

**CONSULTANT SERVICE AGREEMENT
(PROFESSIONAL SERVICES ORGANIZATION)**

Effective July 1, 2013 ("**Effective Date**"), Public Consulting Group, Inc., a Massachusetts corporation ("**Consultant**"), and the Idaho Health Insurance Exchange, an independent body corporate and politic created under Idaho law ("**Exchange**"), hereby agree ("**Agreement**") as follows:

1. PERFORMANCE OF SERVICES. Consultant shall provide the services ("**Services**") described on the **Proposed Statement of Work** attached as **Error! Reference source not found.** For the Duration (as defined in Section 2 below) of this Agreement, the Consultant shall devote the time, energy, and skill necessary to perform the Services in accordance with the Proposed Statement of Work. The Consultant, in consultation with the Exchange, shall determine the manner in which the Services are performed, the specific hours worked by the Consultant, and the Consultant's schedule; except, Consultant shall work as many hours as necessary to perform the Services subject to the Proposed Statement of Work and the applicable hourly rates. The Exchange and Consultant may from time to time supplement or amend the Proposed Statement of Work by mutual agreement.

2. DURATION AND TERMINATION.

(a) Duration. This Agreement is effective from the Effective Date through completion of the Services in accordance with the Proposed Statement of Work, unless (i) earlier terminated in accordance with this Section 2 or (ii) renewed by written agreement of the parties. "**Duration**" means the time period during which this Agreement is effective.

(b) Termination. This Agreement may be terminated by either party with thirty (30) days' prior written notice to the other party, except as provided in Section 3(b) below. No later than 30 days following termination, the Exchange shall pay Consultant for services accepted through the date of the termination.

3. COMPENSATION.

(a) Payment. The Exchange shall pay Consultant in accordance with the Proposed Statement of Work.

(b) Payment Terms. Consultant shall invoice the Exchange in accordance with the payment schedule set forth on the Proposed Statement of Work. The Exchange shall pay Consultant's invoices within 45 days of the invoice date or as soon as possible thereafter, but no later than 90 days from the date of the invoice, if the Exchange is unable to pay because of cash flow limitations arising from the Exchange's reliance on release of federal grant funds to pay Consultant. If the Exchange delays payment to Consultant under this Section 3(b) because of cash flow limitations arising from the Exchange's reliance on release of federal grant funds, then beginning 60 days after the date of the invoice and so long as the invoice remains unpaid, Consultant may issue a 30 day advance notice of termination to the Exchange under Section 3(a) above. The Exchange shall notify Consultant within 30 days of the invoice date if the Exchange disputes the invoice; otherwise Consultant's invoices are deemed undisputed after 30 days from the invoice date.

4. **STANDARDS OF CONDUCT.**

(a) **Confidentiality.** The parties recognize that in the performance of the Services under this Agreement, Consultant may create, obtain, or be exposed to confidential information regarding the Exchange. Consultant will not at any time for any reason disclose such confidential information, or any part thereof, to any person, firm, corporation, association or other entity for any reason or purpose whatsoever without the written consent of the Exchange. Further, Consultant shall not use any such confidential information at any time for any purpose unrelated to the performance of the Services required under this Agreement. For purposes of this Agreement, "**confidential information**" shall mean all (i) information that is exempt from disclosure under the public records laws of the State of Idaho or the Exchange's public records policy, as either may be amended from time to time; (ii) personally identifiable information or protected health information, the confidentiality of which is protected by applicable state or federal law, including but not limited to HIPAA; (iii) information that is not otherwise publicly known, which relates to the Exchange's processes, services and products, including, without limitation, information relating to accounting, marketing, merchandising and selling, as well as customers and potential customers.

(b) **Consultant Representation and Warranty.** Consultant hereby acknowledges and agrees that from time to time in connection with Consultant's obligations under this Agreement, Consultant may be given, have access to, or, while performing the Services, develop the Exchange's Confidential Information. All Confidential Information is and shall remain exclusively the property of the Exchange and the Exchange shall retain all right, title and interest therein. Consultant shall hold in confidence and safeguard all such Confidential Information disclosed to Consultant and shall not make unauthorized use of any such Confidential Information. Consultant shall use all reasonable efforts not to disclose, reveal, or communicate any Confidential Information to any other person, and agrees that no license under any patents, licenses, service marks or trademarks of the Exchange is granted by this Agreement or by any disclosure of Confidential Information hereunder. Consultant further agrees that Consultant shall not use (including, but not limited to, using the Confidential Information to replicate the business systems, procedures or processes used by Exchange), copy, reproduce, distribute, or disseminate in whole or in part, any Confidential Information.

(c) **Work Product.** All work relating to the Services or the business of the Exchange that is fixed in any tangible medium of expression (including without limitation reports, memoranda, letters, lists, analyses, charts, spreadsheets, models, devices, and materials), and that is or has been created or supplied, directly or indirectly, by Consultant on behalf of the Exchange in connection with Consultant's provision of the Services pursuant to this Agreement ("**Work Product**"), shall constitute a work made for hire, and all rights under the copyright laws to such Work Product shall belong exclusively to the Exchange or its designee. To the extent that any Work Product may be found not to be a work made for hire, Consultant unconditionally assigns and hereby agrees to assign to the Exchange all copyright rights in and to the Work Product. In addition, any Exchange-related inventions, discoveries, trademarks, trade names, know-how, trade secrets, or other proprietary information, knowledge, or skill created in connection with Consultant's provision of the Services shall belong exclusively to the Exchange, and Consultant shall execute any additional documents reasonably requested by the Exchange to apply for trademarks, copyrights, or patents or otherwise perfect, register, or assign such ownership rights. The Exchange hereby grants Consultant a non-exclusive, fully-paid, worldwide, irrevocable license under copyright to use the Work Product, exclusive of any confidential information incorporated in the Work Product, in work Consultant performs for

Consultant's other clients. Consultant represents and warrants that the Services, including without limitation the Work Product, will not infringe any third-party copyrights.

(d) Performance Standards. In performing the Services, Consultant shall:

(i) Adhere to (A) all federal, state, and local laws and regulations that apply to Consultant, the Exchange, or contractors to the Exchange; and (B) all bylaws, rules, policies and procedures adopted by the Exchange;

(ii) Provide the Services in a professional, responsible, and non-disruptive manner.

(e) Cooperation. The parties will provide timely professional assistance to each other so as to facilitate the parties' respective performance under this Agreement. Each party shall promptly respond to the other party's reasonable needs and concerns and otherwise promote the efficient and quality provision of the Services. The parties shall make every effort to facilitate effective and productive working relationships, appropriate communications, and cooperation between them and with other professionals and Exchange personnel in furtherance of the performance of this Agreement

(f) Privacy of Protected Health Information. Consultant recognizes and acknowledges that protected health information of individuals who purchase health insurance on the Exchange may be protected by state and federal law. To the extent that Consultant receives or has access to such protected health information, Consultant agrees to maintain the confidentiality of such information consistent with all applicable laws and regulations and the Exchange's policies and procedures.

5. NO CONFLICTS; THIRD PARTY JOINT VENTURES. Consultant shall not engage in any dealings with third parties which would result in a finder's fee or other monetary interest in the Services. If, during the Duration, the Consultant is engaged in or associated with the planning or implementing of any project, program or venture involving the Exchange and a third party, Consultant shall not be entitled to any interest in such project, program or venture or to any commission, finder's fee or other compensation in connection therewith other than the compensation to be paid to the Consultant as provided in this Agreement, unless otherwise agreed in writing between Consultant and the Exchange. The Exchange acknowledges that Consultant may provide any third party with services that are the same as or similar to the Services, so long as Consultant does so in a manner that does not breach Consultant's obligations under this Agreement, including without limitation the obligations regarding confidential information under Section 4(a) above.

6. INDEPENDENT CONTRACTOR. Consultant's status under this Agreement shall be that of an independent contractor and not that of an employee of the Exchange. Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture between the parties, an employer-employee relationship or any other relationship between the parties that could result in any liability of the Exchange for any indebtedness, liabilities, or obligations of Consultant except as expressly provided in this Agreement.

(a) Supervision of Consultant. In accordance with Consultant's status as an independent contractor, the Exchange shall not have the right to control the means or methods by which Consultant performs the Services, as set forth in this Agreement. Notwithstanding the

foregoing, the Exchange shall have the right to control or direct Consultant as to the result to be accomplished under this Agreement and with respect to the Services provided herein.

(b) Payment of Taxes; Employee Benefits. As an independent contractor, (i) Consultant shall be solely responsible for all federal, state, and local payment, withholding, and filing requirements for payroll, income, self-employment, retirement, disability, or unemployment taxes, assessments, or regulations, and (ii) Consultant shall be ineligible for any vacation, sick leave, pension, bonus, insurance, or other benefit now or in the future established by the Exchange for employees of the Exchange. All applicable tax payments and withholdings, if any, with respect to Services rendered under this Agreement are the sole responsibility of Consultant, which responsibility Consultant agrees to carry out as required by applicable law. Consultant shall indemnify and hold the Exchange harmless from any and all loss or liability arising from Consultant's failure to make any appropriate income tax payments, self-employment tax payments or other payments required on behalf of Consultant.

7. INSURANCE. Consultant shall comply with the requirements related to insurance provided on Exhibit B.

8. FEDERAL CONTRACT CLAUSES. The "Required Federal Contract Clauses for Expenditure of Federal Grant Funds" ("**Federal Contract Clauses**") attached as Exhibit C are incorporated by reference into this Agreement. For purposes of the Federal Contract Clauses, Consultant is the "Contractor" as defined in the Federal Contract Clauses. To the extent the terms in the body of this Agreement directly conflict with any provision of the Federal Contract Clauses, the body of this Agreement shall govern.

9. AMENDMENTS TO COMPLY WITH FEDERAL REGULATIONS. This Agreement is deemed to include any provisions required by federal or state law or regulation governing the Exchange and contractors or subcontractors to the Exchange, including without limitation laws and regulations concerning privacy of consumer information, data security and data breach, and records retention and auditing. Consultant hereby agrees that the Exchange may amend this Agreement at any time to expressly incorporate any provisions required to comply with any (i) federal or state law or regulation, (ii) Exchange policies that implement federal or state legal or regulatory requirements, or (iii) federal, state, or private grant that the Exchange uses as a source of funds to meet the Exchange's financial obligations to Consultant under this Agreement.

10. INDEMNIFICATION. Consultant shall indemnify and defend the Exchange and its board members, officers, employees, volunteers, agents, representatives, and affiliates against all losses, costs, expenses, claims, damages, and liabilities that relate to any actual or alleged (i) infringement by the Work Product or any other Services of any third-party's intellectual property rights or (ii) third party's personal injury or property damage related to the Services.

11. NOTICES. All notices and other communications ("**Notices**") shall be in writing and may be delivered (i) in person, with the date of notice being the date of personal delivery, (ii) by United States Mail, postage prepaid for certified or registered mail, return receipt requested, with the date of notice being the date of the postmark on the return receipt, (iii) by fax, with confirmation of the transmittal of the fax and a copy of the fax deposited on the same day in the United States Mail, with the date of notice being the date of the fax, (iv) by e-mail, with confirmation of sending of the e-mail and a copy of the e-mail deposited on the same day in the United States Mail, with the date of notice being the date of the e-mail, (v) by nationally

recognized delivery service such as Federal Express, with the date of notice being the date of delivery as shown on the confirmation provided by the delivery service.

12. WAIVER. The failure of either party at any time to enforce any right or remedy available to it under this Agreement with respect to any breach or failure by the other party shall not be construed to be a waiver of such right or remedy with respect to any other breach or failure.

13. GOVERNING LAW AND VENUE. This Agreement shall be governed by Idaho law without consideration of conflict of laws principles. The state and federal courts of Idaho have exclusive jurisdiction, and venue for mediation, litigation and all other proceedings shall be located in Ada County, Idaho.

14. DISPUTE. If a dispute arises between the parties regarding their rights or obligations under this Agreement, the parties shall first attempt to settle the dispute by direct discussions. If the dispute is not settled by the parties by direct discussions, then the parties agree to endeavor to settle the dispute in an amicable manner by mediation administered by the American Arbitration Association under its Commercial Mediation Rules. Thereafter, any unresolved dispute arising from or relating to this Agreement or a breach of this Agreement shall be resolved as provided by this Agreement and by law.

15. SEVERABILITY. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

16. SURVIVAL OF OBLIGATIONS. The obligations of the parties under this Agreement that by their nature continue beyond the expiration of this Agreement shall survive any termination or cancellation of this Agreement.

17. ASSIGNMENT. Neither party may (i) assign, subcontract, delegate or otherwise transfer this Agreement or any of its rights or obligations, or (ii) contract with third parties to perform any of the party's obligations, except as contemplated in this Agreement, without the other party's prior written consent.

18. ENTIRE AGREEMENT. This Agreement and all Exhibits, which specifically includes Consultant's responses to the Request for Information and the Request for Proposal issued by the Exchange, constitutes the entire agreement between the parties, and supersedes all prior oral and written agreements and understandings between the parties. This Agreement cannot be modified or amended, except in writing signed by all parties.

19. SIGNATURES.

CONSULTANT

By: William S. Mosakowski
Name: William S. Mosakowski
Title: President and CEO
Date: 7/24/2013

IDAHO HEALTH INSURANCE EXCHANGE

By: Amy L. Dawd
Name: Amy L. Dawd
Title: EO Title
Date: 7/24/2013

**EXHIBIT A
PROPOSED STATEMENT OF WORK**

This Proposed Statement of Work details the Services and associated fees under the "Consultant Service Agreement" ("**Agreement**") dated effective July 1, 2013 between Public Consulting Group, Inc., a Massachusetts corporation ("**Consultant**"), and the Idaho Health Insurance Exchange, an independent body corporate and politic created under Idaho law ("**Exchange**").

1. **TERM.** This Proposed Statement of Work commences on the Effective Date and terminates on December 31, 2014, unless earlier terminated in accordance with the Agreement.
2. **SCOPE OF WORK.** Attachment 1 to this Proposed Statement of Work provides (i) the Services that Consultant shall perform under this Proposed Statement of Work and (ii) the schedule on which Consultant will perform the Services.
3. **INVOICING AND COMPENSATION.** The Exchange shall pay Consultant a ("Fee") in consideration of the Services provided under Section 2 of this Proposed Statement of Work on a time and materials basis from the budget allocations for the project work streams provided on Attachment 1 to this Proposed Statement of Work as follows:

Work Stream	Budget	Estimated Hours
Eligibility and Enrollment (including Solution Procurement Management)	\$243,720	1,083
Consumer Assistance	\$522,000	2,320
Plan Management	\$45,000	200
Medicaid Integration	\$177,720	790
General Consulting	\$391,500	1,740
Total	\$1,379,940	6,133

The budget allocations associated with each work stream set forth above are subject to change based on the needs of the Exchange, but the total Fee of \$1,379,940 cannot be exceeded unless this agreement is amended in a writing signed by the parties. The budget allocations above are based on the following rates for time and materials:

Personnel Category	Hourly Rate
Manager	\$280
Associate Manager	\$270
Senior Consultant	\$250
Consultant	\$200
Business Analyst	\$155

By July 31, 2013, Consultant shall provide the Exchange with a project work plan of Services to be provided in accordance with this Proposed Statement of Work that includes

milestones, deliverables, dependencies, contingencies, time allocation, resource plan, estimated budget, and estimated delivery dates. The continuation of the Agreement shall be subject to the Exchange Director's approval of such project work plan, which approval shall not be unreasonably delayed or withheld. Consultant shall invoice the Exchange monthly for hours expended providing Services in the prior month. Consultant's invoices shall provide a detailed accounting of the resources expended, including without limitation individual names and hours worked, and activities undertaken by Consultant in support of the project work streams described on Attachment 1 to this Proposed Statement of Work. The Exchange's liability to pay the Fee is conditioned on receipt of Consultant's invoice and is subject to the terms of the Agreement, including without limitation the payment terms.

Consultant shall limit Consultant's expenses (including but not limited to airfare, hotel, and meals) for each month to 7.5% of the total value of Consultant's time billed for the month. If before a month commences, Consultant anticipates that expenses for the month will exceed the 7.5% limit, then Consultant shall seek the prior approval of the Executive Director, which approval or disapproval shall not be unreasonably delayed or withheld. If, without prior approval, Consultant's expenses for a month exceed 7.5% of the total value of Consultant's time billed for the month, the Exchange Director may disapprove the excess expenses and the Exchange will have no obligation to pay for the disapproved expenses.

Consultant shall provide the Exchange Executive Director with a monthly projection of airfare costs for review and approval, which approval or disapproval shall not be unreasonably delayed or withheld. Nothing in this paragraph shall prevent the Consultant from requesting, or the Exchange Executive Director from approving or denying, ad hoc requests for travel that fall outside the monthly projection.

Consultant shall document all expenses if requested by the Exchange. Consultant shall provide the expense documentation in any manner reasonably requested by the Exchange.

REPORTING. Consultant shall provide the following oral and written reports to the Exchange in addition to the report submitted with the monthly invoice:

(a) **Weekly Update.** Provided to the Exchange's Executive Director on a weekly basis on the date designated for the weekly status call, this report shall be an oral update on the past week's activities and a forecast of the upcoming week's activities. The Consultant shall provide whatever written follow-up is requested by the Executive Director.

(b) **Monthly Status Report.** Due to the Exchange's Executive Director on the 3rd business day of the month following the month for which the report is made, this report shall provide a written summary of the Consultant's project activities and the status of the project work plan's tasks and milestones including activities performed in the reporting period, activities planned for the next reporting period, and any findings, recommendations, risk factors, and mitigation strategies identified by the Consultant for activities in progress.

(c) **Executive Report.** Due to the Exchange's Executive Director for the benefit of Board members one week prior to the monthly Board meeting, this report shall summarize key issues of most interest to the Exchange Board including the run rate of resource consumption expended by the Consultant. The exact form and format of this report shall be determined by the Consultant and the Exchange Executive Director.

4. **UNAUTHORIZED PRACTICE OF LAW.** Consultant shall not in the performance of the Services engage in the unauthorized "practice of law" as this term is defined under Idaho law. This Agreement, all exhibits, schedules, and attachments, and all instructions from the Exchange to Consultant are to be construed and deemed modified to the extent necessary to avoid creating a contractual obligation of Consultant to engage in the unauthorized practice of law.

5. **SUBCONTRACTING.** Contractor shall not subcontract or delegate design, development, or implementation of any Track 2 (as defined on Attachment 1 to this Proposed Statement of Work) technology unless this Proposed Statement of Work is amended in a writing signed by the parties.

6. **ADDITIONAL WORK.** Any additional work outside the scope of work provided in Section 2 of this Proposed Statement of Work will be described in a mutually agreed upon written addendum or revision to this Proposed Statement of Work that states the terms under which Consultant shall perform the additional work.

7. **INTERPRETATION.** This Proposed Statement of Work is incorporated into and governed by the Agreement. To the extent this Proposed Statement of Work conflicts with the body of the Agreement, the body of the Agreement governs. This Proposed Statement of Work uses capitalized terms that are defined in the body of the Agreement.

8. **SIGNATURES.**

IDAHO HEALTH INSURANCE EXCHANGE

Date: 7/24/2013

By: Amy L. Doud
Name: Amy L. Doud
Its: ED, IDHE

Date: 7/24/2013

By: William S. Mosakowski
Name: William S. Mosakowski
Its: President and CEO

ATTACHMENT 1 TO PROPOSED STATEMENT OF WORK SCOPE OF WORK

Consultant shall perform the following tasks as the Exchange deems reasonably necessary and within the amounts provided in the Proposed Statement of Work to 1) support the Exchange in establishing an operational state based Exchange by October 1, 2013 that can support enrollments effective January 1, 2014 (so-called "Track 1") and 2) support the Exchange in establishing a fully functioning state-based Exchange that can support enrollment activity no later than October 1, 2014 (so-called "Track 2") for enrollments effective January 1, 2015. Such services shall commence upon execution of this Agreement or on such date as designated by Exchange, whichever is earlier.

The tasks enumerated below are organized according to the five named workstreams listed in the Proposed Statement of Work.

For purposes of this Attachment 1, Quarter 1 (Q1) = July 2013 through September 2013; Quarter 2 (Q2) = October 2013 through December 2013; Quarter 3 (Q3) = January 2014 through March 2014; Quarter 4 (Q4) = April 2014 through June 2014; Quarter 5 (Q5) = July 2014 through September 2014; Quarter 6 (Q6) = October 2014 through December 2014.

Workstream 1 – Eligibility and Enrollment (Including Solution Procurement Management) Estimated Number of Hours 1,083

Strategic planning and implementation activities, including staff augmentation, that support Exchange technology consulting needs for eligibility and enrollment functions under Track 1 and Track 2, including but not limited establishing technology linkages to federal systems under Track 1, and migrating from the CMS-designated "supported state based Marketplace" category to a fully-functioning state-based exchange using an Idaho technology platform. Typical tasks include:

Task	Target Date
<i>Develop a Track 2 "solution" procurement document and process</i>	7/31/13
<i>Incorporate aspects of Migration Plan into Level II Funding Request</i>	8/15/13
<i>Conduct a review of system requirements for SBE effective 2015. This process includes the following detailed steps:</i>	Q2
<ul style="list-style-type: none"> <i>Agree upon each of the requirement's meaning with the Exchange's technology vendor.</i> 	--
<ul style="list-style-type: none"> <i>Review technology vendor's solution to confirm that it meets Idaho's vision of the requirement.</i> 	--
<ul style="list-style-type: none"> <i>Identify additional requirements and risks, as necessary</i> 	--
<i>Assess Idaho's linkage to the Federal eligibility data hub for 2014 (FFM) and 2015 (State Based)</i>	Q1 – Q3

<i>Coordinate Exchange "system design and build" with ongoing MRI activities</i>	6/30/14
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Workstream 2 – Consumer Assistance

Estimated Number of Hours

2,320

Strategic planning and implementation assistance, including staff augmentation, that supports Exchange efforts to design, implement, and operationalize a "Consumer Connector Program" that meets federal ACA requirements, utilizing navigators, in-person assisters, certified application counselors, and licensed agents and brokers. Typical tasks include:

Task	Target Date
<i>Conduct a cost/benefit and feasibility analysis examining Track 1 Call Center options</i>	7/31/13
<i>Create a Consumer Assistance Training Plan</i>	8/1/13
<i>Provide assistance to Exchange in developing training materials and training delivery</i>	8/1/13
<i>Assist Exchange with identification and establishment of navigator, in-person assister (IPA), and certified application counselor (CAC) entities and any associated contracts</i>	8/1/13
<i>Apply an Idaho "skin" to the Exchange website</i>	9/1/13
<i>Assist Exchange with establishing contractual, including MOU, requirements, oversight requirements, and performance metrics, including evaluation of IPA, CAC, and other RFPs</i>	9/1/13
<i>Provide procurement assistance to exchange for obtaining Call Center resources</i>	9/1/13
<i>Manage Call Center implementation</i>	10/1/13

Workstream 3 – Plan Management

Estimated Number of Hours

200

Strategic planning and implementation assistance, including staff augmentation, that supports Exchange efforts to work cooperatively and successfully with the Idaho Department of Insurance to ensure plan management requirements defined under the ACA are met. Typical tasks include:

Task	Target Date
<i>Confirm ACA policy and state practice regarding carrier and Medicaid Program's independent interfaces with the Federal exchange for Exchange implications</i>	10/1/13
<i>Review Department of Insurance readiness for 10/1/13 Exchange implementation, as instructed by Exchange management</i>	10/1/13

Workstream 4 – Medicaid Integration

Estimated Number of Hours

790

Strategic planning and implementation assistance, including staff augmentation, to determine and document integration points and transition strategies between those functions operated by the Exchange and those operated by the state Medicaid Program. Typical tasks include:

NOTE: The Consultant shall, on behalf and at the direction of the Exchange, work cooperatively with the Department of Health and Welfare to establish, coordinate, or validate any eligibility points of integration related to implementing the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, as inventoried below.

Task	Target Date
<u>Eligibility Policy: MAGI</u>	Q1
<ul style="list-style-type: none"> state MAGI income eligibility thresholds for qualifying individuals and families 	--
<ul style="list-style-type: none"> compliance with MAGI definition under IRS 36B(d)(2) 	--
<ul style="list-style-type: none"> income and expense disregards other than standard 5% for qualifying applicants 	--
<ul style="list-style-type: none"> CMS approval of thresholds, methodologies, and procedures 	--
<u>Eligibility Policy: Policies and Procedures for Special Populations</u>	Q1-Q3
<ul style="list-style-type: none"> Identify and enroll former foster care children who now qualify for Medicaid (age 18-26)- (when children in foster care turn 18, they are covered by Medicaid until age 26) 	--
<ul style="list-style-type: none"> premium assistance for individuals with employer-sponsored insurance Identify and enroll children in CHIP who were previously ineligible for Medicaid because of disregards eliminated by ACA 	--
<ul style="list-style-type: none"> protections against spousal impoverishment for recipients of home and community based services 	--
<u>Eligibility Policy: Enrollment</u>	Q1=Q3
<ul style="list-style-type: none"> Develop agreement between State Medicaid/CHIP agency and the Marketplace on streamlining enrollment 	--
<ul style="list-style-type: none"> Design Medicaid/CHIP enrollment process through the Marketplace 	--
<ul style="list-style-type: none"> Create screening procedures for Medicaid/CHIP ineligibles for potential enrollment through the Marketplace 	--
<ul style="list-style-type: none"> outreach and enrollment assistance for vulnerable populations 	--

<ul style="list-style-type: none"> • Administer EPSDT wraparound for qualifying children and youth 	--
<u>Eligibility Policy: Application Processing</u>	Q3-Q5
<ul style="list-style-type: none"> • Eliminate assets test for qualifying applicants 	--
<ul style="list-style-type: none"> • Account for predictable increases in future income to reduce "churn" (42 CFR 435.603(h)(3)) 	--
<ul style="list-style-type: none"> • Ensure income is determined at point in time that the application is processed 	--
<ul style="list-style-type: none"> • Implement Express Lane agency findings – if state elects 	--
<ul style="list-style-type: none"> • Analyze use of presumptive eligibility determination to increase efficiency of processing 	--
<ul style="list-style-type: none"> • Grandfather current enrollees until next regular redetermination or 3/31/2014 	--
<u>Eligibility Policy: Tracking Newly Eligible Population</u>	Q1-Q3
<ul style="list-style-type: none"> • Identify newly eligible individuals who would not have been eligible for full benefits, benchmark coverage, or benchmark equivalent coverage under current rules 	--
<ul style="list-style-type: none"> • Analyze and select the cost estimation method that is most advantageous to the state 	--
<u>Coverage Requirements:</u>	Q2-Q4
<ul style="list-style-type: none"> • Analyze benchmark coverage (1937(b)(1)) options, equivalent (1937(b)(2)), and policies to provide coverage and reimbursement to FQHCs, RHCs, Family Planning, etc. 	--
<ul style="list-style-type: none"> • Analyze strategies to mitigate churn 	
<u>ACA Impact on Medicaid Financial Management:</u>	Q1-Q3
<ul style="list-style-type: none"> • Assess the impact of any newly eligible Medicaid populations, using a PMPM basis, on State budgets starting in 2014 with a 5 year projection 	--
<ul style="list-style-type: none"> • Assess the impact of Marketplace implementation and potential Medicaid expansion on the needs and budgets of other health coverage programs operating in the State, particularly Public Health initiatives for the uninsured and county-based substance use disorder programs. 	--
<ul style="list-style-type: none"> • Identifying and allocating costs attributable to integrated eligibility 	--

systems.	
<ul style="list-style-type: none"> Identifying and allocating costs attributable to Medicaid/Marketplace integration. 	--
<u>Medicaid/Marketplace Continuity of Care Planning:</u>	Q2-Q4
<ul style="list-style-type: none"> Planning for Eligibility Churn, Consumer Assistance for Care Transitions, Coverage and Care Alignment, and Monitoring Medicaid and Marketplace Alignment. 	--
<u>Conduct Readiness Assessment:</u>	Q4-Q5
<ul style="list-style-type: none"> Mandatory and Regulatory Documents for Potential Revision (State Plans, State Administrative Rule, etc.) 	--
<ul style="list-style-type: none"> Other Policy and Procedure Documents (Customer Service Manuals, Call Center Protocols) 	--
<ul style="list-style-type: none"> Member Related Documents (Handbooks, FAQs, etc...) 	--
<ul style="list-style-type: none"> Medicaid and Administrative Rule Website 	--

Workstream 5 – General Consulting

Estimated Number of Hours:

1,740

Strategic planning and implementation activities, including staff augmentation, that support general consulting needs for the Exchange's efforts to implement a "state-based Marketplace" (so-called Track 1) by October 1, 2013 and transition to a fully functioning state-based exchange (so-called Track 2) by January 1, 2015. Typical tasks include:

Task	Target Date
Prepare a project work plan through 12/31/13, including milestones, deliverables, dependencies, contingencies, hours allocation, resource plan, estimated budget, and dates, to drive successful completion of Track 1 and initial launch of Track 2 activities	7/31/13 Subject to review and approval by Exchange Executive Director
Prepare a project work plan for the time period 1/1/14 through 12/31/14, including milestones, deliverables, dependencies, contingencies, hours allocation, resource plan, estimated budget, and dates, to drive successful completion of Track 2	11/1/13 Subject to review and approval by Exchange Executive Director

<i>Provide ongoing procurement assistance resources to Exchange staff including:</i>	6/30/14
<i>- writing procurement documents; evaluating vendor responses; managing overall evaluation process.</i>	
<i>Provide ongoing implementation assistance for Track 2 activities to implement a State-Based Exchange</i>	6/30/14
<i>Schedule one or more background research sessions with representatives of the Exchange stakeholder groups, the Insurance Department, and other key State agency personnel, as necessary and appropriate</i>	Q1
<i>Develop a best practice resource guide from peer states implementing a similar "hybrid" approach (e.g., New Mexico, Illinois, Utah)</i>	Q2
<i>Assess current federally supported systems including a technology and policy gap analysis for all of the major Exchange requirements</i>	Q2
<i>Review proposed rulemaking for implications on the Exchange</i>	Q1-Q6
<i>Provide assistance as directed by Exchange staff on preparing any federal funding request</i>	as directed
<i>Review Current Level I Marketplace Grants</i>	Q1
<i>Reconcile Funding Expended vs. Encumbered for Current Grant Period</i>	Q1
<i>Develop Budget Drafts Documenting Future Funds Request</i>	Q1-Q2
<i>Account for all personnel and vendor contracts (i.e. systems, marketing, and consulting vendor contracts)</i>	Q1-Q6
<i>Review Draft Budgets with Idaho HIX Board Members and/or Finance Committee</i>	as directed
<i>Assist in the submission of an additional Level I Funding Request, if needed</i>	Q1-Q2
<i>Assist in the submission of any Level II Funding Request(s), if needed</i>	Q1-Q2
<i>Develop "straw man" statements of purpose, goals, value, and benefits for the Exchange</i>	Q1-Q2
<i>Facilitate a fast-track strategic planning process with various committees, the Insurance Department, other state agencies and other State representatives to build consensus around statements of purpose, goals, value, and benefits of the Marketplace.</i>	Q1-Q2
<i>Develop a set of crucial policy decisions that must be made in order to inform the implementation of Track 2.</i>	Q1-Q2
<i>Document the policy decisions to form a Marketplace Assessment.</i>	Q1-Q2

Signature Copy

<i>Distribute the Marketplace Assessment document to governance committees, the Insurance Department, and other State staff for review and comment.</i>	Q1-Q2
<i>Schedule and hold a facilitated review session with the governance committees and other State staff to review comments and build consensus.</i>	Q1-Q2
<i>Produce draft and final Reports.</i>	Q2
<i>Review CMS-issued guidance for each Consult and Gate Review, including the tentative agenda and Recommended Evidence List</i>	Q1-Q6
<i>Work with Exchange to ensure understanding of all components of the agenda and evidence list and to identify additional or modified agenda items that the state wishes to discuss during the Consult/Reviews</i>	Q1-Q6
<i>Develop a tracking sheet to manage the planning and development of Review presentations and evidentiary documentation. (This might include an Excel sheet with the area, description, evidence list, status of evidence, slide deck section development, internal and client review, etc.)</i>	Q1-Q6
<i>Develop the review slide presentation based on agenda/evidence</i>	Q1-Q6
<i>Conduct periodic review sessions with the client during the slide content and document development process</i>	Q1-Q6
<i>Finalize the Review presentation and all supporting documentation for submittal to CMS via designated state personnel</i>	Q1-Q6
<i>Participate in the actual Review to provide support and subject matter expertise</i>	Q1-Q6
<i>Capture 'next steps' identified during the Review and subsequently examining them with the client to identify any issues, risks or additional activities resulting from the Review</i>	Q1-Q6

**EXHIBIT B
INSURANCE**

1. REQUIRED COVERAGES. For the Duration and for a period of 3 years thereafter, Consultant shall procure and maintain, at its sole cost and expense, at least the following types and amounts of insurance coverage:

- Commercial general liability with limits no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate, including bodily injury and property damage and products and completed operations and advertising liability. The commercial general liability coverage shall also:
 - Include contractual liability coverage insuring the activities of Consultant under this Agreement, including without limitation Consultant's indemnification obligations provided in Section 10 above.
 - Require the insurance carrier to give the Exchange at least 30 days' prior written notice of cancellation or non-renewal.
 - Name the Exchange and the Exchange's board members, employees, volunteers, and other agents, including, in each case, all successors and permitted assigns, as additional insureds.
 - Provide that the coverage is primary insurance and any similar insurance in the name of or for the benefit of the Exchange or the Exchange's board members, employees, volunteers, or other agents shall be excess and non-contributory.
 - Waive any right of subrogation of the insurers against the Exchange or the Exchange's board members, employees, volunteers, or other agents.
- Worker's compensation with (i) limits no less than the minimum amount required by law and (ii) a waiver of any subrogation right of the insurers against the Exchange or the Exchange's board members, employees, volunteers, or other agents.
- Errors and omissions with limits no less than \$1,000,000 per occurrence and \$5,000,000 in the aggregate.
- Data breach and cyber liability with limits no less than \$1,000,000 per occurrence and \$5,000,000 in the aggregate.
- Umbrella follow-form coverage for the coverages listed above with limits of no less than \$10,000,000. The umbrella follow-form coverage shall also:
 - Name the Exchange and the Exchange's board members, employees, volunteers, and other agents, including, in each case, all successors and permitted assigns, as additional insureds.

- Provide that the policy is primary insurance and any similar insurance in the name of or for the benefit of the Exchange or the Exchange's board members, employees, volunteers, or other agents shall be excess and non-contributory.

2. **ADDITIONAL INSURANCE REQUIREMENTS.** Each insurance policy required pursuant to this Exhibit B shall be issued by insurance companies with a Best's Rating of no less than A-.

3. **CERTIFICATIONS OF COVERAGE.** Consultant shall provide the Exchange with copies of the certificates of insurance and policy endorsements for all insurance coverage required by this Exhibit B, and shall not do anything to invalidate such insurance. This Exhibit B shall not be construed in any manner as waiving, restricting or limiting the liability of either party for any obligations imposed under this Agreement, including without limitation the indemnification obligations provided in Section 10 above.

**EXHIBIT C
FEDERAL CONTRACT CLAUSES**

The following clauses govern contracts between the Idaho Health Insurance Exchange ("**Exchange**") and other parties (each a "**Contractor**") when federal grant funds are used to pay Contractor.

1. REMEDIES.

(a) **Continued Performance.** Unless otherwise directed by the Exchange, Contractor shall continue performance under this contract while matters in dispute are being resolved.

(b) **Notice of Injury.** Should either party to the contract suffer injury or damage to person or property because of any act or omission of the party or of any of his employees, agents, or others for whose acts he is legally liable, a claim for damages therefore shall be made in writing to such other party within a reasonable time after the first observance of such injury of damage.

(c) **Governing Law.** This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Idaho, without giving effect to any principle of conflict-of-law that would require the application of the law of any other jurisdiction. The Parties consent to the exclusive jurisdiction of the Fourth Judicial District Court, in Ada County, Idaho for enforcement of this Contract.

(d) **Remedies Cumulative.** The duties and obligations imposed by the contract documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act by the Exchange or Contractor shall constitute a waiver of any right or duty afforded any of them under the contract, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

2. TERMINATION.

(a) **Termination for Convenience.** The Exchange may terminate this contract, in whole or in part, at any time by written notice to Contractor. For a cost-based contract, Contractor shall be paid its costs, including contract closeout costs, and profit on work performed up to the time of termination. For a service contract, the Exchange shall be liable only for payment under the payment provisions of the Contract for services rendered before the effective date of termination. If termination occurs before payment would be due under the Contract, Contractor shall be entitled to the reasonable compensation for services accepted through the effective date of termination. Contractor shall promptly submit its termination claim to the Exchange to be paid to Contractor. If Contractor has any property in its possession belonging to the Exchange, Contractor will account for the same and return it or dispose of it in any manner the Exchange directs.

(b) **Termination for Breach.** Either party may terminate for failure of the other party to fulfill its obligations, as set forth within a specific contract. Reasonable allowances will be made for circumstances beyond the control of Contractor or the Exchange. Written notice of the intent to terminate is required and shall specify the reasons supporting termination.

(c) **Termination for Default.** If Contractor does not deliver supplies in accordance with the contract delivery schedule, or, if the contract is for services, Contractor fails to perform in the manner called for in the contract, or if Contractor fails to comply with any other provisions of the contract, the Exchange may terminate this contract for default. Termination shall be effected by serving a notice of termination on Contractor setting forth the manner in which Contractor is in default. Contractor will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner of performance set forth in the contract. If it is later determined by the Exchange that Contractor had an excusable reason for not performing, such as a strike, fire, or flood, events which are not the fault of or are beyond the control of Contractor, the Exchange, after setting up a new delivery of performance schedule, may allow Contractor to continue work, or treat the termination as a termination for convenience.

(d) **Termination Opportunity to Cure.** The Exchange in its sole discretion may, in the case of a termination for breach or default, allow Contractor 10 days in which to cure the defect. In such case, the Notice of Termination will state the time period in which cure is permitted and other appropriate conditions. If Contractor fails to remedy to the Exchange's satisfaction the breach or default of any of the terms, covenants, or conditions of this contract within 10 days after receipt by Contractor of written notice from the Exchange setting forth the nature of said breach or default, the Exchange shall have the right to terminate the contract without any further obligation to Contractor. Any such termination for default shall not in any way operate to preclude the Exchange from also pursuing all available remedies against Contractor and its sureties for said breach or default.

(e) **Non-Waiver of Remedies.** In the event that the Exchange elects to waive its remedies for any breach by Contractor of any covenant, term, or condition of this contract, such waiver by the Exchange shall not limit the Exchange's remedies for any succeeding breach of that or of any other term, covenant, or condition of this contract.

3. **CIVIL RIGHTS (TITLE VI, EEO).** During the performance of this contract, Contractor, for itself, its assignees, and successors in interest, agrees as follows:

(a) **Nondiscrimination.** In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. 2000d, Title IX of the Education Amendments of 1972, as amended, Section 303 of the Age Discrimination Act of 1975, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, and 42 U.S.C. 6102, Section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. 12132, Contractor agrees that it will not (i) discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability or (ii) operate any programs or activities for the Exchange in a manner that limits participation or access or otherwise discriminates against any person on the basis of race, color, creed, national origin, sex, age, or disability. In addition, Contractor agrees to comply with applicable federal implementing regulations and other implementing requirements HHS may issue, including any certifications of compliance required as a condition of using federal grant funds to pay Contractor.

(b) **Equal Employment Opportunity.** Contractor agrees to comply with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in the U.S. Department of Labor (DOL) regulations, 41 C.F.R. 60 et seq.

(c) **Subcontractor Selection.** In the event the Exchange permits Contractor to contract with any third party to perform any of Contractor's obligations to the Exchange, Contractor must make positive efforts to use small businesses, minority-owned firms, and women-owned businesses as sources of goods and services whenever possible. To this end, Contractor must place qualified small, minority-owned, and women-owned business enterprises on solicitation lists; ensure that small, minority-owned, and women-owned business enterprises are solicited whenever they are potential sources; consider contracting with consortia of small, minority-owned, or women-owned business enterprises when an intended contract is too large for any one such firm to handle on its own or, if economically feasible, divide larger requirements into smaller transactions for which such organizations might compete; make information on contracting opportunities available and establish delivery schedules that encourage participation by small, minority-owned, and women-owned business enterprises; and use the services and assistance of the Small Business Administration and the Minority Business Development Agency, as appropriate.

4. **COPELAND ANTI-KICKBACK ACT.** Contractor agrees to comply with the Copeland Anti-Kickback Act, as amended, 18 U.S.C. 874, et seq., as supplemented in the DOL regulations 29 C.F.R. Part 3, which are hereby incorporated by reference.

5. **DAVIS-BACON ACT.** If Contractor performs more than \$2,000 in construction, alteration, or repair services on public buildings or public works on behalf of the Exchange, it must comply with the Davis-Bacon Act, 40 U.S.C. 3141 et seq., and implementing DOL regulations, 29 C.F.R. 5. The Davis-Bacon Act requires Contractors to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. The Davis-Bacon Act also requires Contractors to pay wages not less than once per week.

6. **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT.** If Contractor performs more than \$2,000 in construction, alteration or repair services for the Exchange, or more than \$2,500 for other contracts which involve the employment of mechanics or laborers, then Contractor shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act, as amended, 40 U.S.C. 327-330, and as supplemented by DOL regulations, 29 C.F.R. Part 5.

(a) **Overtime Requirements.** No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any work week in which he or she is employed on such work to work in excess of forty hours in such work week unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such work week.

(b) **Violation; Liability for Unpaid Wages; Liquidated Damages.** In the event of any violation of this section Contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, Contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth above, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard work week of forty hours without payment of the overtime wages required by the clause set forth above.

(c) **Withholding for Unpaid Wages.** Contractor shall upon its own action or upon written request of an authorized representative of the DOL withhold or cause to be withheld, from any moneys payable on account of work performed by the Contractor or subcontractor under any such contract or any other federal contract with the same prime Contractor, or any other federally assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in this Section 6.

7. NOTICE OF AWARDDING AGENCY REQUIREMENTS AND REGULATIONS PERTAINING TO REPORTING. The Exchange shall monitor Contractor's activities, and Contractor shall cooperate with the Exchange and furnish all information necessary to fulfill all reporting requirements imposed upon the Exchange under 45 C.F.R. 92.40 and 92.41. Contractor shall inform the Exchange as soon as the following types of conditions become known: (i) problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the Contract, and (ii) favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated, or producing more beneficial results than originally planned. Contractor shall permit the Exchange and any appropriate Federal agency to make site visits as warranted by program needs.

8. PATENT RIGHTS. Irrespective of the status of the Contractor (for example, a large business, small business, state government, state instrumentality, local government, Indian tribe, nonprofit organization, institution of higher education, individual, and so forth), Contractor agrees to comply with HHS requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under the Contract.

9. COPYRIGHTS AND RIGHTS IN DATA. This Contract is governed by the requirements of Federal law and regulations concerning ownership and licensing of copyrights and rights in data. Pursuant to 45 C.F.R. 92.36, HHS reserves a royalty-free, nonexclusive and irrevocable license to reproduce, publish or otherwise use, and authorize others to use, for Federal Government purposes: (i) the copyright of any work developed under this Contract or any subcontract thereunder, and (ii) any rights of copyright to which the Exchange or Contractor purchases ownership of with Federal grant support. If, for any reason, the project is not completed, all data developed under the project is required to be delivered as the Exchange or HHS may direct.

10. ACCESS TO RECORDS AND RETENTION. Contractor agrees to develop and retain records identifying the basis for determining the valuation of personal services, materials, equipment, buildings, and land.

(a) **Inspection of Records.** Contractor agrees that the relevant books, documents, papers, and records of the Contractor which are directly pertinent to the Contract shall be subject to inspection, examination, review, audit, transcription and summarization by the Exchange, HHS, the Comptroller General of the United States, or any of their duly authorized representatives. Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed. This right of access shall last as long as the records are retained by Contractor in accordance with 45 C.F.R. 92.42.

(b) **Maintenance of Records.** Contractor agrees to maintain all books, records, accounts, and reports related to Contractor's work for the Exchange for a period of not less than three (3) years after the date of termination or expiration of this contract, except that in the event of litigation or settlement of claims arising from the performance of this contract, Contractor agrees to maintain same for any longer period required for the Exchange, HHS, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto.

11. CLEAN AIR ACT, CLEAN WATER ACT AND EPA REGULATIONS. Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to: (i) the Clean Air Act, as amended, 42 U.S.C. 1875(h), et seq.; (ii) the Clean Water Act, as amended, 33 U.S.C. 1368, et seq.; and (iii) Executive Order 11738 and Environmental Protection Agency regulations, as amended, 40 C.F.R. Part 15. Contractor agrees to report each violation to the Exchange and understands and agrees that the Exchange will, in turn, report each violation as required to assure notification to HHS and the appropriate EPA Regional Office. Contractor also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with federal assistance provided by HHS.

12. ENERGY EFFICIENCY. Contractor shall comply with mandatory standards and policies relating to energy efficiency that are defined in Idaho's energy conservation plans issued in accordance with the Energy Policy and Conservation Act.

13. GOOD STANDING. Contractor certifies, by signing this Contract, that neither Contractor nor Contractor's principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to the regulations implementing Executive Order 12549, "Debarment and Suspension," 28 C.F.R. 67.510, and any relevant program-specific regulations. Contractor shall require this certification from every subcontractor receiving any payment in whole or in part from federal funds.

14. SUBCONTRACTS. The Contractor or subcontractor shall insert in any subcontracts the clauses set forth in this Exhibit and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime Contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with these terms, and any other clauses required by Federal statute or executive order, and their implementing regulations.

15. COST PRINCIPLES. If the agreement between the Exchange and Contractor is a "cost-type" contract, then allowable costs will be determined in accordance with the appropriate cost principles required as a condition of using federal grant funds, as set forth in the HHS Grants Policy Statement or other federal regulations, policies, or agreements between the Exchange and the applicable federal funding agency.