contracts with the following:

1) Not-For Profit Organizations (defined as a corporation having tax exempt status under Section 501(C)(3) of the United State Internal Revenue Code and recognized under the Illinois State not-for -profit law);

2) Community Development Block Grants;

3) Cook County Works Department;

4) Sheriff's Work Alternative Program; and

5) Department of Correction inmates.

REQUIRED DISCLOSURES (SECTION 5)

1. DISCLOSURE OF LOBBYIST CONTACTS

List all persons or entities that have made lobbying contacts on your behalf with respect to this contract:

Name	Address
None	

2. LOCAL BUSINESS PREFERENCE DISCLOSURE; CODE, CHAPTER 34, SECTION 34-151(p);

"Local Business" shall mean a person authorized to transact business in this State and having a bona fide establishment for transacting business located within Cook County at which it was actually transacting business on the date when any competitive solicitation for a public contract is first advertised or announced and further which employs the majority of its regular, full time work force within Cook County, including a foreign corporation duly authorized to transact business in this State and which has a bona fide establishment for transacting business located within Cook County at which it was actually transacting business on the date when any competitive solicitation for a public contract is first advertised or announced and further which employs the majority of its regular, full time work force within Cook County.

a) Is Bidder a "Local Business" as defined above?

Yes: X No: _____

b) If yes, list business addresses within Cook County:

111 S. WACKER Drive

Chicago, IL 60606

c) Does Bidder employ the majority of its regular full-time workforce within Cook County?

Yes: _____ No: X

3. THE CHILD SUPPORT ENFORCEMENT ORDINANCE (PREFERENCE (CODE, CHAPTER 34, SECTION 34-366)

Every Applicant for a County Privilege shall be in full compliance with any child support order before such Applicant is entitled to receive or renew a County Privilege. When delinquent child support exists, the County shall not issue or renew any County Privilege, and may revoke any County Privilege.

All Applicants are required to review the Cook County Affidavit of Child Support Obligations attached to this EDS (EDS-8) and complete the following, based upon the definitions and other information included in such Affidavit.

4. REAL ESTATE OWNERSHIP DISCLOSURES.

The Undersigned must indicate by checking the appropriate provision below and providing all required information that either:

a) The following is a complete list of all real estate owned by the Undersigned in Cook County:

PERMANENT INDEX NUMBER(S): _____

_____

_____

(ATTACH SHEET IF NECESSARY TO LIST ADDITIONAL INDEX NUMBERS)

OR:

b) ___X___ The Undersigned owns no real estate in Cook County.

5. EXCEPTIONS TO CERTIFICATIONS OR DISCLOSURES.

If the Undersigned is unable to certify to any of the Certifications or any other statements contained in this EDS and not explained elsewhere in this EDS, the Undersigned must explain below:

None

If the letters, "NA", the word "None" or "No Response" appears above, or if the space is left blank, it will be conclusively presumed that the Undersigned certified to all Certifications and other statements contained in this EDS.

COOK COUNTY DISCLOSURE OF OWNERSHIP INTEREST STATEMENT

The Cook County Code of Ordinances (§2-610 *et seq.*) requires that any Applicant for any County Action must disclose information concerning ownership interests in the Applicant. This Disclosure of Ownership Interest Statement must be completed with all information current as of the date this Statement is signed. Furthermore, this Statement must be kept current, by filing an amended Statement, until such time as the County Board or County Agency shall take action on the application. The information contained in this Statement will be maintained in a database and made available for public viewing.

If you are asked to list names, but there are no applicable names to list, you must state NONE. An incomplete Statement will be returned and any action regarding this contract will be delayed. A failure to fully comply with the ordinance may result in the action taken by the County Board or County Agency being voided.

"*Applicant*" means any Entity or person making an application to the County for any County Action.

"County Action" means any action by a County Agency, a County Department, or the County Board regarding an ordinance or ordinance amendment, a County Board approval, or other County agency approval, with respect to contracts, leases, or sale or purchase of real estate.

"Entity" or *"Legal Entity"* means a sole proprietorship, corporation, partnership, association, business trust, estate, two or more persons having a joint or common interest, trustee of a land trust, other commercial or legal entity or any beneficiary or beneficiaries thereof.

This Disclosure of Ownership Interest Statement must be submitted by :

1. An Applicant for County Action and

2. An individual or Legal Entity that holds stock or a beneficial interest in the Applicant and is listed on the Applicant's Statement (a "Holder") must file a Statement and complete #1 only under **Ownership Interest Declaration**.

Please print or type responses clearly and legibly. Add additional pages if needed, being careful to identify each portion of the form to which each additional page refers.

This Statement is being made by the [X] Applicant or [ ] Stock/Beneficial Interest Holder

This Statement is an: [X] Original Statement or [ ] Amended Statement

Identifying Information:

Name Deloitte Consulting LLP D/B/A: _____ EIN NO.: _____

Street Address: 111 S WACKER Drive

City: Chicago State: IL Zip Code: 60606

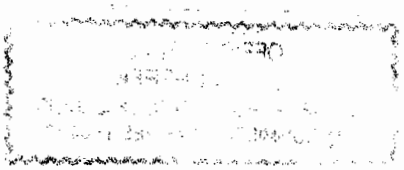
Phone No.: _____

Form of Legal Entity:

[ ] Sole Proprietor [X] Partnership Limited Liability [ ] Corporation [ ] Trustee of Land Trust

[ ] Business Trust [ ] Estate [ ] Association [ ] Joint Venture

[ ] Other (describe) _____



Ownership Interest Declaration:

1. List the name(s), address, and percent ownership of each individual and each Entity having a legal or beneficial interest (including ownership) of more than five percent (5%) in the Applicant/Holder.

Name	Address	Percentage Interest in Applicant/Holder
Deloitte LLP	1633 Broadway, New York NY 10019	70%

2. If the interest of any individual or any Entity listed in (1) above is held as an agent or agents, or a nominee or nominees, list the name and address of the principal on whose behalf the interest is held.

Name of Agent/Nominee	Name of Principal	Principal's Address
Not Applicable		

3. Is the Applicant constructively controlled by another person or Legal Entity? [X] Yes [ ] No

If yes, state the name, address and percentage of beneficial interest of such person or legal entity, and the relationship under which such control is being or may be exercised.

Name	Address	Percentage of Beneficial Interest	Relationship
Deloitte LLP	1633 Broadway New York, New York	70%	PARent

Declaration (check the applicable box):

[ ] I state under oath that the Applicant has withheld no disclosure as to ownership interest in the Applicant nor eserved any information, data or plan as to the intended use or purpose for which the Applicant seeks County Board or other County Agency action.

[X] I state under oath that the Holder has withheld no disclosure as to ownership interest nor reserved any information required to be disclosed.

DAVID HILKO
Name of Authorized Applicant/Holder Representative (please print or type)

DIRECTOR
Title

David Hilko
Signature

2/5/2013
Date

dahilko@deloitte.com
E-mail address

312-486-3057
Phone Number

Subscribed to and sworn before me this 5th day of Feb, 2013

x Judy Wicherek
Notary Public Signature

My commission expires: 11-4-2013

OFFICIAL SEAL
JUDY WICHEREK
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:11/04/13
Notary Seal

COOK COUNTY BOARD OF ETHICS
69 W. WASHINGTON STREET, SUITE 3040
CHICAGO, ILLINOIS 60602
312/603-4304
312/603-9988 FAX 312/603-1011 TT/TDD

FAMILIAL RELATIONSHIP DISCLOSURE PROVISION:

Section 2-582 of the Cook County Ethics Ordinance requires any person or persons doing business with Cook County, upon execution of a contract with Cook County, to disclose to the Cook County Board of Ethics the existence of familial relationships they may have with all persons holding elective office in the State of Illinois, the County of Cook, or in any municipality within the County of Cook.

The disclosure required by this section shall be filed by January 1 of each calendar year or within thirty (30) days of the execution of any contract or lease. Any person filing a late disclosure statement after January 31 shall be assessed a late filing fee of $100.00 per day that the disclosure is late. Any person found guilty of violating any provision of this section or knowingly filing a false, misleading, or incomplete disclosure to the Cook County Board of Ethics shall be prohibited, for a period of three (3) years, from engaging, directly or indirectly, in any business with Cook County. *Note*: Please see Chapter 2 Administration, Article VII Ethics, Section 2-582 of the Cook County Code to view the full provisions of this section.

If you have questions concerning this disclosure requirement, please call the Cook County Board of Ethics at (312) 603-4304. *Note*: A current list of contractors doing business with Cook County is available via the Cook County Board of Ethics' website at: **http://www.cookcountygov.com/taxonomy/ethics/Listings/cc_ethics_VendorList_.pdf**

DEFINITIONS:

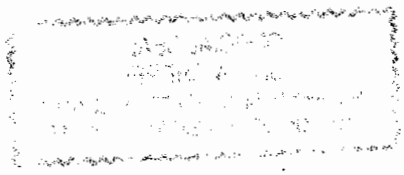
"*Calendar year*" means January 1 to December 31 of each year.

"*Doing business*" for this Ordinance provision means any one or any combination of leases, contracts, or purchases to or with Cook County or any Cook County agency in excess of $25,000 in any calendar year.

"*Familial relationship*" means a person who is related to an official or employee as spouse or any of the following, whether by blood, marriage or adoption:

- Parent
- Child
- Brother
- Sister
- Aunt
- Uncle
- Niece
- Nephew
- Grandparent
- Grandchild
- Father-in-law
- Mother-in-law
- Son-in-law
- Daughter-in-law
- Brother-in-law
- Sister-in-law
- Stepfather
- Stepmother
- Stepson
- Stepdaughter
- Stepbrother
- Stepsister
- Half-brother
- Half-sister

"*Person*" means any individual, entity, corporation, partnership, firm, association, union, trust, estate, as well as any parent or subsidiary of any of the foregoing, and whether or not operated for profit.



SWORN FAMILIAL RELATIONSHIP DISCLOSURE FORM **

Pursuant to Section 2-582 of the Cook County Ethics Ordinance, any *person** *doing business** with Cook County must disclose, to the Cook County Board of Ethics, the existence of *familial relationships** to any person holding elective office in the State of Illinois, Cook County, or in any municipality within Cook County. Please print your responses.

Name of Owner/Employee: David Hilko Title: Director

Business Entity Name: Deloitte Consulting LLP Phone: 312-486-3057

Business Entity Address: 111 S Wacker Drive Chicago IL 60606

X The following familial relationship exists between the owner or any employee of the business entity contracted to do business with Cook County ***and*** any person holding elective office in the State of Illinois, Cook County, or in any municipality within Cook County.

	Owner/Employee Name:	Related to:	Relationship:
1.	Dan Kinzler	Gordon Kinzler	Park District Commissioner City of Glen Ellen
2.			
3.			
4.			
5.			

If more space is needed, attach an additional sheet following the above format.

_____ There is ***no*** familial relationship that exists between the owner or any employee of the business entity contracted to do business with Cook County and any person holding elective office in the State of Illinois, Cook County, or in any municipality within Cook County.

To the best of my knowledge and belief, the information provided above is true and complete.

David Hilko
Owner/Employee's Signature

2-7-13
Date

Subscribe and sworn before me this 7th Day of February, 2013

a Notary Public in and for Cook County

Judy Wicherek
(Signature)

OFFICIAL SEAL
JUDY WICHEREK
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:11/04/13

NOTARY PUBLIC
SEAL

My Commission expires 11.4.2013

Completed forms must be filed within **30** days of the execution of any contract or lease with Cook County and should be mailed to:

Cook County Board of Ethics
69 West Washington Street,
Suite 3040
Chicago, Illinois 60602

EDS-12

1.10.13

** We reviewed familial relationships for all principals of Deloitte Consulting LLP who reside in an office in Illinois and the engagement team

SIGNATURE BY A PARTNERSHIP (AND/OR A JOINT VENTURE)
(SECTION 7)

The Undersigned hereby certifies and warrants: that all of the statements, certifications, and representations set forth in this EDS are true, complete and correct; that the Undersigned is in full compliance and will continue to be in compliance throughout the term of the Contract or County Privilege issued to the Undersigned with all the policies and requirements set forth in this EDS; and that all of the facts and information provided by the Undersigned in this EDS are true, complete and correct. The Undersigned agrees to inform the Chief Procurement Officer in writing if any of such statements, certifications, representations, facts or information becomes or is found to be untrue, incomplete or incorrect during the term of the Contract or County Privilege. .

BUSINESS NAME: DELOITTE CONSULTING LLP

BUSINESS ADDRESS: 111 S WACKER

CHICAGO IL 60606

BUSINESS TELEPHONE: 312 486 2265 FAX NUMBER: 312 247 2265

CONTACT PERSON: TIMOTHY GUSTAFSON FEIN/SSN: 06-1454513

*COOK COUNTY BUSINESS REGISTRATION NUMBER: N/A

SIGNATURE OF PARTNER AUTHORIZED TO EXECUTE CONTRACTS ON BEHALF OF PARTNERSHIP:

*BY: Timothy D. Gustafson

Date: 2/26/13

Subscribed to and sworn before me this

26th day of February, 2013.

My commission expires: 11/1/2013

x Judy Wicherek
Notary Public Signature

Notary Seal

OFFICIAL SEAL
JUDY WICHEREK
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES

* **Attach hereto a partnership resolution or other document authorizing the signing this Signature Page to so sign on behalf of the Partnership.**

Deloitte.

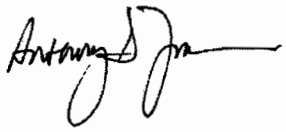
Deloitte Consulting LLP
2200 Ross Avenue
Suite 1600
Dallas, TX 75201
USA

Tel: 214-840-7000
Fax: 866 561 6732
www.deloitte.com

February 26, 2013

I, Anthony D. Forcum, certify that I am the Secretary of the Board of Directors of Deloitte Consulting LLP, a limited liability partnership organized under the laws of the State of Delaware. In my position as Secretary of the Board, I hereby confirm that Timothy Gustafson, as a Principal in Deloitte Consulting LLP, is duly authorized to execute contracts and proposals on behalf of the partnership.

Sincerely,



Anthony D. Forcum
Principal
Deloitte Consulting LLP

COOK COUNTY SIGNATURE PAGE
(SECTION 10)

ON BEHALF OF THE COUNTY OF COOK, A BODY POLITIC AND CORPORATE OF THE STATE OF ILLINOIS, THIS CONTRACT IS HEREBY EXECUTED BY:

Shm E.M

COOK COUNTY CHIEF PROCUREMENT OFFICER

DATED AT CHICAGO, ILLINOIS THIS 25 DAY OF March ,20 13.

IN THE CASE OF A BID PROPOSAL, THE COUNTY HEREBY ACCEPTS:

THE FOREGOING BID/PROPOSAL AS IDENTIFIED IN THE CONTRACT DOCUMENTS FOR CONTRACT NUMBER

13-30-069

OR

ITEM(S), SECTION(S), PART(S):_____

_____

TOTAL AMOUNT OF CONTRACT: $ 500,000.00
(DOLLARS AND CENTS)

FUND CHARGEABLE:_____

APPROVED BY BOARD OF
COOK COUNTY COMMISSIONERS

MAR 20 2013

COM_____

APPROVED AS TO FORM:

Not Required

ASSISTANT STATE'S ATTORNEY
(Required on contracts over $1,000,000.00)