

**PERSONAL SERVICE AGREEMENT**

SD-302A REV. 2/2000 (Electronic Version)

STATE OF CONNECTICUT  
OFFICE OF THE STATE COMPTROLLER  
ACCOUNTS PAYABLE DIVISION

1. PREPARE 5 COPIES.  
2. THE STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-96 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.  
3. ACCEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS SET FORTH AT SHEET 2 OF THIS FILE, AS ATTACHED HERETO AND INCORPORATED BY REFERENCE.

(1)  ORIGINAL  AMENDMENT (2) IDENTIFICATION NO  
150HA000001

|              |  |   |
|--------------|--|---|
| CONTRACTOR   | (3) CONTRACTOR NAME<br>Bailit Health Purchasing, LLC             | (4) ARE YOU PRESENTLY A STATE EMPLOYEE? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
|              | CONTRACTOR ADDRESS<br>56 Pickering Street, Needham, MA           | CONTRACTOR FEIN / SSN - SUFFIX<br>043340991   |
| STATE AGENCY | (5) AGENCY NAME AND ADDRESS<br>Office of the Healthcare Advocate | (6) AGENCY NO.<br>MCO39400  |

|                 |   |  |
|-----------------|---|--|
| CONTRACT PERIOD | (7) DATE (FROM) THROUGH (TO)<br>01/01/2016 12/31/2016 | (8) INDICATE <input type="checkbox"/> MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD NO. <input checked="" type="checkbox"/> NEITHER |
|-----------------|---|--|

CANCELLATION CLAUSE: THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT). (9) REQUIRED NO. OF DAYS WRITTEN NOTICE:

(12) CONTRACTOR AGREES TO (Include special provisions - Attach additional blank sheets if necessary.)  
The contractor shall provide Consulting Services for Healthcare Cabinet Cost Containment Study  
See section 5 of Attachment A (specification of services) and see Attachment B

(17) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES  
The contractor shall bill at its hourly rates shown in Table 1 of Attachment A  
The state shall pay the contractor a sum not to exceed \$363,445.  
Detailed invoices shall be prepared monthly or upon completion of specified services

| CONTRACT CD | (13) DOC. TYPE | (14) COMM. TYPE | (15) LSE. TYPE | (16) ORIG. AGENCY | (17) DOCUMENT NO. | (18) COMM. AGENCY | (19) COMM. NO. | (20) VENDOR FEIN / SSN - SUFFIX |
|-------------|----------------|-----------------|----------------|-------------------|-------------------|-------------------|----------------|---------------------------------|
|-------------|----------------|-----------------|----------------|-------------------|-------------------|-------------------|----------------|---------------------------------|

|                       |                       |                                |
|-----------------------|-----------------------|--------------------------------|
| (21) COMMITTED AMOUNT | (22) OBLIGATED AMOUNT | (23) CONTRACT PERIOD (FROM/TO) |
|-----------------------|-----------------------|--------------------------------|

| ACT CD | (25) COMM. LINE NO. | (26) COMMITTED AMOUNT | (27) COMM. AGENCY | (28) COST CENTER |     | (29) OBJECT | AGENCY TAIL   |               |                | (33) F.Y. |
|--------|---------------------|-----------------------|-------------------|------------------|-----|-------------|---------------|---------------|----------------|-----------|
|        |                     |                       |                   | FUND             | SID |             | (30) FUNCTION | (31) ACTIVITY | (32) EXTENSION |           |
|        |                     |                       |                   |                  |     |             |               |               |                |           |
|        |                     |                       |                   |                  |     |             |               |               |                |           |
|        |                     |                       |                   |                  |     |             |               |               |                |           |
|        |                     |                       |                   |                  |     |             |               |               |                |           |

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code Section 3121 (d) (2). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

|  |                              |  |
|--|------------------------------|--|
| ACCEPTANCES AND APPROVALS  | (34) STATUTORY AUTHORITY     | §§ 38a-1041 and 19a-725, P.A. 15-146 §§ 17 and 1 |
| CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE)<br><i>Michael H. Bailit</i> | TITLE<br>President           | DATE<br>December 30, 2015                        |
| AGENCY AUTHORIZED OFFICIAL<br><i>[Signature]</i>                       | TITLE<br>Healthcare Advocate | DATE<br>12/30/15                                 |
| OFFICE OF POLICY & MGMT / DEPT. OF ADMIN. SERV.                        | TITLE                        | DATE   |
| ATTORNEY GENERAL (APPROVED AS TO FORM)<br><i>Robert W. Clark</i>       | Special Counsel              | DATE<br>12/31/15                                 |

DISTRIBUTION: ORIGINAL-CONTRACTOR    PHOTOCOPY-COMPTROLLER    PHOTOCOPY-OPM/DAS    PHOTOCOPY-ATTORNEY GENERAL    PHOTOCOPY-AGENCY

## ATTACHMENT A

### SECTION 1

This Agreement (hereinafter referred to as "Agreement") is entered into between the State of Connecticut acting through the Office of the Healthcare Advocate (hereinafter "AGENCY") pursuant to Connecticut General Statutes §§ 38a-1041 and 19a-725, and Public Act 15-146 §§ 17 and 18, and Bailit Health Purchasing, LLC, 56 Pickering Street, Needham, MA 02492 (hereinafter "CONTRACTOR"). The parties agree that the services specified below shall be provided by CONTRACTOR in strict compliance with the provisions of this Agreement.

### SECTION 2 CONTRACT PERIOD AND DEFINITIONS

This Agreement shall commence as of the date this Agreement is fully executed by the parties hereto and the duties of the CONTRACTOR as set forth in Section 5 of this Agreement shall be completed by the CONTRACTOR by the end of the contract period, which shall be no later than December 31, 2016 (hereinafter "end date").

**"AGENCY"** – Wherever the term "AGENCY" is used in this Agreement, it shall include the Healthcare Advocate, or her authorized agents, employees or designees.

**"Healthcare Cabinet"** or **"Cabinet"** refers to the Healthcare Cabinet created pursuant to Section 19a-725 of the Connecticut General Statutes, which sits in the office of the Lieutenant Governor of Connecticut.

**"P.A. 15-146"** means Connecticut Public Act 15-146, An Act Concerning Hospitals, Insurers and Health Care Consumers

**"SIM"** or **"State Innovation Model"** refers to the Connecticut State Innovation Model Initiative.

**"Subject matter experts"** means Michael H. Bailit, and the project team referenced in Attachment B.

### SECTION 3 CANCELLATION PROVISION

This Agreement may be canceled at shall by either party upon 60 days written notice delivered by certified mail.

### SECTION 4 NOTICE

Unless otherwise expressly provided to the contrary, any other notice provided under this Agreement shall be in writing and may be delivered personally or by certified mail in the manner set forth in this section. All notices shall be effective if delivered personally or by certified mail to the following addresses:

AGENCY: State of Connecticut  
Office of the Healthcare Advocate  
P.O. Box 1543  
Hartford, CT 06144  
Attention: Victoria Veltri

CONTRACTOR: Bailit Health Purchasing, LLC  
56 Pickering St.  
Needham, MA, MA 02492

Attention: Michael H. Bailit, President

The parties may change their respective addresses and contact person for notices under this paragraph upon prior written notification to the other.

## **SECTION 5 SPECIFICATION OF SERVICES**

### **I. Approach to Work**

- A. The CONTRACTOR shall abide by its approach articulated in Attachment B to this contract and provisions more specifically articulated in Section 5 herein. The CONTRACTOR shall:
  - 1. Assemble a team of experts with extensive experience in healthcare cost containment strategies, stakeholder engagement, facilitation and report preparation.
  - 2. Ensure that all project tasks are completed on time, on budget, and to the highest quality standards.
  - 3. Establish Michael H. Bailit as the overall Strategy Lead and Megan Burns as Project Director, responsible for providing oversight of all activities outlined in this application.
  - 4. Combine this expert consulting with seasoned project managers who are adept at engaging stakeholders, facilitating workgroups, and ensuring projects meet all milestones and deliverables.
- B. The CONTRACTOR shall ensure a collaborative and efficient partnership between itself, the potential subcontractors, and the AGENCY.
- C. The CONTRACTOR shall attend an initial meeting with the AGENCY and staff from the Office of the Lieutenant Governor of Connecticut to discuss the composition of the Cabinet membership, agree on due dates and identify key issues to be addressed in the course of this project.
- D. The CONTRACTOR shall develop a project-specific work plan to complete all project tasks in a timely and efficient manner. This plan includes specific deliverables itemized by task, activity, completion target dates, and staffing assignments.
- E. The CONTRACTOR shall attend weekly routine project management meetings with the AGENCY by teleconference or otherwise. At least one weekly meeting per month will in person and shall include the Project Director and Project Manager. Meetings will include among other items, review of progress, monitoring Cabinet and stakeholder engagement, identification and assessment of potential barriers to completion of the project
- F. The CONTRACTOR shall attend all additional project related meetings as requested by the AGENCY in a mutually agreeable forum.
- G. The CONTRACTOR shall attend in person all Healthcare Cabinet meetings.
- H. The CONTRACTOR shall prepare and coordinate presentations to and solicit feedback from the Health Care Cabinet and other stakeholders identified in Section 5.II, Task A.
- I. The CONTRACTOR shall attend all meetings of Cabinet Working Group, as defined in Section 5.III.D.1 below, in the manner that best suits Cabinet Working Group members.

## **II. Task A: Stakeholder Identification, Recruitment, and Engagement**

- A. Consistent with Attachment B to this contract, the CONTRACTOR shall work with the AGENCY to identify key Connecticut stakeholders to engage in the Healthcare Cabinet Cost Containment Study. Key stakeholders shall include, but are not limited to: the AGENCY and other State agencies' staff; consumers and consumer advocates; self-insured and fully-insured employers and employer associations; health plans; healthcare providers, including provider associations, individual practitioners, advanced networks hospitals and hospital-based systems; labor union leaders; benefit consultants; and legislators. These stakeholders shall play a fundamental role in ensuring project aims align with local priorities, and identifying opportunities to collaborate with concurrent efforts
- B. The CONTRACTOR shall work with the AGENCY and the Cabinet membership to engage other stakeholder groups in which Cabinet members participate, including members of other stakeholder groups, including but not limited to the Medical Assistance Program Oversight Council, community organizations, the SIM governance structure, business and provider groups among others.
- C. The CONTRACTOR shall utilize the State Innovation Model Consumer Advisory Board ("CAB") to assist it in reaching consumer stakeholders.
- D. The CONTRACTOR shall engage the State Innovation Model Program management office, the Department of Public Health and the Department of Social Services to ensure consideration of those efforts and avoid duplication of SIM initiatives, including those under the auspices of the Medicaid program and those included within DPH's Healthy Connecticut 2020.
- E. The CONTRACTOR will ensure alignment of its work with other health reform efforts.
- F. The CONTRACTOR understands that the AGENCY obtained philanthropic support to create a public-private partnership to assist the Cabinet in meeting its obligations and to support the CONTRACTOR's work. The CONTRACTOR shall engage the following philanthropic organizations, as well as stakeholders that those organizations identify, in the Healthcare Cabinet Cost Containment Study: The Connecticut Health Foundation, Inc., The Foundation for Community Health, Inc., The Universal Health Care Foundation of Connecticut, Inc and The Donaghue Foundation, Inc. The AGENCY will provide the CONTRACTOR with contact information for individuals at each of these organizations.
- G. The CONTRACTOR may utilize interview questions developed pursuant to Section 5.III, Task B, Activity B.2 herein to assist in engaging stakeholders, including state agencies, the CAB, legislators, and other advisory committees or councils related to healthcare.
- H. The CONTRACTOR shall maintain an active list of stakeholders engaged throughout the term of this agreement.

## **III. Task B: Providing Support for the Healthcare Cabinet**

- A. Activity B.1: Kick off Meeting with Healthcare Cabinet
  - 1. The CONTRACTOR shall provide an overview of the project at the kick off meeting with the Healthcare Cabinet;
  - 2. The CONTRACTOR shall lead the Cabinet in a determination of key principles to guide the cost containment study and the report required to be produced by the CONTRACTOR.
- B. Activity B.2: Interviews of Cabinet members
  - 1. The CONTRACTOR shall conduct individual interviews with each of the Cabinet members within the first month of the contract period.

2. The CONTRACTOR shall prepare a list of interview questions to be utilized for the interviews that shall capture each of the Cabinet member's views on how to achieve each of the purposes that the State has identified for successful cost containment models.
  3. The CONTRACTOR shall also develop questions regarding cost containment models currently operating in Connecticut, possible barriers to implementing new models, and necessary partnerships that will galvanize change.
  4. The CONTRACTOR shall obtain the input of the AGENCY and the Office of the Lieutenant Governor of Connecticut before finalizing interview questions and questions in 2 and 3 directly above.
  5. The CONTRACTOR understands that the goals of stakeholder engagement are to gather stakeholder perspectives on Healthcare Cabinet's goals and programs, to gauge stakeholder interest in cost containment initiatives, gain leadership, buy-in, and recruit interested stakeholders for the development of a framework for cost containment.
  6. The CONTRACTOR may also gather responses to questions in a survey format.
- C. Activity B.3: Conduct of Healthcare Cabinet Meetings and Development of Materials in Support of Cabinet Work
1. The CONTRACTOR understands that all Healthcare Cabinet meetings are public meetings.
  2. The CONTRACTOR shall assist the AGENCY in planning, coordinating and supporting all Healthcare Cabinet meetings.
  3. The CONTRACTOR shall prepare presentations and related materials for Healthcare Cabinet meetings. The CONTRACTOR shall include language or logos, as required, on all Healthcare Cabinet meeting or other materials developed under this agreement acknowledging the support of the philanthropic organizations in Task A. The AGENCY shall provide the CONTRACTOR with the acknowledgment language and logos required by each of the organizations. The CONTRACTOR shall send materials and presentations for Healthcare Cabinet meetings to the AGENCY for review and approval at least ten days prior to the next scheduled Cabinet meeting.
  4. The CONTRACTOR shall have final presentations ready to distribute to Cabinet members one week in advance of Cabinet meetings.
  5. The CONTRACTOR shall use the presentations to develop a framework for understanding the cost containment models other states have used and why some are more successful than others and what factors were significant contributors to each model's outcome.
  6. The CONTRACTOR shall ensure that presentations focus on study findings regarding successful and unsuccessful cost containment models implemented in other states and policy considerations for Connecticut.
  7. The CONTRACTOR shall ensure that the Project Director or Strategy Lead is available to facilitate Healthcare Cabinet meetings discussions of the Healthcare Cost Containment Study.
  8. In addition to the Project Director or Strategy Lead, the CONTRACTOR shall ensure the presence of at least one other project team member at Healthcare Cabinet meetings.

9. The CONTRACTOR shall ensure that presentations at Cabinet meetings are interactive to ensure that it obtains member input and feedback on model elements and associated policy issues in order to develop an effective report as required by P.A. 15-146.
10. The CONTRACTOR shall facilitate an in depth discussion of potential proposed models for Connecticut and a detailed discussion of a draft report that includes member input and feedback.
11. Subsequent to each Healthcare Cabinet meeting and two days prior to the next weekly project meeting with the AGENCY the CONTRACTOR shall provide the AGENCY with a meeting summary including participating members, topics discussed, activities conducted, and recommendations made.
12. The CONTRACTOR shall provide this summary via email in a manner suited for public posting and clarify any questions during project meetings with the AGENCY.
13. Outside of Cabinet meetings, the CONTRACTOR shall work with the AGENCY to keep the Cabinet members and other stakeholders informed of the Project's progress utilizing appropriate and accessible communication methods, including but not limited to email and website postings.

**D. Activity B.4: Healthcare Cabinet Working Group**

1. The CONTRACTOR shall work with the AGENCY to create, staff and facilitate a Cabinet Working Group, a subset of the Cabinet authorized pursuant Conn. Gen. Stat. § 19a-725(d), to work more directly with the AGENCY and to process ideas and understand how different cost containment strategies will resonate in Connecticut. The Cabinet Working Group will be comprised of Cabinet members who represent stakeholder groups that will be essential for the implementation of new cost containment strategies. The Cabinet Working Group will serve as a key sounding board, providing frank and timely feedback regarding possible barriers and challenges, and perhaps solutions, with respect to potential new models for Connecticut.
2. The CONTRACTOR shall meet monthly with the Cabinet Working Group in a manner that the work group proposes, provided that at least the first meeting of such work group shall be in person. The CONTRACTOR understands that such meetings are public meetings.
3. Following each Cabinet Working Group meeting, the CONTRACTOR shall provide a meeting summary including participating members, topics discussed, activities conducted, and recommendations made.
4. The CONTRACTOR shall provide this summary via email in a format suitable for posting and clarify any questions during project meetings with the AGENCY.

**IV. Task C: Assessing and Indexing of Currently Established Cost Containment Models in Other States and in Connecticut**

**A. Activity C.1 Assessment Criteria for Currently Established Cost Containment Models**

1. At the core of this assessment shall be the study of health care cost containment models in other states, including, but not limited to, Massachusetts, Maryland, Oregon, Rhode Island, Washington and Vermont, in accordance with P.A. 15-146.
2. The CONTRACTOR shall develop and finalize criteria by which to assess the models of other states with input from the Cabinet, stakeholders, the AGENCY and the Office of the Lieutenant Governor of Connecticut. Such criteria may include:
  - a. Systems to monitor health care costs;

- b. Ways to enhance competition in the health care market;
  - c. Ways to promote the use of high-quality health care providers with low total medical expenses and prices;
  - d. Ways to improve health care cost and quality transparency;
  - e. Ways to increase cost-effectiveness in the health care market;
  - f. Ways to improve the quality of care and health outcomes.
3. The CONTRACTOR shall establish and facilitate communications, interviews and meetings with necessary parties in at least the states identified in the above paragraph. The CONTRACTOR shall include the AGENCY in such meetings.
  4. Prior to conducting such interviews, the CONTRACTOR shall develop a structured interview tool, which the CONTRACTOR shall share with and obtain input and feedback from the Cabinet Working Group, the AGENCY and the Office of the Lieutenant Governor of Connecticut.
  5. The CONTRACTOR shall determine how each state's models differ from each other, the limitations of each model, with consideration of how each model might impact Connecticut's efforts.
  6. The CONTRACTOR shall determine what administrative, regulatory or legislative changes were necessary to implement each of the state's models and describe any barriers to such changes.
  7. The CONTRACTOR shall describe the role of the private sector or leadership coalitions in developing such models.
  8. The CONTRACTOR shall also identify successful, current cost-containment practices or programs in Connecticut and shall consider previous recommendations of the Health First CT Authority, the Healthcare Cabinet, Access Health CT d/b/a Connecticut Health Insurance Exchange and the Legislative's Program Review and Investigations Committee and private entities.
  9. The CONTRACTOR shall perform on-line research for any peer-reviewed articles or evaluations assessing the effectiveness of in-state and out of state currently established cost containment models or initiatives.
  10. The CONTRACTOR may draw upon its knowledge of cost containment strategies implemented in states other than those targeted by P.A. 15-146.
  11. The CONTRACTOR shall review P.A. 15-146 to ensure it avoids redundancy in its assessment of each of the models.
- B. Activity C.2: Indexing Currently Established Cost Containment Models
1. The CONTRACTOR shall develop a free, searchable online repository available to the public as described in Attachment B, based on the assessment criteria to allow Cabinet members and other interested parties to access such information. The repository shall be designed to allow for:
    - a. Easy identification of how each of the models monitors healthcare costs and identifies providers identification of how that exceed cost targets, including steps taken to assist providers in reaching or holding providers accountable for not reaching the goal
    - b. Determining how successful the model has been in achieving cost containment goals, including information what was successful and not successful and why

- c. Attention to combination of environmental, cultural and statutory, administrative and regulatory levers that were essential to a successful model
- d. Access to detailed Information on factors that contributed to lack of success or delayed success of components of the currently established cost containment models.

**V. Task D: Identifying Successful Practices for Connecticut**

- A. The CONTRACTOR shall work closely with the AGENCY, the Office of the Lieutenant Governor of Connecticut and the Cabinet Working Group to identify a set of cost containment strategies that may be successful in Connecticut.
- B. The CONTRACTOR shall consider the effectiveness of each strategy to meet Connecticut's goals.
- C. The CONTRACTOR shall also consider the relative successes of the existing Connecticut initiatives, the extent of collaborative efforts in the state and potential stakeholder reaction.
- D. The CONTRACTOR shall also consider the structure of Connecticut's health insurer market and the structure of the provider community, including hospitals and the impact of those structures in identifying cost containment strategies for Connecticut under P.A. 15-146.
- E. The CONTRACTOR shall identify possible statutory, administrative or regulatory barriers to implementation of recommended cost containment strategies by sharing recommendations and options with the Cabinet Working Group and key agency staff and stakeholders. With input from such stakeholders, the CONTRACTOR shall identify possible solutions to potential barriers.
- F. The CONTRACTOR shall recommend strategies that reinforce and support the SIM initiative.
- G. The CONTRACTOR shall assess and identify the impacts of such recommendations on short and long term health expenditures in Connecticut

**VI. Task E: Report on Findings and Recommendations**

- A. The CONTRACTOR shall work with the Cabinet Work Group, the Cabinet, the AGENCY and the Office of the Lieutenant Governor of Connecticut to develop a report for the legislature and the Governor that meets the requirements of P.A. 15-146.
- B. The CONTRACTOR shall include the process for making its findings, developing recommendations including data collection, the roles of the AGENCY, the Office of the Lieutenant Governor of Connecticut and the Healthcare Cabinet, its interviewing processes and other research activities.
- C. The CONTRACTOR shall address each of the topics delineated in P.A. 15-146, including its recommendations for administrative, regulatory and policy changes that will provide a framework for:
  1. Monitoring and responding to health care cost growth on a health care provider and statewide basis, possibly including statewide, health care provider and/or service-specific benchmarks or limits on health care cost growth;
  2. The identification of health care providers that exceed such benchmarks or limits;
  3. The provision of assistance for such health care providers to meet such benchmarks or to hold them accountable to such limits;
  4. Mechanisms to identify and mitigate factors that contribute to health care cost growth as well as price disparity between health care providers of similar services, including, but not limited to:
    - a) consolidation among health care providers of similar services;

- b) vertical integration of health care providers of different services;
  - c) affiliations among health care providers that impact referral and utilization practices;
  - d) insurance contracting and reimbursement policies, and
  - e) government reimbursement policies and regulatory practices.
- 5. The authority to implement and monitor delivery system reforms designed to promote value-based care and improved health outcomes;
  - 6. The development and promotion of insurance contracting standards and products that reward value-based care and promote the utilization of low-cost, high-quality health care providers, and
  - 7. The implementation of other policies to mitigate factors that contribute to unnecessary health care cost growth and to promote high-quality, affordable care.
- D. The CONTRACTOR shall clearly articulate each finding and each recommendation in the report. Each such finding and recommendation shall be supported by expert knowledge, current research and stakeholder feedback.
- E. The CONTRACTOR shall present the draft recommendations to the AGENCY and the Office of the Lieutenant Governor of Connecticut and incorporate their feedback into the set of recommendations.
- F. The CONTRACTOR shall present the draft recommendations to Cabinet Work Group and the Cabinet, in that order to solicit input and feedback. The presentation to the Cabinet shall take place at a Cabinet meeting. Such presentation may be followed by a short comment period to allow for stakeholder comments.
- G. The CONTRACTOR shall present the report to the AGENCY and the Office of the Lieutenant Governor of Connecticut to ensure Cabinet member and stakeholder feedback is included. These final recommendations shall be disseminated to the Connecticut General Assembly and Governor by the Office of the Lieutenant Governor of Connecticut.

**VII. Task F: Developing Communications and Marketing Materials for the Cabinet and Stakeholders**

- A. Upon direction from the AGENCY, the CONTRACTOR and its subject matter experts shall, with input from the Cabinet or the Cabinet Work Group and the Office of the Lieutenant Governor of Connecticut, develop and implement a public-focused communication plan
- B. In developing such communications, the CONTRACTOR shall identify, with the input of the Cabinet, the AGENCY and the Office of the Lieutenant Governor of Connecticut, key messaging and communications venues such as plan newsletters, professional and business association meetings and provider or stakeholder groups.
- C. The CONTRACTOR shall develop written materials for distribution. Such materials will be in plain language for a variety of audiences. The AGENCY and the Office of the Lieutenant Governor of Connecticut shall review and approve all materials prior to distribution.
- D. The CONTRACTOR shall identify the philanthropic organizations supporting the work of the Cabinet in written materials created for the AGENCY in connection with this contract as described in Task B, herein.

**VIII. Project Timeline**

| Tasks              | Progress Milestones                    | Due Date |
|--------------------|--|----------|
| Project Management | Hold weekly project management meeting | On-going |

|   |  |   |
|---|--|---|
| Health Care Cabinet Engagement                                    | <ul style="list-style-type: none"> <li>• Complete Cabinet member interviews</li> <li>• Synthesize key themes in report to OHA</li> </ul>   | <ul style="list-style-type: none"> <li>• End of January 2016</li> <li>• February 12, 2016</li> </ul>  |
| Provide on-going Support for Cabinet Members                      | <ul style="list-style-type: none"> <li>• Prepare for and hold Cabinet meetings</li> <li>• Prepare meeting summaries</li> </ul>   | <ul style="list-style-type: none"> <li>• Monthly</li> <li>• Within 2 working days of each meeting</li> </ul>  |
| Establish/conduct presentations to and solicit input from Council | <ul style="list-style-type: none"> <li>• Meeting 1: Project goals/overview</li> <li>• Meeting 2: Analytic framework/targeted states</li> <li>• Meetings 3-7: Targeted state models</li> <li>• Meeting 8: Options for Connecticut's model</li> <li>• Meetings 9-10: Proposed Cost Containment Model</li> <li>• Meeting 11: Legislative report discussion</li> </ul> | <ul style="list-style-type: none"> <li>• Complete presentations in time to send out one week prior to meeting</li> </ul>                              |
| Assess/index cost containment models                              | <ul style="list-style-type: none"> <li>• Finalize target states</li> <li>• Finalize analytic framework</li> <li>• Complete research on all states &amp; Connecticut</li> <li>• Finalize index of findings</li> </ul>   | <ul style="list-style-type: none"> <li>• January 8, 2016</li> <li>• January 29, 2016</li> <li>• June 10, 2016</li> <li>• December 15, 2016</li> </ul> |
| Identify Successful Practices for Connecticut                     | <ul style="list-style-type: none"> <li>• Finalize options for Connecticut to consider</li> <li>• Finalize Cost Containment Model</li> </ul>  | <ul style="list-style-type: none"> <li>• July 15, 2016</li> <li>• October 1, 2016</li> </ul>  |
| Develop Report  | <ul style="list-style-type: none"> <li>• Initial draft of Legislative Report</li> <li>• Obtain OHA/OLG input</li> <li>• Finalize Legislative Report</li> </ul>   | <ul style="list-style-type: none"> <li>• October 15, 2016</li> <li>• November 12, 2016</li> <li>• November 25, 2016</li> </ul>                        |

**SECTION 6  
COST AND SCHEDULE OF PAYMENTS**

- I. The CONTRACTOR shall bill according to the fee schedule shown in Table 1. CONTRACTOR shall bill for each individual assigned to the engagement based on hours worked.
- II. The CONTRACTOR's standard hourly rates exclude any expenses for travel. Travel expenses will be billed at cost. The rates included in Table 1 are the rates effective for this scope of work.

**Table 1**

| <b>Consultant</b>             | <b>Role</b>       | <b>Estimated Hours</b> | <b>Hourly Rate</b> |
|-------------------------------|-------------------|------------------------|--------------------|
| <b>Michael Bailit</b>         | President         | 220                    | \$ 246             |
| <b>Marge Houy</b>             | Senior Consultant | 464                    | \$ 220             |
| <b>Megan Burns</b>            | Senior Consultant | 467                    | \$ 220             |
| <b>Beth Waldman</b>           | Senior Consultant | 48                     | \$ 246             |
| <b>Mary Beth Dyer</b>         | Senior Consultant | 43                     | \$ 246             |
| <b>Gabriel Verzino</b>        | Senior Consultant | 82                     | \$ 157             |
| <b>Erin Taylor</b>            | Senior Consultant | 199                    | \$ 157             |
| <b>Margaret Trinity</b>       | Senior Consultant | 142                    | \$ 157             |
| <b>TOTAL LABOR COST</b>       |                   |                        | \$347,737          |
| <b>Estimated Travel Costs</b> |                   |                        | \$ 8,476           |
| <b>Estimated Direct Costs</b> |                   |                        | \$....7,232        |
| <b>GRAND TOTAL</b>            |                   |                        | \$363,445          |

**Total Fixed Cost**

| <b>Consultant</b>        | <b>Role</b>       | <b>Percent of</b> |
|--------------------------|-------------------|-------------------|
| <b>Michael Bailit</b>    | President         | 11%               |
| <b>Megan Burns</b>       | Senior Consultant | 29%               |
| <b>Marge Houy</b>        | Senior Consultant | 29%               |
| <b>Beth Waldman</b>      | Senior Consultant | 2%                |
| <b>Mary Beth Dyer</b>    | Senior Consultant | 2%                |
| <b>Gabriel Verzino</b>   | Senior Consultant | 4%                |
| <b>Erin Taylor</b>       | Senior Consultant | 10%               |
| <b>Margaret Trinity</b>  | Senior Consultant | 7%                |
| <b>TOTAL FIXED PRICE</b> |                   | \$363,445         |

- III. The AGENCY shall pay the CONTRACTOR a total sum not to exceed \$363,445.00 for services performed under this Agreement, including direct expenses incurred by CONTRACTOR. Expenses may not exceed 3% of the total amount of fees and expenses invoiced over the term of this Agreement. During the course of this Agreement the CONTRACTOR may increase or decrease the resources assigned from the projections listed in Table 1 in order to accomplish the scope of work within the total not to exceed amount, provided that the projected percentage assignments of Ms. Burns and Ms. Houy decrease by more than 2% of the allocated percentages in Table 2.
- IV. The CONTRACTOR shall be compensated for fees based upon work performed, documented, and accepted by the AGENCY

V. Invoices

1. Detailed invoices shall be prepared and submitted monthly or upon completion of the specified services and reviewed by. Invoices shall, at a minimum, include the CONTRACTOR name, the Contract Number, the CONTRACTOR's Federal Employer Identification Number, the billing period, and an itemization of direct expenses by line item.
2. The CONTRACTOR shall invoice for the following:
  - a. total professional fees, less a 10% withhold, and
  - b. direct expenses for the billing period.
3. The withhold shall be paid upon completion and acceptance by the AGENCY of the work defined in Section 5.
4. Invoices for services shall include the name and title of the individual providing the services, the dates worked, the number of hours for the month, the rate being charged for the individual, the total cost for that person's work during the billing period, and a narrative summarizing work performed by CONTRACTOR during the month invoiced.
6. Invoices for expenses shall include a detailed account of expenses specifying the day when and purpose for which they were incurred as well as all receipts, invoices, bills and other available documentation or if no documentation is available, a detailed accounting of the computation used to determine the reimbursable cost for all expenses in excess of \$75, as evidence of the actual cost of such expenses. Such expenses may include, but are not limited to: mileage at current State approved reimbursement rate; costs of travel including coach airfare and hotels; and office expenses such as, phone calls, copying, postage and package delivery incurred in connection with the service pertaining to this Agreement. All travel expenses shall be reimbursed at cost.
8. The AGENCY shall assume no liability for payment for services under the terms of this Agreement until the CONTRACTOR is notified that the Agreement has been accepted by the contracting agency and if applicable, approved by the Connecticut Office of Policy and Management, Department of Administrative Services and/or Attorney General.

## SECTION 7 OTHER CONDITIONS

The CONTRACTOR shall comply with the following terms and conditions.

- A. **Definitions.** Unless otherwise indicated, the following terms shall have the following corresponding definitions:
1. **“Bid”** shall mean a bid submitted in response to a solicitation.
  2. **“Breach”** shall mean a party’s failure to perform some contracted-for or agreed-upon act, or his failure to comply with a duty imposed by law which is owed to another or to society.
  3. **“Cancellation”** shall mean an end to the Contract affected pursuant to a right which the Contract creates due to a Breach.
  4. **“Claims”** shall mean all actions, suits, claims, demands, investigations and proceedings of any kind, open, pending or threatened, whether mature, unmaturing, contingent, known or unknown, at law or in equity, in any forum.
  5. **“Client”** shall mean a recipient of the CONTRACTOR’s Services.
  6. **“Contract”** shall mean this Agreement, as of its effective date, between the CONTRACTOR and the AGENCY for Services.
  7. **“CONTRACTOR Parties”** shall mean a CONTRACTOR’s members, directors, officers, shareholders, partners, managers, principal officers, representatives, agents, servants, consultants, employees or any one of them or any other person or entity with whom the CONTRACTOR is in privity of oral or written contract (e.g. subcontractor) and the CONTRACTOR intends for such other person or entity to perform under the Contract in any capacity. For the purpose of this Contract, vendors of support services, not otherwise known as human service providers or educators, shall not be considered subcontractors, e.g. lawn care, unless such activity is considered part of a training, vocational or educational program.
  8. **“Data”** shall mean all results, technical information and materials developed and/or obtained in the performance of the Services hereunder, including but not limited to all reports, survey and evaluation tools, surveys and evaluations, plans, charts, recordings (video and/or sound), pictures, curricula, electronically prepared presentations, public awareness or prevention campaign materials, drawings, analyses, graphic representations, computer programs and printouts, notes and memoranda, and documents, whether finished or unfinished, which result from or are prepared in connection with the Services performed hereunder.
  9. **“Day”** shall mean all calendar days, other than Saturdays, Sundays and days designated as national or State of Connecticut holidays upon which banks in Connecticut are closed.
  10. **“Expiration”** shall mean an end to the Contract due to the completion in full of the mutual performances of the parties or due to the Contract’s term being completed.
  11. **“Force Majeure”** shall mean events that materially affect the Services or the time schedule within which to perform and are outside the control of the party asserting that such an event has occurred, including, but not limited to, labor troubles unrelated to the CONTRACTOR, failure of or inadequate permanent power, unavoidable casualties, fire not caused by the CONTRACTOR, extraordinary weather conditions, disasters, riots, acts of God, insurrection or war.
  12. **“Personal Information”** shall mean any name, number or other information that may be used, alone or in conjunction with any other information, to identify a specific individual including, but

not limited to, such individual's name, date of birth, mother's maiden name, motor vehicle operator's license number, Social Security number, employee identification number, employer or taxpayer identification number, alien registration number, government passport number, health insurance identification number, demand deposit account number, savings account number, credit card number, debit card number or unique biometric data such as fingerprint, voice print, retina or iris image, or other unique physical representation. Without limiting the foregoing, Personal Information shall also include any information regarding clients that the AGENCY classifies as "confidential" or "restricted." Personal Information shall not include information that may be lawfully obtained from publicly available sources or from federal, state, or local government records which are lawfully made available to the general public.

13. **"Personal Information Breach"** shall mean an instance where an unauthorized person or entity accesses Personal Information in any manner, including but not limited to the following occurrences: (1) any Personal Information that is not encrypted or protected is misplaced, lost, stolen or in any way compromised; (2) one or more third parties have had access to or taken control or possession of any Personal Information that is not encrypted or protected without prior written authorization from the State; (3) the unauthorized acquisition of encrypted or protected Personal Information together with the confidential process or key that is capable of compromising the integrity of the Personal Information; or (4) if there is a substantial risk of identity theft or fraud to the client, the CONTRACTOR, the AGENCY or State.
14. **"Records"** shall mean all working papers and such other information and materials as may have been accumulated and/or produced by the CONTRACTOR in performing the Contract, including but not limited to, documents, data, plans, books, computations, drawings, specifications, notes, reports, records, estimates, summaries and correspondence, kept or stored in any form.
15. **"Services"** shall mean the performance of Services as stated in Section 5 above.
16. **"State"** shall mean the State of Connecticut, including any agency, office, department, board, council, commission, institution or other executive branch agency of State Government.
17. **"Termination"** shall mean an end to the Contract affected pursuant to a right which the Contract creates, other than for a Breach.

**B. Client-Related Safeguards.**

**1. Inspection of Work Performed.**

- (a) The AGENCY or its authorized representative shall at all times have the right to enter into the CONTRACTOR or CONTRACTOR Parties' premises, or such other places where duties under the Contract are being performed, to inspect, to monitor or to evaluate the work being performed in accordance with Conn. Gen. Stat. § 4e-29 to ensure compliance with this Contract. The CONTRACTOR and all subcontractors must provide all reasonable facilities and assistance to AGENCY representatives. All inspections and evaluations shall be performed in such a manner as shall not unduly delay work. The CONTRACTOR shall disclose information on clients, applicants and their families as requested unless otherwise prohibited by federal or state law. Written evaluations pursuant to this Section shall be made available to the CONTRACTOR.
- (b) The CONTRACTOR must incorporate this section verbatim into any contract it enters into with any subcontractor providing services under this Contract.

2. **Safeguarding Client Information.** The AGENCY and the CONTRACTOR shall safeguard the use, publication and disclosure of information on all applicants for and all Clients who receive Services under this Contract with all applicable federal and state law concerning confidentiality and as may be further provided under the Contract.

3. **Reporting of Client Abuse or Neglect.** The CONTRACTOR shall comply with all reporting requirements relative to Client abuse and neglect, including but not limited to requirements as specified in C.G.S. §§ 17a-101 through 103, 19a-216, 46b-120 (related to children); C.G.S. § 46a-11b (relative to persons with intellectual disabilities); and C.G.S. § 17b-407 (relative to elderly persons).
4. **Background Checks.** The State may require that the CONTRACTOR and CONTRACTOR Parties undergo criminal background checks as provided for in the State of Connecticut Department of Public Safety Administration and Operations Manual or such other State document as governs procedures for background checks. The CONTRACTOR and CONTRACTOR Parties shall cooperate fully as necessary or reasonably requested with the State and its agents in connection with such background checks

**C. CONTRACTOR Obligations.**

1. **Cost Standards.** The CONTRACTOR and funding state AGENCY shall comply with the Cost Standards issued by the Connecticut Office of Policy and Management, as may be amended from time to time. The Cost Standards are published by the Connecticut Office of Policy and Management on the Web at [http://ct.gov/opm/fin/cost\\_standards](http://ct.gov/opm/fin/cost_standards).
2. **Credits and Rights in Data.** Unless expressly waived in writing by the AGENCY, all Records and publications intended for public distribution during or resulting from the performances of this Contract shall include a statement acknowledging the financial support of the State and the AGENCY and, where applicable, the federal government. All such publications shall be released in conformance with applicable federal and state law and all regulations regarding confidentiality. Any liability arising from such a release by the CONTRACTOR shall be the sole responsibility of the CONTRACTOR and the CONTRACTOR shall indemnify and hold harmless the AGENCY, unless the AGENCY or its agents co-authored said publication and said release is done with the prior written approval of the AGENCY Head. All publications shall contain the following statement: "This publication does not express the views of the [insert Agency name] or the State of Connecticut. The views and opinions expressed are those of the authors." Neither the CONTRACTOR nor any of its agents shall copyright Data and information obtained under this Contract, unless expressly previously authorized in writing by the AGENCY. The AGENCY shall have the right to publish, duplicate, use and disclose all such Data in any manner, and may authorize others to do so. The AGENCY may copyright any Data without prior Notice to the CONTRACTOR. The CONTRACTOR does not assume any responsibility for the use, publication or disclosure solely by the AGENCY of such Data.
3. **Organizational Information, Conflict of Interest, IRS Form 990.** During the term of this Contract and for the one hundred eighty (180) days following its date of Termination and/or Cancellation, the CONTRACTOR shall upon the AGENCY's request provide copies of the following documents within ten (10) Days after receipt of the request:
  - (a) its most recent IRS Form 990 submitted to the Internal Revenue Service, and
  - (b) its most recent Annual Report filed with the Connecticut Secretary of the State's Office or such other information that the AGENCY deems appropriate with respect to the organization and affiliation of the CONTRACTOR and related entities.

This provision shall continue to be binding upon the CONTRACTOR for one hundred and eighty (180) Days following the termination or cancellation of the Contract.

#### **4. Federal Funds.**

- (a) The CONTRACTOR shall comply with requirements relating to the receipt or use of federal funds. The AGENCY shall specify all such requirements in Part I of this Contract.
- (b) The CONTRACTOR acknowledges that the AGENCY has established a policy, as mandated by section 6032 of the Deficit Reduction Act (DRA) of 2005, P.L. 109-171, that provides detailed information about the Federal False Claims Act, 31 U.S.C. §§ 3729-3733, and other laws supporting the detection and prevention of fraud and abuse.
  - (1) CONTRACTOR acknowledges that it has received a copy of said policy and shall comply with its terms, as amended, and with all applicable state and federal laws, regulations and rules. CONTRACTOR shall provide said policy to subcontractors and shall require compliance with the terms of the policy. Failure to abide by the terms of the policy, as determined by the AGENCY, shall constitute a Breach of this Contract and may result in cancellation or termination of this Contract.
  - (2) This section applies if, under this Contract, the CONTRACTOR or CONTRACTOR Parties furnishes, or otherwise authorizes the furnishing of health care items or services, performs billing or coding functions, or is involved in monitoring of health care provided by the AGENCY.
- (c) CONTRACTOR represents that it is not excluded, debarred, suspended or otherwise ineligible to participate in federal health care programs.
- (d) CONTRACTOR shall not, for purposes of performing the Contract with the AGENCY, knowingly employ or contract with, with or without compensation: (A) any individual or entity listed by a federal agency as excluded, debarred, suspended or otherwise ineligible to participate in federal health care programs; or (B) any person or entity who is excluded from contracting with the State of Connecticut or the federal government (as reflected in the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, Department of Health and Human Services, Office of Inspector General (HHS/OIG) Excluded Parties list and the Office of Foreign Assets Control (OFAC) list of Specially Designated Nationals and Blocked Persons List). CONTRACTOR shall immediately notify the AGENCY should it become subject to an investigation or inquiry involving items or services reimbursable under a federal health care program or be listed as ineligible for participation in or to perform Services in connection with such program. The AGENCY may cancel or terminate this Contract immediately if at any point the CONTRACTOR, subcontractor or any of their employees are sanctioned, suspended, excluded from or otherwise become ineligible to participate in federal health care programs.

#### **5. Audit Requirements.**

- (a) The State Auditors of Public Accounts shall have access to all Records for the fiscal year(s) in which the award was made. The CONTRACTOR shall provide for an annual financial audit acceptable to the AGENCY for any expenditure of state-awarded funds made by the CONTRACTOR. Such audit shall include management letters and audit recommendations. The CONTRACTOR shall comply with federal and state single audit standards as applicable.
- (b) The CONTRACTOR shall make all of its and the CONTRACTOR Parties' Records available at all reasonable hours for audit and inspection by the State, including, but not limited to, the AGENCY, the Connecticut Auditors of Public Accounts, Attorney General and State's Attorney and their respective agents. Requests for any audit or inspection shall be in writing, at least ten (10) days prior to the requested date. All audits and inspections shall be at the requester's expense. The State may request an audit or inspection at any time during the Contract term and for three (3) years after Termination, Cancellation or Expiration of the Contract. The

CONTRACTOR shall cooperate fully with the State and its agents in connection with an audit or inspection. Following any audit or inspection, the State may conduct and the CONTRACTOR shall cooperate with an exit conference.

- (c) For purposes of this subsection as it relates to State grants, the word "CONTRACTOR" shall be read to mean "nonstate entity," as that term is defined in C.G.S. § 4-230.
- (d) The CONTRACTOR must incorporate this section verbatim into any Contract it enters into with any subcontractor providing services under this Contract.

**6. Related Party Transactions.** The CONTRACTOR shall report all related party transactions, as defined in this section, to the AGENCY on an annual basis in the appropriate fiscal report as specified in Part I of this Contract. "Related party" means a person or organization related through marriage, ability to control, ownership, family or business association. Past exercise of influence or control need not be shown, only the potential or ability to directly or indirectly exercise influence or control. "Related party transactions" between a CONTRACTOR or CONTRACTOR Party and a related party include, but are not limited to:

- (a) Real estate sales or leases;
- (b) leases for equipment, vehicles or household furnishings;
- (c) Mortgages, loans and working capital loans; and
- (d) Contracts for management, consultant and professional services as well as for materials, supplies and other services purchased by the CONTRACTOR or CONTRACTOR Party.

**7. Suspension or Debarment.** In addition to the representations and requirements set forth in Section 7.C.4:

- (a) The CONTRACTOR certifies for itself and CONTRACTOR Parties involved in the administration of federal or state funds that they:
  - (1) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any governmental agency (federal, state or local);
  - (2) within a three year period preceding the effective date of this Contract, have not been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction or contract under a public transaction; for violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;
  - (3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the above offenses; and
  - (4) Have not within a three year period preceding the effective date of this Contract had one or more public transactions terminated for cause or fault.

(b) Any change in the above status shall be immediately reported to the AGENCY.

**8. Liaison.** Each Party shall designate a liaison to facilitate a cooperative working relationship between the CONTRACTOR and the AGENCY in the performance and administration of this Contract.

**9. Subcontracts.** Each CONTRACTOR Party's identity, services to be rendered and costs shall be detailed in Part I of this Contract. Absent compliance with this requirement, no CONTRACTOR Party may be used or expense paid under this Contract unless expressly otherwise provided in Part I of this Contract. No CONTRACTOR Party shall acquire any direct right of payment from the AGENCY by virtue of this section or any other section of this Contract. The use of CONTRACTOR Parties shall not relieve the CONTRACTOR of any responsibility or liability under this Contract. The CONTRACTOR shall make available copies of all subcontracts to the AGENCY upon request.

**10. Independent Capacity of CONTRACTOR.** The CONTRACTOR and CONTRACTOR Parties shall act in an independent capacity and not as officers or employees of the State or of the AGENCY.

**11. Indemnification.**

(a) The CONTRACTOR shall indemnify, defend and hold harmless the State and its officers, representatives, agents, servants, employees, successors and assigns from and against any and all:

(1) claims arising directly or indirectly, in connection with the Contract, including the acts of commission or omission (collectively the "Acts") of the CONTRACTOR or CONTRACTOR Parties; and

(2) liabilities, damages, losses, costs and expenses, including but not limited to attorneys' and other professionals' fees, arising, directly or indirectly, in connection with Claims, Acts or the Contract. The CONTRACTOR shall use counsel reasonably acceptable to the State in carrying out its indemnification and hold-harmless obligations under this Contract. The CONTRACTOR's obligations under this section to indemnify, defend and hold harmless against Claims includes Claims concerning confidentiality of any part of or all of the bid or any records, and intellectual property rights, other propriety rights of any person or entity, copyrighted or uncopyrighted compositions, secret processes, patented or unpatented inventions, articles or appliances furnished or used in the performance of the Contract.

(b) The CONTRACTOR shall reimburse the State for any and all damages to the real or personal property of the State caused by the Acts of the CONTRACTOR or any CONTRACTOR Parties. The State shall give the CONTRACTOR reasonable notice of any such Claims.

(c) The CONTRACTOR's duties under this Section shall remain fully in effect and binding in accordance with the terms and conditions of the Contract, without being lessened or compromised in any way, even where the CONTRACTOR is alleged or is found to have merely contributed in part to the Acts giving rise to the Claims and/or where the State is alleged or is found to have contributed to the Acts giving rise to the Claims.

(d) The CONTRACTOR shall carry and maintain at all times during the term of the Contract, and during the time that any sections survive the term of the Contract, sufficient general liability insurance to satisfy its obligations under this Contract. The CONTRACTOR shall name the State as an additional insured on the policy and shall provide a copy of the policy to the AGENCY prior to the effective date of the Contract. The CONTRACTOR shall not begin performance until the delivery of the policy to the AGENCY.

(e) The rights provided in this section for the benefit of the State shall encompass the recovery of attorneys' and other professionals' fees expended in pursuing a Claim against a third party.

(f) This section shall survive the Termination, Cancellation or Expiration of the Contract, and shall not be limited by reason of any insurance coverage.

**12. Insurance.** Before commencing performance, the Agency may require the CONTRACTOR to obtain and maintain specified insurance coverage. In the absence of specific AGENCY requirements, the CONTRACTOR shall obtain and maintain the following insurance coverage at its own cost and expense for the duration of the Contract:

- (a) Commercial General Liability. \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall include Premises and Operations, Independent CONTRACTORs, Products and Completed Operations, Contractual Liability, and Broad Form Property Damage coverage. If a general aggregate is used, the general aggregate limit shall apply separately to the services to be performed under this Contract or the general aggregate limit shall be twice the occurrence limit;
- (b) Automobile Liability. \$1,000,000 combined single limit per accident for bodily injury. Coverage extends to owned, hired and non-owned automobiles. If the vendor/CONTRACTOR does not own an automobile, but one is used in the execution of this Contract, then only hired and non-owned coverage is required. If a vehicle is not used in the execution of this Contract then automobile coverage is not required.
- (c) Professional Liability. \$1,000,000 limit of liability, if applicable; and/or
- (d) Workers' Compensation and Employers Liability. Statutory coverage in compliance with the Compensation laws of the State of Connecticut. Coverage shall include Employer's Liability with minimum limits of \$100,000 each accident, \$500,000 Disease – Policy limit, \$100,000 each employee.

**13. Choice of Law/Choice of Forum, Settlement of Disputes, Claims Against the State.**

- (a) The Contract shall be deemed to have been made in the City of Hartford, State of Connecticut. Both Parties agree that it is fair and reasonable for the validity and construction of the Contract to be, and it shall be, governed by the laws and court decisions of the State of Connecticut, without giving effect to its principles of conflicts of laws. To the extent that any immunities provided by federal law or the laws of the State of Connecticut do not bar an action against the State, and to the extent that these courts are courts of competent jurisdiction, for the purpose of venue, the complaint shall be made returnable to the Judicial District of Hartford only or shall be brought in the United States District Court for the District of Connecticut only, and shall not be transferred to any other court, provided, however, that nothing here constitutes a waiver or compromise of the sovereign immunity of the State of Connecticut. The CONTRACTOR waives any objection which it may now have or shall have to the laying of venue of any Claims in any forum and further irrevocably submits to such jurisdiction in any suit, action or proceeding.
- (b) Any dispute concerning the interpretation or application of this Contract shall be decided by the Agency Head or his/her designee whose decision shall be final, subject to any rights the CONTRACTOR may have pursuant to state law. In appealing a dispute to the AGENCY Head pursuant to this section, the CONTRACTOR shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final resolution of a dispute, the CONTRACTOR and the AGENCY shall proceed diligently with the performance of the Contract.
- (c) The CONTRACTOR agrees that the sole and exclusive means for the presentation of any claim against the State arising from this Contract shall be in accordance with Title 4, Chapter 53 of the Connecticut General Statutes (Claims Against the State) and the CONTRACTOR further agrees not to initiate legal proceedings, except as authorized by that Chapter, in any state or federal court in addition to or in lieu of said Chapter 53 proceedings.

**14. Compliance with Law and Policy, Facility Standards and Licensing.** CONTRACTOR shall comply with all:

- (a) pertinent local, state and federal laws and regulations as well as AGENCY policies and procedures applicable to CONTRACTOR's programs as specified in this Contract. The AGENCY shall notify the CONTRACTOR of any applicable new or revised laws, regulations, policies or procedures which the AGENCY has responsibility to promulgate or enforce; and
- (b) applicable local, state and federal licensing, zoning, building, health, fire and safety regulations or ordinances, as well as standards and criteria of pertinent state and federal authorities. Unless otherwise provided by law, the CONTRACTOR is not relieved of compliance while formally contesting the authority to require such standards, regulations, statutes, ordinance or criteria.

**15. Representations and Warranties.** CONTRACTOR shall:

- (a) perform fully under the Contract;
- (b) pay for and/or secure all permits, licenses and fees and give all required or appropriate notices with respect to the provision of Services as described in Section 5 of this Contract; and
- (c) adhere to all contractual sections ensuring the confidentiality of all Records that the CONTRACTOR has access to and are exempt from disclosure under the State's Freedom of Information Act or other applicable law.

**16. Reports.** The CONTRACTOR shall provide the AGENCY with such statistical, financial and programmatic information necessary to monitor and evaluate compliance with the Contract. All requests for such information shall comply with all applicable state and federal confidentiality laws. The CONTRACTOR shall provide the AGENCY with such reports as the AGENCY requests as required by this Contract.

**17. Delinquent Reports.** The CONTRACTOR shall submit required reports by the designated due dates as identified in this Contract. After notice to the CONTRACTOR and an opportunity for a meeting with an AGENCY representative, the AGENCY reserves the right to withhold payments for services performed under this Contract if the AGENCY has not received acceptable progress reports, expenditure reports, refunds, and/or audits as required by this Contract or previous contracts for similar or equivalent services the CONTRACTOR has entered into with the AGENCY. This section shall survive any Termination of the Contract or the Expiration of its term.

**18. Record Keeping and Access.** The CONTRACTOR shall maintain books, Records, documents, program and individual service records and other evidence of its accounting and billing procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature incurred in the performance of this Contract. These Records shall be subject at all reasonable times to monitoring, inspection, review or audit by authorized employees or agents of the State or, where applicable, federal agencies. The CONTRACTOR shall retain all such Records concerning this Contract for a period of three (3) years after the completion and submission to the State of the CONTRACTOR's annual financial audit.

**19. Protection of Personal Information.**

- (a) CONTRACTOR and CONTRACTOR Parties, at their own expense, have a duty to and shall protect from a Personal Information Breach any and all Personal Information which they come to possess or control, wherever and however stored or maintained, in a commercially reasonable manner in accordance with current industry standards.

<http://www.ct.gov/doi/cwp/view.asp?a=1245&q=253968><http://www.ct.gov/doi/cwp/view.asp?a=1245&q=253968>

- (b) Each CONTRACTOR or CONTRACTOR Party shall implement and maintain a comprehensive data security program for the protection of Personal Information. The safeguards contained in such program shall be consistent with and comply with the safeguards for protection of Personal Information, and information of a similar character, as set forth in all applicable federal and state law and written policy of the AGENCY or State concerning the confidentiality of Personal Information. Such data-security program shall include, but not be limited to, the following:
- (1) A security policy for employees related to the storage, access and transportation of data containing Personal Information;
  - (2) Reasonable restrictions on access to records containing Personal Information, including access to any locked storage where such records are kept;
  - (3) A process for reviewing policies and security measures at least annually;
  - (4) Creating secure access controls to Personal Information, including but not limited to passwords; and
  - (5) Encrypting of Personal Information that is stored on laptops, portable devices or being transmitted electronically.
- (c) The CONTRACTOR and CONTRACTOR Parties shall notify the AGENCY and the Connecticut Office of the Attorney General as soon as practical, but no later than twenty-four (24) hours, after they become aware of or suspect that any Personal Information which CONTRACTOR or CONTRACTOR Parties possess or control has been subject to a Personal Information Breach. If a Personal Information Breach has occurred, the CONTRACTOR shall, within three (3) business days after the notification, present a credit monitoring and protection plan to the Commissioner of Administrative Services, the AGENCY and the Connecticut Office of the Attorney General, for review and approval. Such credit monitoring or protection plan shall be made available by the CONTRACTOR at its own cost and expense to all individuals affected by the Personal Information Breach. Such credit monitoring or protection plan shall include, but is not limited to reimbursement for the cost of placing and lifting one (1) security freeze per credit file pursuant to Connecticut General Statutes § 36a-701a. Such credit monitoring or protection plans shall be approved by the State in accordance with this Section and shall cover a length of time commensurate with the circumstances of the Personal Information Breach. The CONTRACTORS' costs and expenses for the credit monitoring and protection plan shall not be recoverable from the AGENCY, any State of Connecticut entity or any affected individuals.
- (d) The CONTRACTOR shall incorporate the requirements of this Section in all subcontracts requiring each CONTRACTOR Party to safeguard Personal Information in the same manner as provided for in this Section.
- (e) Nothing in this Section shall supersede in any manner CONTRACTOR's or CONTRACTOR Party's obligations pursuant to HIPAA or the provisions of this Contract concerning the obligations of the CONTRACTOR as a Business Associate of the AGENCY.

**20. Workforce Analysis.** The CONTRACTOR shall provide a workforce Analysis Affirmative Action report related to employment practices and procedures.

## **21. Litigation.**

- (a) The CONTRACTOR shall require that all CONTRACTOR Parties, as appropriate, disclose to the CONTRACTOR, to the best of their knowledge, any Claims involving the CONTRACTOR Parties that might reasonably be expected to materially adversely affect their businesses, operations, assets, properties, financial stability, business prospects or ability to perform fully under the Contract, no later than ten (10) days after becoming aware or after they should have become aware of any such Claims. Disclosure shall be in writing.
- (b) The CONTRACTOR shall provide written Notice to the AGENCY of any final decision by any tribunal or state or federal agency or court which is adverse to the CONTRACTOR or which results in a settlement, compromise or claim or agreement of any kind for any action or proceeding brought against the CONTRACTOR or its employee or agent under the Americans with Disabilities Act of 1990 as revised or amended from time to time, Executive Orders Nos. 3 & 17 of Governor Thomas J. Meskill and any other requirements of federal or state law concerning equal employment opportunities or nondiscriminatory practices.

**22. Sovereign Immunity.** The CONTRACTOR and CONTRACTOR Parties acknowledge and agree that nothing in the Contract, or the solicitation leading up to the Contract, shall be construed as a modification, compromise or waiver by the State of any rights or defenses of any immunities provided by Federal law or the laws of the State of Connecticut to the State or any of its officers and employees, which they may have had, now have or shall have with respect to all matters arising out of the Contract. To the extent that this Section conflicts with any other Section, this Section shall govern.

## **D. Changes to the Contract, Termination, Cancellation and Expiration.**

### **1. Contract Amendment.**

- (a) No amendment to or modification or other alteration of this Contract shall be valid or binding upon the parties unless made in writing, signed by the parties and, if applicable, approved by the Connecticut Office of the Attorney General.
- (b) The AGENCY may amend this Contract to reduce the contracted amount of compensation if:
  - (1) the total amount budgeted by the State for the operation of the AGENCY or Services provided under the program is reduced or made unavailable in any way; or
  - (2) federal funding reduction results in reallocation of funds within the AGENCY.
- (c) If the AGENCY decides to reduce the compensation, the AGENCY shall send written Notice to the CONTRACTOR. Within twenty (20) Days of the CONTRACTOR's receipt of the Notice, the CONTRACTOR and the AGENCY shall negotiate the implementation of the reduction of compensation unless the parties mutually agree that such negotiations would be futile. If the parties fail to negotiate an implementation schedule, then the AGENCY may terminate the Contract effective no earlier than sixty (60) Days from the date that the CONTRACTOR receives written notification of Termination and the date that work under this Contract shall cease.

### **2. CONTRACTOR Changes and Assignment.**

- (a) The CONTRACTOR shall notify the AGENCY in writing:
  - (1) at least ninety (90) days prior to the effective date of any fundamental changes in the CONTRACTOR's corporate status, including merger, acquisition, transfer of assets, and any change in fiduciary responsibility;

- (2) no later than ten (10) days from the effective date of any change in:
  - (A) its certificate of incorporation or other organizational document;
  - (B) more than a controlling interest in the ownership of the CONTRACTOR; or
  - (C) the individual(s) in charge of the performance.
- (b) No such change shall relieve the CONTRACTOR of any responsibility for the accuracy and completeness of the performance. The AGENCY, after receiving written Notice from the CONTRACTOR of any such change, may require such contracts, releases and other instruments evidencing, to the AGENCY's satisfaction, that any individuals retiring or otherwise separating from the CONTRACTOR have been compensated in full or that allowance has been made for compensation in full, for all work performed under terms of the Contract. The CONTRACTOR shall deliver such documents to the AGENCY in accordance with the terms of the AGENCY's written request. The AGENCY may also require, and the CONTRACTOR shall deliver, a financial statement showing that solvency of the CONTRACTOR is maintained. The death of any CONTRACTOR Party, as applicable, shall not release the CONTRACTOR from the obligation to perform under the Contract; the surviving CONTRACTOR Parties, as appropriate, must continue to perform under the Contract until performance is fully completed.
- (c) Assignment. The CONTRACTOR shall not assign any of its rights or obligations under the Contract, voluntarily or otherwise, in any manner without the prior written consent of the AGENCY.
  - (1) The CONTRACTOR shall comply with requests for documentation deemed to be appropriate by the AGENCY in considering whether to consent to such assignment.
  - (2) The AGENCY shall notify the CONTRACTOR of its decision no later than forty-five (45) Days from the date the AGENCY receives all requested documentation.
  - (3) The AGENCY may void any assignment made without the AGENCY's consent and deem such assignment to be in violation of this Section and to be in Breach of the Contract. Any cancellation of this Contract by the AGENCY for a Breach shall be without prejudice to the AGENCY's or the State's rights or possible claims against the CONTRACTOR.

### **3. Breach.**

- (a) If either party Breaches this Contract in any respect, the non-breaching party shall provide written notice of the Breach to the breaching party and afford the breaching party an opportunity to cure within ten (10) Days from the date that the breaching party receives the notice. In the case of a CONTRACTOR Breach, the AGENCY may modify the ten (10) day cure period in the notice of Breach. The right to cure period shall be extended if the non-breaching party is satisfied that the breaching party is making a good faith effort to cure, but the nature of the Breach is such that it cannot be cured within the right to cure period. The Notice may include an effective Contract cancellation date if the Breach is not cured by the stated date and, unless otherwise modified by the non-breaching party in writing prior to the cancellation date, no further action shall be required of any party to effect the cancellation as of the stated date. If the notice does not set forth an effective Contract cancellation date, then the non-breaching party may cancel the Contract by giving the breaching party no less than twenty four (24) hours' prior written Notice after the expiration of the cure period.
- (b) If the AGENCY believes that the CONTRACTOR has not performed according to the Contract, the AGENCY may:

- (1) withhold payment in whole or in part pending resolution of the performance issue, provided that the AGENCY notifies The CONTRACTOR in writing prior to the date that the payment would have been due in accordance with the budget;
  - (2) temporarily discontinue all or part of the Services to be provided under the Contract;
  - (3) permanently discontinue part of the Services to be provided under the Contract;
  - (4) assign appropriate State personnel to provide contracted for Services to assure continued performance under the Contract until such time as the contractual Breach has been corrected to the satisfaction of the AGENCY;
  - (5) require that contract funding be used to enter into a subcontract with a person or persons designated by the AGENCY in order to bring the program into contractual compliance;
  - (6) take such other actions of any nature whatsoever as may be deemed appropriate for the best interests of the State or the program(s) provided under this Contract or both; or
  - (7) any combination of the above actions.
- (c) The CONTRACTOR shall return all unexpended funds to the AGENCY no later than thirty (30) calendar days after the CONTRACTOR receives a demand from the AGENCY.
- (d) In addition to the rights and remedies granted to the AGENCY by this Contract, the AGENCY shall have all other rights and remedies granted to it by law in the event of Breach of or default by the CONTRACTOR under the terms of this Contract.
- (e) The action of the AGENCY shall be considered final. If at any step in this process the CONTRACTOR fails to comply with the procedure and, as applicable, the mutually agreed plan of correction, the AGENCY may proceed with Breach remedies as listed under this section.
- 4. Non-enforcement Not to Constitute Waiver.** No waiver of any Breach of the Contract shall be interpreted or deemed to be a waiver of any other or subsequent Breach. All remedies afforded in the Contract shall be taken and construed as cumulative, that is, in addition to every other remedy provided in the Contract or at law or in equity. A party's failure to insist on strict performance of any section of the Contract shall only be deemed to be a waiver of rights and remedies concerning that specific instance of performance and shall not be deemed to be a waiver of any subsequent rights, remedies or Breach.
- 5. Suspension.** If the AGENCY determines in its sole discretion that the health and welfare of the Clients or public safety is being adversely affected, the AGENCY may immediately suspend in whole or in part the Contract without prior notice and take any action that it deems to be necessary or appropriate for the benefit of the Clients. The AGENCY shall notify the CONTRACTOR of the specific reasons for taking such action in writing within five (5) Days of immediate suspension. Within five (5) Days of receipt of this notice, the CONTRACTOR may request in writing a meeting with the AGENCY Head or designee. Any such meeting shall be held within five (5) Days of the written request, or such later time as is mutually agreeable to the parties. At the meeting, the CONTRACTOR shall be given an opportunity to present information on why the AGENCY's actions should be reversed or modified. Within five (5) Days of such meeting, the AGENCY shall notify the CONTRACTOR in writing of his/her decision upholding, reversing or modifying the action of the AGENCY head or designee. This action of the AGENCY head or designee shall be considered final.

## **6. Ending the Contractual Relationship.**

- (a) This Contract shall remain in full force and effect for the duration of its entire term or until such time as it is terminated earlier by either party or cancelled. Either party may terminate this contract by providing at least sixty (60) days prior written notice pursuant to the Notice requirements of this Contract.
- (b) The AGENCY may immediately terminate the Contract in whole or in part whenever the AGENCY makes a determination that such termination is in the best interest of the State. Notwithstanding Section 7.D.2, the AGENCY may immediately terminate or cancel this Contract in the event that the CONTRACTOR or any subcontractors becomes financially unstable to the point of threatening its ability to conduct the services required under this Contract, ceases to conduct business in the normal course, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or its assets.
- (c) The AGENCY shall notify the CONTRACTOR in writing of Termination pursuant to subsection (b) above, which shall specify the effective date of termination and the extent to which the CONTRACTOR must complete or immediately cease performance. Such Notice of Termination shall be sent in accordance with the Notice provision contained on page 1 of this Contract. Upon receiving the Notice from the AGENCY, the CONTRACTOR shall immediately discontinue all Services affected in accordance with the Notice, undertake all reasonable and necessary efforts to mitigate any losses or damages, and deliver to the AGENCY all Records as defined in Section 7.A.14, unless otherwise instructed by the AGENCY in writing, and take all actions that are necessary or appropriate, or that the AGENCY may reasonably direct, for the protection of Clients and preservation of any and all property. Such Records are deemed to be the property of the AGENCY and the CONTRACTOR shall deliver them to the AGENCY no later than thirty (30) days after the Termination of the Contract or fifteen (15) days after the CONTRACTOR receives a written request from the AGENCY for the specified records whichever is less. The CONTRACTOR shall deliver those Records that exist in electronic, magnetic or other intangible form in a non-proprietary format, such as, but not limited to ASCII or .TXT.
- (d) The AGENCY may terminate the Contract at any time without prior notice when the funding for the Contract is no longer available.
- (e) The CONTRACTOR shall deliver to the AGENCY any deposits, prior payment, advance payment or down payment if the Contract is terminated by either party or cancelled within thirty (30) days after receiving demand from the AGENCY. The CONTRACTOR shall return to the AGENCY any funds not expended in accordance with the terms and conditions of the Contract and, if the CONTRACTOR fails to do so upon demand, the AGENCY may recoup said funds from any future payments owing under this Contract or any other contract between the State and the CONTRACTOR. Allowable costs, as detailed in audit findings, incurred until the date of termination or cancellation for operation or transition of program(s) under this Contract shall not be subject to recoupment.

## **7. Transition after Termination or Expiration of Contract.**

- (a) If this Contract is terminated for any reason, cancelled or it expires in accordance with its term, the CONTRACTOR shall do and perform all things which the AGENCY determines to be necessary or appropriate to assist in the orderly transfer of Clients served under this Contract and shall assist in the orderly cessation of Services it performs under this Contract. In order to complete such transfer and wind down the performance, and only to the extent necessary or appropriate, if such activities are expected to take place beyond the stated end of the Contract term then the Contract shall be deemed to have been automatically extended by the mutual

consent of the parties prior to its expiration without any affirmative act of either party, including executing an amendment to the Contract to extend the term, but only until the transfer and winding down are complete.

- (b) If this Contract is terminated, cancelled or not renewed, the CONTRACTOR shall return to the AGENCY any equipment, deposits or down payments made or purchased with start-up funds or other funds specifically designated for such purpose under this Contract in accordance with the written instructions from the AGENCY in accordance with the Notice provision of this Contract. Written instructions shall include, but not be limited to, a description of the equipment to be returned, where the equipment shall be returned to and who is responsible to pay for the delivery/shipping costs. Unless the AGENCY specifies a shorter time frame in the letter of instructions, the CONTRACTOR shall affect the returns to the AGENCY no later than sixty (60) days from the date that the CONTRACTOR receives Notice.

## **E. Statutory and Regulatory Compliance.**

### **1. Health Insurance Portability and Accountability Act of 1996.**

- (a) If the Contactor is a Business Associate under the requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the CONTRACTOR must comply with all terms and conditions of this Section of the Contract. If the CONTRACTOR is not a Business Associate under HIPAA, this Section of the Contract does not apply to the CONTRACTOR for this Contract.
- (b) The CONTRACTOR is required to safeguard the use, publication and disclosure of information on all applicants for, and all clients who receive, services under the Contract in accordance with all applicable federal and state law regarding confidentiality, which includes but is not limited to HIPAA, more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C, and E; and
- (c) The AGENCY is a "covered entity" as that term is defined in 45 C.F.R. § 160.103; and
- (d) The CONTRACTOR, on behalf of the AGENCY, performs functions that involve the use or disclosure of "individually identifiable health information," as that term is defined in 45 C.F.R. § 160.103; and
- (e) The CONTRACTOR is a "business associate" of the AGENCY, as that term is defined in 45 C.F.R. § 160.103; and
- (f) The CONTRACTOR and the AGENCY agree to the following in order to secure compliance with the HIPAA, the requirements of Subtitle D of the Health Information Technology for Economic and Clinical Health Act ("HITECH Act"), (Pub. L. 111-5, §§ 13400 to 13423), and more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C, and E.
- (g) Definitions
  - (1) "Breach" shall have the same meaning as the term is defined in section 13400 of the HITECH Act (42 U.S.C. § 17921(1)).
  - (2) "Business Associate" shall mean the CONTRACTOR.
  - (3) "Covered Entity" shall mean the AGENCY of the State of Connecticut named on page 1 of this Contract.

- (4) "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 C.F.R. § 164.501.
  - (5) "Electronic Health Record" shall have the same meaning as the term is defined in section 13400 of the HITECH Act (42 U.S.C. § 17921(5)).
  - (6) "Individual" shall have the same meaning as the term "individual" in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative as defined in 45 C.F.R. § 164.502(g).
  - (7) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and part 164, subparts A and E.
  - (8) "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to information created or received by the Business Associate from or on behalf of the Covered Entity.
  - (9) "Required by Law" shall have the same meaning as the term "required by law" in 45 C.F.R. § 164.103.
  - (10) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.
  - (11) "More stringent" shall have the same meaning as the term "more stringent" in 45 C.F.R. § 160.202.
  - (12) "This Section of the Contract" refers to the HIPAA Provisions stated herein, in their entirety.
  - (13) "Security Incident" shall have the same meaning as the term "security incident" in 45 C.F.R. § 164.304.
  - (14) "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. part 160 and part 164, subpart A and C.
  - (15) "Unsecured protected health information" shall have the same meaning as the term as defined in section 13402(h)(1)(A) of HITECH. Act. (42 U.S.C. §17932(h)(1)(A)).
- (h) Obligations and Activities of Business Associates.
- (1) Business Associate agrees not to use or disclose PHI other than as permitted or required by this Section of the Contract or as Required by Law.
  - (2) Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for in this Section of the Contract.
  - (3) Business Associate agrees to use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of electronic protected health information that it creates, receives, maintains, or transmits on behalf of the Covered Entity.
  - (4) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of a use or disclosure of PHI by Business Associate in violation of this Section of the Contract.

- (5) Business Associate agrees to report to Covered Entity any use or disclosure of PHI not provided for by this Section of the Contract or any security incident of which it becomes aware.
- (6) Business Associate agrees to insure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate, on behalf of the Covered Entity, agrees to the same restrictions and conditions that apply through this Section of the Contract to Business Associate with respect to such information.
- (7) Business Associate agrees to provide access, at the request of the Covered Entity, and in the time and manner agreed to by the parties, to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 C.F.R. § 164.524.
- (8) Business Associate agrees to make any amendments to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526 at the request of the Covered Entity, and in the time and manner agreed to by the parties.
- (9) Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by, Business Associate on behalf of Covered Entity, available to Covered Entity or to the Secretary in a time and manner agreed to by the parties or designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
- (10) Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528 and section 13405 of the HITECH Act (42 U.S.C. § 17935) and any regulations promulgated thereunder.
- (11) Business Associate agrees to provide to Covered Entity, in a time and manner agreed to by the parties, information collected in accordance with subsection (h)(10) of this Section of the Contract, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528 and section 13405 of the HITECH Act (42 U.S.C. § 17935) and any regulations promulgated thereunder. Business Associate agrees at the Covered Entity's direction to provide an accounting of disclosures of PHI directly to an individual in accordance with 45 C.F.R. § 164.528 and section 13405 of the HITECH Act (42 U.S.C. § 17935) and any regulations promulgated thereunder.
- (12) Business Associate agrees to comply with any state or federal law that is more stringent than the Privacy Rule.
- (13) Business Associate agrees to comply with the requirements of the HITECH Act relating to privacy and security that are applicable to the Covered Entity and with the requirements of 45 C.F.R. §§ 164.504(e), 164.308, 164.310, 164.312, and 164.316.
- (14) In the event that an individual requests that the Business Associate
  - (A) restrict disclosures of PHI;
  - (B) provide an accounting of disclosures of the individual's PHI; or

- (C) provide a copy of the individual's PHI in an electronic health record, the Business Associate agrees to notify the covered entity, in writing, within five (5) business days of the request.
- (15) Business Associate agrees that it shall not, directly or indirectly, receive any remuneration in exchange for PHI of an individual without
- (A) the written approval of the covered entity, unless receipt of remuneration in exchange for PHI is expressly authorized by this Contract and
  - (B) the valid authorization of the individual, except for the purposes provided under section 13405(d)(2) of the HITECH Act, (42 U.S.C. § 17935(d)(2)) and in any accompanying regulations
- (16) Obligations in the Event of a Breach.
- (A) The Business Associate agrees that, following the discovery of a breach of unsecured protected health information, it shall notify the Covered Entity of such breach in accordance with the requirements of section 13402 of HITECH (42 U.S.C. § 17932(b)) and this Section of the Contract.
  - (B) Such notification shall be provided by the Business Associate to the Covered Entity without unreasonable delay, and in no case later than 30 days after the breach is discovered by the Business Associate, except as otherwise instructed in writing by a law enforcement official pursuant to section 13402(g) of HITECH (42 U.S.C. § 17932(g)). A breach is considered discovered as of the first day on which it is, or reasonably should have been, known to the Business Associate. The notification shall include the identification and last known address, phone number and email address of each individual (or the next of kin of the individual if the individual is deceased) whose unsecured protected health information has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, or disclosed during such breach.
  - (C) The Business Associate, the Business Associate agrees to include in the notification to the Covered Entity at least the following information:
    1. A brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known.
    2. A description of the types of unsecured protected health information that were involved in the breach (such as full name, Social Security number, date of birth, home address, account number, or disability code).
    3. The steps the Business Associate recommends that individuals take to protect themselves from potential harm resulting from the breach.
    4. A detailed description of what the Business Associate is doing to investigate the breach, to mitigate losses, and to protect against any further breaches.
    5. Whether a law enforcement official has advised either verbally or in writing the Business Associate that he or she has determined that notification or notice to individuals or the posting required under section 13402 of the HITECH Act would impede a criminal investigation or cause damage to national security and; if so, include contact information for said official.

- (D) Business Associate agrees to provide appropriate staffing and have established procedures to ensure that individuals informed by the Covered Entity of a breach by the Business Associate have the opportunity to ask questions and contact the Business Associate for additional information regarding the breach. Such procedures shall include a toll-free telephone number, an e-mail address, a posting on its Web site or a postal address. For breaches involving ten or more individuals whose contact information is insufficient or out of date to allow written notification under 45 C.F.R. § 164.404(d)(1)(i), the Business Associate shall notify the Covered Entity of such persons and maintain a toll-free telephone number for ninety (90) days after said notification is sent to the Covered Entity. Business Associate agrees to include in the notification of a breach by the Business Associate to the Covered Entity, a written description of the procedures that have been established to meet these requirements. Costs of such contact procedures shall be borne by the CONTRACTOR.
- (E) Business Associate agrees that, in the event of a breach, it has the burden to demonstrate that it has complied with all notifications requirements set forth above, including evidence demonstrating the necessity of a delay in notification to the Covered Entity.
- (i) Permitted Uses and Disclosure by Business Associate.
- (1) General Use and Disclosure Provisions Except as otherwise limited in this Section of the Contract, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in this Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.
- (2) Specific Use and Disclosure Provisions
- (A) Except as otherwise limited in this Section of the Contract, Business Associate may use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.
- (B) Except as otherwise limited in this Section of the Contract, Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it shall remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
- (C) Except as otherwise limited in this Section of the Contract, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).
- (j) Obligations of Covered Entity.
- (1) Covered Entity shall notify Business Associate of any limitations in its notice of privacy practices of Covered Entity, in accordance with 45 C.F.R. § 164.520, or to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
- (2) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

- (3) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.
- (k) Permissible Requests by Covered Entity. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by the Covered Entity, except that Business Associate may use and disclose PHI for data aggregation, and management and administrative activities of Business Associate, as permitted under this Section of the Contract.
  - (l) Term and Termination.
    - (1) Term. The Term of this Section of the Contract shall be effective as of the date the Contract is effective and shall terminate when the information collected in accordance with provision (h)(10) of this Section of the Contract is provided to the Covered Entity and all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.
    - (2) Termination for Cause Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
      - (A) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate the Contract if Business Associate does not cure the breach or end the violation within the time specified by the Covered Entity; or
      - (B) Immediately terminate the Contract if Business Associate has breached a material term of this Section of the Contract and cure is not possible; or
      - (C) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.
    - (3) Effect of Termination.
      - (A) Except as provided in (l)(2) of this Section of the Contract, upon termination of this Contract, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. Business Associate shall also provide the information collected in accordance with section (h)(10) of this Section of the Contract to the Covered Entity within ten business days of the notice of termination. This section shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.
      - (B) In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon documentation by Business Associate that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Section of the Contract to such PHI and limit further uses and disclosures of PHI to those purposes that make return or destruction infeasible, for as long as Business Associate maintains such PHI. Infeasibility of the return or destruction of PHI includes, but is not limited to, requirements under state or federal law that the Business Associate maintains or preserves the PHI or copies thereof.

(m) Miscellaneous Sections.

- (1) **Regulatory References.** A reference in this Section of the Contract to a section in the Privacy Rule means the section as in effect or as amended.
  - (2) **Amendment.** The Parties agree to take such action as is necessary to amend this Section of the Contract from time to time as is necessary for Covered Entity to comply with requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.
  - (3) **Survival.** The respective rights and obligations of Business Associate shall survive the termination of this Contract.
  - (4) **Effect on Contract.** Except as specifically required to implement the purposes of this Section of the Contract, all other terms of the Contract shall remain in force and effect.
  - (5) **Construction.** This Section of the Contract shall be construed as broadly as necessary to implement and comply with the Privacy Standard. Any ambiguity in this Section of the Contract shall be resolved in favor of a meaning that complies, and is consistent with, the Privacy Standard.
  - (6) **Disclaimer.** Covered Entity makes no warranty or representation that compliance with this Section of the Contract shall be adequate or satisfactory for Business Associate's own purposes. Covered Entity shall not be liable to Business Associate for any claim, civil or criminal penalty, loss or damage related to or arising from the unauthorized use or disclosure of PHI by Business Associate or any of its officers, directors, employees, CONTRACTORS or agents, or any third party to whom Business Associate has disclosed PHI contrary to the sections of this Contract or applicable law. Business Associate is solely responsible for all decisions made, and actions taken, by Business Associate regarding the safeguarding, use and disclosure of PHI within its possession, custody or control.
  - (7) **Indemnification.** The Business Associate shall indemnify and hold the Covered Entity harmless from and against any and all claims, liabilities, judgments, fines, assessments, penalties, awards and any statutory damages that may be imposed or assessed pursuant to HIPAA, as amended or the HITECH Act, including, without limitation, attorney's fees, expert witness fees, costs of investigation, litigation or dispute resolution, and costs awarded thereunder, relating to or arising out of any violation by the Business Associate and its agents, including subcontractors, of any obligation of Business Associate and its agents, including subcontractors, under this section of the contract, under HIPAA, the HITECH Act, the Privacy Rule and the Security Rule.
- 2. Americans with Disabilities Act.** The CONTRACTOR shall be and remain in compliance with the Americans with Disabilities Act of 1990 (<http://www.ada.gov/>) as amended from time to time ("Act") to the extent applicable, during the term of the Contract. The AGENCY may cancel or terminate this Contract if the CONTRACTOR fails to comply with the Act. The CONTRACTOR represents that it is familiar with the terms of this Act and that it is in compliance with the law. The CONTRACTOR warrants that it shall hold the State harmless from any liability which may be imposed upon the state as a result of any failure of the CONTRACTOR to be in compliance with this Act. As applicable, the CONTRACTOR shall comply with section 504 of the Federal Rehabilitation Act of 1973, as amended from time to time, 29 U.S.C. § 794 (Supp. 1993), regarding access to programs and facilities by people with disabilities.
- 3. Utilization of Minority Business Enterprises.** The CONTRACTOR shall perform under this Contract in accordance with 45 C.F.R. Part 74; and, as applicable, C.G.S. §§ 4a-60 to 4a-60a and 4a-60g to carry out this policy in the award of any subcontracts.

**4. Priority Hiring.** Subject to the CONTRACTOR's exclusive right to determine the qualifications for all employment positions, the CONTRACTOR shall give priority to hiring welfare recipients who are subject to time-limited welfare and must find employment. The CONTRACTOR and the AGENCY shall work cooperatively to determine the number and types of positions to which this Section shall apply.

**5. Non-discrimination.**

(a) For purposes of this Section, the following terms are defined as follows:

- i. "Commission" means the Commission on Human Rights and Opportunities;
- ii. "Contract" and "contract" include any extension or modification of the Contract or contract;
- iii. "CONTRACTOR" and "CONTRACTOR" include any successors or assigns of the CONTRACTOR or CONTRACTOR;
- iv. "Gender identity or expression" means a person's gender-related identity, appearance or behavior, whether or not that gender-related identity, appearance or behavior is different from that traditionally associated with the person's physiology or assigned sex at birth, which gender-related identity can be shown by providing evidence including, but not limited to, medical history, care or treatment of the gender-related identity, consistent and uniform assertion of the gender-related identity or any other evidence that the gender-related identity is sincerely held, part of a person's core identity or not being asserted for an improper purpose.
- v. "Good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations;
- vi. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts shall not be sufficient to comply with such requirements;
- vii. "Marital status" means being single, married as recognized by the State of Connecticut, widowed, separated or divorced;
- viii. "Mental disability" means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association's "Diagnostic and Statistical Manual of Mental Disorders", or a record of or regarding a person as having one or more such disorders;
- ix. "Minority business enterprise" means any small CONTRACTOR or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise, and (3) who are members of a minority, as such term is defined in subsection (a) of Connecticut General Statutes § 32-9n; and
- x. "Public works contract" means any agreement between any individual, firm or corporation and the State or any political subdivision of the State other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the State, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees.

For purposes of this Section, the terms "Contract" and "contract" do not include a contract where each CONTRACTOR is (1) a political subdivision of the state, including, but not limited to, a municipality, (2) a quasi-public agency, as defined in Conn. Gen. Stat. Section 1-120, (3) any other state, including but not limited to any federally recognized Indian tribal governments, as defined in Conn. Gen. Stat. Section 1-267, (4) the federal government, (5) a foreign government, or (6) an agency of a subdivision, agency, state or government described in the immediately preceding enumerated items (1), (2), (3), (4) or (5).

- (b) (1) The CONTRACTOR agrees and warrants that in the performance of the Contract such CONTRACTOR shall not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, intellectual disabilities, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such CONTRACTOR that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut; and the CONTRACTOR further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, intellectual disabilities, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by the CONTRACTOR that such disability prevents performance of the work involved; (2) the CONTRACTOR agrees, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission; (3) the CONTRACTOR agrees to provide each labor union or representative of workers with which the CONTRACTOR has a collective bargaining Agreement or other contract or understanding and each vendor with which the CONTRACTOR has a contract or understanding, a notice to be provided by the Commission, advising the labor union or workers' representative of the CONTRACTOR's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the CONTRACTOR agrees to comply with each provision of this Section and Connecticut General Statutes §§ 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes §§ 46a-56, 46a-68e and 46a-68f; and (5) the CONTRACTOR agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the CONTRACTOR as relate to the provisions of this Section and Connecticut General Statutes § 46a-56. If the contract is a public works contract, the CONTRACTOR agrees and warrants that he shall make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works projects.
- (c) Determination of the CONTRACTOR's good faith efforts shall include, but shall not be limited to, the following factors: the CONTRACTOR's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.
- (d) The CONTRACTOR shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.
- (e) The CONTRACTOR shall include the provisions of subsection (b) of this Section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The CONTRACTOR shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes §46a-56; provided if such CONTRACTOR becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the CONTRACTOR may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

- (f) The CONTRACTOR agrees to comply with the regulations referred to in this Section as they exist on the date of this Contract and as they may be adopted or amended from time to time during the term of this Contract and any amendments thereto.
- (g) (1) The CONTRACTOR agrees and warrants that in the performance of the Contract such CONTRACTOR shall not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) the CONTRACTOR agrees to provide each labor union or representative of workers with which such CONTRACTOR has a collective bargaining Agreement or other contract or understanding and each vendor with which such CONTRACTOR has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the CONTRACTOR's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (3) the CONTRACTOR agrees to comply with each provision of this section and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes § 46a-56; and (4) the CONTRACTOR agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the CONTRACTOR which relate to the provisions of this Section and Connecticut General Statutes § 46a-56.
- (h) The CONTRACTOR shall include the provisions of the foregoing paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The CONTRACTOR shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes § 46a-56; provided, if such CONTRACTOR becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the CONTRACTOR may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

**6. Freedom of Information.**

- (a) CONTRACTOR acknowledges that the AGENCY must comply with the Freedom of Information Act, C.G.S. §§ 1-200 et seq. ("FOIA") which requires the disclosure of documents in the possession of the State upon request of any citizen, unless the content of the document falls within certain categories of exemption, as defined by C.G.S. § 1-210(b).
- (b) Governmental Function. In accordance with C.G.S. § 1-218, if the amount of this Contract exceeds two million five hundred thousand dollars (\$2,500,000), and the CONTRACTOR is a "person" performing a "governmental function", as those terms are defined in C.G.S. §§ 1-200(4) and (11), the AGENCY is entitled to receive a copy of the Records and files related to the CONTRACTOR's performance of the governmental function, which may be disclosed by the AGENCY pursuant to the FOIA.

- 7. Whistleblowing.** This Contract is subject to C.G.S. § 4-61dd if the amount of this Contract is a "large state contract" as that term is defined in C.G.S. § 4-61dd(h). In accordance with this statute, if an officer, employee or appointing authority of the CONTRACTOR takes or threatens to take any personnel action against any employee of the CONTRACTOR in retaliation for such employee's disclosure of information to any employee of the Contracting state or quasi-public agency or the Auditors of Public Accounts or the Attorney General under subsection (a) of such statute, the CONTRACTOR shall be liable for a civil penalty of not more than five thousand

dollars (\$5,000) for each offense, up to a maximum of twenty per cent (20%) of the value of this Contract. Each violation shall be a separate and distinct offense and in the case of a continuing violation, each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The State may request that the Attorney General bring a civil action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. In accordance with subsection (f) of such statute, each large state CONTRACTOR, as defined in the statute, shall post a notice of the relevant sections of the statute relating to large state CONTRACTORS in a conspicuous place which is readily available for viewing by the employees of the CONTRACTOR.

- 8. Executive Orders.** This Contract is subject to Executive Order No. 3 of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices; Executive Order No. 17 of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings; Executive Order No. 16 of Governor John G. Rowland, promulgated August 4, 1999, concerning violence in the workplace. This Contract may also be subject to Executive Order 7C of Governor M. Jodi Rell, promulgated July 13, 2006, concerning contracting reforms and Executive Order 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services, in accordance with their respective terms and conditions. All of these Executive orders are incorporated into and made a part of the Contract as if they had been fully set forth in it. At the CONTRACTOR's request, the AGENCY shall provide a copy of these Orders to the CONTRACTOR.
- 9. Campaign Contribution Restrictions.** For all State contracts as defined in C.G.S. § 9-612(g) the authorized signatory to this Contract expressly acknowledges receipt of the State Elections Enforcement Commission's ("SEEC") notice advising state CONTRACTORS of state campaign contribution and solicitation prohibitions, and shall inform its principals of the contents of the notice. See SEEC Form 11 reproduced below:

[www.ct.gov/seec](http://www.ct.gov/seec)



## Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Limitations

This notice is provided under the authority of Connecticut General Statutes §9-612(g)(2), as amended by P.A. 10-1, and is for the purpose of informing state contractors and prospective state contractors of the following law (*italicized words are defined on the reverse side of this page*).

### CAMPAIGN CONTRIBUTION AND SOLICITATION LIMITATIONS

No *state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor*, with regard to a *state contract or state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee (which includes town committees).

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

On and after January 1, 2011, no state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor, with regard to a state contract or state contract solicitation with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall **knowingly solicit** contributions from the state contractor's or prospective state contractor's employees or from a *subcontractor or principals of the subcontractor* on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

### DUTY TO INFORM

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

### PENALTIES FOR VIOLATIONS

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

**Civil penalties**—Up to \$2,000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of up to \$2,000 or twice the amount of the prohibited contributions made by their principals.

**Criminal penalties**—Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or not more than \$5,000 in fines, or both.

### CONTRACT CONSEQUENCES

In the case of a state contractor, contributions made or solicited in violation of the above prohibitions may result in the contract being voided.

In the case of a prospective state contractor, contributions made or solicited in violation of the above prohibitions shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The State shall not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Additional information may be found on the website of the State Elections Enforcement Commission, [www.ct.gov/seec](http://www.ct.gov/seec). Click on the link to "Lobbyist/Contractor Limitations."



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## DEFINITIONS

"State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Prospective state contractor" means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. "Prospective state contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a state contractor or prospective state contractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has *managerial or discretionary responsibilities with respect to a state contract*, (v) the spouse or a *dependent child* who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

"State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan, a loan to an individual for other than commercial purposes or any agreement or contract between the state or any state agency and the United States Department of the Navy or the United States Department of Defense.

"State contract solicitation" means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

"Managerial or discretionary responsibilities with respect to a state contract" means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

"Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax of such individual.

"Solicit" means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (iv) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.

"Subcontractor" means any person, business entity or nonprofit organization that contracts to perform part or all of the obligations of a state contractor's state contract. Such person, business entity or nonprofit organization shall be deemed to be a subcontractor until December thirty first of the year in which the subcontract terminates. "Subcontractor" does not include (i) a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or (ii) an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a subcontractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a subcontractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a subcontractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a subcontractor, which is not a business entity, or if a subcontractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any subcontractor who has managerial or discretionary responsibilities with respect to a subcontract with a state contractor, (v) the spouse or a dependent child who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the subcontractor.

Attachment B – Bailit Proposed Approach

**COMPONENT TWO: PROPOSED APPROACH AND ORGANIZATIONAL QUALIFICATIONS**

**1. Proposed Approach**

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Over our 19 years of consulting experience Bailit Health Purchasing, LLC (“Bailit Health”) has learned the importance of working collaboratively with our clients in order to best serve their needs. We have found that careful listening is critical to developing a thorough understanding of client goals, the cultural and political environment, and the barriers to realizing desired goals. This enables us to develop recommendations, strategies, policies and programs that are realistic and improve the health care delivery. We understand that each of our clients operates in a unique environment and we are committed to ensuring that we bring value that is tailored to the particular needs of each client.

We will work with the Connecticut Office of the Healthcare Advocate and the Office of the Lieutenant Governor in the same manner to identify effective cost containment model(s) for the state and to develop the legislatively mandated report documenting the Cabinet’s recommendations. The following narrative details our proposed approach to performing each of the seven specific tasks identified in the Request for Proposals.

**A. Health Care Cabinet Member Engagement**

We recognize the importance of having an actively engaged Health Care Cabinet (Cabinet) working toward consensus cost containment recommendations, and that the Cabinet is comprised of a comprehensive group of stakeholders. To assure that we understand the different perspectives of each of the stakeholders, we will meet individually with each member of the Cabinet. In order to maximize the Cabinet member engagement and our learning from the interviews, we propose completing the interviews within the first month of the engagement. Because there are potentially 27 interviews, we propose using a combination of in-person meetings and telephone calls to conduct them within the proposed timeframe. In advance of the meetings, we will develop a set of interview questions, including questions regarding their views on how to achieve each of the six purposes that Connecticut has identified for successful cost containment models: monitor/control health care costs, enhance competition, promote value-based providers, cost/quality transparency, increase cost-effectiveness and improve quality of care and health outcomes. We will also develop questions regarding cost containment models currently operating in Connecticut, possible barriers to implementing new models, and necessary partnerships that will likely galvanize change. We will obtain input from OHA and OLG before finalizing the interview questions and determining the level of confidentiality to which individual responses to questions will be held. We will send the questions to the Cabinet members in advance of the interview to allow them time to reflect on them. We will summarize the key themes from the interviews and consider the information developed from these interviews as we structure Cabinet meetings to ensure that the meetings are informative and interactive.

To promote on-going engagement of the Cabinet members, we will work with OHA and OLG to plan and facilitate monthly in-person Cabinet meetings, during which Cabinet member input will

be sought regarding study findings and key policy options that Connecticut must consider to develop a coherent cost containment model. The meetings will be designed to be interactive. We have found in working with similar stakeholder groups in other states, such as the SIM steering committee in Pennsylvania and Vermont, that member engagement is most effectively achieved when the information conveyed is as concrete as possible so that stakeholders understand how the information presented differs from “business as usual” and how it directly impacts different segments of the health care industry. Therefore, we will explain the results of our research into and proposals regarding cost containment models in such a way that all affected stakeholders will understand the implications of each model on their business. During the Cabinet meetings, we will work closely with OHA and OLG to assure that all stakeholder viewpoints are heard and discussions are not dominated by a small minority of participants, as we have done in facilitating other large and complex stakeholder groups, including two Massachusetts legislatively mandated commissions focusing of payment reform and one focusing on behavioral health issues. We recognize the importance of developing a broad consensus around any proposed cost containment strategies. Outside of Cabinet meetings, we will work with OHA and OLG to keep the Cabinet members informed using such communication vehicles as sending progress reports via email and developing website postings, as appropriate. We anticipate meeting at least quarterly with the Consumer Advisory Board and will work with its members to reach other consumer stakeholders. Based on the need as determined by OHA and OLG, we will also meet with other stakeholders who may be impacted by the proposed strategies. We will work with OHA and OLG staff to identify additional groups with whom to meet.

We will also work with OHA and OLG to create, staff and facilitate a work group, which is a subset of the Cabinet, to work more directly with OHA and us to process ideas and understand how different cost containment strategies will resonate in Connecticut. We anticipate that the work group will be comprised of Cabinet members who represent key health care sectors that will be essential for the implementation of new cost containment strategies. This group will serve as a key sounding board, providing frank and timely feedback regarding possible barriers and challenges, and perhaps solutions, with respect to potential new models for Connecticut. We anticipate that the work group will meet monthly. We propose in-person meetings for the first two meetings, and telephonic meetings thereafter. If OHA and OLG would prefer that all meetings be in person, we will be happy to do so.

#### B. Provide Support for Health Care Cabinet

Bailit Health consultants are experienced project managers for large complex projects. For example, we managed multi-payer PCMH projects in three states (Massachusetts, Missouri and Pennsylvania), and are currently assisting Vermont to implement its SIM Model Test Grant. We will bring this experience to support the Cabinet. We have identified three Bailit Health consultants who will have primary responsibility for managing the project. Megan Burns, Senior Consultant, will be Project Director and primary project contact for Connecticut. Marge Houy, Senior Consultant, will support the project as Project Manager. Michael Bailit, President, will serve as the Strategic Lead, responsible for overseeing the research and analysis of the cost containment models and for the development of specific model recommendations for Connecticut. As discussed in more detail in Section 2, below, additional Bailit Health consultants will bring specific content expertise to the project.

We propose holding weekly project management meetings with OHA and OLG staff who will be working on this project. As part of an initial kick-off meeting with OHA and OLG, Bailit will confirm Cabinet membership, agree on project deliverables and due dates, and identify key issues to be addressed during the course of this project. On an on-going basis, we will use the project team meetings to develop goals, review progress, identify and address barriers, and monitor Cabinet engagement. Once a month, the Project Director and Project Manager will be in OHA offices for the project team meeting. We anticipate holding the project team meeting on the same day as the Cabinet meeting. Key project management activities that we will perform include developing and maintaining an overall project management calendar with milestones and timelines, preparing Cabinet and work group meeting agendas in time for distribution one week in advance of the meeting, and preparing meeting summaries within two working days of each meeting for posting on the Cabinet's website. Bailit Health consultants will also attend meetings with legislators, executive branch officials and community groups, as requested.

We will also work with the SIM staff to avoid duplication of activities and to align strategy, policy and regulatory recommendations. The SIM Test Grant is focusing on payment and delivery system transformation. We understand the importance of assuring that the recommendations to the legislature result in a coherent cost containment model that creates a supportive framework so that delivery system and payment transformation can realize long-term success.

We will assist OHA and OLG in planning, coordinating and supporting all Cabinet meetings. We anticipate that the agenda for the first meeting will focus on an overview of the cost containment project, timeframe, a review of the proposed approach to developing a cost containment model, issues to be discussed during Cabinet meetings and the need to obtain member input on the model elements and associated policy issues in order to develop an effective model for Connecticut. In addition, we anticipate leading the Cabinet in identifying the key principles for cost containment that they find most important to help guide our work. In future meetings we will present our proposed analytical framework and research findings and seek Cabinet member input on the applicability of specific models to Connecticut, including the policy and operational decisions that will need to be considered with respect to each model. The series of meetings will conclude with an in depth discussion of a proposed model for Connecticut and a detailed discussion of the report, including iterative Cabinet member feedback, if OHA and OLG desire.

#### C. Establish and Conduct Presentation to and Solicit Input from Health Care Cabinet Members

We appreciate that the majority of communications with Cabinet members will be during in person meetings when information is conveyed via formal presentations. Therefore, we recognize the importance of developing presentations that are well-structured and informative. We will work closely with OHA and OLG on content and messaging, as well as design. We anticipate that the presentations will focus on study findings regarding successful and unsuccessful cost containment models implemented in other states and policy considerations for Connecticut. Since Bailit Health has extensive knowledge and direct consultative experience regarding several of the RFP's targeted states – specifically, Massachusetts, Oregon, Rhode

Island, and Vermont -- we will be able to present information on successful and unsuccessful models beginning with the third Cabinet meeting. We will also use the presentations to develop a framework for understanding the different models other states have used and why some are more successful than others. We will send draft presentations to OHA and OLG to review, evaluate and approve prior to each meeting. We will have final presentations ready to distribute to the Cabinet members one week in advance of the meeting.

We also realize the importance of assuring that there is robust discussion at each meeting in order to develop an effective cost containment model for Connecticut. Therefore, we will take steps to structure presentations to be interactive by posing specific questions throughout the presentation with time to discuss these questions. We have used this technique successfully when working with stakeholder groups in other states, including the two advisory committees that are assisting the Rhode Island Insurance Commissioner with the implementation of Rhode Island's Affordability Standards.

#### D. Assess and Index Currently Established Cost Containment Models in Other States

In order to build an effective cost containment model, Connecticut seeks support from a consultant to research and analyze cost containment models currently implemented in other states, including Massachusetts, Maryland, Oregon, Rhode Island, Washington and Vermont. We propose using the following six goals of a cost containment model identified by OHA as the framework for organizing our research:

1. Systems to monitor health care costs
2. Ways to enhance competition in the health care market
3. Ways to promote the use of high-quality health care providers with low total medical expenses and prices
4. Ways to improve health care cost and quality transparency
5. Ways to increase cost-effectiveness in the health care market
6. Ways to improve the quality of care and health outcomes

For each targeted state, we will describe each model's approach to cost containment, as well as collect information and analyze how the state's model addresses each one of these six goals. We will describe how they differ from one another and the benefits and limitations of each model. For example, Massachusetts' model promotes payment reform and relies on price and trend transparency to generate voluntary compliance by providers and payers to a cap on total health care cost increases, whereas, Rhode Island has used regulatory authority to expand support for primary care, believing that a robust primary care sector will lead to affordable health care as use of specialists, emergency departments and inpatient services declines. Through this analysis we will identify key variations among the models such as the role of state government, the use of regulatory authority, and role of the private sector in bringing about change, and why type of leadership coalitions were effective.

We propose beginning the research by drawing on our knowledge of the targeted states to refine the analytic framework and document each state's model, as much as possible. As noted above, we have extensive, detailed knowledge about several of the listed states. For example, we are currently working with Vermont to implement its Model Test grant and to implement a multi-payer, multi-provider payment and delivery system reform initiative. We are also currently

working with the Office of the Health Insurance in Rhode Island to implement its Affordability Standards<sup>i</sup>. We worked with the State of Oregon to develop its Coordinated Care Organization (CCO) payment and quality incentive model, and continue to work with Oregon on several fronts, including providing state-funded technical assistance to several operating CCOs. As a Massachusetts-based firm, we have worked with each of the key Massachusetts state agencies involved in cost containment initiatives. We also count Maryland and Washington as states with which we have worked over the past year.

We will review and finalize our proposed analytic framework with OHA and OLG before conducting any research activities, including conducting interviews with state leaders and online research of pertinent state-specific documents or webinars and peer-reviewed articles. Prior to any interviews that we conduct with state leaders, we will develop a structured interview tool and share it with OHA and OLG and incorporate any feedback before beginning any interviews. We do not anticipate the need for on-site meetings.

Using a framework with standardized categories of information based on the six goals mentioned above, we will index each of the models and their components to build a repository that allows the information to be easily accessible by Cabinet members and other interested parties. We will also structure the information so that an interested party will be able to determine how each model addresses the topics to be addressed in the report, discussed in Section F, below. For example, a Cabinet member will be able to easily identify how each of the documented models monitors health care costs and identifies providers that exceed the cost targets, as well as what steps are to be taken to assist the provider in reaching or to hold the provider accountable for not reaching the goal. We will also document research findings regarding how successful the model has been in achieving cost containment goals, including information regarding what was successful and not successful and why. Particular attention will be paid to the combination of environmental, cultural, and statutory/regulatory levers that were essential to a successful model. Those models that are less successful than anticipated will be mined for information on what was missing or what did not play out as anticipated that led to a less than successful results. All of this information will be available in the free online repository.

To make information available in this fashion, we anticipate using a free online repository, such as Google Documents or DropBox, which would allow us to organize the information we collect and store it electronically for the Cabinet, or the public if OHA and OLG prefer. We envision multiple well-labeled folders that will guide users to the information they seek. For example, we envision each state we research to have its own folder of information. We also anticipate each of the six goals to have its own folder, which contains a summary document of how other states are achieving (or attempting to achieve) those six goals. We will also prepare summary tables, crosswalks and documents with embedded links that will allow users to easily access information regarding different cost containment strategies. Should the state not have the technological

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<sup>i</sup> The Rhode Island Affordability Standards are regulatory requirements for commercial payers that are designed to strengthen the primary care sector and include, for example, minimum primary care spend requirements, requirements to fund a multi-payer Patient-Centered Medical Home initiative, and requirements to pay specified percentages of health care services under value-based payment contracts.

ability to link to a free online repository, we will work closely with the OHA and OLG to recommend changes to their websites that could accomplish the same goals.

Throughout the research process, we will share our findings and initial assessment with OHA and OLG staff. This information will form the basis of presentations to be made to the Cabinet for the purpose of obtaining stakeholder input.

#### E. Identify Successful Practices for Connecticut

Drawing on the information we collect regarding other states' experience in developing and implementing cost containment models, we will work closely with OHA and OLG staff to assess these other models and identify what combination of cost containment strategies might be successful in Connecticut. Our goal will be to develop a cost containment model that best addresses the six goals identified in the RFP and discussed in Section D, above.

As a first step in developing a Connecticut cost containment model, we will work with OHA, OLG and the Cabinet to identify and inventory successful, current cost-containment practices or programs in Connecticut, as we believe building upon locally successful strategies is as important, if not more, than identifying strategies in use by other states. We will assess the initiatives using the framework discussed in Section D, above. To inventory current initiatives, we will start by reviewing previous reports, including recommendations and reports by the Health First CT Authority, the Healthcare Cabinet, Access Health CT, and the legislature's Program Review and Investigations (PRI) Committee. This information on current cost containment initiatives will be augmented with information from Cabinet member interviews. We will also perform on-line research for any peer-reviewed articles or evaluations assessing the effectiveness of the identified initiatives.

In developing Connecticut's model, we will also draw upon our knowledge of other cost containment strategies being implemented in states other than the targeted states that may be worth considering. For example, we have studied the different strategies 17 states have used to successfully coordinate the purchasing of health care between state employee health benefit programs and Medicaid to drive change and reduce costs<sup>ii</sup>.

Based on our analysis of the research we have conducted, we will work with OHA and OLG to develop a series of proposals and options for the Cabinet's consideration. In identifying these proposals and options, we will consider – in addition to the effectiveness of each approach to meet Connecticut's goals - such factors as similar initiatives in Connecticut and their relative success, the culture of Connecticut, the extent to which the environment within the state is collaborative, the political dynamics of Connecticut, and potential stakeholder reaction. We will also consider the structure of Connecticut's health insurance market and, in particular, the role of national insurers. For example, we have found through our work in numerous states that it can be more difficult to engage national plans in innovative initiatives than it is to engage local plans

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<sup>ii</sup> Bailit MH and Burns ME. "All Together Now: Coordinating California's Public Sector Health Care Purchasing." California HealthCare Foundation, September 2013. Available at: [www.chcf.org/~media/MEDIA%20LIBRARY%20Files/PDF/PDF%20A/PDF%20AllTogetherCoordinatingPurchasing.pdf](http://www.chcf.org/~media/MEDIA%20LIBRARY%20Files/PDF/PDF%20A/PDF%20AllTogetherCoordinatingPurchasing.pdf)

when the cost containment models are voluntary. Since national plans have approximately 87% of the commercial market in Connecticut, engaging them in cost containment strategies will be a necessary focus of any model adopted. We note that both Aetna and Cigna, which is being purchased by Anthem, are Connecticut based. We will also consider the structure of the provider community. For example, it may be possible to measure changes in health care costs at the practice level when provider groups are concentrated (but not when practices are small); however, large provider groups pose possible threats to price competition. These factors that are specific to Connecticut will be important in considering a health care model that will be effective.

While developing recommendations and options with the OHA and OLG staff, we will identify possible barriers to implementation with respect to current laws, policies, and regulations. To identify possible barriers, we will share possible recommendations and options with key state agency staff and stakeholders in order to solicit their input regarding known barriers and recommended solutions. We will then recommend solutions to each barrier and identify possible resources that could be marshalled to address the barriers.

Throughout this process, we will coordinate closely with the SIM staff and key state agencies, including the Department of Social Services and the Department of Public Health to assure that all recommendations are supportive of their delivery system and payment reform work. We recognize that building a cost-containment model that reinforces and supports the SIM initiative creates an exciting opportunity for significant change while creating the infrastructure to sustain the new model.

#### F. Report on Findings and Recommendations

Bailit Health will work with the Cabinet, OHA and OLG to develop a report for the legislature that meets the statutory requirements and strategic goals of Connecticut. In drafting the report, we will document, as background information, our process for developing the final recommendations, including data collection, the role of the Health Care Cabinet, collaboration with OHA and OLG, and our interviewing and other research activities. We will then specifically address each of the topics delineated in the authorizing legislation, including recommendations for administrative, regulatory and policy changes that will provide:

##### 1. A framework for:

- A. monitoring and responding to health care cost growth on a health care provider and statewide basis, possibly including statewide, health care provider and/or service-specific benchmarks or limits on health care cost growth;
- B. the identification of health care providers that exceed such benchmarks or limits, and
- C. the provision of assistance for such health care providers to meet such benchmarks or to hold them accountable to such limits.

2. Mechanisms to identify and mitigate factors that contribute to health care cost growth as well as price disparity between health care providers of similar services, including, but not limited to:
  1. consolidation among health care providers of similar services;
  2. vertical integration of health care providers of different services;
  3. affiliations among health care providers that impact referral and utilization practices;
  4. insurance contracting and reimbursement policies, and
  5. government reimbursement policies and regulatory practices.
3. The authority to implement and monitor delivery system reforms designed to promote value-based care and improved health outcomes.
4. The development and promotion of insurance contracting standards and products that reward value-based care and promote the utilization of low-cost, high-quality health care providers.
5. The implementation of other policies to mitigate factors that contribute to unnecessary health care cost growth and to promote high-quality, affordable care.

Based on our experience in successfully developing similar reports, we envision an iterative process that involves obtaining two rounds of OHA and OLG feedback and one round of feedback from the Cabinet before the report is finalized. We will provide OHA and OLG with drafts following a timetable that provides a week’s time to complete each round of reviews. We will carefully review and incorporate OHA’s and OLG’s feedback. Any concerns will be discussed with OHA and OLG. We envisioning using a Cabinet meeting to present the report content and obtain Cabinet member feedback. We will then work with OHA and OLG to incorporate the Cabinet member’s feedback and finalize the report for OHA to submit to the legislature.

#### G. Support Dissemination of Report and Post-report Activities

We are prepared to support the dissemination of the report in whatever manner requested, including presenting findings and recommendations to the Connecticut General Assembly in one or more public hearings. We will also help develop and implement a public-focused communications plan by developing key messaging, identifying communications venues such as plan newsletters and professional and business association meetings and developing written materials for distribution. We anticipate that we will be working closely with those within OHA and OLG responsible for agency communications.

#### H. Timeline

A timeline, which includes specific tasks and progress milestones, is presented below:

| Tasks                          | Progress Milestones  | Due Date              |
|--------------------------------|--|-----------------------|
| Project Management             | Hold weekly project management meeting   | On-going              |
| Health Care Cabinet Engagement | <ul style="list-style-type: none"> <li>• Complete Cabinet member interviews</li> <li>• Synthesize key themes in report to OHA</li> </ul> | • End of January 2016 |

|   |  |   |
|---|--|---|
|   |  | <ul style="list-style-type: none"> <li>• February 12, 2016</li> </ul>   |
| Provide on-going Support for Cabinet Members                      | <ul style="list-style-type: none"> <li>• Prepare for and hold Cabinet meetings</li> <li>• Prepare meeting summaries</li> </ul>   | <ul style="list-style-type: none"> <li>• Monthly</li> <li>• Within 2 working days of each meeting</li> </ul>  |
| Establish/conduct presentations to and solicit input from Council | <ul style="list-style-type: none"> <li>• Meeting 1: Project goals/overview</li> <li>• Meeting 2: Analytic framework/targeted states</li> <li>• Meetings 3-7: Targeted state models</li> <li>• Meeting 8: Options for Connecticut's model</li> <li>• Meetings 9-10: Proposed Cost Containment Model</li> <li>• Meeting 11: Legislative report discussion</li> </ul> | <ul style="list-style-type: none"> <li>• Complete presentations in time to send out one week prior to meeting</li> </ul>                              |
| Assess/index cost containment models                              | <ul style="list-style-type: none"> <li>• Finalize target states</li> <li>• Finalize analytic framework</li> <li>• Complete research on all states &amp; Connecticut</li> <li>• Finalize index of findings</li> </ul>   | <ul style="list-style-type: none"> <li>• January 8, 2016</li> <li>• January 29, 2016</li> <li>• June 10, 2016</li> <li>• December 15, 2016</li> </ul> |
| Identify Successful Practices for Connecticut                     | <ul style="list-style-type: none"> <li>• Finalize options for Connecticut to consider</li> <li>• Finalize Cost Containment Model</li> </ul>  | <ul style="list-style-type: none"> <li>• July 15, 2016</li> <li>• October 1, 2016</li> </ul>  |
| Develop Report  | <ul style="list-style-type: none"> <li>• Initial draft of Legislative Report</li> <li>• Obtain OHA/OLG input</li> <li>• Finalize Legislative Report</li> </ul>   | <ul style="list-style-type: none"> <li>• October 15, 2016</li> <li>• November 12, 2016</li> <li>• November 25, 2016</li> </ul>                        |

## 1. Organizational Qualifications

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Bailit Health Purchasing, LLC (Bailit Health) is a health care consulting firm dedicated to ensuring insurer and provider performance accountability on behalf of public agencies and private purchasers. In the course of 19 years, we have served 32 states. Bailit Health has worked directly with Colorado, Maine, Massachusetts, Michigan, Minnesota, Missouri, New York, Oregon, Pennsylvania, Rhode Island and Vermont to advance cost containment efforts in both Medicaid and employer markets.

Our work and content expertise spans 1) the development and implementation of strategies to control health care costs by supporting state SIM grant application submissions and implementation initiatives, and developing and implementing state insurance regulator and Medicaid cost containment initiatives; 2) the development and implementation of delivery system reforms such as PCMH, health homes, ACOs, behavioral health integration, and care management programs; 3) the development and implementation of payment reform strategies and 4) the development of aligned multi-payer performance measure sets for quality, cost and patient experience across public and private payers. This content expertise is paired with our project management expertise and experience working with diverse stakeholder groups to draft legislative and agency reports to advance important policy issues. Additional details on selected key projects that demonstrate our capabilities to assist Connecticut are highlighted below.

*Massachusetts Road Map to Cost Containment:* The Massachusetts Health Care Quality and Cost Council engaged Bailit Health in 2009 to help the Council develop a road map to achieve cost containment. Bailit worked with the 15-person Council to develop 11 specific, evidence-based strategies to improve cost containment within the state. The 11 strategies addressed the need to lower the prices of services and the volume of services offered in the shorter and longer terms. Throughout the process, we developed content materials, organized and facilitated the Council meetings, developed position papers and wrote the Council's final report.

*Massachusetts Special Commission on Health Care Payment System:* We supported the work of the legislative-mandated Commission by facilitating the Commission's work to create a set of principles to guide the development of payment policy recommendations, elicit and consider input from key stakeholders, assess and debate alternative payment approaches, and arrive at recommendations for payment policy. The Commission ultimately developed nine specific recommendations designed to move payment away from fee-for-service models to global payment models and a transition strategy which included recommendations for gradual acceptance of risk.

*Massachusetts' Special Commission on Provider Price Reform:* The Massachusetts legislature created the Special Commission on Provider Price Reform to investigate the rising cost of health care insurance and the impact of reimbursement rates paid by health insurers to providers. We supported the work of the Commission by organizing and facilitating meetings, including providing strategic direction on structuring each meeting, developing meeting agendas, developing and presenting meeting content. We also drafted the Commission's report, which was finalized by the state staff.

*Vermont's Multi-Payer Payment Reform Initiatives:* We are working on payment and delivery reform pursuant to the Vermont SIM initiative. We have provided technical experience and facilitation in creating and implementing a multi-payer, public/private Accountable Care Organization (ACO) initiative and the facilitation and design of an all-payer federal waiver model targeted for a 1-1-17 start date. Our work involves developing payment model options, performing oversight of ACO care transformation activities, facilitating discussions designed to identify and resolve operational issues in order to reach a consensus among provider, payer, employer and consumer participants and resolve issues.

*Rhode Island Office of the Health Insurance Commissioner (OHIC) Affordability Standards:* We are providing technical assistance and project management support in the development and implementation of Rhode Island's Affordability Standards, which are designed to maintain affordable health care by strengthening the primary care sector. Our work has included developing strategies to increase the percentage of total payments going to primary care providers, using OHIC's rate approval authority to control the rate increase of hospital payments and improving hospital-focused quality improvement programs.

*Oregon's SIM Initiatives:* We have supported Oregon with the implementation of its State Innovation Testing Model (SIM) grant. Activities have included a) developing a value-based purchasing framework and model contract for use by public and self-funded private employers and b) providing technical assistance to several Coordinated Care Organizations (CCOs) regarding their implementation of SIM requirements associated with payment reform.

*Roadmap to a Healthier Minnesota:* In 2012, Bailit Health supported the Governor's Health Care Reform Task Force and its efforts to develop a Roadmap to a Healthier Minnesota. Bailit supported several work groups including developing payment reform, delivery system design and workforce recommendations. The resulting Roadmap to a Healthier Minnesota served as the basis for Minnesota's successful SIM Model Test Grant Health Innovation Plan.

*Patient-Centered Medical Home Initiatives:* We have supported three states – Massachusetts, Missouri and Pennsylvania – to develop and implement multi-payer PCMH initiatives. Work on these initiatives included convening and leading multi-stakeholder steering committees, facilitating and providing technical assistance to work groups that developed recommendations regarding payment models, consumer engagement, and data sharing.

### **Management and Staffing Model**

Bailit Health is health care consulting firm located in Needham, Massachusetts. We have a flat organizational structure which allows us to organize ourselves to best match our consultants' expertise and availability with the needs of our clients. When staffing a project, we assign one or two consultants to assume primary responsibility for interfacing with the client and assuring that the contracted work is done on time and in a manner that meets or exceeds client expectations. Other consultants join the project team based on their expertise and the scope of work to be done. For this project, **Megan Burns** and **Marge Houy**, both Senior Consultants, will function as Project Director and Project Manager, respectively. **Michael Bailit** will serve as Strategy Lead, providing guidance with regard to identifying proven cost containment strategies for Connecticut. We have also assigned the five other Senior Consultants to the project team at

various levels of time commitment to assure appropriate staff resources. The following chart outlines our management and staff model. Resumes are provided in Exhibit A.

| Consultant       | Role              | Function          | Areas of Expertise  |
|------------------|-------------------|-------------------|---|
| Michael Bailit   | President         | Strategy Lead     | Cost containment strategies, delivery system and payment reform, Medicaid                                 |
| Megan Burns      | Senior Consultant | Project Director  | Cost containment strategies, payment reform, behavioral health  |
| Marge Houy       | Senior Consultant | Project Manager   | Cost containment strategies, delivery system reform, employer procurements                                |
| Beth Waldman     | Senior Consultant | Strategic Advisor | Cost containment, Medicaid, behavioral health   |
| Mary Beth Dyer   | Senior Consultant | Strategic Advisor | Medicaid, managed care contracting and procurement  |
| Gabriel Verzino  | Senior Consultant | Project Support   | Data analysis, quality measurement  |
| Erin Taylor      | Senior Consultant | Project Support   | Medicaid long-term services and supports and programs for those dually eligible for Medicaid and Medicare |
| Margaret Trinity | Senior Consultant | Project Support   | Payment reform  |

### Examples of Work Products

The following examples of presentations and reports are included in Exhibit B.

#### PowerPoint Presentations

- Massachusetts Special Commission on the Health Care Payment System – Review of Recommendations: May 8, 2009
- Maine Quality Counts -- What Can We Learn from Pennsylvania’s PCMH Experience: September 30, 2015

#### Reports

- Massachusetts Health Care Quality and Cost Council -- Road Map to Cost Containment, Final Report: October 23, 2009
- Minnesota Health Care Reform Task Force – Roadmap to a Healthier Minnesota: December 12, 2012
- Massachusetts Behavioral Health Integration Task Force – Report to the Legislature and the Health Policy Commission: July 2013
- Rhode Island Office of the Health Insurance Commissioner – Assessment of the Rhode Island Office of the Health Insurance Commissioner’s Affordability Standards, Final Report: August 2013

## 2. References

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1. Richard Slusky  
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2. Dr. Kathleen Hittner  
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3. Aron Boros  
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4. Lori Coyner  
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Oregon Health Authority  
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503-569-3160  
[Lori.a.coyner@state.or.us](mailto:Lori.a.coyner@state.or.us)

## 3. Evidence of Qualified Entity

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A letter from Bruce M. Landay, partner with Landay, Leblang and Stern, providing evidence that Bailit Health is a Qualified Entity, is provided in Exhibit C.

## 5. Sanction-Disclosure

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I, Michael H. Bailit, President of Bailit Health Purchasing, LLC, attest that no sanction, penalty or compliance action has been imposed on Bailit Health Purchasing, LLC within three years immediately preceding the data of this RFP.

## **6. Subcontractors**

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Bailit Health does not anticipate using any subcontractor services to perform the services required under this RFP.

## **7. Small, Minority or Women's Business Enterprise**

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Bailit Health does not qualify as a small, minority or women's business and does not anticipate using any subcontractor services to perform the services required under this RFP.

## **8. OHA Responsibilities**

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Bailit Health will ask OHA to attend weekly project team meetings; review, evaluate and approve materials developed by Bailit Health throughout this engagement as discussed in Section 1 of the RFP narrative entitled, Our Approach; schedule and invite participants to attend all Cabinet and work group meetings; provide introductions for Bailit Health consultants to Cabinet members and other stakeholders whom Bailit Health wishes to interview, and coordinate with Bailit Health consultants regarding requests to attend public hearings and other events targeted at distributing the legislative report.

Bailit Health Purchasing, LLC



**STATE OF CONNECTICUT**  
**CERTIFICATION OF STATE AGENCY OFFICIAL OR EMPLOYEE**  
**AUTHORIZED TO EXECUTE CONTRACT**

*Certification to accompany a State contract, having a value of \$50,000 or more, pursuant to Connecticut General Statutes §§ 4-250 and 4-252(b), and Governor Dannel P. Malloy's Executive Order 49.*

**INSTRUCTIONS:**

Complete all sections of the form. Sign and date in the presence of a Commissioner of the Superior Court or Notary Public. Submit to the awarding State agency at the time of contract execution.

**CERTIFICATION:**

I, the undersigned State agency official or State employee, certify that (1) I am authorized to execute the attached contract on behalf of the State agency named below, and (2) the selection of the contractor named below was not the result of collusion, the giving of a gift or the promise of a gift, compensation, fraud or inappropriate influence from any person.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Bailit Health Purchasing, LLC  
Contractor Name

Office of the Healthcare Advocacet  
Awarding State Agency

State Agency Official or Employee Signature

12/24/15

Date

Victoria L. Veltri

Printed Name

Healthcare Advocate

Title

Sworn and subscribed before me on this 24 day of December, 2015

Commissioner of the Superior Court  
or Notary Public

My Commission Expires



## STATE OF CONNECTICUT GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION

*Written or electronic certification to accompany a State contract with a value of \$50,000 or more, pursuant to C.G.S. §§ 4-250, 4-252(c) and 9-612(f)(2) and Governor Dannel P. Malloy's Executive Order 49.*

### INSTRUCTIONS:

Complete all sections of the form. Attach additional pages, if necessary, to provide full disclosure about any lawful campaign contributions made to campaigns of candidates for statewide public office or the General Assembly, as described herein. Sign and date the form, under oath, in the presence of a Commissioner of the Superior Court or Notary Public. Submit the completed form to the awarding State agency at the time of initial contract execution and if there is a change in the information contained in the most recently filed certification, such person shall submit an updated certification either (i) not later than thirty (30) days after the effective date of such change or (ii) upon the submittal of any new bid or proposal for a contract, whichever is earlier. Such person shall also submit an accurate, updated certification not later than fourteen days after the twelve-month anniversary of the most recently filed certification or updated certification.

- CHECK ONE:**     Initial Certification     12 Month Anniversary Update (Multi-year contracts only.)
- Updated Certification because of change of information contained in the most recently filed certification or twelve-month anniversary update.

### GIFT CERTIFICATION:

As used in this certification, the following terms have the meaning set forth below:

- 1) "Contract" means that contract between the State of Connecticut (and/or one or more of its agencies or instrumentalities) and the Contractor, attached hereto, or as otherwise described by the awarding State agency below;
- 2) If this is an Initial Certification, "Execution Date" means the date the Contract is fully executed by, and becomes effective between, the parties; if this is a twelve-month anniversary update, "Execution Date" means the date this certification is signed by the Contractor;
- 3) "Contractor" means the person, firm or corporation named as the contractor below;
- 4) "Applicable Public Official or State Employee" means any public official or state employee described in C.G.S. §4-252(c)(1)(i) or (ii);
- 5) "**Gift**" has the same meaning given that term in C.G.S. § 4-250(1);
- 6) "Principals or Key Personnel" means and refers to those principals and key personnel of the Contractor, and its or their agents, as described in C.G.S. §§ 4-250(5) and 4-252(c)(1)(B) and (C).

I, the undersigned, am a Principal or Key Personnel of the person, firm or corporation authorized to execute this certification on behalf of the Contractor. I hereby certify that, no gifts were made by (A) such person, firm, corporation, (B) any principals and key personnel of the person firm or corporation who participate substantially in preparing bids, proposals or negotiating state contracts or (C) any agent of such, firm, corporation, or principals or key personnel who participates substantially in preparing bids, proposals or negotiating state contracts, to (i) any public official or state employee of the state agency or quasi-public agency soliciting bids or proposals for state contracts who participates substantially in the preparation of bid solicitations or request for proposals for state contracts or the negotiation or award of state contracts or (ii) any public official or state employee of any other state agency, who has supervisory or appointing authority over such state agency or quasi-public agency.

I further certify that no Principals or Key Personnel know of any action by the Contractor to circumvent (or which would result in the circumvention of) the above certification regarding **Gifts** by providing for any other Principals, Key Personnel, officials, or employees of the Contractor, or its or their agents, to make a **Gift** to any Applicable Public Official or State Employee. I further certify that the Contractor made the bid or proposal for the Contract without fraud or collusion with any person.

**CAMPAIGN CONTRIBUTION CERTIFICATION:**

I further certify that, on or after January 1, 2011, neither the Contractor nor any of its principals, as defined in C.G.S. § 9-612(f)(1), has made any **campaign contributions** to, or solicited any contributions on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support, any candidate for statewide public office, in violation of C.G.S. § 9-612(f)(2)(A). I further certify that **all lawful campaign contributions** that have been made on or after January 1, 2011 by the Contractor or any of its principals, as defined in C.G.S. § 9-612(f)(1), to, or solicited on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support any candidates for statewide public office or the General Assembly, are listed below:

**Lawful Campaign Contributions to Candidates for Statewide Public Office:**

| <u>Contribution Date</u> | <u>Name of Contributor</u> | <u>Recipient</u> | <u>Value</u> | <u>Description</u> |
|--------------------------|----------------------------|------------------|--------------|--------------------|
|                          |                            |                  |              |                    |
|                          |                            |                  |              |                    |
|                          |                            |                  |              |                    |

**Lawful Campaign Contributions to Candidates for the General Assembly:**

| <u>Contribution Date</u> | <u>Name of Contributor</u> | <u>Recipient</u> | <u>Value</u> | <u>Description</u> |
|--------------------------|----------------------------|------------------|--------------|--------------------|
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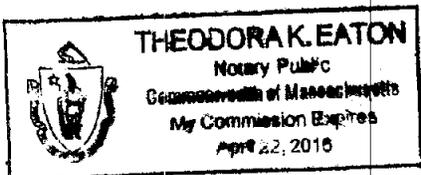
Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Bailit Health Purchasing, LLC  
Printed Contractor Name

Michael H. Bailit  
Printed Name of Authorized Official

Michael H. Bailit  
Signature of Authorized Official

Subscribed and acknowledged before me this 24<sup>th</sup> day of Dec, 2015



Theodora K. Eaton  
Commissioner of the Superior Court (or Notary Public)

April 22, 2016  
My Commission Expires



STATE OF CONNECTICUT

Written or electronic PDF copy of the written certification to accompany a large state contract pursuant to P.A. No. 13-62 (Prohibiting State Contracts With Entities Making Certain Investments In Iran)

Respondent Name: Bailit Health Purchasing, LLC

INSTRUCTIONS:

CHECK ONE:  Initial Certification.  Amendment or renewal.

A. Who must complete and submit this form. Effective October 1, 2013, this form must be submitted for any large state contract, as defined in section 4-250 of the Connecticut General Statutes. This form must always be submitted with the bid or proposal, or if there was no bid process, with the resulting contract, regardless of where the principal place of business is located.

Pursuant to P.A. No. 13-162, upon submission of a bid or prior to executing a large state contract, the certification portion of this form must be completed by any corporation, general partnership, limited partnership, limited liability partnership, joint venture, nonprofit organization or other business organization whose principal place of business is located outside of the United States. United States subsidiaries of foreign corporations are exempt. For purposes of this form, a "foreign corporation" is one that is organized and incorporated outside the United States of America.

Check applicable box:

- Respondent's principal place of business is within the United States or Respondent is a United States subsidiary of a foreign corporation. Respondents who check this box are not required to complete the certification portion of this form, but must submit this form with its Invitation to Bid ("ITB"), Request for Proposal ("RFP") or contract package if there was no bid process.
 Respondent's principal place of business is outside the United States and it is not a United States subsidiary of a foreign corporation. CERTIFICATION required. Please complete the certification portion of this form and submit it with the ITB or RFP response or contract package if there was no bid process.

B. Additional definitions.

- 1) "Large state contract" has the same meaning as defined in section 4-250 of the Connecticut General Statutes;
2) "Respondent" means the person whose name is set forth at the beginning of this form; and
3) "State agency" and "quasi-public agency" have the same meanings as provided in section 1-79 of the Connecticut General Statutes.

C. Certification requirements.

No state agency or quasi-public agency shall enter into any large state contract, or amend or renew any such contract with any Respondent whose principal place of business is located outside the United States and is not a United States subsidiary of a foreign corporation unless the Respondent has submitted this certification.

Complete all sections of this certification and sign and date it, under oath, in the presence of a Commissioner of the Superior Court, a Notary Public or a person authorized to take an oath in another state.

CERTIFICATION:

I, the undersigned, am the official authorized to execute contracts on behalf of the Respondent. I certify that:

- Respondent has made no direct investments of twenty million dollars or more in the energy sector of Iran on or after October 1, 2013, as described in Section 202 of the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010.
 Respondent has either made direct investments of twenty million dollars or more in the energy sector of Iran on or after October 1, 2013, as described in Section 202 of the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010, or Respondent made such an investment prior to October 1, 2013 and has now increased or renewed such an investment on or after said date, or both.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Bailit Health Purchasing, LLC
Printed Respondent Name

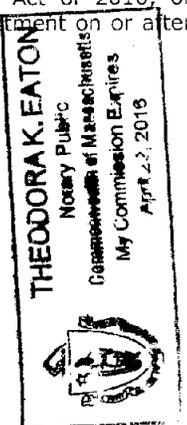
Michael H. Bailit
Signature of Authorized Official

Michael H. Bailit
Printed Name of Authorized Official

Subscribed and acknowledged before me this 24th day of December, 2015.

Theodora K. Eaton
Commissioner of the Superior Court (or Notary Public)

April 23 2016
My Commission Expires





# STATE OF CONNECTICUT CONSULTING AGREEMENT AFFIDAVIT

*Affidavit to accompany a bid or proposal for the purchase of goods and services with a value of \$50,000 or more in a calendar or fiscal year, pursuant to Connecticut General Statutes §§ 4a-81(a) and 4a-81(b). For sole source or no bid contracts the form is submitted at time of contract execution.*

### INSTRUCTIONS:

**If the bidder or vendor has entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1):** Complete all sections of the form. If the bidder or contractor has entered into more than one such consulting agreement, use a separate form for each agreement. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public. **If the bidder or contractor has not entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1):** Complete only the shaded section of the form. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public.

Submit completed form to the awarding State agency with bid or proposal. For a sole source award, submit completed form to the awarding State agency at the time of contract execution.

This affidavit must be amended if there is any change in the information contained in the most recently filed affidavit not later than (i) thirty days after the effective date of any such change or (ii) upon the submittal of any new bid or proposal, whichever is earlier.

**AFFIDAVIT:** [Number of Affidavits Sworn and Subscribed On This Day: \_\_\_\_\_]

I, the undersigned, hereby swear that I am a principal or key personnel of the bidder or contractor awarded a contract, as described in Connecticut General Statutes § 4a-81(b), or that I am the individual awarded such a contract who is authorized to execute such contract. I further swear that I have not entered into any consulting agreement in connection with such contract, **except for the agreement listed below:**

Michael H. Bailit President Bailit Health Purchasing, LLC  
Consultant's Name and Title Name of Firm (if applicable)

1/1/2016 12/31/2016 \$363,445.00  
Start Date End Date Cost

Description of Services Provided: Consulting Services for the Healthcare Cabinet

Is the consultant a former State employee or former public official?  YES  NO

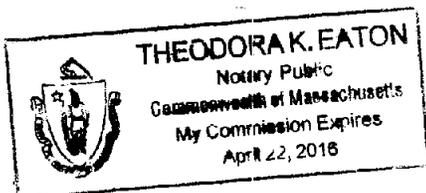
If YES: \_\_\_\_\_  
Name of Former State Agency Termination Date of Employment

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Bailit Health Purchasing, LLC Michael H. Bailit December 24, 2015  
Printed Name of Bidder or Contractor Signature of Principal or Key Personnel Date

Michael H. Bailit OHA  
Printed Name (of above) Awarding State Agency

Sworn and subscribed before me on this 24th day of December, 2015.



Theodora K. Eaton  
Commissioner of the Superior Court  
or Notary Public

April 22, 2016  
My Commission Expires





**STATE OF CONNECTICUT**  
**NONDISCRIMINATION CERTIFICATION — Affidavit**  
**By Entity**  
**For Contracts Valued at \$50,000 or More**

*Documentation in the form of an affidavit signed under penalty of false statement by a chief executive officer, president, chairperson, member, or other corporate officer duly authorized to adopt corporate company, or partnership policy that certifies the contractor complies with the nondiscrimination agreements and warranties under Connecticut General Statutes §§ 4a-60(a)(1) and 4a-60a(a)(1), as amended*

**INSTRUCTIONS:**

For use by an entity (corporation, limited liability company, or partnership) when entering into any contract type with the State of Connecticut valued at \$50,000 or more for any year of the contract. Complete all sections of the form. Sign form in the presence of a Commissioner of Superior Court or Notary Public. Submit to the awarding State agency prior to contract execution.

**AFFIDAVIT:**

I, the undersigned, am over the age of eighteen (18) and understand and appreciate the obligations of an oath. I am Michael H. Bailit of Bailit Health Purchasing, LLC, an entity  
Signatory's Title Name of Entity

duly formed and existing under the laws of Massachusetts  
Name of State or Commonwealth

I certify that I am authorized to execute and deliver this affidavit on behalf of Bailit Health Purchasing, LLC and that Bailit Health Purchasing, LLC  
Name of Entity Name of Entity

has a policy in place that complies with the nondiscrimination agreements and warranties of Connecticut General Statutes §§ 4a-60(a)(1) and 4a-60a(a)(1), as amended.

Michael H. Bailit  
Authorized Signatory

Michael H. Bailit  
Printed Name

Sworn and subscribed to before me on this 30th day of Dec, 2011.

[Signature]  
Commissioner of the Superior Court/  
Notary Public

Commission Expiration Date



**ANDY S. BEEPATH**  
Notary Public  
Commonwealth of Massachusetts  
My Commission Expires June 6, 2019



**STATE OF CONNECTICUT**  
**NONDISCRIMINATION CERTIFICATION – New Resolution**

**By Entity**  
**For Contracts Valued at \$50,000 or More**

*Documentation in the form of a corporate, company, or partnership policy adopted by resolution of the board of directors, shareholders, managers, members or other governing body of a contractor that certifies the contractor complies with the nondiscrimination agreements and warranties under Connecticut General Statutes §§ 4a-60(a)(1) and 4a-60a(a)(1), as amended*

**INSTRUCTIONS:**

For use by an entity (corporation, limited liability company, or partnership) when entering into any contract type with the State of Connecticut valued at \$50,000 or more for any year of the contract. Complete all sections of the form. Submit to the awarding State agency prior to contract execution.

**CERTIFICATION OF RESOLUTION:**

I, MICHAEL H. BAUT, PRESIDENT, of BALIT HEALTH PURCHASING, LLC,  
Authorized Signatory Title Name of Entity

an entity duly formed and existing under the laws of MASSACHUSETTS,  
Name of State or Commonwealth

certify that the following is a true and correct copy of a resolution adopted on the 30<sup>th</sup> day of  
December, 2015 by the governing body of BALIT HEALTH PURCHASING, LLC  
Name of Entity

in accordance with all of its documents of governance and management and the laws of  
MASSACHUSETTS, and further certify that such resolution has not been modified  
Name of State or Commonwealth

or revoked, and is in full force and effect.

RESOLVED: That the policies of BALIT HEALTH PURCHASING, LLC comply with the  
Name of Entity

nondiscrimination agreements and warranties of Connecticut General Statutes  
§§ 4a-60(a)(1) and 4a-60a(a)(1), as amended.

The undersigned has executed this certificate this 30<sup>th</sup> day of December, 2015.

Michael H. Baut  
Authorized Signatory

December 30, 2015  
Date

Michael H. Baut  
Printed Name

**Veltri, Victoria**

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**From:** Veltri, Victoria  
**Sent:** Monday, December 28, 2015 2:13 PM  
**To:** Budzik, Matthew J.  
**Subject:** FW: Final Disposition for Personal Service Agreement PSA 2016\_23148

Approved PSA request

Victoria Veltri JD, LLM  
State Healthcare Advocate  
Office of the Healthcare Advocate  
P.O. Box 1543  
Hartford, CT 06144  
(860) 331-2441 - direct  
(860) 331-2499 - facsimile  
[victoria.veltri@ct.gov](mailto:victoria.veltri@ct.gov)

[www.ct.gov/oha](http://www.ct.gov/oha)



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**From:** [robert.dakers@ct.gov](mailto:robert.dakers@ct.gov) [<mailto:robert.dakers@ct.gov>]  
**Sent:** Monday, December 28, 2015 2:08 PM  
**To:** Nguyen-Matos, Christine  
**Cc:** Dakers, Robert  
**Subject:** Final Disposition for Personal Service Agreement PSA 2016\_23148

\*\*\*\*\*  
The Office of Policy and Management has Approved the following Personal Service Agreement PSA  
Bailit Health Purchasing Consulting Services forHe (2016\_23148)

**Contractor:** N/A  
**Effective Date:** 01/01/2016 - 12/31/2016  
**Estimated Cost:** \$363,445.00  
**Comments/Conditions:** Approved RSD 12-28-15

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*Robert Dakers*  
Executive Financial Officer