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THE STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT

21 South Fruit Street Suite 14
Concord, New Hampshire 03301

Roger A. Sevigny
Commissioner

Alexander K. Feldvebel
Deputy Commissioner

July 22, 2014

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the New Hampshire Insurance Department (NHID) to enter into a contract in the amount of $60,000 with Compass Health Analytics, Inc., Portland, Maine. (Vendor # 162376), for the provision of consulting services to provide recommendations for health care provider payment reform that controls costs while maintaining consumer protection. This agreement is to be effective upon Governor & Council approval through October 31, 2014. 100% Federal Funds.

The funding is available in account titled Rate Review Grant as follows.

	FY2015
02-24-24-240010-59780000-046-500464 Consultants	$60,000

EXPLANATION

The New Hampshire Insurance Department has received a federal grant to improve the health insurance premium rate review process and transparency related to health insurance premiums and medical care costs in New Hampshire. Under the grant, the Insurance Department will evaluate opportunities to influence provider payment reform through the rate review process, in order to best serve the people of New Hampshire.

The major deliverables for Compass Health Analytics, Inc. include:

1. Analyzing the environment and legal analysis performed by the New Hampshire Insurance Department (NHID) in the first two phases of the payment reform initiative.
2. Evaluating current and evolving payment reform methodologies with consideration of significant changes taking place currently in the health care system.
3. Providing recommendations for payment reform that require legislation and a modification of insurance laws or those that can be adopted by supporting collaborative efforts to reform the delivery system and health care financing in the state.
4. Providing a final report and power point presentation that is in a format that can be used by NHID in subsequent presentations.
5. Work set out in response to the RFP (attached)

After reviewing the bid responses, the Commissioner selected the Compass Health Analytics' proposal as the most responsive to the Request for Proposals (RFP). The Request for Proposals was posted on the Department's website June 17, 2014 and sent to past bidders for Department contract work and companies doing work in this field. Three bids were received. Bids were evaluated by Department staff familiar with the project goals using a scoring system included in the RFP.

The Department respectfully requests that the Governor and Council authorize funding for this consulting work. Your consideration of the request is appreciated.

In the event Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,

Roger A. Sevigny

RRG-18 PROPOSALS EVALUATIONS

Evaluation Committee members: **Tyler Brannen, Alain Couture, David Sky, Martha McLeod, Jennifer Patterson**

Evaluation process: **Every member reviewed and independently evaluated the bids.**
On July 17, 2014 the Evaluation Committee members met, and as a group assigned points to each bid per the "Specific comparative scoring process" described in each RFP.
All members agreed with the points assigned to each category for each bid depicted in the table below.

	RFP/VENDOR	CONTRACTOR Timeframe and Deliverables (15% or points)	CONTRACTOR EXPERIENCE & QUALIFICATIONS (35% or points)	PLAN OF WORK (30% or points)	Bid Price- BUDGET AMOUNT	COST (20% or points)	TOTAL SCORE (100% or Points)	Score without $$$	NOTES
	RFP 2014-RRG-18 Recommendations for Payment Reform								
	Compass/UMASS	12.50%	31.00%	28.25%	$60,000	20.00%	91.75%	71.75%	
	Freedman HealthCare/Bailit Health	17.50%	30.00%	22.00%	$73,000	16.44%	85.94%	69.50%	
	Manatt	11.50%	28.50%	23.00%	$155,500	7.72%	70.72%	63.00%	

Print Form

Subject: Compass Health Analytics, Inc. -- Payment Reform

FORM NUMBER P-37 (version 1/09)

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name	1.2 State Agency Address
New Hampshire Department of Insurance	21 S. Fruit Street, Suite 14, Concord, NH 03301
1.3 Contractor Name	1.4 Contractor Address
Compass Health Analytics, Inc.	254 Commercial Street, Second Floor, Portland, ME 04101
1.5 Contractor Phone Number: 207-541-4900 / 1.6 Account Number:	1.7 Completion Date: October 31, 2014 / 1.8 Price Limitation: $60,000
1.9 Contracting Officer for State Agency	1.10 State Agency Telephone Number
Alexander Feldvebel, Deputy Commissioner	603-271-7973
1.11 Contractor Signature	1.12 Name and Title of Contractor Signatory
J. P. H	James P. Highland, President

1.13 Acknowledgement: State of Maine, County of Cumberland

On 7/22/14, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.

1.13.1 Signature of Notary Public or Justice of the Peace

[Seal] Katherine Deshaies

1.13.2 Name and Title of Notary or Justice of the Peace

Katherine Deshaies Customer Service Specialist

1.14 State Agency Signature	1.15 Name and Title of State Agency Signatory
Alexander K. Feldvebel	Alexander K Feldvebel, Deputy Commissioner

1.16 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)*

By: Director, On:

1.17 Approval by the Attorney General (Form, Substance and Execution)

By: J Christopher Marshall Asst Atty Gen On: July 24, 2014

1.18 Approval by the Governor and Executive Council

By: On:

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

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Date 7/22/14

8. EVENT OF DEFAULT/REMEDIES.
8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):
8.1.1 failure to perform the Services satisfactorily or on schedule;
8.1.2 failure to submit any report required hereunder; and/or
8.1.3 failure to perform any other covenant, term or condition of this Agreement.
8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.
9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.
The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.
14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $250,000 per claim and $2,000,000 per occurrence; and
14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.
14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.
14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be

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attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.
15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation").*
15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials
Date 7/22/14

Agreement with Compass Health Analytics, Inc.
RRG 18-Payment Reform Recommendations

Exhibit A

Scope of Services

The consultant's primary responsibility will be to provide recommendations for health care provider payment reform. Specific responsibilities of this vendor include:

1. Analyzing the environment and legal analysis performed by the New Hampshire Insurance Department (NHID) in the first two phases of the payment reform initiative. This includes the findings in the report prepared by the University of Massachusetts Medical School's Center for Health, Law and Economics and Freedman HealthCare, *New Hampshire's Health Insurance Market and Provider Payment System: An Analysis of Stakeholder Views*, and the options considered in the report by Manatt Health Systems, *Provider Payment Reform in New Hampshire: Legal Considerations for Policymakers*.
2. Evaluating current and evolving payment reform methodologies with consideration of:
    a. Significant changes taking place currently in the health care system and determination of which reform activities are most likely to succeed and have a favorable impact on the provider payment system, costs, access and quality;
    b. Requirements and opportunities for payment reform under the Affordable Care Act (ACA) including recent Medicare and Medicaid initiatives;
    c. Current and developing structures and the oversight of insurance risk among various organizations;
    d. Public or collective approach to setting standard reimbursement rates, and
    e. Recognition of the trends toward provider collaboration such as the Accountable Healthcare Organization (ACO) model.
3. Providing recommendations for payment reform that require legislation and a modification of insurance laws or those that can be adopted by supporting collaborative efforts to reform the delivery system and health care financing in the state.
4. Providing a final report and power point presentation that is in a format that can be used by NHID in subsequent presentations.
5. Work set out in response to the RFP (attached)

compass
Health Analytics

July 10, 2014

Alain Couture
Insurance Department
State of New Hampshire
21 South Fruit Street, Suite 14
Concord, NH 03301-5151

Re: 2014-RRG-308

Dear Mr. Couture:

Attached you will find a proposal in response to your recent solicitation "Recommendations for Payment Reform," jointly submitted by Compass Health Analytics, Inc. and the Center for Health Law and Economics at the University of Massachusetts Medical School. Any questions you may have about our proposal can be directed to me:

James P. Highland, PhD, MHSA
President
Compass Health Analytics, Inc.
254 Commercial Street, 2nd Floor
Portland, ME 04101
207-541-4900
jh@compass-inc.com

Both Compass and CHLE are very interested in helping the Department with this critical project, and we look forward to your response.

Best regards,

James P. Highland, PhD, MHSA
President

Proposal to the State of New Hampshire Insurance Department for Consulting Services Related to Recommendations for Payment Reform

NHID RFP 2014-RRG-308

July 10, 2014

Submitted by

Compass Health Analytics, Inc.

compass Health Analytics

and

University of Massachusetts Medical School

UMASS

Center for Health Law and Economics

a Commonwealth Medicine center of distinction

Recommendations for Payment Reform

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Recommendations for Payment Reform

1. Introduction

1.1. Background

Our nation's healthcare system is being roiled by fundamental shifts away from the traditional insurance and provider payment arrangements that have been the foundations of U.S. healthcare delivery and payment for decades. The "triple aim" of improving patient experience, improving population health, and reducing costs has lead to experimentation on a large scale, including significant movement toward payment systems that shift some or much of the risk for population health costs from insurers to providers.

New Hampshire has been very active in advancing patient-centered care through primary care medical homes, Medicare Shared Savings Program, Medicare Pioneer ACO, and commercial ACO initiatives. These initiatives, though important, do not yet encompass a large percentage of the care delivered in New Hampshire, and New Hampshire remains in the top 10 states in health care spending per capita (Kaiser Family Foundation statistics).

The University of Massachusetts Medical School's Center for Health Law and Economics ("UMMS") and Compass Health Analytics ("Compass") will build on information collected through previous New Hampshire Insurance Department projects to provide a systematic review and development of strategic options and recommendations. Compass and UMMS are well positioned to provide the thorough, sound analysis and well-founded recommendations NHID seeks; we submit this proposal in response to the NHID procurement 2014-RRG-308.

1.2. Compass and UMMS partnership

Compass and UMMS are combining our respective strengths to propose on the Department's solicitation for "Recommendations for Payment Reform." These strengths include skills and experience in the following key areas:

- *New Hampshire's unique environment:* Experience of both firms working on many projects in New Hampshire on health insurance, provider payment, and legal and regulatory issues for NHID and other entities, including extensive knowledge of the state's health insurance statutory and regulatory frameworks
- *Health system reform design:* Experience working on health system design and provider payment reform in other states, including Massachusetts, Maine, Vermont, and Pennsylvania
- *Provider payment systems:* Extensive individual and organizational experience with provider payment methods, systems, incentives, research, and data analysis

- *ACOs and provider risk-bearing:* Knowledge of ACO and other provider risk bearing mechanisms that is both rigorously based in research and in hands-on advising experience with providers, plans, state governments, and other health organizations

With a strong team led by Jim Highland, Katharine London, and Julia Feldman, the Compass/UMMS partnership has the skills and experience to produce thoughtful, well-grounded recommendations to the NHID.

1.3. Overview of approach

Compass and UMMS are pleased to submit this proposal to provide consulting assistance in formulating and analyzing options for reforming the provider payment system in New Hampshire. Our general approach, described in more detail in Section 4, will be to:

- Cast a wide net in identifying potential options based on review of literature and national experience
- By reviewing previous research conducted by UMMS for the Department on current activities and stakeholder views, and working in conjunction with the Department, identify New Hampshire-specific environmental constraints to narrow and refine the options
- Review the New Hampshire legal and regulatory environment to identify pros and cons of options, incorporating Manatt analyses, and review potential legislative and other measures to enable pursuit of specific options
- Conduct discussions with NHID on environmental and other constraints
- Formulate recommendations with pros, cons, and required actions for each option

This document describes the specific skills and experience Compass and UMMS offer in providing services called for in the RFP, our general qualifications, and our approach to the project. Please contact James P. Highland, PhD, MHSA, President, with any questions or requests for further information.

2. Skills and Experience Related to the Proposed Work

The Compass/UMMS team members have extensive and directly relevant experience for the preparation of recommendations for payment reform, both in New Hampshire and in other states. Below, the experience is organized by key topic areas relevant to the study.

2.1. Health system reform and design

The proposed UMMS project team members have participated in the following projects related to health system reform and design:

- *New Hampshire Insurance Market and Provider Payment System Stakeholder Study.* UMMS reviewed New Hampshire's health insurance payment system, including factors that affect premium rates and health care costs. The project included analysis of claims data from New Hampshire Comprehensive Health Care Information System and interviews with market stakeholders.
- *Vermont Green Mountain Care Financing Plan.* UMMS has been under contract since 2012 with the State of Vermont to provide expert consultation on the development of a financing plan for the implementation of Green Mountain Care, the state's proposed single payer plan, and to coordinate the efforts of state agency staff and other vendors who are contributing to the development of this plan. In January 2013, UMMS completed an analysis of Vermont's Green Mountain Care health care system initiative, including models of health reforms to eliminate uninsurance and under-insurance in Vermont; estimates of baseline costs, costs and savings due to health reforms; and federal revenues to finance health reforms.
- *Vermont Price Variation Analysis and Statewide Payment Reform Model.* During FY14, UMMS collaborated with staff from the University of Vermont College of Medicine on a project sponsored by the Vermont Green Mountain Care Board (GMCB). UMass conducted analysis to evaluate the variation in commercial carrier prices paid for professional services in Vermont, and provided technical expertise to the GMCB on developing and implementing a statewide payment reform model.
- *MassHealth Payment Reform and Service Delivery Redesign Initiatives.* UMMS and the CHLE team helped EOHHS develop its Primary Care Payment Reform initiative (PCPR), a healthcare reform innovation that utilizes a new payment methodology to incentivize the development of Patient Centered Medical Homes which integrate primary care and behavioral health services. This effort is considered a precursor to a state Medicaid ACO program, with many similar features. CHLE facilitated and organized stakeholder engagement meetings for PCPR, in collaboration with MassHealth leadership, on policy design, and program implementation.
- *Massachusetts Development of Health Homes.* Since 2012, UMMS has been working with Massachusetts Medicaid to develop a Health Home model, an optional Medicaid State Plan benefit for states to establish Health Homes to coordinate care for people with Medicaid who have chronic conditions for Massachusetts Medicaid. The team is developing a program model, drafting a State Plan Amendment (SPA) submission, drafting regulations, developing spending and revenue estimates, assisting with stakeholder engagement, and assisting in responding to questions from the federal oversight agency.

Jim Highland of Compass has participated in the following health reform design processes:

- *Pennsylvania State Innovation Model Advice.* Compass advised a state-wide nonprofit, provider-sponsored managed care plan regarding the plan's participation in the Pennsylvania State Innovation Model (SIM) plan development process, with primary focus on the "Delivery System Redesign and Payment Reform Methodology." Compass developed proposed all-payer payment models and participated in meetings with Commonwealth of Pennsylvania officials to discuss model alternatives and tradeoffs in the planning process funded by the federal Centers for Medicare and Medicaid Innovation.
- *Maine Advisory Council for Health System Development.* Dr. Highland was appointed by Governor Baldacci to the Advisory Council, which advised the legislature on legislative priorities related to health system reform and development, including provider payment reform, ACOs, and related issues. He served on the payment reform and health information infrastructure sub-committees.

2.2. Provider payment systems

The proposed UMMS project team members have participated in the following projects related to provider payment systems:

- *New Hampshire Analysis of Hospital Price Variations.* UMMS evaluated the variation in prices paid by commercial health insurance carriers to New Hampshire health care providers. The team analyzed the variance attributable to the relative proportion of Medicare, Medicaid, and uninsured patients, to the sickness and complexity of patient populations, and to other factors using New Hampshire's All Payer Claims Dataset.
- *Disproportionate Share Hospital (DSH) Model.* UMMS develops policy and financial models on behalf of New Hampshire DHHS to compensate New Hampshire hospitals that provide high volumes of uncompensated care. The team provides technical assistance to the New Hampshire Medicaid Director and Governor's staff on federal policy requirements for disproportionate share programs and health care related taxes, which produce revenues and funding for over $380 million in state programs annually.
- *Development of Payment Methods for Massachusetts Hospital Services.* UMMS currently oversees development and provides technical expertise to support the Massachusetts Medicaid program in implementing a Diagnosis-Related Group (DRG) payment model for its $600 million in payments to acute hospitals and updating its Enhanced Ambulatory Patient Group (EAPG) payment model for outpatient services.
- *Massachusetts Pediatric Asthma Bundled Payment Pilot.* UMMS is designing, implementing, and evaluating a bundled payment system for high-risk pediatric asthma patients enrolled in the Massachusetts Medicaid program, designed to ensure a financial return on investment through the reduction of costs related to hospital and emergency department visits and admissions.

- *Massachusetts Profiles of Individuals with Complex Care Needs.* UMMS analyzes claims and eligibility data to support Massachusetts Medicaid and Elder Affairs policy analysis. Projects include analyses of cost and utilization patterns of individuals who are dually eligible for Medicaid and Medicare, individuals with chronic physical health and mental health conditions, individuals who use Personal Care Attendant (PCA) services, and individuals who use Long-term Services and Supports (LTSS) provided by the Massachusetts Executive Office of Elder Affairs.
- *Support to the Massachusetts Long-Term Care Financing Advisory Committee.* UMMS provided project management, facilitation, analytic support, and report writing to help this advisory committee develop short-term and long-term recommendations for improving options for financing the costs of long-term services and supports.

Beyond Jim Highland's extensive training and work experience in provider payment prior to founding Compass (see bio in section 3), Compass's work in provider payment has largely focused on ACO financial advising (see section 2.3) and on developing provider payment models for nonprofit insurers. Examples of the latter include:

- *Target Spending Model for Seriously Mentally Ill Members.* Compass developed a population-based payment method for providers with full-spectrum service capabilities that includes parameters for overall spending growth, improvement in mix of community-based vs. inpatient services, and quality measures. The payment model is currently in use and being expanded to other geographic areas.
- *Health Home for Children.* Compass developed a payment methodology for a person-centered health home for children based on a financial model that balances insurer spending targets with provider financial imperatives. The initial trial sites have been expanded to a much larger geographical catchment area.

2.3. Provider risk bearing and ACOs

As described in the biographies in Section 3.3, proposed project leads Jim Highland and Julia Feldman bring deep practical expertise in provider risk-bearing in New England and in New Hampshire. Dr. Highland has been involved in ACO initiatives in New Hampshire. Ms. Feldman, in addition to being a key participant on Massachusetts' landmark cost containment legislation requiring provider risk, is Vice Chair of the American Health Lawyers Association ACO Task Force. Relevant project experience is highlighted below.

- *Robert Wood Johnson Foundation New Hampshire ACO Pilot.* The New Hampshire Citizen's Health Initiative (NHCHI), under a grant from the Robert Wood Johnson Foundation (RWJF), initiated a five-year statewide Accountable Care Organization (ACO) pilot program involving five health care delivery systems and four commercial health insurance carriers in which the ACO's would gradually assume risk for financial and quality outcomes. Compass Health Analytics worked with the participants and NHCHI to develop a common ACO financial framework to be used by the pilot sites and health insurance carriers in their ACO contract negotiations.

- *Dartmouth-Hitchcock Medicare Pioneer ACO.* Dartmouth-Hitchcock was one of 32 Accountable Care Organizations (ACO's) selected in 2011 to participate in the Centers for Medicare and Medicaid Services' (CMS's) Pioneer ACO program. This program implements a shared-risk payment structure initially, beginning in 2012, with a gradual shift to full population-based payments for ACO's that demonstrate a threshold level of savings. Compass reviews performance reports and data published by CMS for Dartmouth-Hitchcock, identifies methodological and computation issues to be raised with CMS, and provides guidance on projected financial performance.
- *Massachusetts Cost Containment Legislative Work.* UMMS/CHLE has provided strategic guidance related to Chapter 224 and the Acts of 2012 ("Chapter 224"), Massachusetts's groundbreaking health care cost containment legislation, which relies on provider global budgets. Julia Feldman was integrally involved in the early design, stakeholder development, and legal drafting of Chapter 224. Additionally, Ms. Feldman led the meetings of the Massachusetts Health Care Quality and Cost Council's Committee on the Status of Payment Reform Legislation, charged with providing strategic guidance and recommendations for the legislation. This legislation established statewide requirements for ACOs and alternative payment methodologies, as well as requirements for provider risk.
- *Pennsylvania Provider-Sponsored Medicaid MCOs.* Since 1997, Compass has provided actuarial and decision support services to several nonprofit provider-sponsored MCOs paid under full-risk capitation in Pennsylvania's HealthChoices managed Medicaid program. Services include rate requirements and negotiation, financial projections and budgeting, IBNR and medical liability determination, and design and development of data warehousing infrastructure.
- *Maine Health Management Coalition Provider Education Series.* Compass prepared and delivered a series of educational forums for providers in Maine about ACO financial issues. Topics included design issues in risk sharing arrangements, determination of accurate ACO budget targets, data requirements, infrastructure requirements for managing financial risk, and modeling financial results of ACO contracts.

2.4. Other relevant experience

In addition to the wide-ranging project experience in public and private sector insurance and provider payment issues, Compass and UMMS staff bring previous hands-on experience from prior positions that is invaluable to defining practical, implementable options for payment reform. UMMS staff have worked in Medicaid and other state agencies central to health reform implementation while state-level health reform was being formulated and implemented. Compass staff worked in commercial insurance companies implementing federal health reform. The combination of the relevant project experiences summarized above, the prior work experience of proposed project team members, and our collective experience working in New Hampshire position us ideally to support on NHID on this critical project.

3. General Qualifications and Staffing

This proposal combines the complementary resources of two strong organizations well-suited to partner in developing payment reform options for the State of New Hampshire. Combining the legal and health system reform strengths of UMMS with the commercial insurance and population-based at-risk payment expertise of Compass, both organizations have extensive experience in the New Hampshire healthcare system. A brief overview of each organization is included next, followed by biographies for the highly qualified staff proposed for the project.

3.1. The University of Massachusetts Medical School Center for Health Law and Economics

The Center for Health Law and Economics at UMass Medical School counsels public agencies and nonprofit health policy organizations in pursuit of an improved health care system. With collective expertise that lies at the intersection of health law and health policy, the Center helps health policy leaders transform ideas into reality by crafting inventive and sustainable solutions to systemic challenges. With a commitment to creating a health care system that works for everyone, our team has the following expertise:

- Interdisciplinary Approach – We integrate our expertise in health law, policy and economics to provide clients robust solutions, recommendations and program development services needed for a complex health care environment.
- Policy Analytics and Architecture – We deliver the full range of analytics needed to develop and implement strong policies and programs. Our team excels in analyzing data and interpreting results; creating payment, cost and financing models; and building legal and public engagement strategies.
- Public Policy – Seasoned in public policy design and reform, our team can partner with state agency leaders and project teams to build new programs in the public sector.
- Transformation Facilitation – We distill complex concepts and competing parameters into understandable choices. We bring decision makers together with consumers and stakeholders to make policy that works.

3.2. Compass Health Analytics, Inc.

Compass Health Analytics specializes in economic, financial, and actuarial analysis in healthcare, and advises insurance, government, and provider organizations — including evolving accountable care organizations (ACOs) — on the structure and financial implications of key decisions. These decisions range from high-level public policy questions related to system reform, monitoring, and measurement to detailed pricing, projection, and financial reconciliation of payer-provider risk contracts. The firm's detailed "on the ground" work benefits from a strong grounding in the public policy context, while its public policy work benefits from a detailed understanding of insurer and provider operations. Compass is known for objectivity, and the team is committed to seeking work that improves the healthcare system, especially for improving approaches to paying for health care.

Leveraging the skills of its staff in policy, economic, and financial analysis and in data management, Compass services include:

- Economic analysis of the incentives and constraints operating in new payment systems
- Risk arrangements and reimbursement systems
- Patient attribution analysis in ACO arrangements
- Development of population-based (capitated) spending budgets
- Service contracting and negotiation
- Development of decision support infrastructure for risk-bearing organizations

Compass has extensive experience working for state government clients and nonprofit entities. Our staff are attuned to the stakeholders in health care policy and regulation and their agendas. We understand the contentiousness of the issues and environment, and the need to formulate and communicate conclusions carefully.

Finally, Compass's staff bring to their work a strong analytical orientation coupled with well-rounded collaboration and communication skills, enthusiasm and a commitment to high-quality work, and a focus on client success and maintaining longstanding client relationships.

3.3. Staff credentials

Compass President Jim Highland and UMMS/CHLE Principal Julia Feldman will co-manage the project, assisted by Director of Risk Consulting Larry Hart of Compass, and Principal Katharine London and Associate Carol Gyurina of UMMS/CHLE. Summary descriptions of our team's experience follow; resumes are contained in Appendix A, and references who can speak to the specific skill sets are listed in Appendix B.

James Highland, PhD, MHSA

Jim Highland has a unique background in health economics, health policy, insurance markets, and provider payment systems, combined with direct experience with New Hampshire provider and payer markets. Since founding Compass in 1997, he has focused a significant portion of his professional life helping provider-owned nonprofit insurers manage financial risk and in advising on payment methods based on provider risk sharing. In recent years he has advised providers on ACO arrangements and management of risk under population-based risk-sharing payment programs. Prior to founding Compass, Dr. Highland was a Senior Economist at Abt Associates in Cambridge, Massachusetts, where he established a practice in providing economic and financial consulting to small and mid-sized public payers. He also directed projects related to the design and implementation of provider payment systems for a wide range of clients, including the Health Care Financing Administration (now CMS) and State Medicaid agencies. He has served as Director of Research, Planning, and Evaluation in provider contracting at BlueCross BlueShield of Massachusetts, and as Director of Economic Studies at the American Hospital Association, with

primary responsibility for analyzing Medicare inpatient, outpatient, and physician payment systems.

Dr. Highland holds a Ph.D. in applied economics from the Wharton School of the University of Pennsylvania, where he studied health economics and the economics of risk and insurance. In addition, he holds a Master of Health Services Administration from the University of Michigan's School of Public Health, and a B.A. in economics, with honors, from Northwestern University.

Julia Feldman, JD

Julia Feldman is a Principal Associate and healthcare attorney. She will serve as the project manager for this engagement for UMMS/CHLE. Ms. Feldman brings over two decades of prior experience practicing health care law in both the public and private sectors. Immediately prior to joining the Center, Ms. Feldman was a senior member of the health law practice at the law firm of Krokidas & Bluestein. While at the firm, Ms. Feldman provided legal drafting, analysis and strategy advice to a wide variety of healthcare clients - especially providers and plans-- which included guidance on the federal fraud and abuse laws. Her work at the Center focuses on state health care payment and system delivery reform, ACOs, health care payment and system reform, primary care and behavioral health integration initiatives, and Medicaid. Ms. Feldman was integrally involved in drafting Governor Deval Patrick's health care cost containment bill leading to enactment of Ch. 224 of the Acts of 2012, Massachusetts' landmark healthcare cost containment legislation, and is Vice Chair of the American Health Lawyers Association ACO Task Force.

Ms. Feldman holds a law degree from Columbia University School of Law, where she was editor of the Journal of Law and Social Problems. At Amherst College, she earned a bachelor's degree in English, graduated Phi Beta Kappa and magna cum laude, and was awarded the John Woodruff Simpson Fellowship in Law.

Katharine London, MS

Katharine London, M.S., is a Principal in the Center for Health Law and Economics at the University of Massachusetts Medical School. Ms. London has over 20 years' experience developing policy in the areas of health care financing, payment reform, cost containment, and quality improvement. Ms. London is currently developing a Health Care Financing Plan for the State of Vermont in 2017, including models of health reforms, estimates of baseline costs, costs and savings due to health reforms, and federal revenues to finance health reforms. She also leads an effort to design, implement, and evaluate a bundled payment system for high-risk pediatric asthma patients enrolled in the Massachusetts Medicaid program. Her other recent projects included a review of New Hampshire's health insurance payment system, with a focus on factors that affect premium rates and health care costs, and an evaluation of the variation in prices paid by commercial health insurance carriers to New Hampshire health care providers. Previously, she served as director of Health Policy at the Massachusetts Attorney General's Office, director of Special Policy Initiatives at the Massachusetts Division of Health Care Finance and Policy, and Pricing Policy Manager at the Massachusetts Rate Setting Commission. She developed payment methods and calculated payment rates for Massachusetts' Medicaid program and Uncompensated Care Pool. She has supported six

large public-private endeavors, identifying policy options and data sources, directing complex data analysis, communicating results in easily understood formats, and making evidence-based policy recommendations.

Ms. London holds a master's degree in health policy and management from the Harvard School of Public Health and a bachelor's degree in applied mathematics with biology from Harvard and Radcliffe Colleges.

Larry Hart

Larry Hart has a broad range of experience in health care insurance markets. Prior to working at Compass he worked at a national carrier for over 25 years in a variety of capacities. He served in a number of underwriting roles of increasing responsibility ending as a Senior Director of Underwriting for New Hampshire. He was responsible for individual, small group and large group underwriting, and his experience includes developing a new medical underwriting capability in the small group market based on legislative changes. Larry worked closely with large employer groups in the New Hampshire market and developed unique financial arrangements that helped these customers, including major hospital systems. In his most recent role he was the Pricing Director responsible for leading pricing work in the Maine individual under-65 and group markets, leading a team that developed community base rates and rating factors. This included work on the initial ACA QHP rate filings. Larry's work at Compass includes efforts on non-profit, community-based risk-bearing organizations, particularly on ACA and ACO related issues. Mr. Hart received his B.A. degree in mathematics from the University of Maine System (UMS) in Orono, ME.

Carol Gyurina, MMHS

Carol Gyurina's expertise is in managing complex projects, especially those related to health care analytics, and in program model development and implementation. Her background includes developing payment strategies for behavioral health programs, managing the development of new policies and programs, and developing and monitoring contracts. Previously, Ms. Gyurina worked as the Deputy Director at the Office of Behavioral Health at MassHealth, the Massachusetts Medicaid Program. She worked closely with analysts and actuaries to develop pricing and contracting strategies for behavioral health care services. She also worked as a data analyst at various health plans, including the Massachusetts Behavioral Health Partnership and Tufts Health Plan. Ms. Gyurina holds a master's degree in management of human services from the Heller School at Brandeis University and a bachelor's degree with an individual concentration in religion from the University of Massachusetts.

3.4. Conflicts of interest

Compass and CMMS are not aware of any potential, or actual, conflicts of interest with respect to this procurement. Compass is currently engaged in other consulting projects with the State of New Hampshire Insurance Department. Compass is also engaged in analytical work for a New Hampshire provider system related to supporting their Medicare Pioneer ACO program. Compass

has among its clients no insurers in New England, although it does serve some employer groups in Maine.

3.5. References

See Appendix B for references.

4. Project Approach and Tasks

4.1. Engagement goals and general approach

Like many other states, New Hampshire is examining effects of provider payment systems on the costs of health care, in particular the effect of the dominant fee-for-service model and the closed process for negotiating contracts for provider reimbursement rates. This system might confer a competitive advantage on carriers with established networks and provider relationships, potentially creating barriers to the entry of new carriers. In addition, select providers with well-established credibility with consumers and employers may gain market leverage sufficient to drive up rates for all carriers.

Ellis and McGuire's classic article on optimal payment systems defines a payment system as the combination of the provider payment system and the cost-sharing structure for insured members.[1] One implication of their work is that "Payment systems that achieve the desired balance between protecting consumers from financial risk and controlling costs are characterized by generous insurance coverage and financial incentives on providers to control costs."[2] The recent rapid increases in per capita spending and consumer cost sharing in commercial insurance policies in New Hampshire[3] suggest that the current provider payment system is contributing to rapid cost growth and moving the state away from the desired balance between consumer risk protection and cost control, and that reforms to the payment system should be moved in the direction of improving provider incentives for provider cost control.

Any such movement should be made in a manner which allows providers to adjust in ways that do not harm the provider system and access to care by consumers, and should be carefully designed to avoid other untoward consequences. More generally, the system is complex, and changes to it should be based on a thorough understanding of the environment in New Hampshire and of the interactions between employers, consumers, government, carriers, and providers. Progress in

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[1] Ellis RP and McGuire TG, "Optimal Payment Systems for Health Services," *Journal of Health Economics* 9 (1990) 375-396.
[2] Ibid, p. 394.
[3] "2010 Cost Drivers," report prepared for the New Hampshire Insurance Department by Compass Health Analytics, Inc., April 2012, http://www.nh.gov/insurance/consumers/documents/1sthirr.pdf

understanding these complexities was made in recent analyses performed for NHID, including the analysis the health insurance and provider payment market by UMMS.[4]

Strategies generally fall into four categories, with examples of each indicated below.

Typology and Examples of Cost Control Mechanisms

	Incentives	Regulation
Utilization	Medical Homes Value-Based Insurance Design ACOs	Certificate of Need
Price	Bundled Pricing Improved Transparency of Quality and Price	All Payer Rate Setting

Many other strategies can be explored, and for each we should evaluate carefully the evidence for effectiveness, consider thoroughly the feasibility of implementation, and determine consistency with the State's values and policy priorities. The logical set of strategies to pursue are those with evidence supporting their effectiveness and a feasible political path to approval and implementation, but in any case working through the evidence and related issues with the Department is a key part of defining the best strategies.

4.2 Project tasks

Working through the project will require a series of steps which are outlined below.

1. *Project Kickoff.* We will convene a project kickoff meeting to be held in Concord to refine tasks, scope, and timelines with NHID staff.
2. *Summarize key current initiatives.* There are currently a number of payment and care reform demonstrations and pilots funded by the Centers for Medicare and Medicaid Services (CMS) in which various New Hampshire providers are participating, including the State Innovation Models (SIM) Initiative, Medicare Pioneer ACO Model, Medicare Shared Savings Program, Advanced Payment ACO Model, Medicaid Incentives for the Prevention of Chronic Diseases Model, and FQHC Advanced Primary Care Practice. In addition, several hospitals, physician groups, employers and community groups have created affiliations to develop centers of accountable, high-value and reduced cost of care in New Hampshire. These initiatives include the New Hampshire Citizens Health Initiative (Accountable Care Project), New Hampshire Purchasers' Group on Health (NHPGH), North Country Accountable Care Organization, Granite Healthcare Network (GHN), Dartmouth-Hitchcock ACO, and Northern New Hampshire Healthcare Collaborative (NNHHC). Contracts are in place with some of these ACOS and commercial carriers. The fact that so many organizations are participating in these new

[4] "New Hampshire Health Insurance Market and Provider Payment System: An Analysis of Stakeholder Views," prepared for the New Hampshire Insurance Department by the University of Massachusetts Medical School and Freedman Healthcare, June, 2013.

initiatives demonstrates widespread interest in health care delivery and payment system reform. We will summarize the activities in a form that is useful for consideration relative to potential payment reform options.

3. *Identify a "wide net" of potential options for reform.* Based on review of literature and current practice nationally, we will identify a comprehensive list of potential candidates for payment reform, including all-payer rate setting (Maryland), global budget targets (Massachusetts), single payer (Vermont), public payer-specific approaches, bundled payments, primary care medical homes, and ACOs. This initial list will not consider directly feasibility in New Hampshire, which will be evaluated at a subsequent step (see below).

4. *Identify key environmental issues and constraints.* New Hampshire is a small state with a population of 1.3 million, largely concentrated in the southern part of the state. The northern counties are rural and sparsely populated. New Hampshire's health care costs are among the highest in the nation; however, New Hampshire's rate of employer-based coverage is substantially higher than the national average, and higher than the other New England states. The insurer market is highly concentrated. Three larger carriers, Anthem, Harvard Pilgrim, and Cigna, together represent 80% of the health insurance market, with Anthem alone constituting over 40% of the market and other carriers struggling to remain profitable[5]. There are 26 acute care hospitals in New Hampshire, including one large tertiary care facility, Dartmouth Hitchcock Medical Center, a handful of medium size facilities, and 13 very small Critical Access Hospitals. These market conditions make some solutions that might be appropriate for larger, more densely-populated states with competitive markets difficult to implement successfully in New Hampshire.

5. *Cull candidates to "narrow net" options.* By carefully evaluating the wider list of options against the environmental constraints, the number of potential reforms can be reduced to a smaller set of options viable in New Hampshire. Our team does not come to the evaluation of reform options in New Hampshire with preconceived notions about the best path or with a pre-determined solution that we have proposed in other states. In consultation with NHID staff at a second in-person meeting, we will reduce the potential reform options to a manageable list (e.g., 3 candidates) of viable options for further analysis.

6. *Summarize key findings from research literature and reports.* The previous reports by UMMS/FHC and Manatt, as well as the academic and professional literature, will be reviewed for the reduced list of options resulting from Step 5 above. We will review the theoretical and practical benefits and drawbacks/challenges of primary candidates, and will summarize the evidence for effectiveness, factors associated with success, and trade-offs in implementation. We will consider key conclusions from stakeholder input and data on the New Hampshire market, including the extent to which global and alternative payment methodologies are currently utilized by carriers and providers, the interest and ability of New Hampshire providers to take on risk, market concentration and dynamics, and the role of self-insured employers and relationship with providers. Our team will summarize key current initiatives affecting New Hampshire, including Medicare ACOs and recent Medicaid ACO initiatives.

[5] "2010 Cost Drivers", *op.cit.*

Specifically, our recommendations will incorporate the Manatt considerations for the Medicare Shared Savings Program, as well as other ramifications of the federal ACO programs impacting New Hampshire as it implements payment reform. Additionally, we will include analysis of the design of several Medicaid ACO programs and initiatives relevant to NH payment reform efforts, including in neighboring states (Maine, Vermont, Massachusetts).

7. *Identify legal and regulatory barriers affecting "narrow net" options.* For the reduced list of options, we will identify legal and regulatory barriers that present in this arena, including federal and state fraud and abuse laws, anti-trust laws, and provider risk regulation (or lack of it), incorporating key Manatt legal analyses and policy considerations on these issues. We will provide options for addressing and/or navigating fraud and abuse and antitrust concerns, from both a legal and policy perspective. Our options will include steps for NH to consider consistent with the state action immunity doctrine, as recently refined by the U.S. Supreme Court in the case of FTC v. Phoebe Putney Health System, Inc. Our options will also present the issues with relying on federal waivers in these arenas, based on research and our experience with the regulators and enforcers of these waivers and the laws themselves. Additionally, we will provide practical recommendations for the contracting process, to protect the state in implementing reforms that raise these issues, including specific contract language designed to meet CMS and OIG oversight concerns. Our options will also include recommendations for legislation and regulation, incorporating and expanding the policy and legal options set forth in the Manatt report.

8. *Review draft options and recommendations with NHID staff.* At our third in person meeting, will present our recommendations about ways to reform provider payments, and specific options and paths for NH to promote alternative payment methods, with particular consideration to the role of government as payer, regulator, and facilitator of processes in the private sector. For each option, we will highlight both the theoretical and practical strengths and challenges, and identify which reform activities are most likely to succeed and have a positive impact on cost and access, in light of academic research and the research findings by UMMS/FHC, and Manatt. We will also explore and offer options regarding a public and system wide approach to rate setting, based on research and our experience with such systems. Our options will include identifying and addressing and/or mitigating legal barriers associated with each approach.

9. *Finalize and prepare the report and PowerPoint presentation.* After input from the NHID in Step 8 above, we will edit and finalize the project report, and prepare a PowerPoint presentation for NHIDs use related to the project. We will also present the findings as necessary to NHID and its constituents.

5. Cost and Timeframe Proposal

Timeframe

Once the procurement cycle is settled, we will review our proposed scope and timeframe with the Department and make adjustments as necessary. The proposed timeframe is contained in the Table below.

Proposed Timeline (2014)	
Task	**Timeframe**
1. Project kickoff	July
2. Summarize current initiatives	July
3. Wide net options	August
4. Environmental constraints	August
5. Narrow net options	August
6. Literature/research review	September
7. Legal and regulatory barriers	September
8. Draft recommendations	September
9. Discuss findings with NHID and make presentation	Before Oct 1st
10. Finalize report and PowerPoint	By October 31st

Cost estimate

The project budget appears in the table below.

State Fiscal Year 2015 Budget			
Title:	**Hrly Rate**	**Budgeted Hours**	**Total Cost**
Jim Highland	$ 275	75	$ 20,625
Larry Hart	$ 225	25	$ 5,625
Julia Feldman	$ 200	100	$ 20,000
Katharine London	$ 180	50	$ 9,000
Caroly Gyurina	$ 130	25	$ 3,250
Travel			$ 571
Total		275	$ 59,071

Our rates are all-inclusive except for travel expenses, which we assume will be incurred for three in-person meetings in Concord by the UMMS and Compass teams.

The amount summarized above is our best estimate, but the total contract cost will not exceed $60,000, including travel. In early project discussions, the Department and Compass will refine the

scope of the analysis to fit within the resources available. If at any time we believe the project is in danger of exceeding the estimate, we will inform the Department and work with them to make whatever adjustments are necessary.

Appendix A: Resumes

James P. Highland, PhD, MHSA

Larry Hart

Katharine London, MS

Julia Feldman, JD

Carol Gyurina, MMHS

JAMES P. HIGHLAND

Professional Experience

1997-present **Compass Health Analytics, Inc., Portland, ME**
President

Provide advice and analytical services to health care policy makers and decision makers on financial, economic, actuarial, and decision support issues.

1994-1997 **Abt Associates Inc., Cambridge, MA**
Senior Associate, Health Economics Consulting Group

Directed and conducted research and analysis related to a variety of provider payment and insurance issues, including financial/risk modeling, capitation pricing, risk and incentive arrangements, physician fee schedule development, and managed care strategy. Clients included major insurers, HMOs, major provider organizations, pharmaceutical companies, medical societies, and state and federal agencies.

1993-1994 **Blue Cross Blue Shield of Massachusetts, Boston, MA**
Director of Research, Planning, & Evaluation

Directed staff of four in research and evaluation related to hospital and physician contracts, including managed care risk sharing arrangements. Conducted planning for provider network development. Designed and managed project for RBRVS implementation.

1990-1993 **American Hospital Association, Chicago, IL**

Director, Division of Economic Studies

Directed staff of five in conduct of impact studies, research studies, and other analyses critical to the association's public policy activities. Provided economic research perspective in key association policy discussions. Primary focus on issues related to federal health reform and hospital payment issues.

Associate Director, Division of Financial Policy

Managed policy development and analysis for over 5,000 member hospitals on physician payment and hospital outpatient payment issues. Supported representation and member education with issue papers, Congressional testimony, regulatory comment letters, and presentation to member and other professional groups. Selected for Federal advisory groups related to outpatient payment issues.

1988-1990 **University of Pennsylvania, Philadelphia, PA**

Senior Investigator, Leonard Davis Institute of Health Economics

Proposed successfully for a grant from the Health Care Financing Administration to study physician investment in diagnostic testing equipment. Designed valuation-based model to assess fees for diagnostic tests. Managed research process, staff, and budget.

Instructor, The Wharton School Assisted teaching "Financial Management of Health Institutions" to second-year Health Care M.B.A. students. Customized valuation software for hospital applications and instructed students in its use. Taught "Health Economics" to junior and senior undergraduates.

Professional Experience (cont.)

1985-1987 **Andersen Consulting, San Francisco, CA**
Senior Management Consultant
Managed and coordinated over 150 client personnel in successful user testing of large financial information system at a major university teaching hospital. Designed testing approach and automated testing control system. Coordinated and facilitated interaction between client and software vendor in customizing basic software. Led training sessions for hospital personnel.

1984-1985 **Sisters of Mercy Health Corporation, Farmington Hills, MI**
Administrative Fellow
Designed and successfully implemented capital budgeting system at 530 bed teaching hospital. Developed and launched corporate structure for hospital-physician joint ventures. Guided the management and budgetary process for the Department of Surgery. Evaluated requirements and wrote proposal for initiating financial planning function at system holding company.

Summer 1983 **Good Samaritan Hospital, Downers Grove, IL**
Administrative Resident
Developed educational program for clinical personnel on prospective payment system; program recommended for adaptation throughout hospital system.

Spring 1981 **On Lok Senior Health Services, San Francisco, CA**
Intern
Analyzed cost requirements for innovative alternative to 24-hour nursing home care for frail elders.

Education

Ph.D., The Wharton School, University of Pennsylvania, Health Economics/Health Finance, 1994
M.H.S.A., The University of Michigan, Health Services Administration, Finance, 1984
B.A., Northwestern University, Economics, with Honors, 1982

Honors and Awards

Dean's Fellowship for Distinguished Merit, The Wharton School, University of Pennsylvania 1987-1990
Public Health Traineeship, The University of Michigan, 1982-1984
Departmental Honors, Economics, Northwestern University 1982
Alpha Lambda Delta, Northwestern University, 1978-1982

Memberships

American Economic Association
Association for Health Services Research
Healthcare Financial Management Association
Healthcare Information and Management Systems Society

LAWRENCE E. HART

Professional Experience

2014 – Present **Compass Health Analytics, Inc., Portland, ME**
Director, Risk Consulting Services, 2014-

Price new benefit designs, project claims, develop rates, and develop forecasts for managed care clients. Assist state regulators with review of health insurance rate filings. Analyze health insurance cost drivers for state government policy makers. Support clients in financial evaluation of alternative provider reimbursement arrangements, including ACOs, with experience analysis, projections, and modeling.

2006 – 2014 **Anthem Blue Cross & Blue Shield of Maine, South Portland, ME**
Actuarial Business Director, 2010-2014
Other position held: Actuarial Business Consultant

Supervised staff and conducted competitive analysis, new product and mandate pricing. Recommended adjustments to product design, and the product portfolio. Developed financial forecast key assumptions such as rate increases, buy down, and claims trends. Worked with Finance partners to develop the forecast, interpret financial results and variances. Prepared and oversaw Maine group and individual rate filings including the 2014 QHP filings. Responsible for the development of all retention, trend, completion and other rating factors for the Maine business unit. As the Actuarial pricing Lead and point of contact provided ongoing consulting service including strategic growth and margin planning for Maine leadership.

2002 – 2006 **Anthem Blue Cross & Blue Shield of New Hampshire, Manchester, NH**
Senior Director of Underwriting, 2002-2006

Managed and led a staff of up to twenty two associates in the successful rate development for prospective and renewing group business. Developed alternate funding mechanisms including contingent premium, minimum premium, and ASO. Recruited and developed small group staff to perform newly allowed medical underwriting. Managed a rating system conversion for small and large group business. Developed an underwriting process for new dental product launch in New Hampshire market. Developed incentive plan with common goals for underwriters and sales associates. Accompanied sales staff to explain most technical rating components to marquee accounts.

1986 – 2002 **Anthem Blue Cross & Blue Shield of Maine, South Portland, ME**
Underwriting Manager, 1996-2002
Other positions held: Senior Underwriter and Underwriter

Managed and led a staff of seven associates in the successful rate development for prospective and renewing group business. Developed alternate funding mechanisms including contingent premium, minimum premium, and ASO. Successful implementation of an automated Excel-based merit-rating model. Developed streamlined product portfolio and standard plan packages to minimize adverse selection. Accompanied sales staff to explain underwriting rationale to marquee accounts. Developed an income transfer mechanism to deal with adverse selection issues resulting from offering a separately-owned HMO beside Anthem products. Oversaw analysis and implementation of a procedure which ensured high-risk individuals were assessed and were accurately reflected in the rating of large groups.

1985- 1986 **Northwestern Mutual Life, Bangor, ME**
Insurance Agent

Became licensed with the State of Maine to sell life and health insurance. Completed Essentials of Life Underwriting training program for Northwestern Mutual. Developed clientele by selling term and whole life insurance.

Education

B.A., University of Maine at Orono, Mathematics, 1985

Boards and Committees

Professional
- Blue Cross and Blue Shield Actuarial and Underwriting Committee (District I) (2002 – 2014)
- Maine Vaccine Association Board (2010-2014)
- New Hampshire Vaccine Association Board (2005-2008)

Other
- Greater Portland United Way Investment Committee for Health Services. (2009 – present)
- Easter Seals Maine Board of Directors (2014 – present)
- Blue Cross Blue Shield of Maine Employees Federal Credit Unit Board of Directors (1988 – 2004)

Katharine London, M.S.
University of Massachusetts Medical School
Center for Health Law and Economics
Principal Associate

Education

Harvard School of Public Health, Boston, MA **1990**
Master of Science degree in Health Policy and Management
- Concurrent coursework at Harvard's Kennedy School of Government and MIT's Sloan School of Management

Harvard and Radcliffe Colleges, Cambridge, MA **1986**
Bachelor of Arts degree in Applied Mathematics with Biology

Professional Experience

University of Massachusetts Medical School, Charlestown, MA **2009–Present**
Center for Health Law and Economics
Principal Associate
Member of senior leadership team of a university-based center providing consulting services in health economics and public policy analysis to government and not-for-profit clients. Projects include:

Massachusetts Pediatric Asthma Bundled Payment Pilot **February 2011 - Present**
- Lead an effort to design, implement, and evaluate a bundled payment system for high-risk pediatric asthma patients enrolled in the Massachusetts Medicaid program, designed to ensure a financial return on investment through the reduction of costs related to hospital and emergency department visits and admissions.

Vermont Agency of Administration **July 2012 –present**
- Developing a Health Care Financing Plan for the State of Vermont in 2017, including models of health reforms, estimates of baseline costs, costs and savings due to health reforms, and federal revenues to finance health reforms.

New Hampshire Insurance Department, Analysis of Hospital Price Variations **July 2011- April 2012**
- Evaluated the variation in prices paid by commercial health insurance carriers to New Hampshire health care providers. Analyzed the variance attributable to the relative proportion of Medicare, Medicaid, and uninsured patients, to the sickness and complexity of patient populations, and to other factors using New Hampshire's All Payer Claims Dataset.

Connecticut SustiNet Health Partnership **May 2010 – January 2011**
- Provided project management, facilitation, analytic support, and report writing to help this public-private Board of Directors and 8 advisory committees (comprised of 160 individuals) develop a public option health plan proposal using the medical home model and alternative payment methods.

Massachusetts Long-Term Care Financing Advisory Committee **July 2009 – November 2010**
- Provided project management, facilitation, analytic support, and report writing to help this advisory committee develop short-term and long-term recommendations for improving options for financing the costs of long-term services and supports.

Massachusetts Health Care Quality and Cost Council, Boston, MA **2007–2008**
Executive Director
- Directed staff, policy development, and operations for this 16 member public-private Council
- Established statewide goals to improve health care quality, to contain health care costs, and to reduce racial and ethnic disparities in health care in Massachusetts. Drafted the Council's Annual Report listing specific tasks for each health care sector in order to meet the statewide goals.

- Collected data from 22 commercial health insurers and built a dataset containing all health care claims data for all Massachusetts residents covered by a fully insured Massachusetts-based health plan. The dataset incorporated payments made under a wide range of payment methodologies and served as the foundation for the Massachusetts All-Payer Claims Dataset.
- Designed and launched a consumer-friendly health care quality and cost information website, www.mass.gov/myhealthcareoptions, the first in the nation to display hospital-specific quality and cost information simultaneously.
- Guided the Council and its Committees to establish strategic direction; developed and implemented the Council's communications strategy.
- Served as a liaison between the Council, its 30 member Advisory Committee, and other key constituencies.
- Directed the Council's administrative functions: managed the Council's $1.9 million budget; drafted and promulgated 3 complex regulations; procured and managed 8 vendor contracts.

Massachusetts Office of the Attorney General, Boston, MA **2003–2007**

Director of Health Policy

- Advised the Massachusetts Attorney General and Assistant Attorneys General on health policy matters, payment methods, rates, purchasing strategies, and other health care components of legal cases.
- Implemented the Attorney General's health care priorities in coordination with the Office's Divisions of Public Charities, Insurance, and Consumer Protection and Anti-Trust.
- Identified financially distressed hospitals and health plans and ensured they developed viable turnaround plans.
- Analyzed the effects of potential mergers and acquisitions on the health care market.
- Distributed legal settlement funds to health care charities.
- Received the Attorney General's Award for Excellence, 2006.

Massachusetts Division of Health Care Finance and Policy, Boston, MA

Director, Office of Special Policy Initiatives **2001–2003**

Policy Development Manager **1996–2001**

- Directed complex, high-profile projects that crossed department and agency lines. Advised the agency Commissioner and the Secretary of Health and Human Services on health policy issues.
- Massachusetts Health Care Task Force (2000-2002): Directed staff support and analysis of private and public payment rates and methods, provider cost, utilization and financial status trends in the hospital, nursing home, pharmacy, and other sectors. Task Force members included the Governor, Attorney General, legislative leaders, other high level government officials, CEOs of major hospitals and health plans, and leaders of professional organizations and advocacy groups.
- Special Commissions on Uncompensated Care (1997 and 2002): Directed staff support and analysis for two Commissions composed of representatives from government, health care providers, payers, business and consumers and charged with revising the Commonwealth's policies and procedures for financing uncompensated care.
- Developed policy for the Massachusetts Uncompensated Care Pool, a $345 million fund that paid for health care services for low income uninsured and under-insured individuals.
- Implemented a $100 million surcharge on payments to hospitals and an electronic system to collect patient-level Uncompensated Care eligibility and claims data for the 350,000 patients served by the Pool.

Massachusetts Rate Setting Commission, Boston, MA

Policy Analyst, Senior Policy Analyst, Assistant Manager **1990–1996**

- Calculated maximum allowable private sector charges under Massachusetts' All-Payer Rate Setting system.
- Developed pricing methods and calculated payment rates for Massachusetts Medicaid, workers' compensation, Uncompensated Care Pool, and Medicaid disproportionate share.
- Developed and analyzed policy options, drafted regulations, summarized and critiqued testimony presented at public hearings, and recommended final regulations to Commissioners.
- Evaluated the effects of proposed legislation on hospital costs, utilization, access, rates of payment, financial status, and market structure.

Selected Publications

- State of Vermont Health Care Financing Plan Beginning Calendar Year 2017, prepared for the Vermont Agency of Administration, January 2013. (project lead, lead author, and editor)
- Analysis of Price Variations in New Hampshire Hospitals, prepared for the New Hampshire Insurance Department, April 2012. (project lead, lead author, and editor)
- Report to the Connecticut General Assembly from the SustiNet Health Partnership Board of Directors, January 2011. (co-author and analyst)
- Securing the Future: Report of the Massachusetts Long-Term Care Financing Advisory Committee, November, 2010. (co-author and analyst)
- My Health Care Options website, www.mass.gov/myhealthcareoptions, launched December 2008. (staff director, co-author, and editor)
- Weissman, J.S., P. Dryfoos, and K. London, "Income Levels of Bad-Debt and Free-Care Patients in Massachusetts Hospitals", Health Affairs, July/August 1999, 18:4 pp. 156-166.

JULIA FELDMAN, J.D.

Professional Experience

University of Massachusetts Medical School — **2010 - Present**
Center for Health Law and Economics — **Charlestown, MA**
Principal Associate

Advise state government leaders on wide range of legal and policy matters relating to payment and system reform:

- Lead consultant on Massachusetts' health care payment and delivery system reform initiatives
    - Lead drafter of Governor Patrick's health care cost containment bill leading to enactment of Ch. 224 of the Acts of 2012 establishing industry-wide cost benchmarks
    - Led the meetings of the Massachusetts Health Care Quality and Cost Council's Committee on the Status of Payment Reform Legislation
    - Led UMMS team for Massachusetts Primary Care Payment Reform initiative, the state's flagship program for cost containment through payment reform
- Responsible for strategic, project management, and procurement/contracting leadership on major client initiatives; lead team including attorneys, project managers, and financial and strategy experts to create deliverables and goals for cost containment and system delivery reform for health care clients
- Regular experience handling complex compliance, contract, and regulatory matters on behalf of University of Massachusetts Medical School/Commonwealth Medicine

KROKIDAS & BLUESTEIN — **2005-2010**
Counsel — **Boston, MA**

Represented clients in transactional matters, corporate and regulatory compliance, reimbursement issues, corporate work, tax-exempt financing, and legislative work including:

- Regular experience advising clients on strategic viability of business transactions
- Broad experience advising on all manner of state and federal health care regulation
- Handled all aspects of hospital and other health care transactions; supervised associates
- Regular experience drafting corporate documentation for health care entities
- Regular experience with complex legislative drafting, regulatory and strategic advice
- Handled wide variety of compliance and HIPAA matters for health care providers

Executive Office of Health and Human Services, MassHealth Office — **1992-2005**
Assistant General Counsel — **Boston, MA**

Performed variety of in-house counsel work on health law and policy issues, including:

- Advised on issues related to major state health care contracts and procurements
- Advised on rate and reimbursement issues, and regulations
- Supervised other attorneys; independently handled multi-party litigation/settlements

BROWN, RUDNICK, FREED AND GESMER, Boston, MA; **1987-1992**
MILLER & CHEVALIER, Washington, DC.
WHITE & CASE, New York, N.Y.,

Law Firm Associate

Education

Columbia University School of Law, New York, New York
Juris Doctor. Elected Editor, Columbia Journal of Law and Social Problems,

Amherst College, Amherst, MA
Bachelor of Arts, Magna Cum Laude, Phi Beta Kappa
Awarded John Woodruff Simpson Fellowship in Law

Bar Admission: MA (1991), District of Columbia (1990), and New York (1988)

PROFESSIONAL PUBLICATIONS/AWARDS/ACTIVITIES

- Vice Chair, Amer. Health Lawyers' Association, ACO Task Force (Spring 2014-present); Chair, Organization and Governance Subcommittee. (2010-2013)
    - Article on state legislative approaches to ACOs (forthcoming)
    - Led ACO Webinar Series, Presenter (April 2013); Moderator (Dec. 2013)
    - Co-Author, White Paper on the Medicare Shared Savings Program (May 2012)
- Presentations:
    - Health Law Panel at Boston College Law School (September 2012)
    - State Health Care Reform initiatives for the Massachusetts Bar Association (April 2012)
    - Health Care Reform in Massachusetts, Amherst College (February 2010)
- Publications:
    - Interviewed and Quoted in Managed Care Magazine (May 2013)
    - "Massachusetts Health Care Reform 'Part Two'," Massachusetts Medical Law Reporter (October 2009)
- Other/Awards:
    - Received Performance Recognition Award from Commonwealth Medicine (2011)
    - Member, Health and Human Services Advisory Council, Newton, MA (2009-present)
    - Co-Recipient, "Governor's Award for Excellence in Government Legal Service," (2004)
    - Lecturer, Boston University School of Law; the Heller School, Brandeis University (2000-'06)
    - Member, Boston Bar Association Health Law Section, Publications Comm. (1996-2004)

Carol Gyurina, M.M.H.S.

Professional Experience

University of Massachusetts Medical School **Apr. 2013 – Present**
Center for Health Law and Economics
Associate

- Associate of a university-based center providing consulting services in health economics, data analytics, and public policy analysis to government and not-for-profit clients.

Executive Office of Health and Human Services, Quincy, MA **2008 – 2013**
Office of Behavioral Health at MassHealth *2012 – 2013*
Deputy Director

- Oversaw implementation of Federal Accountable Care Act provisions in behavioral health provider regulations and contracts.
- Coordinated the implementation of a new behavioral health managed care vendor contract.
- Managed contracts for Children's Behavioral Health Initiative services.
- Developed policy recommendations for the development of Health Homes for children and adults with Serious Mental Illness or Serious Emotional Disturbance.
- Faculty presenter at *2012 Georgetown University Training Institutes*: Presented on the development of a system of intensive home-based behavioral health, family support and care coordination services for children funded through Medicaid.

Office of Behavioral Health at MassHealth **2008 – 2012**
Analytics and Contracting Director

- Developed financial strategies for the Children's Behavioral Health Initiative, including key components of managed care contracts; led the workgroup on payment methodologies and rate setting for six new Medicaid services.
- Developed system for monitoring the costs and utilization for the Children's Behavioral Health Initiative; reported regularly to the Commonwealth's Executive Office of Administration and Finance on the programmatic and financial status of this $214 million appropriation.
- Implemented new data reporting requirements in managed care contracts on behavioral health to ensure that the Commonwealth receives meaningful data for program management.
- Participated in procurement team to analyze policy options and develop RFR for behavioral health and care management services for the Primary Care Clinician Plan.
- Hired and supervised team of data analysts and program coordinators.

Commonwealth Medicine - UMass Medical School, Boston, MA **2006 – 2008**
MassHealth Project Management Office
Senior Project Director

- Organized and facilitated the teams for the initial implementation of the Children's Behavioral Health Initiative developed as the result of a Federal court order.
- Contract manager for actuarial and clinical consultants who analyzed provider capacity and projected costs for implementing the Children's Behavioral Health Initiative.

Massachusetts Behavioral Health Partnership, Boston, MA **2003 – 2006**
Lead Business Systems Analyst, Reporting and Analysis

- Team lead for analysis of utilization and quality management programs for managed behavioral health organization. Developed analytic approach to identifying highest cost members, and analyzing the clinical and service utilization patterns of the populations driving costs.
- Presented at the Research and Training Center for Children's Mental Health 18th annual conference: A System of Care for Children's Mental Health. The paper presented a pre and post cost analysis of the Coordinated Family Focused Care Program (CFFC).
- Provided technical supervision, training and mentoring to business systems analysts.

Tufts Health Plan, Watertown, MA **2002 – 2003**
Project Manager, Clinical Quality Measurement

- Responsible for analysis supporting the implementation of specialty case management initiatives. Worked with project teams to develop process for identifying high-risk members, and to define reporting requirements for the projects.

Health and Addictions Research, Inc., Boston, MA **2000 – 2001**
Project Manager, Prevention MIS System

- Implemented standardized program management databases for 41 community-based youth substance abuse prevention programs, and ten community prevention centers.

Department of Social Services, Boston, MA **1996 – 2000**
Office of Management Planning and Analysis **1999 – 2000**
Assistant Director

- Responsible for program monitoring, data collection and reporting for the statewide interagency Collaborative Assessment Program.

Office of Human Resources Information & Analysis Unit **1997 – 1999**
Director

- Developed and implemented a new fiscal reporting system using data warehouse to manage a $126 million personnel budget. Improved financial monitoring resulted in no budget shortfalls or reversions in Fiscal Years 1998 and 1999.
- Supervised staff of five. Increased efficiency of work processes so that two of these staff could be assigned to other functions.

Office of Management Planning and Analysis **1996 – 1997**
Management Analyst

- Served as internal management consultant to Commissioner and Area Office management on a variety of projects and program initiatives, including the development of multidisciplinary assessment teams, and the implementation of a standardized process for evaluating the CORI records of potential foster parents.

Education

Brandeis University, Heller School, Waltham, MA **1997**
Master of Management of Human Services

University of Massachusetts, Amherst, MA **1987**
B.A. with Individual Concentration in Religion

Appendix B: References

Compass Health Analytics

Stacey Eccleston
former Assistant Commissioner, Health Policy and Research
Massachusetts Division of Health Care Finance and Policy
now with the Health Care Incentives Improvement Institute
781-584-6273
Stacey.eccleston@hci3.org

Terry Mardis
Division Chief
Division of Medicaid and Financial Review
Office of Mental Health and Substance Abuse Services
Pennsylvania Department of Public Welfare
PO Box 2675
Harrisburg, PA 17105-2675
717-772-7358
tmardis@state.pa.us

UMMS Center for Health Law and Economics

David Martin, Esq.
former Health Policy Director for Massachusetts
now Vice President of the Lown Foundation
617-992-9350
dmartin@lowninstitute.org

David Garbarino
Director of Purchasing Strategy, Massachusetts Office of Medicaid
617-573-1600
David.garbarino@state.ma.us

Agreement with Compass Health Analytics, Inc.
RRG 18-Payment Reform Recommendations

Exhibit B
Contract Price, Price Limitations and Payment

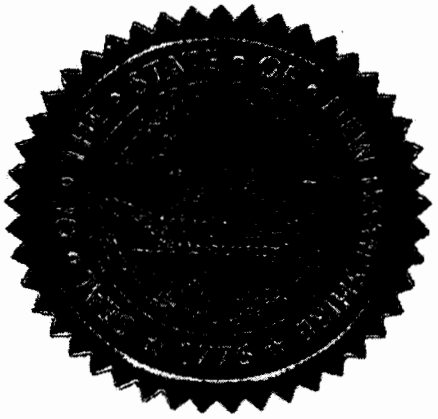
Total compensation under this contract with Compass Health Analytics, Inc. ("Compass") shall not exceed $60,000.00, including travel.

Compass shall present an itemized invoice to the Department for payment which sets forth the date of service, number of hours in providing the services, the name of the individual(s) providing such service, and a description of the service provided. The Department will pay such invoices for services with 30 days of receipt.

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Compass Health Analytics, Inc. a(n) Maine corporation, is authorized to transact business in New Hampshire and qualified on July 14, 2008. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 9th day of April, A.D. 2014

William M. Gardner
Secretary of State

Compass Health Analytics, Inc.

WRITTEN CONSENT OF SOLE DIRECTOR WITHOUT A MEETING

Pursuant to 13-C M.R.S.A., Section 822, the undersigned, being the sole director of Compass Health Analytics, Inc. (the "Corporation") hereby consents to the taking of and hereby takes the following actions:

RESOLVED: That the Corporation be, and it hereby is, authorized to enter into transactions with the State of New Hampshire Insurance Department and the resolutions attached as *Exhibit A* be and hereby are adopted.

RESOLVED: That the officers of the Corporation be and each hereby is jointly or singly authorized and directed to take such actions and execute such documents as are reasonably deemed necessary or appropriate to give effect to the foregoing resolutions.

EFFECTIVE DATE: July 21st, 2014

James P. Highland, Sole Director

CERTIFICATE OF VOTE

(Corporation without Seal)

I, Arnold Macdonald, do hereby certify that:
(Name of Clerk of the Corporation; cannot be contract signatory)

1. I am a duly elected Clerk of Compass Health Analytics, Inc.
(Corporation Name).

2. The following resolutions were adopted by written consent of the sole director effective July 21, 2014.

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire Insurance Department, for the provision of

Payment Reform Analysis and Recommendations.

RESOLVED: That the President, James P. Highland,
(Title of Contract Signatory)

is hereby authorized on behalf of this Corporation to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 21st day of July, 2014.
(Date Contract Signed)

4. James P. Highland is the duly elected President
(Name of Contract Signatory) (Title of Contract Signatory)

of the Corporation.

Arnold C. Macdonald, Clerk

STATE OF MAINE

County of Cumberland

The forgoing instrument was acknowledged before me this 21st day of July, 2014,

By Arnold C. Macdonald, Clerk.

(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 6/20/2015

BARRY C. RODIMON
Notary Public, Maine
My Commission Expires June 20, 2019

COMPHEA-01 DLITTLEFIELD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 12/12/2013

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

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

PRODUCER
Holden Agency Insurance
1085 Brighton Ave
Portland, ME 04102

CONTACT NAME: Diane K. Littlefield, CIC, CPIW
PHONE (A/C, No, Ext): (207) 775-3793 2432 FAX (A/C, No): (207) 523-2449
E-MAIL ADDRESS: dlittlefield@holdenagency.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Peerless Indemnity Insurance Co.	18333
INSURER B: Liberty Mutual Insurance	24198
INSURER C: Hartford Underwriters Insurance Co.	
INSURER D: Nautilus Insurance Company	17370
INSURER E:	
INSURER F:	

INSURED
Compass Health Analytics, Inc.
254 Commercial St, 2nd Floor
Portland, ME 04101

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC			BOP8953963	8/9/2013	8/9/2014	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 50,000 $ 5,000 $ 1,000,000 $ 2,000,000 $ 2,000,000
B	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS			BOP8953963	8/9/2013	8/9/2014	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
	UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE AGGREGATE	$ $
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N: Y If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		04WECCK4323	8/9/2013	8/9/2014	X WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 100,000 $ 100,000 $ 500,000
D	Professional Liab			NN361932	8/9/2013	8/9/2014	Each Claim/Agg	2,000,000

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

2013 DEC 16 AM 11:

NH INSURANCE DEPARTMENT

CERTIFICATE HOLDER

NH Insurance Department
Attn: Tyler Brannen, Health Policy Analyst
21 South Fruit Street, Suite 14
Concord, NH 03301

CANCELLATION

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

AUTHORIZED REPRESENTATIVE
Diane Littlefield

STANDARD EXHIBIT I

The Contractor identified as in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 and those parts of the HITECH Act applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the New Hampshire Insurance Department.

BUSINESS ASSOCIATE AGREEMENT

(1) Definitions.

a. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D. Sec. 13400.

b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.

e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.

f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.

g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, TitleXIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.

h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.

i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).

j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.

m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.

n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.

o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(2) Use and Disclosure of Protected Health Information.

a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

b. Business Associate may use or disclose PHI:
   I. For the proper management and administration of the Business Associate;
   II. As required by law, pursuant to the terms set forth in paragraph d. below; or
   III. For data aggregation purposes for the health care operations of Covered Entity.

c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402 of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) **Obligations and Activities of Business Associate.**

a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402.

b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.

c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.

d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.

e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.

g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

h. Business Associate shall 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 CFR Section 164.528.

i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.

c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to standard provision #10 of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.

b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the

changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.

c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.

d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.

e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.

f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

The NH Insurance Dept.	Compass Health Analytics, Inc.
The State	Name of the Contractor
Alexander K. Felsenfeld	
Signature of Authorized Representative	Signature of Authorized Representative
Alexander K. Felsenfeld	James P. Highland
Name of Authorized Representative	Name of Authorized Representative
Deputy Commissioner	President
Title of Authorized Representative	Title of Authorized Representative
7/23/14	7/22/14
Date	Date

State of Maine
County of Cumberland July 22, 2014

Personally appeared the above named James P. Highland, President of Compass Health Analytics, Inc., and acknowledged the foregoing instrument to be his free act and deed and the free act and deed of Compass Health Analytics, Inc.

Before me,

Mary C. Rodimon
Notary Public

MARY C. RODIMON
Notary Public, Maine
My Commission Expires June 20, 2018