

To: Joseph Rubin  
Associate Attorney General

From: Patrick T. Ring  
Assistant Attorney General

Date: December 3, 2015

Re: Contract Approval Request

FD-1526342

I have reviewed the attached contract between the State of Connecticut acting by the Office of the Healthcare Advocate ("Agency") and Freedman Healthcare LLC in the amount of \$215,019.50 and recommend it for approval based upon the information below.

The contract contains the following items, as applicable:

1.  Dated signature of the parties involved.
2.  Reference to the Agency's statutory authority to contract.
3.  If the contractor is a governmental entity from outside of Connecticut, reference to the contractor's statutory authority to contract. N/A
4.  Audit clause for State grants (§7-396a). N/A
5.  Whistleblower provision, if value of contract  $\geq$  \$5MM (§4-61dd). N/A
6.  Public records provision, if contract exceeds \$2.5MM (§1-218). N/A
7.  Provision making Connecticut law applicable and making the State of Connecticut the venue. If omitted or changed, attached is Agency's memo with appropriate justification.
8.  Provision allowing termination "in the best interests of the state" (for convenience). If omitted or changed, attached is Agency's memo with appropriate justification.
9.  Provision concerning tangible personal property (§12-411b). N/A
10.  Provision obligating contractor to indemnify and hold harmless the State. If omitted or changed, attached is Agency's memo with appropriate justification.
11.  Provision declaring the non-waiver of State's immunity. If omitted or changed, attached is Agency's memo with appropriate justification.
12.  Provision concerning State Ethics Commission's summary of ethics laws (§1-101qq). N/A
13.  Provision concerning audit and inspection of plants, places of business and records (§4e-29 and §4e-30). Not applicable to contracts with political subdivisions. N/A
14.  Provision concerning accountability, transparency and results based outcomes (§4e-14).
15.  Provision concerning campaign contribution restrictions if contract value  $\geq$  \$50K or if value of all of contractor's contracts  $\geq$  \$100K in calendar year (OPM Requirement). N/A
16.  Provision concerning protection of confidential information (administrative requirement). If omitted or changed, attached is a written authorization from OPM. N/A
17.  Payment schedule or statement of payment.
18.  Provision concerning Executive Order Nos. 3, 14, 16 and 17. If omitted or changed, attached is a written authorization from the Governor's Office.
19.  Nondiscrimination provisions (§4a-60 and §4a-60a). If omitted or changed, attached is a written authorization from CHRO. Political subdivisions, quasi-publics and other government entities are statutorily exempt. N/A
20.  Provision concerning HIPAA. N/A

In addition, the Agency included the following with the contract:

21.  All exhibits and other attachments. N/A
22.  Copy of original contract if the contract submitted is an amendment. N/A
23.  Copies of all prior amendments to the original contract. N/A
24.  For transactions to be recorded on land records (deeds, etc.) only, proof of authorization to enter into contracts. N/A (no document is being recorded)
- a.  N/A (Contractor is an individual or sole proprietorship; i.e., not a legally organized entity);
- If applicable, all of (b) – (e) are required:
- b.  specifically states that the contractor entity itself may enter into contracts;
- c.  specifically authorizes the signer to execute the contract on contractor entity's behalf;
- d.  document containing the authorizations is dated less than 1 year ago; and
- e.  incumbency certificate, or incumbency statement in officer's certificate, is dated within 30 days of contractor's contract execution.

For municipalities, only need town clerk's certificate indicating that the signer holds the stated office and has authority to sign contracts. Check here if applicable:

25.  Waivers of the competitive procurement requirements. N/A
- a.  DAS waiver if contract cost is <\$50K (§4a-58(b)). N/A
- b.  Standardization Committee approval if contract cost is >\$50K (§4a-58(b)). N/A
- c.  OPM waiver if the contract is a PSA and the cost is >\$20K (§§4-215 & 216). N/A
- d.  State Contracting Standards Board waiver if contract cost is ≤\$10K and involves minor, nonrecurring or emergency purchase (§4e-21(c)). N/A
26.  OPM approval if PSA or PSA amendment (refer to §§4-216 & 219). N/A
27.  DAS written determination for contract extension (§4a-59a). N/A
28.  DAS Personal Service Agreement Certificate if PSA for individual. N/A

The person signing on behalf of the Agency has stated that they are duly authorized to confirm, and have verified, that:

29. Check **ONLY ONE** of the following 3 boxes, whichever is applicable, (Comptroller's requirement):
- a.  This contract does not involve a change in name of the contractor or an assignment to a different contractor, **OR**
- b.  This contract involves a change in the name of the contractor and the contractor's FEIN remains the same; **OR**
- c.  This contract involves an assignment and assumption. A different contractor entity, with a new FEIN, will perform and the Agency and contractor have followed the assignment and assumption procedures set forth in the State Accounting Manual published by the State's Comptroller's Office.
30.  If this contract is a privatization contract that is subject to §4e-16(a), then the Agency has received the business case approval from the State Contracting Standards Board. N/A

31.  If this contract is a privatization contract that is not subject to §4e-16(a), but is subject to §4e-16(p), then the Agency has conducted the cost-effectiveness evaluation and has received the OPM verification required under §4e-16(p). N/A

Also, the person signing on behalf of the Agency has stated that they are duly authorized to confirm, and have verified, that the contractor has completed the following applicable forms fully and in accordance with their terms and that the contractor has uploaded its forms to BizNet:

32.  Contractor Nondiscrimination Certification. N/A
33.  Iran Certification (§4e-16).
34.  Gift and Campaign Contribution Certification (§4-252, §9-612 and Executive Order 1). Not required if contract is for a grant or loan. N/A
- a.  initial certification, dated no later than date of contract signing (OPM Ethics Form 1). N/A
- b.  12-month anniversary update (OPM Ethics Form 1—a requirement if multi-year contract  $\geq$ \$50K. Also applies if  $<$ \$50K, but the contract is an amendment and its value raises the total value of entire contract to  $\geq$  \$50K). N/A
35.  Agency Certification if contract value is  $\geq$  \$50K (OPM Ethics Form 3) (§4-252). N/A
36.  Consulting Agreement Affidavit dated PRIOR TO the date that the Agency executes the contract, or dated not later than the date that the Agency executes the contract if a sole source award. Applicable if contract value is  $\geq$  \$50K (OPM Ethics Form 5) (§4a-81). N/A
37.  Affirmation of Receipt of State Ethics Laws Summary from contractor and subcontractors dated PRIOR TO date of contract signing, or dated not later than contract signing if sole source award. Applicable if contract cost is  $>$ \$500,000 (§1-101qq) (OPM Ethics Form 6). N/A

In addition, the person signing on behalf of the Agency has stated that they are duly authorized to confirm, and have verified, that the contract DOES NOT include any provisions which:

38.  Incorporate into the contract additional terms and conditions that are found on a non-State website.
39.  Permit the filing of liens against the State.
40.  Obligate the State to indemnify or hold harmless the contractor.
41.  Make the State subject to binding arbitration.
42.  Waive or modify the implied warranties of fitness or merchantability. If waived or modified, attached is Agency's memo with appropriate justification.
43.  Indicate that the contract has expired or terminated.

COMMENTS:

Revision of May 2015

**PERSONAL SERVICE AGREEMENT**

CO-802A REV. 2/06

STATE OF CONNECTICUT  
OFFICE OF THE STATE COMPTROLLER

1. PREPARE IN QUADRUPPLICATE
2. THE STATE BUSINESS UNIT AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.
3. ACCEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS SET FORTH BY THE OFFICE OF POLICY AND MANAGEMENT PERSONAL SERVICE AGREEMENT STANDARDS AND PROCEDURES

(1) <input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> AMENDMENT	(2) IDENTIFICATION NO. P.S. 155IM0006
(4) ARE YOU PRESENTLY A STATE EMPLOYEE? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	CONTRACTOR FEIN/SSN - SUFFIX 20-4509536

CONTRACTOR	(3) CONTRACTOR NAME Freedman Healthcare LLC	
	CONTRACTOR ADDRESS 29 Crafts Street, Suite 470, Newton, MA 02458	
STATE AGENCY	(5) AGENCY NAME AND ADDRESS Office of the Healthcare Advocate, PO Box 1543, Hartford, CT 06144	

CONTRACT PERIOD	(6) DATE (FROM) 12/01/2015	THROUGH (TO) 06/30/2016	(7) INDICATE <input type="checkbox"/> MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD NO. <input checked="" type="checkbox"/> NEITHER
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CANCELLATION CLAUSE	THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELED BY THE STATE BUSINESS UNIT, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT)	(8) REQUIRED NO. OF DAYS WRITTEN NOTICE 30
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COMPLETE DESCRIPTION OF SERVICE	(9) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.) The contractor shall provide consultative support to the State Innovation Model Program Management Office and the Office of the State Comptroller as detailed in Section 5 of Attachment A (specification of services).	
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COST AND SCHEDULE OF PAYMENTS	(10) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES. The contractor shall bill at its hourly rates as shown in Section 6, Table 1 of Attachment A. The state shall pay the contractor a total sum not to exceed \$215,019.50 for services performed under the agreement. Detailed invoices shall be prepared monthly or upon completion of the specified services.	
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(11) OBLIGATED AMOUNT	\$215,019.50
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(12) AMOUNT	(13) FUND	(14) DEPARTMENT	(15) SID	(16) PROGRAM	(17) ACCOUNT	(18) PROJECT/ GRANT	(19) CHARTFIELD 1	(20) CHARTFIELD 2	(21) BUDGET REFERENCE
\$215,019.50	12060	MCO39420	22727	00000	51230	MCO_nonproj			2016

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

<b>ACCEPTANCES AND APPROVALS</b>		<b>(22) STATUTORY AUTHORITY</b>	
(23) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE)	TITLE Principal	DATE Nov. 19, 2015	
(24) AGENCY (AUTHORIZED OFFICIAL)	TITLE Healthcare Advocate	DATE 11/20/2015	
(25) OFFICE OF POLICY & MANAGEMENT/DEPARTMENT OF ADMINISTRATIVE SERVICES	TITLE	DATE	
(26) ATTORNEY GENERAL (APPROVED AS TO FORM)	TITLE Robert W. Clark Special Counsel	DATE 12/13/15	

## ATTACHMENT A

### SECTION 1

This Agreement (hereinafter referred to as "Agreement") is entered into between the State of Connecticut acting through the Office of the Healthcare Advocate (hereinafter "AGENCY") pursuant to Connecticut General Statutes §§ 4-8, 4-65a and 4-66, and Freedman Healthcare, LLC, 29 Crafts Street, Suite 470, Newton, MA 02458 (hereinafter "CONTRACTOR"). The parties agree that the services specified below shall be provided by CONTRACTOR in strict compliance with the provisions of this Agreement.

### SECTION 2

#### CONTRACT PERIOD AND DEFINITIONS

This Agreement shall commence as of the date this Agreement is fully executed by the parties hereto and the duties of the CONTRACTOR as set forth in Section 5 of this Agreement shall be completed by The CONTRACTOR by the end of the contract period, which shall be no later than June 30, 2016 (hereinafter "end date").

"Confidential Information" shall mean any data or information that the AGENCY or its representatives provide to CONTRACTOR including without limitation, any information furnished orally, or in writing, or gathered by inspection and regardless of whether specifically identified as "confidential," together with analyses, studies, forecasts or other documents prepared by CONTRACTOR that contain or otherwise reflect such information. Confidential Information shall also include any competitively sensitive material that is not generally known to the public.

"Subject matter experts" shall mean VBID Health, LLC, led by Dr. Mark Fendrick and Dr. Michael Chernenew, the creators of the Value-Based Insurance Design (VBID) concept and the leading national experts on VBID implementation, evaluation and advocacy and Bruce Landon, MD, MBA, MSc, a distinguished Harvard Medical School health policy expert and researcher.

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

### SECTION 3

#### CANCELLATION PROVISION

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

### SECTION 4

#### NOTICE

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

AGENCY: State of Connecticut  
Office of the Healthcare Advocate  
P.O. Box 1543  
Hartford, CT 06144  
Attention: Mark Schaefer, Director, Healthcare Innovation

CONTRACTOR: Freedman Healthcare, LLC  
29 Crafts Street, Suite 470

Newton, MA 02458  
Attention: John Freedman, President/CEO

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

## **SECTION 5 SPECIFICATION OF SERVICES**

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

A. The CONTRACTOR shall:

1. assemble a team of nationally-renowned experts with extensive experience in health economics, demand-side reform initiatives, and stakeholder engagement.
2. ensure that all project tasks are completed on time, on budget, and to the highest quality standards.
3. establish John Freedman, MD, MBA, as the overall project engagement lead and Healthcare Quality Expert, responsible for providing oversight of all activities outlined in this application.
4. partner with VBID Health, LLC, led by Dr. Mark Fendrick and Dr. Michael Chernew, the creators of the Value-Based Insurance Design (VBID) concept and the leading national experts on VBID implementation, evaluation and advocacy.
5. partner with Bruce Landon, MD, MBA, MSc, a distinguished Harvard Medical School health policy expert and researcher who has spent decades examining how organizational approaches impact health care quality and outcomes.
6. combine this expert consulting with seasoned project managers who are adept at engaging stakeholders, facilitating workgroups, and ensuring projects meet all milestones and deliverables.

B. CONTRACTOR shall develop a project-specific work plan to complete all project tasks in a timely and efficient manner. This plan includes specific deliverables itemized by task, activity, completion target dates, and staffing assignments.

C. CONTRACTOR shall ensure a collaborative and efficient partnership between the firm, the subcontractors, and the AGENCY, and shall provide regular project updates through bi-weekly, project-wide calls.

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

A. Activity A.1 Identify Stakeholders and Engage them in VBID Discussions

1. The CONTRACTOR shall work with the AGENCY to identify key Connecticut stakeholders to engage in the VBID initiative. Key stakeholders shall include, but are not limited to: other state agencies' staff; self-insured and fully-insured employers and employer associations; health plans; healthcare providers; labor union leaders; benefit consultants; and consumers. These stakeholders shall play a fundamental role in identifying VBID goals, ensuring project aims align with local priorities, and identifying opportunities to collaborate with concurrent efforts.
2. The CONTRACTOR shall contact identified stakeholders to assess their priorities for healthcare reform and explore whether integrating a VBID program might synergize with already planned initiatives. These preliminary discussions shall gather stakeholder perspectives on value-based pricing arrangements, the State of Connecticut's State Innovation Model goals and

programs, and alternative benefits design in order to gauge stakeholder interest in VBID initiatives, gain leadership buy-in, and recruit interested stakeholders for the Employer-led Consortium (hereafter referred to as "the Consortium") and Learning Collaborative (hereafter referred to as "the Collaborative").

### III. Task B: Providing Support for Employer-Led Consortium

#### A. Activity B.1 Identify and Recruit Members for Employer-Led Consortium

1. The CONTRACTOR shall recruit, convene, and facilitate the Consortium. The CONTRACTOR shall ensure at least two Consortium members represent self-insured employers.
2. The CONTRACTOR shall also recruit two consumer representatives and two health plan representatives, as both consumer and payer buy-in is essential to VBID's presence and success in the insurance marketplace.
3. The Consortium shall consist of one representative from each of the following groups: fully-insured employers, brokers/benefits consultants, labor and union groups, public and private exchanges, the Connecticut Insurance Department, and healthcare providers, for a total of 12 representatives.
4. The CONTRACTOR shall identify prospective Consortium representatives who have prioritized healthcare initiatives.
5. The CONTRACTOR shall start by reaching out to the Connecticut and Northeast Business Groups on Health, and the Connecticut Business and Industry Association, three employer groups dedicated to getting the most value out of healthcare dollars.
6. The CONTRACTOR shall also leverage established relationships with some of the largest Connecticut health plans, such as Aetna, Cigna and Anthem Blue Cross Blue Shield, from its previous work in facilitating discussions throughout the development of the Connecticut All-Payer Claim Databases.
7. The CONTRACTOR shall ask stakeholders for recommendations for other individuals and groups to reach out to in order to identify additional Consortium members and ensure a diverse group of representatives across geography and industry.

#### B. Activity B.2 Facilitate Consortium Discussions/Meetings

1. The employer Consortium {"Consortium"} shall serve as an advisory body for the VBID Initiative, advising on strategies for health plan/employer engagement, making recommendations, and informing the development of a VBID employer template and Tool Kit.
2. The Consortium shall meet at least three times annually, either in-person or via conference call, to vet VBID activities and advise on project direction.
3. Dr. Fendrick shall serve as the lead expert for Consortium meetings and shall be responsible for engaging stakeholders in strategic discussions.
4. Dr. Fendrick and at least one other subject matter expert shall participate in every Consortium meeting.
5. The CONTRACTOR shall ensure that the group stays on track for meeting project timelines and deliverables. Other project management tasks shall include:
  - a) preparing a Consortium charter; drafting agendas, slide decks, and other meeting materials;
  - b) scheduling meetings; compiling feedback and recommendations; and,
  - c) maintaining an active list of employer contacts and resources.

6. Following each Consortium meeting, the CONTRACTOR shall provide a meeting summary including participating members, topics discussed, activities conducted, and recommendations made.

7. The CONTRACTOR shall provide this summary via email and clarify any questions during bi-weekly check-in calls with the AGENCY.

#### **IV. Task C: Establishing and Conducting Learning Collaborative**

##### **A. Activity C.1 Identify Employers and Establish Employer-Led Learning Collaborative**

1. The CONTRACTOR's Consortium recruitment activities shall help the firm identify employers, state decision-makers, health plans, healthcare providers, consumer advocates, and others who are interested in participating in the Learning Collaborative.

2. Initially, the CONTRACTOR shall recruit 25 members into the Collaborative; a number that will likely grow as the group gains more visibility through its activities, such as webinars, newsletters, and forums.

##### **B. Activity C.2 Provide Ongoing Support for Learning Collaborative Activities**

###### **1. Facilitate Initial Meeting of the Collaborative**

a) In collaboration with the AGENCY, the CONTRACTOR shall convene one meeting of the Collaborative during the project period, which shall serve as the Collaborative kick-off.

b) The meeting shall take place at state offices (or other designated venue) and shall include webinar information for those unable to join in-person.

c) The CONTRACTOR and subject matter experts shall serve as active participants in the Collaborative meeting, with at least one attending the meeting in-person. One of the subject matter experts may also serve as a meeting presenter or panelist.

d) The meeting shall include a presentation from an employer or health plan that has developed or currently offers a VBID plan, and/or an expertly-led panel discussion aimed at providing networking opportunities and a forum to exchange best practices, advice and recommendations.

e) The meeting shall also be used to establish the group's goals, decide on future activities, and propose topics for upcoming meetings/webinars.

f) The CONTRACTOR shall work with the AGENCY to prepare for the meeting and coordinate all logistics, including scheduling the meeting and speakers, booking the venue, and developing meeting materials.

g) The CONTRACTOR shall develop goals and materials for two meetings of the Collaborative to be conducted by the AGENCY after the close of the project period.

h) The CONTRACTOR shall document the meeting activities and discussions and send a summary to the AGENCY staff within three business days of the meeting.

###### **2. Administer Webpage**

a) The CONTRACTOR shall establish and maintain a robust VBID website through which Collaborative members can post information (e.g. research articles, issue briefs, fact sheets, etc.) related to benefits design, VBID, and/or other value-based payment initiatives.



- b) Members shall be able to post discussion topics and questions to which other members can reply, fostering a collaborative learning environment for sharing VBID implementation challenges and successes.
  - c) The CONTRACTOR shall maintain the page and can post Q&A's, feedback, and commentary.
  - d) The Project Director's and Manager's phone numbers shall be posted for phone-based support.
3. Webinars – Material Preparation
    - a) The CONTRACTOR shall develop materials for four training webinars to be conducted by the AGENCY after the close of the project period.
    - b) These webinars shall be open to all interested stakeholders in the state and region.
  4. Disseminate Electronic Newsletter
    - a) To maintain consistent communication with existing and prospective members, the CONTRACTOR shall draft and disseminate a quarterly Collaborative e-newsletter featuring upcoming training sessions, new research related to VBID (including evaluations of current programs), and examples of employers and health plans currently implementing VBID programs.
  5. Collaborate with Other Learning Collaboratives
    - a) Given the importance of sharing information with states and/or organizations with similar missions, the Collaborative shall initiate communication (via conference calls) with related collaboratives such as the Connecticut and Northeast Business Groups on Health.
    - b) The CONTRACTOR shall also reach out to SIM workgroups, such as the Maine Health Management Coalition's Accountable Care Implementation Workgroup, and stakeholder groups in Oregon and Arkansas who are using their SIM awards to advance VBID initiatives.

**V. Task D: Assessing and Indexing of Currently Established VBID Programs, In and Out of State**

- A. Activity D.1 Develop VBID Assessment Criteria for Assessing VBID Models
  1. Drs. Fendrick and Chernew shall have lead responsibility for Task D, supported by the CONTRACTOR's project team.
  2. With input from the Consortium, the CONTRACTOR shall work with the Drs. Fendrick and Chernew to develop assessment criteria for evaluating VBID programs.
  3. At the core of this assessment shall be the concept of clinical nuance, which recognizes that medical services differ in the benefit provided and that the clinical benefit derived from a specific service depends on the patient using it, as well as when, where, and by whom the service is provided.
  4. The assessment shall also reflect evidence that effective VBID plans must align consumer incentives with utilization of high value services and providers and discourage use of low value services, while targeting specific patient populations for health enhancement.
  5. Assessment of VBID plan designs shall start as a qualitative assessment and shall eventually lead to the development of a checklist.

6. Assessment criteria shall include:
  - a) use of consumer incentives to increase use of high-value services and providers;
  - b) use of consumer disincentives to reduce utilization of unnecessary low-value services;
  - c) the degree to which plans target specific patient populations (e.g. smokers, persons with diabetes, heart disease, etc.) in order to promote healthy lifestyles and chronic disease management; and
  - d) the plan's use of strategies to encourage utilization of innovative payment arrangements that reduce costs and improve quality.
  - e) Programs shall also be assessed on their ease of implementation, such as the level of required administrative support and required employee education, and the complexity of implementation and/or evaluation.

7. Finally, the CONTRACTOR and the subject matter experts shall assess existing VBID programs that measure performance metrics such as the percentage of consumers who enrolled/stayed in the plan, and the plan's impact on patient utilization, satisfaction, and healthcare spending. This assessment shall help pinpoint which design and implementation factors are most important to success.

**B. Activity D.2 Research and Assess Current VBID Initiatives**

1. The CONTRACTOR shall work closely with their Drs. Fendrick and Chernew to identify, research, and assess current VBID programs both statewide and nationally.
2. In addition to other programs identified through the research, the CONTRACTOR and its Partners shall assess self-insured public employee health plans, including Oregon; Connecticut (HEP); Chippewa County, Wisconsin; University of Michigan; and the Colorado Springs School District; as well as private employer plans, including Pitney Bowes in Stamford, CT.
3. The CONTRACTOR shall also review plans and programs offered by insurance carriers, such as United's Diabetes Health Plan.
4. The CONTRACTOR's assessment shall include VBID strategies for Health Savings Account-eligible High Deductible Health Plans (HDHP) and Medicare Advantage plans. In addition, the CONTRACTOR shall assess VBID strategies for HDHPs.

**C. Activity D.3 Create VBID Database Indexing VBID Strategies and Models**

1. To effectively index the above information, the CONTRACTOR shall build a database that shall include the profile of each plan, the team's assessment of it, and shall model VBID plans and factors to consider when choosing or designing a plan to achieve organizational goals.
2. The CONTRACTOR shall actively update the database throughout the project period. Upon completion of the project, management of the VBID website and VBID database shall be transferred to the AGENCY as directed.

**VI. Task E: Assessing VBID Models for Connecticut**

**A. Activity E.1 Survey Currently Available Plan Designs for Various Connecticut Market Segments**

1. As described in Section V, Task D above, the CONTRACTOR and its subject matter experts shall research and assess various VBID plan designs according to the established assessment criteria.

2. As part of this process, the Drs. Fendrick and Chernew shall assist the the CONTRACTOR's team in assessing which plan designs and implementation factors are most appropriate for self- and fully-insured employers, as well as public or private exchanges from which consumers may purchase plans directly.

3. If possible, the CONTRACTOR shall obtain utilization data from the State of Connecticut to determine over-consumption of high cost, low value procedures and under utilization of high value or preventative procedures. The team may then use this data in assessing which plan designs are most appropriate for Connecticut markets.

4. In addition, the team shall reach out to a sample of large Connecticut employers and carriers to assess available VBID plans and employer readiness for VBID adoption.

5. The CONTRACTOR's work with the CT All-Payer Claims Database and some of the largest health plans in the State of Connecticut, including Cigna, Anthem Blue Cross Blue Shield, Aetna, and ConnectiCare, all of which can be leveraged for this work.

6. With input from the AGENCY and Consortium, the team shall assess the feasibility of implementing various plans in Connecticut's healthcare landscape.

7. Key areas of focus for this survey shall include (but not be limited to):

- Willingness and ability of insurers to adjudicate claims in a VBID program
- Assessing regulatory barriers in Medicare and the exchange population, including barriers in the Medicare Advantage program, limitations in high deductible plans, and Medical Loss Ratio rules
- Examining the availability of tools to help beneficiaries respond to incentives in a VBID plan
- Assessing impact of VBID on short- and long-term medical expenditures
- Assessing receptiveness of employers, employees and other stakeholders to VBID, including concerns about costs and communication

8. With input from the Consortium and the subject matter experts, the CONTRACTOR shall produce a summary report for the AGENCY, summarizing key elements of VBID plans for self-insured employers and exchange plans, as well as specific considerations for fully-insured employers.

9. The report shall also provide a high-level overview of each indexed program according to market segment.

B. Activity E.2 Conduct SWOT Analysis for VBID Uptake in Connecticut

1. The CONTRACTOR and the subject matter experts shall perform a SWOT (strengths, weaknesses, opportunities, threats) analysis for employer uptake of VBID in Connecticut, including employer barriers to implementation and resources needed to overcome these barriers, with a focus on self-insured employers.

2. The SWOT analysis shall be based on feedback from stakeholders, the Consortium, and lessons learned from the Collaborative.

C. Activity E.3 Consult on Data Infrastructure for Evaluating Connecticut VBID Models

1. The subject matter experts shall apply their experience evaluating alternative payment models and VBID programs to ensure that the AGENCY shall receive unmatched consultative services for establishing a VBID data infrastructure.

2. Dr. Fendrick shall provide consulting to the AGENCY on methods for measuring VBID design effectiveness, such as employee uptake, increased utilization of preventive and other

high-value services, reduced Emergency Department utilization, increased patient satisfaction, reduced absenteeism, and reduced per member per month spending.

3. Drs. Chernew and Landon shall provide consulting on data collection, analysis and reporting. The database of VBID strategies and models shall serve as a starting point for gathering data.

## **VII. Task F: Creating Prototype VBID**

### **A. Activity F.1 Provide Recommended Plan Designs According to Market Segments**

1. Based on the survey of VBID health plans and the assessment of appropriate plans for various Connecticut market segments, the CONTRACTOR and its subject matter experts shall work with the Consortium to develop a set of recommended plan designs and strategies for employer selection and implementation.

2. Each recommendation shall be justified by expert knowledge, current research, stakeholder feedback, and the SWOT analysis.

3. Recommended plans shall offer solutions to common implementation barriers; for example, targeting specific patient populations for waived medication copayments at first.

4. The CONTRACTOR shall present the draft recommendations to the AGENCY and incorporate their feedback into a final set of recommendations.

5. These final recommendations shall be disseminated through the Collaborative and shall become a part of the VBID Tool Kit.

### **B. Activity F.2 Develop Template for Minimum Recommended VBID Benefit Plan**

1. In collaboration with the Consortium, the CONTRACTOR shall develop a flexible, universal template for a minimum recommended VBID benefit plan that is applicable to self- and fully-insured employers, as well as private and public health insurance exchanges.

2. Although the plan shall be designed for many market segments, the CONTRACTOR shall work to develop several versions corresponding to different generosity tiers in the ACA (i.e. metallic tiers).

3. The proposed work shall focus on employers, as they have a vested interest in the long-term health of their employees and are affected by issues that impact employee productivity, such as absenteeism and presenteeism. Furthermore, self-insured employers are also financially at risk for their employee's healthcare services.

4. The template's recommendations for effective VBID strategies shall be highly useful for self-insured employers seeking to reduce costs and improve their employees' health status.

5. Strategies for plan design may include:

a) reduced or waived cost-sharing for high value drugs, services, and high-performing providers;

b) differential copayments for inpatient stays or emergency room visits depending on provider tier;

c) increased cost-sharing for services likely to be harmful or of little benefit to patients; and,

d) decreased premium costs for individuals who participate in lifestyle improvement programs.

6. To make implementation feasible for employers of various sizes, incomes, and sectors, the template shall present a flexible model in which general strategies are recommended with specific examples of how these strategies have been employed in different contexts.

7. To help ensure the recommended plan does not require excessive administrative burden or an overhaul of current data systems, the CONTRACTOR shall recommend a template that provides for gradual implementation of key strategies, providing steps for early implementation and next steps for advanced plan design.

8. The template shall also provide a list of technical assistance resources for employers, including the Collaborative.

9. The CONTRACTOR shall remain cognizant of how the plan interacts with existing benefit design strategies including tiered and narrow network plans, reference pricing programs, and high deductible health plans. The goal shall be to incentivize users of high value services to purchase these services from low cost, high quality providers, and to purchase drugs efficiently (e.g. using generics).

C. Activity F.3 Develop Employer Guidance for Value Based Payment Arrangements

a) In addition to the template, self-insured employers shall have access to an employer guidance tool for negotiating value-based payment arrangements with health plans.

b) The CONTRACTOR along with Drs. Landon and Fendrick shall lead the Consortium in developing this guidance, which shall recognize that demand-side innovations are most effective when integrated with payment reform (supply-side) strategies.

c) The guidance from the CONTRACTOR and partners shall include effective value-based payment arrangements, such as pay for performance, total cost of care accountable payment methods, and patient centered medical home primary care models such as Connecticut's Advanced Medical Home initiative.

d) The guidance shall also include employer considerations for contract negotiations with their health plans.

D. Activity F.4 Develop VBID Implementation Tool Kit

1. Dr. Fendrick, in collaboration with the Contract team, shall lead the effort to develop a VBID implementation Tool Kit.

2. Dr. Fendrick shall work the contract team in designing a web-based VBID Implementation Tool Kit for Connecticut employers. The Consortium shall provide input on the design and content of the Tool Kit.

3. In his approach, Dr. Fendrick shall take into consideration key challenges with VBID implementation including: front-end costs of implementation before savings are realized; preparing for potential increases in administrative tasks; potentially complex data collection and storage systems; assuaging HR departments/employees' concerns regarding patient privacy and inequitable cost sharing; bringing labor unions on-board; and, communicating health plan changes in a favorable light.

4. The Tool Kit shall take into consideration such challenges by including: a template for assessing costs and benefits of implementation, including a timeline as to when savings can be expected to overcome front-end implementation costs; sample scripts for pitching VBID to company leadership; recommendations for day-to-day administrative considerations; suggested enhancements or revisions to current data collection, storage, and analysis systems; guidance for how to customize the VBID template for different employee populations and employer cultures;

communication materials for engaging and educating HR/leadership and employees about VBID; and links to resources such as the Collaborative training webinars.

5. The Toolkit shall also utilize resources from the Choosing Wisely campaign including but not limited to material developed by Consumer Reports Health and the American Board of Internal Medicine Foundation (ABIMF).

## **VIII. Task G: Developing Communications and Marketing Materials**

### **A. Activity G.1 Develop Communications/Marketing Materials for Employers**

#### **1. *Develop Marketing Materials for Employers***

a) Upon direction from the AGENCY, the CONTRACTOR and its subject matter experts shall, with input from the Consortium, develop communications/marketing materials for employers.

b) In designing these materials, the CONTRACTOR shall leverage the expertise of Dr. Fendrick and the work of the VBID Center at the University of Michigan related to the translation of complex healthcare concepts (such as VBID) into plain language for a variety of audiences. Materials shall emphasize what VBID is and how it can transform the healthcare system, the benefits of implementing VBID in self-insured employer and fully insured employer settings, solutions to employer barriers to implementation, examples of successful programs, including those that have incorporated Choosing Wisely principles, and resources available to assist with VBID and Choosing Wisely implementation.

c) The CONTRACTOR, in collaboration with the AGENCY, shall circulate these materials to employer networks through the Consortium and Collaborative.

#### **2. *Develop Marketing Materials for Employees/Consumers***

a) The CONTRACTOR and its subject matter experts, in collaboration with the Consortium, shall also design communications and marketing materials for employees and consumers choosing plans directly through private or public health insurance exchanges.

b) Consumer outreach materials shall focus on: how VBID plans benefit individual consumers; reduced or waived cost sharing for wellness programs, medications, and certain procedures; higher quality care from providers who have met certain quality standards; and fewer invasive, unnecessary and potentially harmful procedures.

c) Materials shall also share easily relatable stories about patient benefits, a best practice for consumer outreach.

d) Consumer materials shall describe available VBID plans and links to health plan sites, and list other consumer resources including educational material incorporating Choosing Wisely principles from Consumer Reports Health and ABIMF.

e) The CONTRACTOR SHALL circulate these materials through the Collaborative, the AGENCY, and employer groups.

f) Employers shall also receive these materials as part of the employer VBID Tool Kit (Activity F.4) to help educate employees and encourage uptake of the plan.

#### **3. Activity G.2 Establish VBID-Employer Network to Share Best Practices**

a) To facilitate the sharing of best practices and accelerate uptake, the CONTRACTOR shall invite self- and fully-insured employers planning to or currently implementing VBID plans, to participate in the Collaborative.

b) Employers shall be permitted to post VBID best practices to the website and exchange implementation experiences by means of webinars.

c) The CONTRACTOR shall maintain an active list of employers implementing VBID on the website and moderate quarterly employer forums for employers to share challenges, solutions, and recommendations. These forums shall result in a network of employers that can continue sharing best practices long after the project period ends.

## Project Timeline

Task Name	Start	Finish
<b>Stakeholder Engagment Activities - Task A</b>	<b>Tue 12/1/15</b>	<b>Thu 12/10/16</b>
Engage Stakeholders	Tue 12/1/15	Wed 12/10/15
<b>Consortium Support - Task B</b>	<b>Tue 12/1/15</b>	<b>Thu 6/30/16</b>
Consortium Members appointed	Tue 12/1/15	Fri 12/30/15
First Consortium Meeting	Mon 1/4/16	Fri 1/15/16
Second Consortium Meeting	Mon 2/22/16	Fri 3/11/16
Third Consortium Meeting	Mon 4/18/16	Fri 4/29/16
Ongoing Consortium Activities/Support	Mon 12/14/15	Thu 6/30/16
<b>Assessing and Indexing VBID Models -Task D</b>	<b>Mon 12/7/15</b>	<b>Fri 2/19/16</b>
Develop assessment criteria for VBID plans	Mon 12/7/15	Fri 1/15/16
Assess and Index Currently Established VBID Programs	Mon 1/18/16	Fri 2/19/16
Create VBID Database Indexing VBID Strategies and Models	Mon 1/18/16	Fri 2/19/16
<b>Assessing VBID Models for Connecticut - Task E</b>	<b>Mon 1/18/16</b>	<b>Thu 6/30/16</b>
Summary report of of key elements of VBID plans	Mon 1/18/16	Fri 2/19/16
Draft and deliver SWOT analysis	Mon 2/1/16	Fri 2/19/16
Ongoing consulting (evaluation, data collection and analysis)	Mon 12/7/15	Thu 6/30/16
<b>Materials Development Phase - Task F</b>	<b>Mon 2/1/16</b>	<b>Tue 5/31/16</b>
Develop Recommendations	Mon 2/22/16	Fri 3/11/16
Draft VBID Template and Employer Guidance	Mon 2/22/16	Fri 4/15/16
Draft VBID Tool Kit	Mon 3/14/16	Fri 4/15/16
VBID Template, Guidance, Tool Kit to PMO/OSC for feedback	Mon 4/18/16	Fri 5/6/16
VBID template, Tool Kit, and Guidance finalized	Mon 5/9/16	Tue 5/31/16
<b>Develop Communications and Marketing Materials - Task G</b>	<b>Mon 3/14/16</b>	<b>Fri 4/15/16</b>
Develop and circulate marketing materials	Mon 3/14/16	Fri 4/15/16
<b>Learning Collaborative Activities - Task C</b>	<b>Mon 3/7/16</b>	<b>Thu 6/30/16</b>
Recruit/Establish Learning Collaborative	Mon 3/7/16	Fri 5/13/16
Schedule Collaborative kickoff for June	Mon 4/18/16	Fri 5/13/16
Conduct Collaborative kickoff	Wed 6/1/16	Thu 6/30/16
Establish and maintain VBID website	Mon 3/7/16	Thu 6/30/16
Develop goals/materials for two additional meetings of Collaborative	Mon 3/7/16	Thu 6/30/16
Develop material for four webinars	Mon 3/7/16	Thu 6/30/16
Disseminate Electronic Newsletter	Mon 3/7/16	Thu 6/30/16

**SECTION 6  
COST AND SCHEDULE OF PAYMENTS**

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

**Table 1: Billing Rates**

Task	Freedman HealthCare, LLC			VBID Health, LLC		Bruce Landon (Health Policy Expert)	Activity Subtotal	Task Subtotal
	Tonya Bernstein (Project Director)	Alyssa Ursillo (Project Manager)	John Freedman (Healthcare Quality Expert)	Mark Fendrick (Lead VBID Consultant)	Michael Chernew (VBID Expert)			
	150	100	325	400	400	375		
Task A: Stakeholder Identification, Recruitment, and Engagement	10	20		2			\$ 4,300.00	\$ 4,300.00
Task B: Providing Support for Employer-Lead Consortium	50	120	10	6	4	4	\$ 28,250.00	\$ 28,250.00
Task C: Establishing and Conducting Learning Collaborative	10	55					\$ 7,000.00	\$ 7,000.00
Task D: Assessing and Indexing of Currently Establish VBID Programs	10	230	4	24	4	2	\$ 37,750.00	\$ 37,750.00
Task E: Assessing VBID Models for Connecticut		160	12	37	10	6	\$ 40,950.00	\$ 40,950.00
Task F: Creating Prototype VBID	76	345	18	39	14	14	\$ 78,200.00	\$ 78,200.00
Task G: Developing Communications and Marketing Materials	10	75	2	8	2		\$ 13,650.00	\$ 13,650.00
<b>Total Hours</b>	<b>166</b>	<b>1005</b>	<b>46</b>	<b>116</b>	<b>34</b>	<b>26</b>		
<b>Max. Award Personnel Budget Total</b>	<b>\$ 24,900.00</b>	<b>\$ 100,500.00</b>	<b>\$ 14,950.00</b>	<b>\$ 46,400.00</b>	<b>\$ 13,600.00</b>	<b>\$ 9,750.00</b>		<b>\$ 210,100.00</b>
<b>Travel Total</b>	<b>\$ 1,650.00</b>	<b>\$ 674.10</b>	<b>\$ 449.40</b>	<b>\$ 2,000.00</b>	<b>\$ 118.00</b>	<b>\$ 118.00</b>		<b>\$ 5,009.50</b>
<b>TOTAL PROJECT BUDGET (including travel)</b>								<b>\$ 215,109.50</b>

Personnel	Role	% FTE	Cost
Tonya Bernstein	Project Director	0.08	\$ 24,900.00
Alyssa Ursillo	Project Manager	0.5	\$ 100,500.00
John Freedman	Healthcare Quality Expert	0.03	\$ 14,950.00
Mark Fendrick	Lead VBID Consultant	0.05	\$ 46,400.00
Michael Chernew	VBID Expert	0.02	\$ 13,600.00
Bruce Landon	Health Policy Expert	0.01	\$ 9,750.00
<b>Max Award Total Personnel Budget</b>			<b>\$ 210,100.00</b>

- D. The AGENCY shall pay the CONTRACTOR a total sum not to exceed \$215,109.50 for services performed under this Agreement, including direct expenses incurred by CONTRACTOR. Expenses may not exceed 3% of the total amount of fees and expenses invoiced over the term of this Agreement. During the course of this Agreement the CONTRACTOR may increase or decrease the resources assigned from the projections listed in Table 1 in order to accomplish the scope of work within the total not to exceed amount.
- E. The CONTRACTOR shall be compensated for fees based upon work performed, documented, and accepted by the AGENCY.
- F. Invoices



1. Detailed invoices shall be prepared and submitted monthly or upon completion of the specified services and reviewed by John Freedman. Invoices shall, at a minimum, include the CONTRACTOR name, the Contract Number, the CONTRACTOR's Federal Employer Identification Number, the billing period, and an itemization of direct expenses by line item.
2. The CONTRACTOR shall invoice for the following:
  - a. total professional fees, less a 10% withhold, and
  - b. direct expenses for the billing period.
3. The withhold shall be paid upon completion and acceptance by the AGENCY of the work defined in Section 5.
5. Invoices for deliverables shall include an identification of the deliverables; if printed material, a copy of the deliverable; and the date that the deliverable was provided to the AGENCY.
6. Invoices for services shall include the name and title of the individual providing the services, the dates worked, the number of hours for the month the rate being charged for the individual, the total cost for that person's work during the billing period, and a narrative summarizing work performed by CONTRACTOR during the month invoiced.
7. Invoices for expenses shall include a detailed account of expenses specifying the day when and purpose for which they were incurred as well as all receipts, invoices, bills and other available documentation or if no documentation is available, a detailed accounting of the computation used to determine the reimbursable cost for all expenses in excess of \$75, as evidence of the actual cost of such expenses. Such expenses may include, but are not limited to: mileage at current state approved reimbursement rate; costs of travel including coach airfare and hotels; and office expenses such as, phone calls, copying, postage and package delivery incurred in connection with the service pertaining to this Agreement. All travel expenses shall be reimbursed at cost.
8. The CONTRACTOR shall submit within 30 days of the end of the project period all outstanding deliverables as specified above. The AGENCY shall review and take action within 30 days of receipt of a deliverable or the deliverable shall be considered accepted as submitted.
9. The AGENCY shall assume no liability for payment for services under the terms of this Agreement until the CONTRACTOR is notified that the Agreement has been accepted by the AGENCY, the release of funds has been authorized by CMMI, and if applicable, approved by OPM, the Department of Administrative Services and/or by the Attorney General of the State of Connecticut.

## SECTION 7 OTHER CONDITIONS

The CONTRACTOR shall comply with the following terms and conditions.

A. **Definitions.** Unless otherwise indicated, the following terms shall have the following corresponding definitions:

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

12. **"Personal Information"** shall mean any name, number or other information that may be used, alone or in conjunction with any other information, to identify a specific individual including, but not limited to, such individual's name, date of birth, mother's maiden name, motor vehicle operator's license number, Social Security number, employee identification number, employer or taxpayer identification number, alien registration number, government passport number, health insurance identification number, demand deposit account number, savings account number, credit card number, debit card number or unique biometric data such as fingerprint, voice print, retina or iris image, or other unique physical representation. Without limiting the foregoing, Personal Information shall also include any information regarding clients that the Department classifies as "confidential" or "restricted." Personal Information shall not include information that may be lawfully obtained from publicly available sources or from federal, state, or local government records which are lawfully made available to the general public.
  13. **"Personal Information Breach"** shall mean an instance where an unauthorized person or entity accesses Personal Information in any manner, including but not limited to the following occurrences: (1) any Personal Information that is not encrypted or protected is misplaced, lost, stolen or in any way compromised; (2) one or more third parties have had access to or taken control or possession of any Personal Information that is not encrypted or protected without prior written authorization from the AGENCY; (3) the unauthorized acquisition of encrypted or protected Personal Information together with the confidential process or key that is capable of compromising the integrity of the Personal Information; or (4) if there is a substantial risk of identity theft or fraud to the client, The CONTRACTOR, the AGENCY or STATE.
  14. **"Records"** shall mean all working papers and such other information and materials as may have been accumulated and/or produced by The CONTRACTOR in performing the Contract, including but not limited to, documents, data, plans, books, computations, drawings, specifications, notes, reports, records, estimates, summaries and correspondence, kept or stored in any form.
  15. **"Services"** shall mean the performance of Services as stated in Part I of this Contract.
  16. **"STATE"** shall mean the State of Connecticut, including any agency, office, department, board, council, commission, institution or other executive branch agency of State Government.
  17. **"Termination"** shall mean an end to the Contract affected pursuant to a right which the Contract creates, other than for a Breach.
- B. Client-Related Safeguards.**
1. **Inspection of Work Performed.**
    - (a) The AGENCY or its authorized representative shall at all times have the right to enter into The CONTRACTOR or CONTRACTOR Parties' premises, or such other places where duties under the Contract are being performed, to inspect, to monitor or to evaluate the work being performed in accordance with Conn. Gen. Stat. § 4e-29 to ensure compliance with this Contract. The CONTRACTOR and all subcontractors must provide all reasonable facilities and assistance to AGENCY representatives. All inspections and evaluations shall be performed in such a manner as shall not unduly delay work. The CONTRACTOR shall disclose information on clients, applicants and their families as requested unless otherwise prohibited by federal or state law. Written evaluations pursuant to this Section shall be made available to The CONTRACTOR.
    - (b) The CONTRACTOR must incorporate this section verbatim into any Contract it enters into with any subCONTRACTOR providing services under this Contract.

2. **Safeguarding Client Information.** The AGENCY and The CONTRACTOR shall safeguard the use, publication and disclosure of information on all applicants for and all Clients who receive Services under this Contract with all applicable federal and state law concerning confidentiality and as may be further provided under the Contract.
3. **Reporting of Client Abuse or Neglect.** The CONTRACTOR shall comply with all reporting requirements relative to Client abuse and neglect, including but not limited to requirements as specified in C.G.S. §§ 17a-101 through 103, 19a-216, 46b-120 (related to children); C.G.S. § 46a-11b (relative to persons with intellectual disability); and C.G.S. § 17b-407 (relative to elderly persons).
4. **Background Checks.** The AGENCY may require that The CONTRACTOR and CONTRACTOR Parties undergo criminal background checks as provided for in the State of Connecticut Department of Public Safety Administration and Operations Manual or such other state document as governs procedures for background checks. The CONTRACTOR and CONTRACTOR Parties shall cooperate fully as necessary or reasonably requested with the AGENCY and its agents in connection with such background checks

**C. CONTRACTOR Obligations.**

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

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

4. **Federal Funds.**

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

**5. Audit Requirements.**

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

connection with an audit or inspection. Following any audit or inspection, the STATE may conduct and The CONTRACTOR shall cooperate with an exit conference.

- (c) For purposes of this subsection as it relates to state grants, the word "CONTRACTOR" shall be read to mean "nonstate entity," as that term is defined in C.G.S. § 4-230.
  - (d) The CONTRACTOR must incorporate this section verbatim into any Contract it enters into with any subCONTRACTOR providing services under this Contract.
- 6. Related Party Transactions.** The CONTRACTOR shall report all related party transactions, as defined in this section, to the AGENCY on an annual basis in the appropriate fiscal report as specified in Part I of this Contract. "Related party" means a person or organization related through marriage, ability to control, ownership, family or business association. Past exercise of influence or control need not be shown, only the potential or ability to directly or indirectly exercise influence or control. "Related party transactions" between a CONTRACTOR or CONTRACTOR Party and a related party include, but are not limited to:
- (a) Real estate sales or leases;
  - (b) leases for equipment, vehicles or household furnishings;
  - (c) Mortgages, loans and working capital loans; and
  - (d) Contracts for management, consultant and professional services as well as for materials, supplies and other services purchased by The CONTRACTOR or CONTRACTOR Party.
- 7. Suspension or Debarment.** In addition to the representations and requirements set forth in Section D.4:
- (a) The CONTRACTOR certifies for itself and CONTRACTOR Parties involved in the administration of federal or state funds that they:
    - (1) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any governmental agency (federal, state or local);
    - (2) within a three year period preceding the effective date of this Contract, have not been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction or contract under a public transaction; for violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;
    - (3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the above offenses; and
    - (4) Have not within a three year period preceding the effective date of this Contract had one or more public transactions terminated for cause or fault.
  - (b) Any change in the above status shall be immediately reported to the AGENCY.
- 8. Liaison.** Each Party shall designate a liaison to facilitate a cooperative working relationship between The CONTRACTOR and the AGENCY in the performance and administration of this Contract.
- 9. Subcontracts.** Each CONTRACTOR Party's identity, services to be rendered and costs shall be detailed in Part I of this Contract. Absent compliance with this requirement, no CONTRACTOR Party may be used or expense

paid under this Contract unless expressly otherwise provided in Part I of this Contract. No CONTRACTOR Party shall acquire any direct right of payment from the AGENCY by virtue of this section or any other section of this Contract. The use of CONTRACTOR Parties shall not relieve The CONTRACTOR of any responsibility or liability under this Contract. The CONTRACTOR shall make available copies of all subcontracts to the AGENCY upon request.

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

**11. Indemnification.**

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

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

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

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

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

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

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

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

**12. Insurance.** Before commencing performance, the AGENCY may require The CONTRACTOR to obtain and maintain specified insurance coverage. In the absence of specific AGENCY requirements, The

CONTRACTOR shall obtain and maintain the following insurance coverage at its own cost and expense for the duration of the Contract:

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

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

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

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



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

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

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

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

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

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

**19. Protection of Personal Information.**

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

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

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

might reasonably be expected to materially adversely affect their businesses, operations, assets, properties, financial stability, business prospects or ability to perform fully under the Contract, no later than ten (10) days after becoming aware or after they should have become aware of any such Claims. Disclosure shall be in writing.

- (b) The CONTRACTOR shall provide written Notice to the AGENCY of any final decision by any tribunal or state or federal agency or court which is adverse to The CONTRACTOR or which results in a settlement, compromise or claim or agreement of any kind for any action or proceeding brought against The CONTRACTOR or its employee or agent under the Americans with Disabilities Act of 1990 as revised or amended from time to time, Executive Orders Nos. 3 & 17 of Governor Thomas J. Meskill and any other requirements of federal or state law concerning equal employment opportunities or nondiscriminatory practices.

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

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

**1. Contract Amendment.**

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

**2. CONTRACTOR Changes and Assignment.**

- (a) The CONTRACTOR shall notify the AGENCY in writing:
  - (1) at least ninety (90) days prior to the effective date of any fundamental changes in The CONTRACTOR's corporate status, including merger, acquisition, transfer of assets, and any change in fiduciary responsibility;
  - (2) no later than ten (10) days from the effective date of any change in:
    - (A) its certificate of incorporation or other organizational document;

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

**3. Breach.**

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

- (2) temporarily discontinue all or part of the Services to be provided under the Contract;
  - (3) permanently discontinue part of the Services to be provided under the Contract;
  - (4) assign appropriate State personnel to provide contracted for Services to assure continued performance under the Contract until such time as the contractual Breach has been corrected to the satisfaction of the AGENCY;
  - (5) require that contract funding be used to enter into a subcontract with a person or persons designated by the AGENCY in order to bring the program into contractual compliance;
  - (6) take such other actions of any nature whatsoever as may be deemed appropriate for the best interests of the STATE or the program(s) provided under this Contract or both; or
  - (7) any combination of the above actions.
- (c) The CONTRACTOR shall return all unexpended funds to the AGENCY no later than thirty (30) calendar days after The CONTRACTOR receives a demand from the AGENCY.
- (d) In addition to the rights and remedies granted to the AGENCY by this Contract, the AGENCY shall have all other rights and remedies granted to it by law in the event of Breach of or default by The CONTRACTOR under the terms of this Contract.
- (e) The action of the AGENCY shall be considered final. If at any step in this process The CONTRACTOR fails to comply with the procedure and, as applicable, the mutually agreed plan of correction, the AGENCY may proceed with Breach remedies as listed under this section.
- 4. Non-enforcement Not to Constitute Waiver.** No waiver of any Breach of the Contract shall be interpreted or deemed to be a waiver of any other or subsequent Breach. All remedies afforded in the Contract shall be taken and construed as cumulative, that is, in addition to every other remedy provided in the Contract or at law or in equity. A party's failure to insist on strict performance of any section of the Contract shall only be deemed to be a waiver of rights and remedies concerning that specific instance of performance and shall not be deemed to be a waiver of any subsequent rights, remedies or Breach.
- 5. Suspension.** If the AGENCY determines in its sole discretion that the health and welfare of the Clients or public safety is being adversely affected, the AGENCY may immediately suspend in whole or in part the Contract without prior notice and take any action that it deems to be necessary or appropriate for the benefit of the Clients. The AGENCY shall notify The CONTRACTOR of the specific reasons for taking such action in writing within five (5) Days of immediate suspension. Within five (5) Days of receipt of this notice, The CONTRACTOR may request in writing a meeting with the AGENCY Head or designee. Any such meeting shall be held within five (5) Days of the written request, or such later time as is mutually agreeable to the parties. At the meeting, The CONTRACTOR shall be given an opportunity to present information on why the AGENCY's actions should be reversed or modified. Within five (5) Days of such meeting, the AGENCY shall notify The CONTRACTOR in writing of his/her decision upholding, reversing or modifying the action of the AGENCY head or designee. This action of the AGENCY head or designee shall be considered final.
- 6. Ending the Contractual Relationship.**
- (a) This Contract shall remain in full force and effect for the duration of its entire term or until such time as it is terminated earlier by either party or cancelled. Either party may terminate this contract by providing at least sixty (60) days prior written notice pursuant to the Notice requirements of this Contract.

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

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

- (a) If this Contract is terminated for any reason, cancelled or it expires in accordance with its term, The CONTRACTOR shall do and perform all things which the AGENCY determines to be necessary or appropriate to assist in the orderly transfer of Clients served under this Contract and shall assist in the orderly cessation of Services it performs under this Contract. In order to complete such transfer and wind down the performance, and only to the extent necessary or appropriate, if such activities are expected to take place beyond the stated end of the Contract term then the Contract shall be deemed to have been automatically extended by the mutual consent of the parties prior to its expiration without any affirmative act of either party, including executing an amendment to the Contract to extend the term, but only until the transfer and winding down are complete.
- (b) If this Contract is terminated, cancelled or not renewed, The CONTRACTOR shall return to the AGENCY any equipment, deposits or down payments made or purchased with start-up funds or other funds specifically designated for such purpose under this Contract in accordance with the written instructions from the AGENCY in accordance with the Notice provision of this Contract. Written instructions shall include, but not be limited to, a description of the equipment to be returned, where

the equipment shall be returned to and who is responsible to pay for the delivery/shipping costs. Unless the AGENCY specifies a shorter time frame in the letter of instructions, The CONTRACTOR shall affect the returns to the AGENCY no later than sixty (60) days from the date that The CONTRACTOR receives Notice.

**E. Statutory and Regulatory Compliance.**

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

- (a) If the Contactor is a Business Associate under the requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), The CONTRACTOR must comply with all terms and conditions of this Section of the Contract. If The CONTRACTOR is not a Business Associate under HIPAA, this Section of the Contract does not apply to The CONTRACTOR for this Contract.
- (b) The CONTRACTOR is required to safeguard the use, publication and disclosure of information on all applicants for, and all clients who receive, services under the Contract in accordance with all applicable federal and state law regarding confidentiality, which includes but is not limited to HIPAA, more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C, and E; and
- (c) The State of Connecticut Agency named on page 1 of this Contract ("AGENCY") is a "covered entity" as that term is defined in 45 C.F.R. § 160.103; and
- (d) The CONTRACTOR, on behalf of the AGENCY, performs functions that involve the use or disclosure of "individually identifiable health information," as that term is defined in 45 C.F.R. § 160.103; and
- (e) The CONTRACTOR is a "business associate" of the AGENCY, as that term is defined in 45 C.F.R. § 160.103; and
- (f) The CONTRACTOR and the AGENCY agree to the following in order to secure compliance with the HIPAA, the requirements of Subtitle D of the Health Information Technology for Economic and Clinical Health Act ("HITECH Act"), (Pub. L. 111-5, §§ 13400 to 13423), and more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C, and E.
- (g) Definitions
  - (1) "Breach" shall have the same meaning as the term is defined in section 13400 of the HITECH Act (42 U.S.C. § 17921(1)).
  - (2) "Business Associate" shall mean The CONTRACTOR.
  - (3) "Covered Entity" shall mean the AGENCY of the State of Connecticut named on page 1 of this Contract.
  - (4) "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 C.F.R. § 164.501.
  - (5) "Electronic Health Record" shall have the same meaning as the term is defined in section 13400 of the HITECH Act (42 U.S.C. § 17921(5)).
  - (6) "Individual" shall have the same meaning as the term "individual" in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative as defined in 45 C.F.R. § 164.502(g).

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



- (7) Business Associate agrees to provide access, at the request of the Covered Entity, and in the time and manner agreed to by the parties, to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 C.F.R. § 164.524.
- (8) Business Associate agrees to make any amendments to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526 at the request of the Covered Entity, and in the time and manner agreed to by the parties.
- (9) Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by, Business Associate on behalf of Covered Entity, available to Covered Entity or to the Secretary in a time and manner agreed to by the parties or designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
- (10) Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528 and section 13405 of the HITECH Act (42 U.S.C. § 17935) and any regulations promulgated thereunder.
- (11) Business Associate agrees to provide to Covered Entity, in a time and manner agreed to by the parties, information collected in accordance with subsection (h)(10) of this Section of the Contract, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528 and section 13405 of the HITECH Act (42 U.S.C. § 17935) and any regulations promulgated thereunder. Business Associate agrees at the Covered Entity's direction to provide an accounting of disclosures of PHI directly to an individual in accordance with 45 C.F.R. § 164.528 and section 13405 of the HITECH Act (42 U.S.C. § 17935) and any regulations promulgated thereunder.
- (12) Business Associate agrees to comply with any state or federal law that is more stringent than the Privacy Rule.
- (13) Business Associate agrees to comply with the requirements of the HITECH Act relating to privacy and security that are applicable to the Covered Entity and with the requirements of 45 C.F.R. §§ 164.504(e), 164.308, 164.310, 164.312, and 164.316.
- (14) In the event that an individual requests that the Business Associate
  - (A) restrict disclosures of PHI;
  - (B) provide an accounting of disclosures of the individual's PHI; or
  - (C) provide a copy of the individual's PHI in an electronic health record, the Business Associate agrees to notify the covered entity, in writing, within five (5) business days of the request.
- (15) Business Associate agrees that it shall not, directly or indirectly, receive any remuneration in exchange for PHI of an individual without
  - (A) the written approval of the covered entity, unless receipt of remuneration in exchange for PHI is expressly authorized by this Contract and

- (B) the valid authorization of the individual, except for the purposes provided under section 13405(d)(2) of the HITECH Act, (42 U.S.C. § 17935(d)(2)) and in any accompanying regulations

(16) Obligations in the Event of a Breach.

- (A) The Business Associate agrees that, following the discovery of a breach of unsecured protected health information, it shall notify the Covered Entity of such breach in accordance with the requirements of section 13402 of HITECH (42 U.S.C. § 17932(b)) and this Section of the Contract.
- (B) Such notification shall be provided by the Business Associate to the Covered Entity without unreasonable delay, and in no case later than 30 days after the breach is discovered by the Business Associate, except as otherwise instructed in writing by a law enforcement official pursuant to section 13402(g) of HITECH (42 U.S.C. § 17932(g)). A breach is considered discovered as of the first day on which it is, or reasonably should have been, known to the Business Associate. The notification shall include the identification and last known address, phone number and email address of each individual (or the next of kin of the individual if the individual is deceased) whose unsecured protected health information has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, or disclosed during such breach.
- (C) The Business Associate, the Business Associate agrees to include in the notification to the Covered Entity at least the following information:
  1. A brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known.
  2. A description of the types of unsecured protected health information that were involved in the breach (such as full name, Social Security number, date of birth, home address, account number, or disability code).
  3. The steps the Business Associate recommends that individuals take to protect themselves from potential harm resulting from the breach.
  4. A detailed description of what the Business Associate is doing to investigate the breach, to mitigate losses, and to protect against any further breaches.
  5. Whether a law enforcement official has advised either verbally or in writing the Business Associate that he or she has determined that notification or notice to individuals or the posting required under section 13402 of the HITECH Act would impede a criminal investigation or cause damage to national security and; if so, include contact information for said official.
- (D) Business Associate agrees to provide appropriate staffing and have established procedures to ensure that individuals informed by the Covered Entity of a breach by the Business Associate have the opportunity to ask questions and contact the Business Associate for additional information regarding the breach. Such procedures shall include a toll-free telephone number, an e-mail address, a posting on its Web site or a postal address. For breaches involving ten or more individuals whose contact information is insufficient or out of date to allow written notification under 45 C.F.R. § 164.404(d)(1)(i), the Business Associate shall notify the Covered Entity of such persons and maintain a toll-free telephone number for ninety (90) days after said notification is sent to the Covered Entity. Business Associate

agrees to include in the notification of a breach by the Business Associate to the Covered Entity, a written description of the procedures that have been established to meet these requirements. Costs of such contact procedures shall be borne by The CONTRACTOR.

- (E) Business Associate agrees that, in the event of a breach, it has the burden to demonstrate that it has complied with all notifications requirements set forth above, including evidence demonstrating the necessity of a delay in notification to the Covered Entity.
- (i) Permitted Uses and Disclosure by Business Associate.
  - (1) General Use and Disclosure Provisions Except as otherwise limited in this Section of the Contract, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in this Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.
  - (2) Specific Use and Disclosure Provisions
    - (A) Except as otherwise limited in this Section of the Contract, Business Associate may use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.
    - (B) Except as otherwise limited in this Section of the Contract, Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it shall remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
    - (C) Except as otherwise limited in this Section of the Contract, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).
- (j) Obligations of Covered Entity.
  - (1) Covered Entity shall notify Business Associate of any limitations in its notice of privacy practices of Covered Entity, in accordance with 45 C.F.R. § 164.520, or to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
  - (2) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.
  - (3) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.
- (k) Permissible Requests by Covered Entity. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by the Covered Entity, except that Business Associate may use and disclose PHI for data aggregation, and management and administrative activities of Business Associate, as permitted under this Section of the Contract.

(l) Term and Termination.

- (1) Term. The Term of this Section of the Contract shall be effective as of the date the Contract is effective and shall terminate when the information collected in accordance with provision (h)(10) of this Section of the Contract is provided to the Covered Entity and all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.
- (2) Termination for Cause Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
  - (A) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate the Contract if Business Associate does not cure the breach or end the violation within the time specified by the Covered Entity; or
  - (B) Immediately terminate the Contract if Business Associate has breached a material term of this Section of the Contract and cure is not possible; or
  - (C) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(3) Effect of Termination.

- (A) Except as provided in (l)(2) of this Section of the Contract, upon termination of this Contract, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. Business Associate shall also provide the information collected in accordance with section (h)(10) of this Section of the Contract to the Covered Entity within ten business days of the notice of termination. This section shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.
- (B) In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon documentation by Business Associate that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Section of the Contract to such PHI and limit further uses and disclosures of PHI to those purposes that make return or destruction infeasible, for as long as Business Associate maintains such PHI. Infeasibility of the return or destruction of PHI includes, but is not limited to, requirements under state or federal law that the Business Associate maintains or preserves the PHI or copies thereof.

(m) Miscellaneous Sections.

- (1) Regulatory References. A reference in this Section of the Contract to a section in the Privacy Rule means the section as in effect or as amended.
- (2) Amendment. The Parties agree to take such action as is necessary to amend this Section of the Contract from time to time as is necessary for Covered Entity to comply with requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

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

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

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

- (b) (1) The CONTRACTOR agrees and warrants that in the performance of the Contract such CONTRACTOR shall not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, intellectual disability, mental disability, or physical disability, including, but not limited to, blindness, unless it is shown by such CONTRACTOR that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut; and The CONTRACTOR further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, intellectual disability, mental disability, or physical disability, including, but not limited to, blindness, unless it is shown by The CONTRACTOR that such disability prevents performance of the work involved; (2) The CONTRACTOR agrees, in all solicitations or advertisements for employees placed by or on behalf of The CONTRACTOR, to state that it is an "affirmative action-equal opportunity

employer" in accordance with regulations adopted by the Commission; (3) The CONTRACTOR agrees to provide each labor union or representative of workers with which The CONTRACTOR has a collective bargaining Agreement or other contract or understanding and each vendor with which The CONTRACTOR has a contract or understanding, a notice to be provided by the Commission, advising the labor union or workers' representative of The CONTRACTOR's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) The CONTRACTOR agrees to comply with each provision of this Section and Connecticut General Statutes §§ 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes §§ 46a-56, 46a-68e and 46a-68f; and (5) The CONTRACTOR agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of The CONTRACTOR as relate to the provisions of this Section and Connecticut General Statutes § 46a-56. If the contract is a public works contract, The CONTRACTOR agrees and warrants that he shall make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works projects.

- (c) Determination of The CONTRACTOR's good faith efforts shall include, but shall not be limited to, the following factors: The CONTRACTOR's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.
- (d) The CONTRACTOR shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.
- (e) The CONTRACTOR shall include the provisions of subsection (b) of this Section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the STATE and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The CONTRACTOR shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes §46a-56; provided if such CONTRACTOR becomes involved in, or is threatened with, litigation with a subCONTRACTOR or vendor as a result of such direction by the Commission, The CONTRACTOR may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the STATE and the STATE may so enter.
- (f) The CONTRACTOR agrees to comply with the regulations referred to in this Section as they exist on the date of this Contract and as they may be adopted or amended from time to time during the term of this Contract and any amendments thereto.
- (g) (1) The CONTRACTOR agrees and warrants that in the performance of the Contract such CONTRACTOR shall not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) The CONTRACTOR agrees to provide each labor union or representative of workers with which such CONTRACTOR has a collective bargaining Agreement or other contract or understanding and each vendor with which such CONTRACTOR has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of The CONTRACTOR's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (3) The CONTRACTOR agrees to comply with each provision of this section and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes § 46a-56; and (4) The CONTRACTOR agrees to provide the Commission on Human Rights and Opportunities with such information requested

by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of The CONTRACTOR which relate to the provisions of this Section and Connecticut General Statutes § 46a-56.

- (h) The CONTRACTOR shall include the provisions of the foregoing paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the STATE and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The CONTRACTOR shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes § 46a-56; provided, if such CONTRACTOR becomes involved in, or is threatened with, litigation with a subCONTRACTOR or vendor as a result of such direction by the Commission, The CONTRACTOR may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the STATE and the STATE may so enter.

**6. Freedom of Information.**

- (a) CONTRACTOR acknowledges that the AGENCY must comply with the Freedom of Information Act, C.G.S. §§ 1-200 *et seq.* ("FOIA") which requires the disclosure of documents in the possession of the STATE upon request of any citizen, unless the content of the document falls within certain categories of exemption, as defined by C.G.S. § 1-210(b).

- (b) Governmental Function. In accordance with C.G.S. § 1-218, if the amount of this Contract exceeds two million five hundred thousand dollars (\$2,500,000), and The CONTRACTOR is a "person" performing a "governmental function", as those terms are defined in C.G.S. §§ 1-200(4) and (11), the AGENCY is entitled to receive a copy of the Records and files related to The CONTRACTOR's performance of the governmental function, which may be disclosed by the AGENCY pursuant to the FOIA.

- 7. Whistleblowing.** This Contract is subject to C.G.S. § 4-61dd if the amount of this Contract is a "large state contract" as that term is defined in C.G.S. § 4-61dd(h). In accordance with this statute, if an officer, employee or appointing authority of The CONTRACTOR takes or threatens to take any personnel action against any employee of The CONTRACTOR in retaliation for such employee's disclosure of information to any employee of the Contracting state or quasi-public agency or the Auditors of Public Accounts or the Attorney General under subsection (a) of such statute, The CONTRACTOR shall be liable for a civil penalty of not more than five thousand dollars (\$5,000) for each offense, up to a maximum of twenty per cent (20%) of the value of this Contract. Each violation shall be a separate and distinct offense and in the case of a continuing violation, each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The STATE may request that the Attorney General bring a civil action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. In accordance with subsection (f) of such statute, each large state CONTRACTOR, as defined in the statute, shall post a notice of the relevant sections of the statute relating to large state CONTRACTORS in a conspicuous place which is readily available for viewing by the employees of The CONTRACTOR.

- 8. Executive Orders.** This Contract is subject to Executive Order No. 3 of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices; Executive Order No. 17 of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings; Executive Order No. 16 of Governor John G. Rowland, promulgated August 4, 1999, concerning violence in the workplace. This Contract may also be subject to Executive Order 7C of Governor M. Jodi Rell, promulgated July 13, 2006, concerning contracting reforms and Executive Order 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services, in accordance with their respective terms and conditions. All of these Executive orders are incorporated into



and made a part of the Contract as if they had been fully set forth in it. At The CONTRACTOR's request, the AGENCY shall provide a copy of these Orders to The CONTRACTOR.

9. **Campaign Contribution Restrictions.** For all State contracts as defined in C.G.S. § 9-612(g) the authorized signatory to this Contract expressly acknowledges receipt of the State Elections Enforcement Commission's ("SEEC") notice advising state CONTRACTORS of state campaign contribution and solicitation prohibitions, and shall inform its principals of the contents of the notice. See SEEC Form 11 reproduced below:

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



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

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

### CAMPAIGN CONTRIBUTION AND SOLICITATION LIMITATIONS

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

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

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

### DUTY TO INFORM

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

### PENALTIES FOR VIOLATIONS

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

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

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

### CONTRACT CONSEQUENCES

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

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

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

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



## DEFINITIONS

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

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

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

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

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

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

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

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

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

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



## DEFINITIONS

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

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

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

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

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

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

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

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

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

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

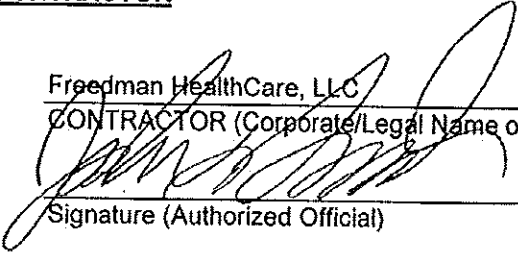
[ ] Amendment # \_\_\_\_\_  
(For Internal Use Only)

**SIGNATURES AND APPROVAL**

The CONTRACTOR  IS or  IS NOT a Business Associate under the Health Insurance Portability and Accountability Act of 1996, as amended.

**CONTRACTOR**

Freedman HealthCare, LLC  
CONTRACTOR (Corporate/Legal Name of CONTRACTOR)


  
Signature (Authorized Official)

November 19, 2015  
Date

John Freedman  
(Typed/Printed Name and Title of Authorized Official)

**Agency**

Office of the Healthcare Advocate  
Agency Name


  
Signature (Authorized Official)

11/20/15  
Date

Victoria L. Veltri, Healthcare Advocate  
(Typed/Printed Name and Title of Authorized Official)

**Office of the Attorney General (Approved as to form)**

Part I of this Contract having been reviewed and approved, as to form, by the OAG, it is exempt from review pursuant a Memorandum of Agreement between the Agency and the OAG dated

  
Signature

12/3/15  
Date

Special Counsel - Robert W. Clark  
Assistant / Associate Attorney General



STATE OF CONNECTICUT

Written or electronic PDF copy of the written certification to accompany a large state contract pursuant to P.A. No. 13-162 (Prohibiting State Contracts With Entities Making Certain Investments In Iran)

Respondent Name: JOHN FREEDMAN

INSTRUCTIONS:

CHECK ONE: [X] Initial Certification. [ ] Amendment or renewal.

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

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

Check applicable box:

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

[ ] Respondent's principal place of business is outside the United States and it is not a United States subsidiary of a foreign corporation. CERTIFICATION required. Please complete the certification portion of this form and submit it with the ITB or RFP response or contract package if there was no bid process.

B. Additional definitions.

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

C. Certification requirements.

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

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

CERTIFICATION:

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

[X] Respondent has made no direct investments of twenty million dollars or more in the energy sector of Iran on or after October 1, 2013, as described in Section 202 of the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010.

[ ] Respondent has either made direct investments of twenty million dollars or more in the energy sector of Iran on or after October 1, 2013, as described in Section 202 of the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010, or Respondent made such an investment prior to October 1, 2013 and has now increased or renewed such an investment on or after said date, or both.

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

JOHN FREEDMAN
Printed Respondent Name

JOHN FREEDMAN
Printed Name of Authorized Official

Signature of Authorized Official

Subscribed and acknowledged before me this 13 day of NOVEMBER, 2015.



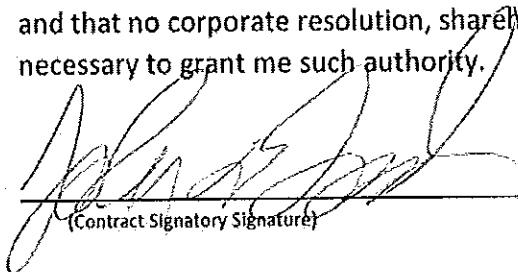
Signature of Notary Public: JOANNE HALPERN
Commissioner of the Superior Court (or Notary Public)

FEBRUARY 28, 2021
My Commission Expires

**CERTIFICATE OF AUTHORITY/VOTE**  
(Limited Liability Company)

I, John Freedman, hereby certify that:  
(Name of Sole Member/Manager of LLC, Contract Signatory)

1. I am the Sole Member/Manager of the Company of Freedman HealthCare, LLC  
(Name of LLC)
2. I hereby further certify and acknowledge that the State of Connecticut will rely on this certification as evidence that I have full authority to bind Freedman HealthCare, LLC  
(Name of LLC)  
and that no corporate resolution, shareholder vote, or other document or action is necessary to grant me such authority.

  
(Contract Signatory Signature)

November 13, 2015  
(Date)

STATE OF MASSACHUSETTS

COUNTY OF MIDDLESEX

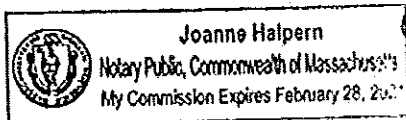
On this 13 day of November, 2015, before me Joanne Halpern  
(Name of Notary Public)

the undersigned officer, personally appeared John Freedman  
(Contract Signatory-Print Name)

known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same for purposes therein contained. In witness whereof, I hereunto set my hand and official seal.

(NOTARY SEAL)

  
(Notary Public- Signature)



Commission Expires: February 28, 2021



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

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

**INSTRUCTIONS:**

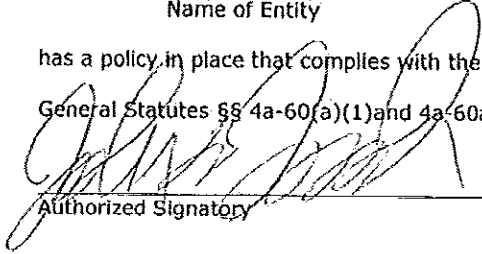
For use by an entity (corporation, limited liability company, or partnership) when entering into any contract type with the State of Connecticut valued at \$50,000 or more for any year of the contract. Complete all sections of the form. Sign form in the presence of a Commissioner of Superior Court or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

**AFFIDAVIT:**

I, the undersigned, am over the age of eighteen (18) and understand and appreciate the obligations of an oath. I am John Freedman of Freedman HealthCare, LLC, an entity  
Signatory's Title Name of Entity  
duly formed and existing under the laws of Massachusetts.  
Name of State or Commonwealth

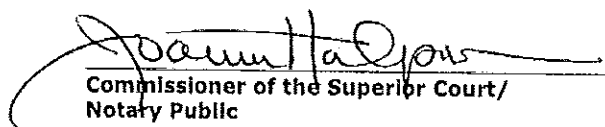
I certify that I am authorized to execute and deliver this affidavit on behalf of Freedman HealthCare, LLC and that Freedman HealthCare, LLC  
Name of Entity Name of Entity

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

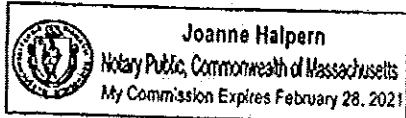
  
Authorized Signatory

John Freedman  
Printed Name

Sworn and subscribed to before me on this 20th day of November, 2015.

  
Commissioner of the Superior Court/  
Notary Public

February 28, 2021  
Commission Expiration Date





**From:** Schaefer, Mark C  
**Sent:** Monday, September 28, 2015 3:51 PM  
**To:** Nguyen-Matos, Christine  
**Subject:** RE: Final Disposition for Non-Competitive PSA 2016\_20510

Thanks

---

**From:** Nguyen-Matos, Christine  
**Sent:** Monday, September 28, 2015 3:43 PM  
**To:** Schaefer, Mark C  
**Cc:** Veltri, Victoria; Chaparro, Deanna L  
**Subject:** FW: Final Disposition for Non-Competitive PSA 2016\_20510

Christine Nguyen-Matos  
State Innovation Model Program Management Office  
Office of the Healthcare Advocate  
153 Market Street  
Hartford, CT 06103  
860-297-3903

---

**From:** [robert.dakers@ct.gov](mailto:robert.dakers@ct.gov) [<mailto:robert.dakers@ct.gov>]  
**Sent:** Monday, September 28, 2015 3:43 PM  
**To:** Nguyen-Matos, Christine  
**Cc:** Dakers, Robert  
**Subject:** Final Disposition for Non-Competitive PSA 2016\_20510

\*\*\*\*\*

The Office of Policy and Management has Approved the following Non-Competitive PSA

Value Based Insurance Design Initiative (2016\_20510)

**Contractor:** Freedman Healthcare, LLC  
**Effective Date:** 09/01/2015 - 05/31/2016  
**Estimated Cost:** \$216,576.00  
**Comments/Conditions:** Approved RSD 9-28-15

\*\*\*\*\*

*Robert Dakers*  
Executive Financial Officer



**STATE OF CONNECTICUT  
GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION**

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

**INSTRUCTIONS:**

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

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

**GIFT CERTIFICATION:**

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

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

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

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

**CAMPAIGN CONTRIBUTION CERTIFICATION:**

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

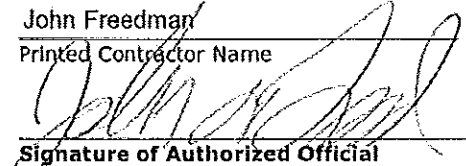
**Lawful Campaign Contributions to Candidates for Statewide Public Office:**

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>
N/A				

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

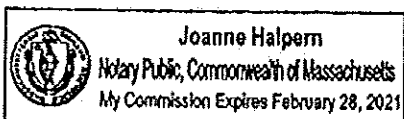
<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>
N/A				

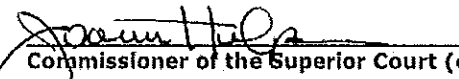
Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

John Freedman  
Printed Contractor Name  
  
Signature of Authorized Official

John Freedman  
Printed Name of Authorized Official

Subscribed and acknowledged before me this 13 day of November, 2015.



  
Joanne Halpern  
Commissioner of the Superior Court (or Notary Public)  
February 28, 2021  
My Commission Expires



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

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

**INSTRUCTIONS:**

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

**CERTIFICATION:**

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

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

Freedman HealthCare, LLC

Contractor Name

Office of the Healthcare Advocate

Awarding State Agency

State Agency Official or Employee Signature

Victoria Veltri

Printed Name

11/20/2015

Date

State Healthcare Advocate

Title

Sworn and subscribed before me on this 20<sup>th</sup> day of November, 2015.

\_\_\_\_\_  
Commissioner of the Superior Court  
or Notary Public

Juris #429127

My Commission Expires \_\_\_\_\_



STATE OF CONNECTICUT
CONSULTING AGREEMENT AFFIDAVIT

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

INSTRUCTIONS:

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

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

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

AFFIDAVIT: [Number of Affidavits Sworn and Subscribed On This Day: 1]

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

JOHN FREEDMAN, PRESIDENT
Consultant's Name and Title
FREDMAN HEALTHCARE, LLC
Name of Firm (if applicable)
\$215,110.
Cost

Description of Services Provided:

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

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

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

JOHN FREEDMAN
Printed Name of Bidder or Contractor
Signature of Principal or Key Personnel
Date 11-13-2015

JOHN FREEDMAN
Printed Name (of above)
Awarding State Agency

Sworn and subscribed before me on this 13 day of NOVEMBER, 2015.



JOANNE HALPERN
Commissioner of the Superior Court
or Notary Public

FEBRUARY 28, 2021
My Commission Expires



STATE OF CONNECTICUT  
AFFIRMATION OF RECEIPT OF STATE ETHICS LAWS SUMMARY

Written or electronic affirmation to accompany a large State construction or procurement contract, having a cost of more than \$500,000, pursuant to Connecticut General Statutes §§ 1-101mm and 1-101qq

INSTRUCTIONS:

Complete all sections of the form. Submit completed form to the awarding State agency or contractor, as directed below.

CHECK ONE:

- I am a person seeking a large State construction or procurement contract. I am submitting this affirmation to the awarding State agency with my bid or proposal. [Check this box if the contract will be awarded through a competitive process.]
- I am a contractor who has been awarded a large State construction or procurement contract. I am submitting this affirmation to the awarding State agency at the time of contract execution. [Check this box if the contract was a sole source award.]
- I am a subcontractor or consultant of a contractor who has been awarded a large State construction or procurement contract. I am submitting this affirmation to the contractor.
- I am a contractor who has already filed an affirmation, but I am updating such affirmation either (i) no later than thirty (30) days after the effective date of any such change or (ii) upon the submittal of any new bid or proposal, whichever is earlier.

IMPORTANT NOTE:

Within fifteen (15) days after the request of such agency, institution or quasi-public agency for such affirmation contractors shall submit the affirmations of their subcontractors and consultants to the awarding State agency. Failure to submit such affirmations in a timely manner shall be cause for termination of the large State construction or procurement contract.

AFFIRMATION:

I, the undersigned person, contractor, subcontractor, consultant, or the duly authorized representative thereof, affirm (1) receipt of the summary of State ethics laws\* developed by the Office of State Ethics pursuant to Connecticut General Statutes § 1-81b and (2) that key employees of such person, contractor, subcontractor, or consultant have read and understand the summary and agree to comply with its provisions.

\* The summary of State ethics laws is available on the State of Connecticut's Office of State Ethics website.

Signature

JOHN FREEDMAN

Printed Name

Date

NOVEMBER 13, 2015

PRESIDENT

Title

FREEDMAN HEALTHCARE, LLC

Firm or Corporation (if applicable)

29 CRAFTS ST. SUITE 470

Street Address

NEWTON

City

MA

State

02458

Zip

Awarding State Agency