

New York State Department of Civil Service
Request for Proposals
RFP #2012ABMC-1
Actuarial and Benefits Management Consulting Services

Jonathan Nemeth
Senior Vice President
Aon Hewitt
400 Atrium Drive
Somerset, NJ 08873

TECHNICAL PROPOSAL

May 31, 2012



TECHNICAL PROPOSAL

TABLE OF CONTENTS

§4.03	Exhibit A – Formal Offer Letter	3
§4.03.1	Organizational Overview	5
§4.03.2	Key Subcontractors – Exhibit M	31
§4.03.3	Client References – Exhibit N	33
§4.03.4	Project Management Team	
Exhibit O	Project Team Roster	36
Exhibit P	Biographical Sketch Forms	37
§4.03.5	Project Services	58
	Task #1	
	Task #2	
	Task #3	
	Task #4 – Exhibit Q	84
	Sample Ad Hoc Task	98
	Position Paper	
	PowerPoint	
§4.03.06	Performance Guarantees	115
Exhibit S	Extraneous Terms	117

May 31, 2012

ABMC Procurement Manager
NYS Department of Civil Service
Alfred E. Smith State Office Building
Room 803
Albany, New York 12239

**RE: RFP No. 2012ABMC-1, entitled
“ACTUARIAL AND BENEFITS
MANAGEMENT CONSULTING SERVICES”
Firm Offer to the State of New York**

Aon Hewitt hereby submits this firm and binding offer (“Proposal”) to the State of New York in response to New York State Department of Civil Service Request for Proposals 2012ABMC-1, entitled “ACTUARIAL AND BENEFITS MANAGEMENT CONSULTING SERVICES” (RFP). The Proposal hereby submitted meets or exceeds all terms, conditions, and requirements set forth in the above-referenced RFP and in the manner set forth in the RFP.

Aon Hewitt accepts the terms and conditions as set forth in RFP Section 6, Appendices A through D, and agrees to satisfy the comprehensive programmatic duties and responsibilities outlined in the RFP in the manner set forth in the RFP.

Aon Hewitt agrees to execute a contractual agreement composed substantially of the terms and conditions set forth in Section 6 of the RFP, and accepts as non-negotiable the terms and conditions set forth in Appendices A through D of the RFP, subject to modification as suggested in Exhibit S – Extraneous Terms.

Aon Hewitt further agrees, if selected as a result of the RFP, to comply with the provisions of 1) the Tax Law Section 5-a, Certification Regarding Sales and Compensating Use Tax as set forth in §2.02.9 of the RFP; 2) Sections 57 and 220 of the New York State Workers’ Compensation Law as set forth in §2.02.10 of the RFP; and 3) the Consultant Disclosure Requirements as set forth in §2.02.11 of the RFP.

This formal offer will remain firm and non-revocable for a minimum period of 365 days from the Proposal Due Date and Time as set forth in the RFP. In the event that a contract is not approved by the NYS Comptroller within the 365 day period, this offer shall remain firm and binding beyond the 365 day period and until a contract is approved by the NYS Comptroller, unless Aon Hewitt delivers to the Department of Civil Service written notice of withdrawal of its Proposal.

Aon Hewitt’s complete offer is set forth as follows:

Administrative Proposal: Total of five (5) hard copy volumes [one (1) original and four (4) copies] and one (1) electronic copy on CD.

Technical Proposal: Total of eleven (11) hard copy volumes [one (1) original and ten (10) copies] and one (1) electronic copy on CD.

Financial Proposal: Total of five (5) hard copy volumes [one (1) original and four (4) copies] and one (1) electronic copy on CD.

Exhibit A – Page 2 of 2

The undersigned affirms and swears he has the legal authority and capacity to sign and make this offer on behalf of Aon Hewitt and possesses the legal authority and capacity to act on behalf of Aon Hewitt to execute a contract with the State of New York.

The undersigned affirms and swears as to the truth and veracity of all documents included in this offer.

Date: 5/31/12

[Redacted Signature Area]

Signature

PRINT:

SIGNATORY'S NAME Jonathan Nemeth TITLE Senior Vice President

INDIVIDUAL, CORPORATE OR PARTNERSHIP ACKNOWLEDGMENT

STATE OF New Jersey }
COUNTY OF Somerset } SS.:

On the 31st day of May in the year 2012, before me personally appeared:

JONATHAN NEMETH, known to me to be the person who executed the foregoing instrument, who, being duly sworn by me did depose and say that he resides at

[Redacted Address], Town of [Redacted], County of [Redacted], State of [Redacted]; and further that, if applicable:

[Check One, If Applicable]

(If a corporation): he is the Senior Vice President of Aon Hewitt, the corporation described in said instrument; that, by authority of the Board of Directors of said corporation, he is authorized to execute the foregoing instrument on behalf of the corporation for purposes set forth therein; and that, pursuant to that authority, he executed the foregoing instrument in the name of and on behalf of said corporation as the act and deed of said corporation.

(If a partnership): he is the _____ of _____, the partnership described in said instrument; that, by the terms of said partnership, he is authorized to execute the foregoing instrument on behalf of the partnership for the purposes set forth therein; and that, pursuant to that authority, he executed the foregoing instrument in the name and on behalf of said partnership as the act and deed of said partnership.

Notary Public

[Redacted Notary Signature Area]

TECHNICAL PROPOSAL

§4.03.01 Organizational Overview

The Offeror must possess the administrative and organizational capacity, experience and expertise to provide the required actuarial and benefits management consulting services; the administrative structure to oversee the billing, payment and processing of invoices to the Department for work performed under the contract; and experienced Information Technology (“IT”) staff and related electronic systems to accommodate the Department’s data analysis and reporting needs. To demonstrate that it meets or exceeds these requirements, at this part of its Technical Proposal, the Offeror should submit an Executive Summary that includes:

- (1) The name and address of the Offeror’s main and branch offices and the name of the senior officer who will be responsible for this account;**

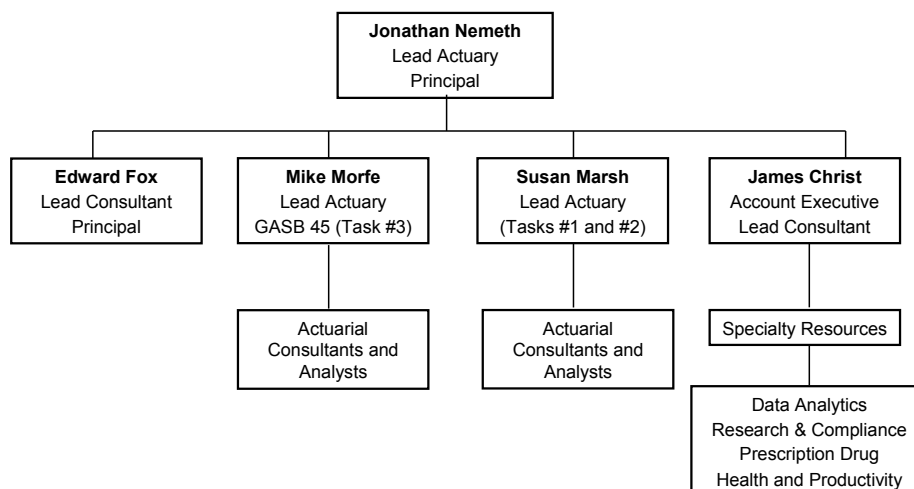
Aon Corporation is headquartered in London, England, but maintains corporate offices in Lincolnshire, Illinois as well. However, the primary consultants serving the Department of Civil Service would be located in Somerset, NJ.

Based on the requirements of the ad-hoc services, Aon Hewitt consultants from other offices across the country, including Chicago, IL; Radnor, PA; and Houston, TX may also be involved.

Jonathan Nemeth, FSA, will be the Senior Aon Hewitt officer responsible for this account. Jim Christ and Ed Fox will be the officers with primary responsibility for account management and have much of the day to day interaction with the Department. Jim Christ will serve as the Aon Hewitt Account Executive.

The organizational chart below outlines the structure of the account team proposed for the Department. We have separated it into categories with individuals listed in the Specialists box, primarily involved with Task #4 services. The balance of the team would be heavily involved in the core services of Task #1, Task #2, and Task #3 and may also be involved in any Task #4 services.

Organization Chart The State of New York
Project Management Team



(2) A concise description of the Offeror's understanding of the requirements presented in the RFP, the Department's needs, approach, and how the Offeror can assist the Department in accomplishing its objectives;

Aon Hewitt is excited about the possibility of working with the State of New York to manage its Employee Benefit Plans, covering almost 600,000 subscribers. The State is seeking an actuarial and benefits consultant for the following services:

- Task # 1 – Assistance in Rate Renewal negotiations and Plan Funding Requirements
- Task #2 – Review and comment on carrier quarterly experience projections
- Task #3 – Perform GASB 45 valuations and,
- Task #4 – Ad-hoc consulting services in areas such as plan design, vendor selection services, regulatory and compliance, and health and wellness.

Aon Hewitt is particularly well qualified to provide these services as we not only provide top-notch advice, but we are also very client oriented and responsive.

Our proposal provides considerable detail on our approach and methodology to addressing the State's consulting needs. We go beyond merely stating that we can provide a desired service; we summarize how we would conduct that project, including the tools and resources to be used – and why. We truly partner with our clients when we take on an assignment and our willingness to show our approach is reflective of that partnership mentality.

Aon Hewitt is among the nation's top human resource consulting firms. We believe that a relationship with Aon Hewitt can offer the State the Return on Investment that proves its human capital investments are sound and profitable. Aon Hewitt has the expertise and resources to assist the State with the services outlined in this proposal.

The Aon Hewitt consultants who would lead the projects have extensive experience working with public sector clients and in particular working with State Health Benefit Plans.

Aon Hewitt's lead consultants who would be involved with the Department are very familiar with the State's needs as well as their objectives, as a result of working with the Department and the State in various capacities at various times through out their careers. In fact, in the past we have worked with the Department on these very assignments both as consultants and as a financial officer at one of your medical insurers.

The key strengths that differentiate Aon Hewitt consulting in the benefits consulting marketplace are:

- Knowledge of the markets, on a nation-wide basis. We have access to Aon Hewitt's entire array of expertise. Our information systems provide a strong communications network for all of our consultants to work together in support of clients.

- Our experience in consulting on local, state, regional, and national public sector employee health plans, as detailed in this proposal.
- Influence in the market and the respect of the insurance and benefits communities. Aon Hewitt's size makes it a formidable presence in the market and a powerful advocate for our clients.
- Our Healthcare Database, described in this proposal, is unmatched in the industry. It is one of the many technical resources available to support both staff and clients.
- We understand the managed care industry and the internal and external influences that shape its future in both the near term and the long term. Aon Hewitt's senior management holds regular meetings with health plan providers and other industry groups to provide feedback and stay apprised of developments.
- We are creative thought leaders in the health and welfare marketplace, constantly striving to address our clients' needs in a proactive manner.

Other key differentiators include:

- Our commitment to exceptional Account Management. Led by both Jim Christ and Ed Fox, who have extensive experience in the public sector, Aon Hewitt will provide a team of highly-qualified consultants to deliver Health and Welfare consulting services to the State. They will have access to regional and national resources, including a network of other Aon Hewitt colleagues experienced in consulting on public sector benefit plans.
- Our knowledge of NYSHIP. Jim Christ, Ed Fox and Susan Marsh have deep and intimate knowledge of NYSHIP, and have completed various assignments for NYSHIP over the last several years. Aon Hewitt has completed reviews of your Dental and Vision Plans as well as a comprehensive review of NYSHIP medical plans from a design, rating and administrative perspective. In addition, Jim Christ was the lead financial officer responsible for the NYSHIP account at Empire BCBS between 1998 and 2005, and both Ed and Jim were lead consultants on the NYSHIP program while at Buck Consultants through 1998.
- Our in-depth knowledge of the managed care industry and our tools that effectively measure access, cost and quality.
- Aon Hewitt's communication practice is fully integrated into our employee benefits consulting practice.

Our Vision, which supports our consultative approach, is outlined in the following:

- To provide truly integrated advice and counsel for our clients, backed by the ability to execute creative solutions to address their needs;
- To encourage entrepreneurial creativity and teamwork; implementing corporate and industry standards;
- To serve as advocates for our clients by seeking unforeseen opportunities and developing goal-oriented solutions;

- To offer seamless integration of services across organizational units and geographies for our clients, and
- To aggressively control costs and exercise a disciplined approach to shareholder investments.

We are so confident that we can exceed your expectations for quality, accessibility and timeliness that we are willing to offer Performance Guarantees and put a substantial portion of our professional fees at risk.

We believe that you will find our proposal responsive to your needs and we look forward to reviewing it with you at your convenience. We look forward to working with the State in the years ahead.

(3) A succinct statement outlining corporate/business history including a general mission statement, the overall number of employees per position, and other general information about the firm in support of the Offeror's representation that it has maintained an organization capable of performing the work specified herein this RFP, in continuous operation for at least the past three (3) years and that it has provided services comparable to the Project Services outlined in this RFP continuously during said period for the benefit of, at a minimum, three (3) governmental organizations;

About Aon Corporation

We have recently moved our Headquarters to London, England, but maintain a significant corporate presence in Chicago, and Lincolnshire, IL. Aon Corporation was incorporated in 1934 and is ranked 286 on the Fortune 500 list. Aon Corporation is a world leader in risk management, retail, reinsurance and wholesale brokerage, claims management, specialty services, and human capital consulting services. Our stock is listed on the New York, Chicago, and London Stock Exchanges (Symbol: AON). A key advantage is our broad view of the insurance industry. Aon Corporation (www.aon.com) is a holding company comprised of a family of insurance brokerage, consulting, and insurance underwriting subsidiaries. Aon Corp. is the holding company for Aon Consulting Worldwide.

Key Highlights

- 120 countries;
- 61,000 employees worldwide;
- 2011 revenue of \$11.3 billion;
- Largest reinsurance broker;
- Largest captive insurance company;
- World's largest insurance brokerage company; and
- A global leader in:
 - Human capital consulting;
 - Insurance and reinsurance brokerage;
 - Outsourcing; and
 - Risk management

Aon Hewitt is a subsidiary of Aon Corporation (NYSE: AON). Aon Hewitt was formed in October 2010 through the merger of Aon Consulting and Hewitt Associates. Each of these organizations was publicly traded prior to the merger. Aon Consulting, Inc., was incorporated in 1978 as a public subsidiary of Aon Corporation. Hewitt Associates LLC was founded in 1940 as a private company and became publicly traded in 2002.

Aon Hewitt is a global leader in human capital solutions with the following strengths:

- Combined Aon Hewitt revenues of \$4.3 billion and 29,000 colleagues globally
- Leading global brand and client service recognized worldwide
- Complementary product and service portfolio across Consulting, Benefits Administration, and HR Business Process Outsourcing
- Diversified presence across large and midsize public and private-sector employers

Aon Hewitt consultants are helping organizations solve some of their most complex people challenges. We work with clients to design incentive programs, manage pension risk, develop investment strategies, optimize organizational structures to improve business results, and guide clients through retirement, pension, and health care reform. No team is better equipped with industry-leading talent, proactive thought leadership, and innovative solutions than Aon Hewitt.

We have been providing consulting services to our clients for 70 years. Key practices include Retirement, Health and Benefits, Investment Consulting, Compensation, Corporate Transactions, Talent and Rewards, and Global Benefits. We solve clients' greatest challenges in the following areas:

- *Benefits*—Controlling the risks and costs associated with employee benefit programs and their potential impact on organizational and financial performance
- *Financial management*—Balancing the potential and risks of benefit program investments
- *Talent*—Managing the potential of critical talent, executives, and next-generation leaders, while minimizing retention and compliance risk of an ever-changing workplace

Aon Hewitt's consulting services are closely aligned with our human capital outsourcing services, to offer clients total end-to-end solutions. In addition, the segment provides tailored communication services to enhance the success of client solutions in all service areas.

Our Mission

Mission Statement: "To partner with our clients to bring distinctive value to their business and to bring uncommon insight and lasting solutions to the management of their risks"

We pursue this mission by:

- *Anticipating the ever-changing needs of our clients and providing value through a breadth of products, services and resources specific to those needs*
- *Engaging a professional staff with deep industry and product knowledge supported by cutting-edge tools and technology*
- *Leveraging our global distribution network, transforming global expertise into local solutions*

Our commitment s: We offer our clients a commitment to quality – providing the highest standard in expert counsel and execution, innovative products and technology,

and creative solutions and services. And we deliver on this commitment with the utmost in integrity and transparency.

We offer our employees a commitment to professional fulfillment – respecting diversity of thought and culture, promoting individual growth and development, and recognizing and rewarding outstanding achievement.

We offer our shareholders a commitment to continuously increasing return on investment – applying a disciplined approach to growth, investment decisions and expense control.

We offer our community a commitment to sharing our success – contributing our time, energy and resources to causes and organizations benefiting our neighbors, both local and global.

Portfolio of Service offerings

Health & Benefits	Retirement	Communication, Talent & Rewards	Human Resource Outsourcing	Financial Advisory and Litigation Consulting	Radford and McLagan	Global Benefits
<ul style="list-style-type: none"> Health & Welfare Coalition purchasing group Consumer Driven Healthcare Data Analytics Elective Benefits Health Management Integrated Health & Productivity Medical Claims Audit Medical Management Audits Medicare Part D Prescription Drug Benefits Retiree Medical Workforce Strategies Center for Predictive Data 	<ul style="list-style-type: none"> Executive Benefits TAX and ERISA Investment Consulting Insurance Consulting Defined Benefit Defined Contribution 	<ul style="list-style-type: none"> Benefits Compensation Communication Health & Benefits communication HR Communication Retirement Communication Employee and Recruitment Process Outsourcing Business & HR Alignment strategies Leadership assessment and development Talent & Performance management Workforce selection and assessment Workforce training and development 	<ul style="list-style-type: none"> HR strategy development Job design and competency modeling Talent selection, assessment and recruitment support Performance management and leadership effectiveness Training & development Employee benefits outsourcing 	<ul style="list-style-type: none"> Corporate Investigative Services Expert Advice Forensic Accounting IT Risk Consulting Litigation Consulting 	<ul style="list-style-type: none"> Compensation surveys / benchmark Pay and productive studies Market share studies Expense benchmarks Compensation plan design Compensation advisory / counsel 	<ul style="list-style-type: none"> Employee Benefits Coalition Purchasing Outsourcing Membership Group Purchasing Programs Voluntary Benefits Services Benefit Assessment Surveys Evaluation of Workforce Productivity

Aon Hewitt has worked with numerous State governments and in particular, details on the consulting work we have done for New York, New Jersey, Delaware and Virginia are in question #4, below.

(4) A succinct statement explaining previous experience providing actuarial and benefits management consulting services to other governmental organizations administering health benefits programs and detail how that experience, in general and specifically in regard to the clients given as Client References in response to RFP, §4.03.3 below, qualifies the Offeror and, if applicable, any subcontractors, to perform the required Project Services;

Aon Hewitt has a long-standing commitment to public-sector consulting. Several years ago, we formalized our public-sector practice – officially known as our Government Human

Capital Services Group – by establishing separate practices to concentrate on State and Local Governments, as well as the Federal Government.

Additionally it should be noted that we are a:

- Corporate Fellow of the National Governors Association
- Regular speaker at State and Local Government Benefits Association (SALGBA) conferences
- Financial supporter of SALGBA

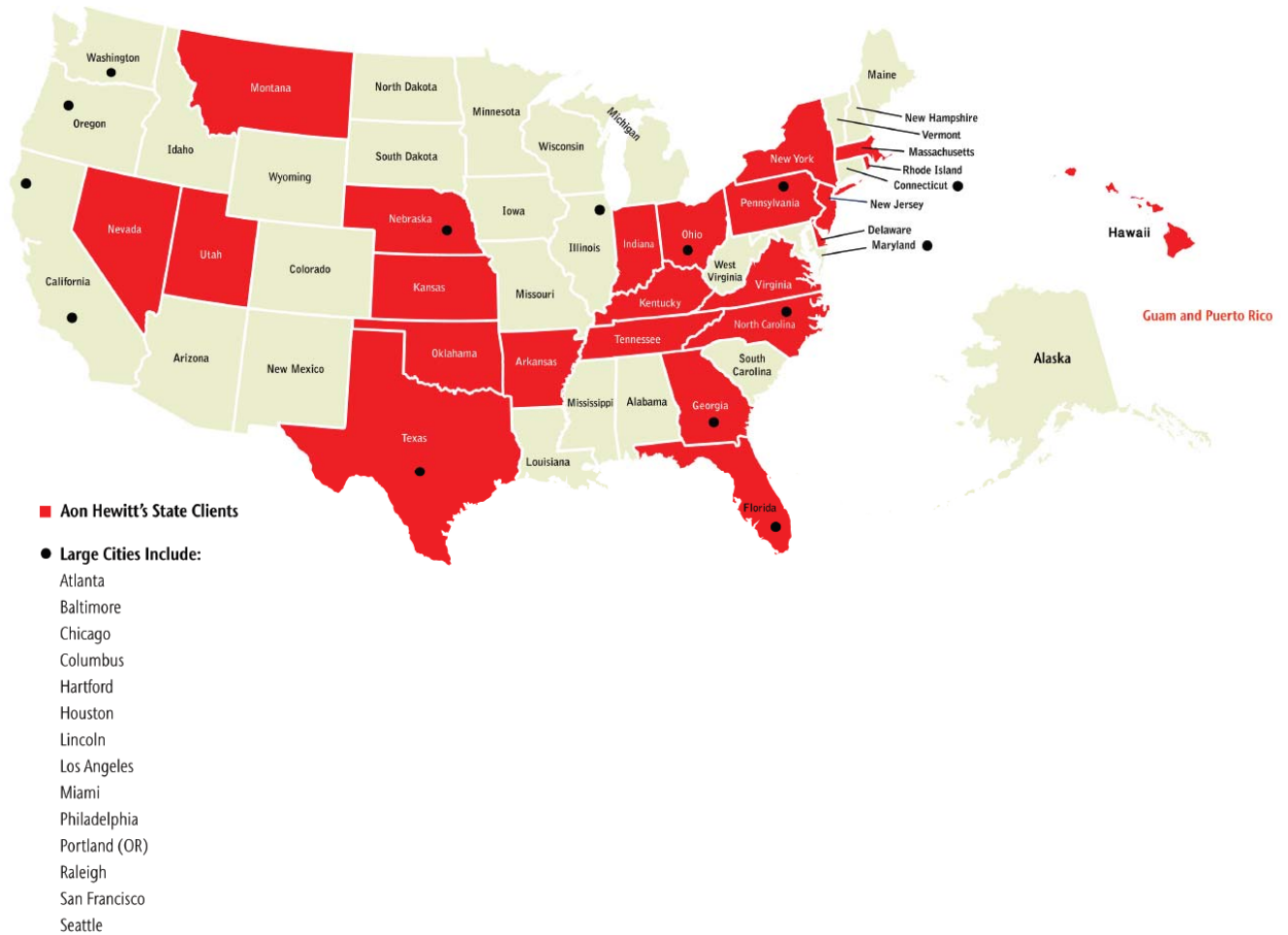
Aon Hewitt has done consulting work for such public sector employee welfare benefit plans as:

- State of New Jersey
- Pennsylvania Public School Employees Retirement System
- State of Delaware
- State of North Carolina
- Pennsylvania Employee Benefit Trust
- Commonwealth of Massachusetts
- Commonwealth of Virginia
- State of Georgia
- State of New York
- State of Oregon
- State of Vermont
- City of New York

The work includes areas such as actuarial and underwriting (including GASB and Premium Rate Settings), and ad-hoc consulting which includes: vendor marketing, plan design and strategy development, collective bargaining assistance, claim and clinical audits, and general consulting.

In particular, Aon Hewitt has recently worked extensively with the States of New Jersey, New York, Delaware, Pennsylvania and Virginia, and the City of New York on many similar projects.

Nationally, we have over 1,000 public sector clients. The map below displays a subset of our public sector business. Having such a deep client base in the public sector gives us keen insights into the costs of the programs and emerging strategies that reduce benefits spending by peers of the State of New York.



New Jersey

Aon Hewitt's Somerset office has been the health and welfare benefit and actuarial consultant for the State of New Jersey's health benefit plan since 2005. The State of New Jersey's health benefit plans (the New Jersey State Health Benefits Program or NJSHBP) cover more than 800,000 State and Local Employees, Retirees, and their dependents with plan costs of approximately \$5 billion annually. As the consultant, Aon Hewitt has been involved in many projects, including:

- Premium Rate Settings: Aon Hewitt develops premium and budget rates for their self-insured medical and dental plans with separate rate breakouts by plan, type of employee (i.e., State, Local Educational, and Local Government) and employee category (i.e., Active and Retiree).
- GASB 43 and 45 Valuations: Aon Hewitt has performed these valuations for the State.
- Claim Audits: Aon Hewitt has completed claim audits of the States largest vendors.

- Collective Bargaining Assistance: Aon Hewitt was intimately involved in working with the State to provide bargaining assistance, on an around-the-clock basis, as requested.

Delaware

Aon Hewitt's Somerset office has also worked on consulting assignments for the State of Delaware. Delaware's health plans cover approximately 100,000 members with annual plan costs of approximately \$500 million.

The scope of services include:

- Vendor management, including contract negotiations
- Vendor bidding and procurement
- All phases of financial consulting:
 - quarterly reporting
 - annual budget projection
 - plan design and contribution modeling to meet budget
- Retiree medical consulting to reduce GASB 45 liability
- Disease management and wellness consulting

Virginia

Virginia's health plans cover approximately 200,000 members and have annual plan costs of approximately \$1 billion.

Aon Hewitt has provided a complete range of actuarial and related services, including:

- Health benefit program Strategic Plan (including health care reform considerations and compliance)
- Annual actuarial estimate of reserves
- Actuarial risk analysis of competing health plans
- ERRP application and claim submission
- GASB actuarial liability projections
- Medicare Part D attestations and consulting
- Development and maintenance of claims database, cost analysis and forecasting systems
- General consulting including plan design, effect of legislative proposals and study requests, among other projects
- Administrator audits and performance reviews
- Procurement assistance including RFP drafting and response evaluation
- Special actuarial and plan design projects required by Executive Order or Legislative Resolution

New York

In 2010, Aon Hewitt was contracted by the State of New York to complete a comprehensive analysis of the State's Dental and Vision Plans. Aon Hewitt worked with a joint labor / management committee in analyzing all areas of the plan including but not limited to the following -

- plan design and providing benchmark data for other public and private sector employers identified by the Committee,
- funding (insured and self-insured arrangements were reviewed),
- employee cost-sharing (both copays / coinsurance as well as employee contributions),
- vendor performance and appropriateness of vendor fees,
- provider access and in-network utilization,
- innovative designs, and
- the impact health care reform may have on the plans.

We also worked for the State of New York in 2010 on a comprehensive analysis of the design, rating and administration of NYSHIP.

City of New York

Aon Hewitt was selected as the City's health and benefits consultant and actuary in the Fall of 2011. Since that time, the Aon Hewitt team has worked with the City on analyzing and negotiating their year-end settlements as well as their annual rate renewal requests for their insured plans. In addition, we have focused on potential health and wellness approaches as well for this client with 500,000 employees/retirees and annual medical spend in excess of \$5 billion.

(5) A concise description of the Contractor's full range benefits consulting services offering and experience addressing, at a minimum, the areas of:

- **plan design consulting,**
- **consulting on selection of vendors,**
- **regulatory and compliance consulting,**
- **wellness programs, and**
- **disease management;**

Plan Design Consulting

Aon Hewitt's Health and Benefits practice stands out in a crowded field. We have achieved an enviable track record in the design, implementation, administration and communications of all types of Health & Welfare plans:

- We rank among the top three H&W consulting practices in the country. This size gives us significant bench strength and the scale to support a robust set of specialized tools and services.

- Our size gives us powerful negotiating leverage with insurance companies. Our clients benefit from the significant volume of business we place with national, local and regional insurance companies.
- We have industry-leading technology for marketing all lines of coverage (including stop-loss) and electronic RFPs and RFIs and comprehensive information databases accessible to all our practitioners. Our Quick Quote platform for life and disability coverage is without peer.
- We are a leader in consumer driven health care consulting. We were the first consulting firm to sponsor a consumer driven health plan for our own employees and an early adopter to provide health coaching services.
- We offer several discounted benefit programs through our Coalition Purchasing Group. Coalition programs include pharmacy, dental, long term care, group legal, group auto/home and critical illness.
- We have a large and growing team providing health and productivity services critical to address the health and disability issues of aging Baby Boomer employees.
- We are a leader in providing voluntary benefit and special risk benefit services. We have a specialized team of practitioners that are experts on the unique characteristics of these programs.
- We are known for being nimble and among the first to adopt innovative solutions. As one example, Aon Hewitt, working with our Aon Risk Services colleagues, can bring unprecedented medical cost management to workers' compensation programs.

In addition, Aon Hewitt's databases and proprietary tools bring an unparalleled level of efficiency to our consulting services. Our database information is continually refreshed.

And every consultant has these tools and databases on their computers. Our leading health and welfare tools include:

- HEDIS profiles on more than 300 health plans.
- AonMed, AonCDH, and AonRx (proprietary actuarial modeling tools) for use in pricing plan design changes.
- Health plan service area databases that enable us match a client's employee residences to any health plan in the country.
- AonPredict to generate predictive modeling reports.
- CalcPro to estimate direct and worker productivity savings potential for disease management and health promotion and wellness.
- HealthLeaders/Interstudy market overviews containing powerful intelligence on dynamic health plan, hospital, and physician sectors in 75 metropolitan markets.
- GeoAccess tools for assessing network access and conducting network disruption studies.
- Best practices and peer review databases to share information and ensure quality client work.
- H&W discussion database granting each practitioner email access to the collective experience of 900+ H&W experts.

- Carrier financial information on hundreds of the nation's largest health and welfare carriers using AM Best information.
- Aon Hewitt's Health Plan Network Discount database containing more than \$200 billion in paid hospital and professional services resulting in discount findings at the 3-digit zip code level.
- Semi-annual health care trend surveys. A copy of the most recent trend survey is included in the Appendix.

Consulting on Selection of Vendors

Aon Hewitt assists our clients in evaluating and selecting the right partner for your program. Our experience with many carriers and our proprietary tools provides us with an unparalleled ability to review, assess and negotiate the best deal. Our high-level approach for this project is as follows:

Step # 1: Program Strategy Development

Aon Hewitt has significant experience with strategy setting in companies of any size. Our methodology is different in that we use a "risk tolerance" model to establish the level of change required and to assess the degree of input that will be needed to ensure a successful program.

This step is a critical beginning to any long term project particularly if there will be a change made as significant as vendor replacement and plan design modifications. In our experience, it is important to clarify the benefit strategy and guiding principles that will be used to make decisions. Understanding your long term objectives will ensure that recommended changes will actually have an impact on the goals you want to achieve.

The steps we follow to developing a strategy are below:

- Discovery – we need to collect as much information on the existing environment as possible. This includes an inventory of current plan designs, financials, contribution strategy as well as information on the company culture and tolerance for change. Aon Hewitt would have most, if not all of this information, as a result of work on the other tasks in this assignment.
- Strategy Meeting – we typically hold a half-day session with key stakeholders to discuss the current state, desired state and the gap. From this gap analysis, we build our objectives and goals for the new program. Guiding principles are important to ensure that any decisions made during the process are weighed against objectives so we don't deviate from our stated course.
- Project Plan – we develop the preliminary project plan, deliverables and timelines.

Aon Hewitt will develop the detailed project plans with dates, deliverable and milestones but will need input from your organization to ensure that our direction meets your needs.

In our experience, the initial planning phase is the most time consuming stage of a project this size for the client. From there, the support declines and we will only need periodic status meetings to gather input and present information and reports.

Step # 2: Program Design Blueprint

Once we have identified the goals and objectives of the program, we begin to model the proposed design. This step consists of several iterative exercises and will require input from your key stakeholders. It is important to have a blueprint of the program as we have defined in the "desired state" so that we can properly evaluate vendor capabilities for each component as well as ensure that we are meeting the stated goals of the program.

During this step, we also begin to craft the metrics we will use to evaluate program efficiency and delivery. The metrics are tied to the components of the program design. The steps for this exercise are:

- Preliminary financial projections – the cost of "doing nothing", the potential savings of the new program and 3-5 year projections
- Winners/losers modeling – evaluation of impact to employees and identification of the employee experience in the program

Aon Hewitt's proprietary tools, models and actuarial expertise make this step unique in that we can use proven methods to ensure that you see the total impact any recommended changes will have on your organization. We evaluate several dimensions including costs, potential savings, and employee expense and experience. Because we have developed robust tools, we can quickly and easily modify our models to give you different perspectives and we can access the best practices we've seen in the marketplace.

Step # 3: Vendor Selection Strategy

Before we begin the vendor selection process, we will need to establish the selection criteria and agree on the scoring methodology to ensure that we select the right vendor. This step includes the following:

- Selection criteria – desired state program elements (must haves vs. nice to have)
- Scoring methodology – development of criteria for selection, prioritization and weighting of program elements (based on importance, cost, and impact)
- Development of selection scorecard

The Aon Hewitt difference is in that we start with the end in mind. It's important to link the selection criteria to the overall program objectives we develop in step one, so we don't make vendor selection decisions on a single dimension (such as pricing) without taking into account employee experience and impact to the organization.

Step # 4: RFP Development and Process Management

The development of the RFP is an important step. We need to ensure that the questions we ask align with our overall program objectives and design criteria. Aon Hewitt has significant experience with the management of RFPs for all types of plans and programs. Our annual RFI database, a proprietary tool that we have developed, will serve as the central point of data for information on vendor capabilities in the market.

With our national access to thousands of plan designs and hundreds of plan options, we can ensure that the vendors you select are evaluated thoroughly to ensure that their offering best meets your expectations. Aon Hewitt has an extensive presence throughout the country and our experience running RFP projects has provided us with unparalleled experience that helps our clients make the right decisions and avoid costly mistakes.

We begin by customizing our RFP template to ensure that your needs are met. Once we have the final questionnaire completed, we manage the marketing process with significant efficiency, ensuring that all questions and issues that arise are documented and responded to with speed and accuracy. We also ensure that all the data that is submitted in response to the RFP is consolidated, evaluated and interpreted in a concise and meaningful manner.

A well-developed RFP will provide more than information. It will become the basis for:

- Evaluating the financial aspects of each proposal
- Refining our assessment of each carrier's capabilities and expertise by utilizing the Aon Hewitt Request for Information (RFI) database and electronic RFP tools
- Ascertaining the level of system and people support for the products
- Negotiating commitments on performance and cost

We will prepare the RFP to include:

- Carrier selection criteria
- A statement of your objectives and performance expectations
- All necessary census, experience and financial quotation worksheets
- A questionnaire addressing carrier capabilities

Step # 5: Proposal Evaluation and Report Presentation

We will compare and analyze all responses, focusing on financial issues as well as the non-financial, qualitative issues identifying the relative strengths and weaknesses each organization possesses in its ability to administer the new program.

During this step, we will work with the bidders to resolve any questions or discrepancies in their proposals. The end result of this step will be an analysis that compares each bidder in the following areas:

- Completeness, accuracy and thoroughness of the responses
- Network discount analysis
- Provider disruption
- Competitiveness of the financial quotations
- Responses to key questions

This same thorough approach is taken when evaluating PBMs or disease management vendors.

The advantage that Aon Hewitt brings to the table is the wealth of data that we have collected with the hundreds of RFPs we manage annually on behalf of our clients. We don't just look at the responses we get during the process but actually consult with our industry leading experts to ensure that there aren't any hidden costs, missing program components or assertions in the responses that would result in making the wrong selection.

We can provide you with insight into the actual operation of these vendors and share client experiences so you know what to avoid and how to get the most from your new relationship. We can also ensure that the financial arrangement you receive is not only competitive but also an arrangement that will have bottom line impact to your organization.

Step # 6: Vendor Selection and Negotiation.

Making the final selection decision can be difficult. You may have an existing relationship or no relationship at all with the prospective vendor. Many times, it's the qualitative criteria that differentiate one vendor from another. Aon Hewitt's "footprint" in the market provides us with deep experience across many dimensions with vendors in the marketplace. We can provide an "insider" point of view of a vendor and draw upon our existing client relationships to supplement the information provided by the vendor.

From a logistical perspective, Aon Hewitt can help with this process in the following ways:

- Facilitation of the finalist meetings – we can help plan and manage the finalist meetings ensuring that each vendor is given the same opportunity to bring their best offer to the table as well as having consistent Q&A so that you get a complete picture.
- Recommendation on vendor – our insight into the inner workings of the vendor marketplace can provide you with the advice you need to make your final decision. Where possible, we can help you conduct reference checks and make recommendations on clients to talk to that have experience working with the vendor you are considering.
- Contract review and negotiation – our experience with contract negotiation goes beyond the standard terms and conditions. We tap into our national Tax and ERISA practice to ensure that contract terms make sense from a compliance standpoint as well as a financial standpoint.

Vendor Selection Tools

Our consultants have an industry-leading toolkit of health and welfare tools and databases at their fingertips to guide your program decisions. This toolkit offers an unmatched precision in selecting vendors that help make our client's strategy a success. We continually refresh our databases to bring an unparalleled level of efficiency to vendor identification and selection. Specific to client's project, we will employ competitive benchmarking to identify "best-in-class" vendors to maximize purchasing value.

Regulatory and Compliance Consulting

As one of the largest risk management and consulting firms in the world, Aon Hewitt has access to a vast array of resources and an extremely diverse knowledge base. The informational resources highlighted below allow Aon Hewitt to provide the highest quality services to its clients. This list is by no means exhaustive, and we would welcome the chance to present a more detailed list to your team.

Our Legislative and Regulatory Activities

Our Washington, DC office and National Tax & ERISA Practice monitors ongoing legislation and regulatory guidance. Aon Hewitt takes a proactive role in influencing and shaping legislation that affects the human resources and financial arenas. Aon Hewitt's senior professionals enjoy access to key policymakers in Washington and major state capitals. They routinely testify before Congress on regulatory issues, compliance issues and proposed regulations. We believe such leadership helps assure our clients' future growth and continued profitability, and helps protect the interest of the entire business community.

Aon Hewitt endeavors to make its views and those of its clients known to governing bodies, both legislative and professional. Our firm is a founding member of the Employee Benefits Research Institute (EBRI). EBRI's findings, and the findings of studies commissioned by it, are published in book and brochure form, and are widely read in Congress and the industry.

Aon Hewitt Representatives on Key Committees

In the legal profession, we are represented on the Employee Benefits Committee of the Tax Section of the American Bar Association and on the Pension Practitioners Ad Hoc Committee of the Assistant Commissioner for Exempt Organizations/Employee Plans. More specifically, Aon Hewitt staff members provide formal written comments and oral testimony on specific pieces of legislation at Congressional hearings and DOL and Treasury regulatory hearings. Aon Hewitt has attorneys and actuaries on staff whose primary responsibility is to maintain personal, informal day-to-day contacts with Congressional aides and DOL and Treasury staff members to point out problem areas and to help determine the government's thinking on specific rules. These professionals are uniquely qualified to determine state compliance with these rulings.

We also have representatives on the Board of the Association of Private Pension and Welfare Plans, the American Academy of Actuaries, the ERISA Industry Committee, and the Employers Council on Flexible Compensation. Our actuaries must meet stringent continuing education requirements; this is done through internal training and attendance at outside seminars such as the Enrolled Actuaries meeting. Analysts who are in the actuarial credentialing program take appropriate review courses and receive internal training.

Washington Liaison

Aon Hewitt frequently attends important Washington legislative or regulatory hearings, but we also have an expanded network of representation through Aon Hewitt's own liaison office, the law firm, and the Washington research service. A typical project would have a very short turnaround time and typically take less than 5 business days to complete. We regularly assist governmental employers, such as the North Carolina

Teachers' and State Employees' Comprehensive Major Medical Plan, the State of Tennessee, the Commonwealth of Virginia, and the State of Maryland, among others with regulatory, legal and compliance issues

Communicating Legislative Issues

"Aon Hewitt Alert" which is published monthly and provided to our clients, highlights current issues in areas such as compensation, personnel practices, qualified plans, and welfare plans.

"Aon Hewitt Update" analyzes a single topical issue and is published whenever an important topic, legislative action, or regulatory development warrants in-depth review and commentary. In addition to keeping clients current with late-breaking congressional activities, Aon Hewitt publishes "Legislative Update" on an ad-hoc basis. For our employers with self-funded plans, our Aon Hewitt Washington, DC office monitors ongoing legislation and regulatory guidance. Aon Hewitt takes a proactive role in influencing and shaping legislation that affects the human resources and financial arenas. Aon Hewitt's senior professionals enjoy access to key policymakers in Washington, DC and major state capitols. They routinely testify before Congress on regulatory issues, compliance issues and proposed regulations. We believe such leadership helps assure our clients' future growth and continued profitability, and helps protect the interest of the entire business community.

In addition to the legal and government compliance expertise available locally, Aon Hewitt Consulting's National Tax & ERISA division provides our clients and consultants with accurate and timely information on developments and trends in employee benefits through its staff located in Newburyport, Massachusetts and Winston-Salem, North Carolina.

The following publications and compliance guides are available:

- Forum - Focuses on current issues and trends in US business;
- Forum Regulatory Development - Summarizes important pending and current legislation;
- Alert - Covers a single significant legislative or regulatory development in depth;
- Research Briefs - Provides monographs on specific trends or emerging trends affecting our clients;
- Fax Surveys - Polls and reports on employers' views and practices regarding timely issues affecting employee benefits, change management, compensation, and human resources; and
- Compliance Guides - Analyzes then summarizes the requirements of relevant legislation through checklists, calendars, standard notices, and forms.

Aon also organizes various opportunities throughout the year for clients to learn about market trends, product enhancements and changing legislation. These opportunities vary from traditional mediums like seminars to more innovative mediums such as webcasts.

Wellness Programs

Double-digit increases in health insurance premiums have caused many employers to begin considering the health status of their employees and how this impacts overall costs. There is no doubt that issues such as smoking or obesity considerably increases the average claim cost of an individual. The question remains- what is the best way for an employer to impact this problem without overstepping its bounds both legally and socially?

In an effort to contain rising health care costs and increase worker productivity and employee satisfaction, more and more employers are offering health promotion and wellness programs. Most of the leading causes of premature death can be linked to personal behaviors that can be modified to reduce risks and costs. A health promotion and wellness program, carefully designed to meet the unique characteristics of a specific workforce, can deliver significant reductions in medical care and the cost of human capital. Aon Hewitt's Clinical Consulting Practice provides specialty services in the design, implementation and ongoing evaluation of health improvement and wellness programs. Rather than seek short-lived savings that can negatively affect employee relations, our consultants help employers to realize the short- and long-term pay offs for "investing" in the health and well being of employees and covered dependents.

The design of a successful health promotion/wellness program requires the ability to:

- Assess the targeted population by studying pertinent claims and demographic data
- Understand existing benefits and programs that impact the wellness initiative
- Be aware of health promotion and wellness components that may maximize objectives
- Design incentive arrangements to increase participation; and establish a framework that permits the tracking of outcomes.

Aon Hewitt's Clinical consultants will work with client and the assigned H&W team to gain an in-depth understanding of your goals and objectives. In addition, information regarding your operations, service standards and benefits programs and policies will be compiled. Aon Hewitt's experienced team will help client to define a successful outcome for your efforts, including:

- High participation rates;
- Improved health-related behaviors;
- Reduced prevalence of risk factors;
- Improved productivity;
- Lower absenteeism;
- Improved recruiting and retention of quality staff; and
- Improved employee morale.

Disease Management

We use a disciplined, methodical approach to sourcing all services, including disease management services. Please keep in mind that we would generally give consideration to the disease management services offered by health plans along with disease management services offered by specialty firms.

During our strategy sessions, we will address specific considerations for the disease management program including, corporate culture, key stakeholders, employee demographics, communication channels, benefit plan design, and current disease management resources. Our clinical staff will analyze available healthcare and utilization data/reports to identify lifestyle behaviors, utilization patterns, chronic diseases, and specialty care conditions impacting clinical and financial outcomes.

We will work closely with vendors to secure all information needed to address your particular needs and expectations.

We can prepare a summary evaluation of all the disease management providers. While dozens of issues must be analyzed, we show below some key considerations that will be scrutinized:

- Customization: Clients the size of New York State demand flexible partners willing to modify programs to meet unique needs.
- Patient identification and stratification: Data warehouse expertise is crucial to high-level performance. Firms must be capable of stratifying patients by clinical condition using medical/surgical claims, prescription drug claims, and lab data.
- Clinical staff: Clinical staff determines the success or failure of the program. We examine clinical specialization, staff contingency plans to accommodate future growth, and training.
- Expert systems: Effective programs utilize computer software to guide clinicians in providing patient interactions and capturing and analyzing patient profiles.
- Enrollment: Current disease management enrollment gives insight into where the firm lies on its maturation scale.
- Outcomes: Clients deserve rigorous evaluative reports showing clinical quality improvement, patient satisfaction, and cost savings.
- Patient/family interaction: Scientifically based "self-management" techniques can improve patient behavioral change. Patient partnering and empowerment is essential. Family members can be used as supportive pillars and motivators.
- Contact frequency: Frequently, the critical determining factor in overall success rests with the ability to strike a rapport with the patient and motivate him/her to assume responsibility for personal health.
- Patient education: Vendor should provide a range of information modules that address basic needs and those of the sophisticated consumer.

- Disease Management Fees: It is important to evaluate fees by type of program and disease management interventions.
- Performance Guarantees: Performance guarantees that to ensure clinical, financial and satisfaction outcomes.
- Reporting: Comprehensive reporting is necessary to ensure program effectiveness and to evaluate outcomes. Reporting should include: participation, engagement, activity, risk stratification, functional level, clinical measures, satisfaction, and financial outcomes.

(6) A description of the activities the Offeror is proposing to undertake to begin or, in the case of the incumbent contractor should they choose to submit a Proposal, continue serving the Department as a client on January 1, 2013;

Immediately upon being selected as the consultant to the Department, Aon Hewitt would commence the transition period. Aon Hewitt would first meet with the Department to confirm the contract requirements and key dates. Aon Hewitt would then develop a transition work-plan with key dates and milestones between the selection date (which is expected to be in Mid July) and the official start date of January 1, 2013. The work-plan would include the following steps:

- Gather all vendor and client contact information from the Department
- Gather and review all recent relevant prior consultant reports and data
- Develop a data request letter, if necessary, and send it to both the State and the vendors
- Meet with the vendors to discuss the data needs and Aon Hewitt's transition plan
- Receive and verify the clarity and accuracy of the data received from the Department and vendors

With Aon Hewitt starting this process before the contract effective date (and with no charge to the State), we would ensure that we would have all the data and resources so that we could hit the ground running on the contract effective date of January 1, 2013.

(7) An explanation as to how the Offeror is proposing to will handle administrative responsibilities such as the billing and invoicing of charges for services to the Department, including a description of how the Offeror will ensure only accurate and complete billing of charges are submitted to the Department;

Each Aon Hewitt Consulting employee tracks the time spent working on client projects using our Time & Expense system. We record time in 15 minute increments to separate billing codes for different client projects. We have our time charged on a monthly basis.

An invoice is generated out of our time and expense system and the account manager reviews the time charges for accuracy. The account manager will prepare a letter to the client detailing the services that are being billed in this monthly invoice.

We will work with the State to determine the most appropriate format for the invoices so the documentation will meet your requirements.

(8) A description of the qualifications and experience of staff assigned to provide IT services in support of the Project Management Team's delivery of the required services and how they will interface with the Project Management Team to complete assignments and reports;

Aon Hewitt's Health & Benefits and Retirement practice organizations possess an embedded, thoroughly integrated and dedicated programming and data analysis team of IT professionals. This data-knowledgeable team of professionals mutually support the other Aon Hewitt knowledge expert consultant staff working with very large clients such as the State of NY. Aon Hewitt's proposed team members for the State of NY routinely handle files that range in size up through the double digit gigabyte size.

Besides being skilled in IT, Aon Hewitt's programmers and analysts are knowledgeable in the nuances of health & benefits – a quality assurance, early anomaly noticing, and error avoidance capability.

The programming team is skilled in data handling, data screening, data warehousing, data analysis, and data prediction. The team possesses the valuation and planning experience to easily adapt to The State of New York's needs. The programming team works hand-in-glove with the Project Management Team. Together these people have the expertise to assist in designing, quality cost effective plans that maintain past promises, are attractive to retain talented workers, and minimize future liabilities.

Aon Hewitt's team is led by an IT professional with more than 20 years of experience in the benefits field.

(9) An overview of the Offeror's IT system and programming capabilities and its capacity to accept data from and exchange data with the Department and Empire Plan carriers, including a description of security measures used to ensure privacy and confidentiality of data is maintained, and

Aon Hewitt has been involved in numerous technology implementations with clients that have benefit and retirement plans that range in size from under 100 participants to a million participants.

To meet the evolving needs of different sized and oriented plan sponsors, Aon Hewitt's IT architecture has been designed to achieve maximum flexibility and reliability in a secure environment. In implementing this design, Aon Hewitt uses a distributed processing architecture with both local and remote data servers and data processing centers. A comprehensive broad band data network links Aon Hewitt's more than 50 major Health & Benefits organization offices.

To maximize flexibility and to insure state of the art capability, Aon Hewitt constantly works with suppliers to provide leading edge hardware, software, and human resources responsive to rapidly changing data processing loads and requirements.

Aon Hewitt has 24/7/365 IT infrastructure monitoring. As an enhancement to the typical distributed processing environment, Aon Hewitt's IT support model is primarily based on centralized remote control. The advantage of this centralized monitoring is that, upon the event of problem identification, rapid action can be taken.

Aon Hewitt ensures that each client team has the technical skills and knowledge needed to provide the service and its method of working ensures that each member of staff has the opportunity to use and build on these skills. This creates an all-round skill base and gives staff greater variety in their work. Aon Hewitt has found that this has the added effect of improving staff motivation and reducing staff turnover.

Aon Hewitt has implemented a corporate wide system of virus and content controls and we use antivirus software that is automatically refreshed. Further controls are provided for the corporate messaging environment including AV and content filtering. Aon Hewitt has also partnered with Postini to provide anti-SPAM services with additional antivirus controls that have helped to reduce the volume of mail traffic by up to 40%. Internet access is filtered and monitored.

Having experienced a major business disrupting event when its office in the New York City World Trade Center disappeared on September 11, 2001 disaster, Aon Hewitt is familiar with the need for disaster recovery plans. Aon Hewitt's Health & Benefits organization operates from more than 50 offices. These offices provide reciprocal support for relocation of key staff in response to situations that might restrict use of normal office facilities.

Aon Hewitt's disaster recovery plan includes procedures to prevent serious problems and to handle recovery of systems and data in case of emergency. Aon Hewitt periodically tests the automated procedures by simulating a system recovery. This helps us verify our recovery procedures and keeps the integrated and remote IT support team trained.

All of Aon Hewitt's data are copied to tape on a weekly, monthly, quarterly and annual basis. These tapes are kept off-site and rotated periodically. Weekly backup tapes are reused after five weeks, monthly tapes after four months, and quarterly and annual tapes are kept indefinitely. All back-ups are kept off-site. For internal use, we keep additional temporary or permanent backup copies of data for selected companies for special reasons. Data may be reloaded from any of these backup copies with a delay of no more than one business day (or only one to two hours in an emergency.)

Aon Hewitt has formal policies and standards for the classification and protection of proprietary and sensitive data. These provide for strong encryption of data at rest and when being transmitted. Aon Hewitt has formal remote access standards.

Access to Aon Hewitt systems via the internet, where the systems provides for internet access, is subject to significant invasion software and reporting of all incidents to our IT Security Services team.

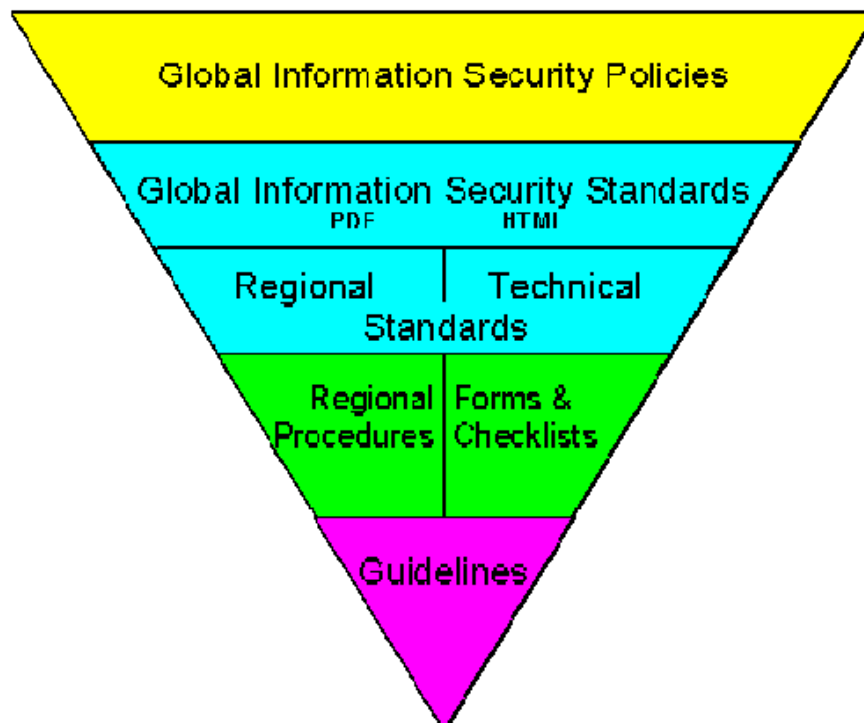
All staff are required to certify compliance with the Aon Hewitt Code of Business Conduct, which includes explicit references to security policy available for review on the company intranet. This includes a Security Awareness Training standard that addresses required training for new hires and ongoing training. There is also a Security Awareness section on the security intranet that provides ongoing information and which is supplemented through ongoing messages on the company intranet home page and email distributions.

Aon Hewitt has a comprehensive set of Network Security Perimeter Standards. Aon Hewitt has its security and network vendor(s) implement these standards in concert with internal and site-specific standards that are reviewed annually under SAS70. The Network Security Perimeter Standards include monthly vulnerability scans on all

externally facing devices. Denial of service and other invasive tests are not allowed and any such traffic is treated as a live threat.

Stringent physical security measures exist at Aon Hewitt's premises. These include a staffed reception, security personnel and key-card entry system. Aon Hewitt employees adhere to a comprehensive Physical Security Standard. Implementation of specific physical security measures varies by Aon Hewitt office location subject to policies of building owners and managers.

Aon Hewitt's IT security policies follow a hierarchical design as identified by the following graphic:



In addition, as of April 21, 2005, to the extent legally required by HIPAA, Aon Hewitt has fully complied with the rules governing administrative, physical and technical safeguards to ensure the security of electronic Protected Health Information (e-PHI), as outlined in Health Insurance Reform: Security Standards; Final Rule, 45 CFR Parts 160, 162 and 164.

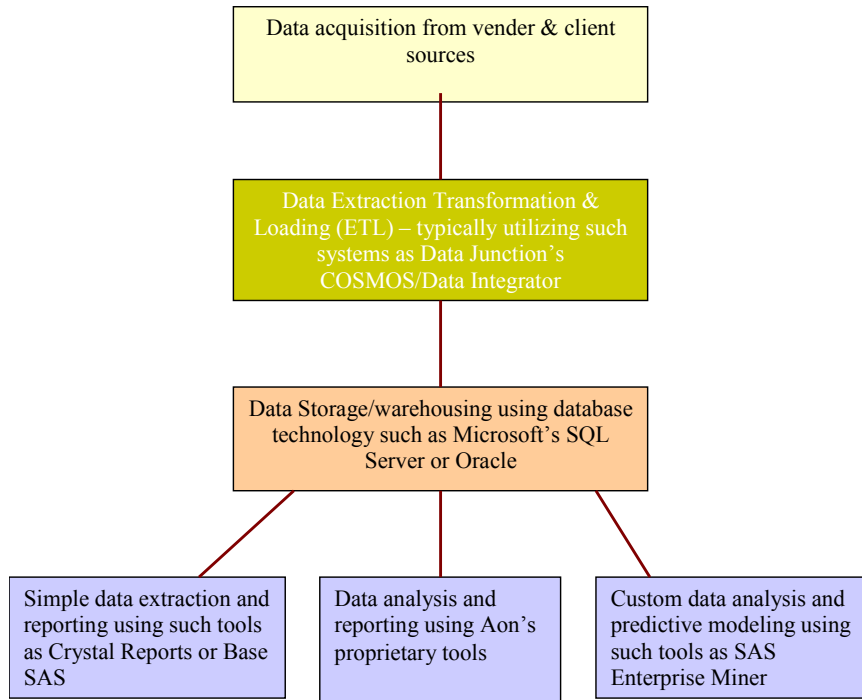
Finally, other than as necessary to provide contracted services, Aon Hewitt does not share client data with any third parties. In no event do we sell or plan to sell any client data to any third party for any reason.

Aon Hewitt's information security policies ensure the secure exchange of data through the usage of Postini for e-mail encryption and MOVEit for secure file transfer using AES encryption.

Data Warehousing

Aon Hewitt has two IT system models within which it would handle data such as that anticipated from the State of New York and its carriers and vendors.

The first data processing model is Aon Hewitt’s custom system. This system is used for large clients who desire flexibility and capabilities extending beyond Aon Hewitt’s existing offerings. This model has been employed by Aon Hewitt for the State of New Jersey Project and, would most be used for the State of New York. The custom system is broadly based on the following system paradigm:



Aon Hewitt has strategic relationships with the larger Data Warehouse vendors (specifically, Thomson Reuters/Veritas, Verisk Health, and Optum Health/Ingenix), and we are also very familiar with various other Data Warehouse vendors and their corresponding tools. We work with these vendors in different ways and in many instances we have preferred pricing arrangements in-place depending upon the necessary solution.

For example, we have worked with the two separate data warehouse vendors of Thomson Reuters/Veritas and Verisk Health to have them build streamlined, multi-client data warehouse solutions where we can access our clients’ data in a more direct fashion in order to tease out action-able, data-based opportunities. In these arrangements, our clients also have direct access to the management-level reporting tools from the warehouse vendor. Our clients reap the benefit of preferred pricing through these arrangements, and even more stringent project management and data management since our Aon Hewitt client team and data management experts are more directly plugged-in.

We have also designed a more pro-active, aggressive measurement and monitoring approach tied to these data warehouse engagements where we optimize our clients’ investment in analytic tools/reports/metrics currently available through the warehouse (either through our multi-client engagement and/or through a stand-alone engagement where our client has a direct contract with the data warehouse vendor). To that end, we have developed a Data Warehouse Optimization Approach, which becomes a key part of the monitoring process for our clients, and it leverages the investment in the data

warehouse solutions/tools in a way that converts the slew of available reports and tremendous access to detailed data into a more comprehensive, presentation-ready, and analytic-ready format. This unique approach tracks the key metrics we will monitor to understand your organization's health & wellness cost and utilization experience. Combined with comparisons to benchmarks and interpretation by Aon Hewitt's measurement consultants, our key findings and recommendations will allow our clients to keep their finger on pulse of what is happening and opportunities for action.

(10) A description of any additional services /benefits that the Offeror provides its customers, including the Department if the Offeror is selected at no additional charge, e.g., newsletter, white papers, etc.

Aon Hewitt provides several publications to keep our clients informed of these issues, many of which are available via email. The following list includes a sampling of Aon Hewitt's publications and reports that are available to clients:

- **Aon Hewitt Bulletins**—Aon Hewitt bulletins provide clients with the latest updates on relevant legislative and regulatory developments in the U.S., as well as key HR trends. Periodically, we feature trends reports that highlight emerging issues in HR and benefits, and our Special Reports to Clients provide in-depth analysis on specific legislative or regulatory developments that could have an impact on our clients.
- **Washington Report**—This weekly email newsletter captures the key HR-related developments in Washington from the previous week.
- **Aon Hewitt Alerts**—These alerts are emailed directly to subscribers when late-breaking HR and business developments occur.
- **Surveys**—Aon Hewitt publishes several surveys each year on key topics or emerging issues, including employer reactions to new regulatory and legislative developments.
- **Aon Hewitt Country Profiles**—This online "eGuide," which is available to clients, covers statutory requirements related to the labor environment and employment terms and conditions, cost of employment, social security and retirement, health care, taxation of compensation and benefits, and issues for expatriates. The eGuide covers approximately 90 countries. A subscription to the eGuide includes monthly updates on pending and passed legislative and technical changes related to issues covered in the eGuide.
- **Global Reports**—Aon Hewitt's international Research team publishes periodic reports to clients providing detailed analysis of new legislative and regulatory developments around the world.
- **Global Retirement Update**—Aon Hewitt's international Research team publishes this monthly report, which summarizes recent legislative developments and trends related to retirement and social security in the Americas, Asia Pacific, Europe, and the Middle East/Africa. We highlight any actions an employer may need to take as a result of pending or passed legislation.
- **Aon Hewitt Monitor (Canada)**—Canada associates publish this weekly newsletter to clients on new HR-related developments occurring in Canada.
- **Aon Hewitt Research Advisory (Canada)**—This ad hoc newsletter provides legislative and regulatory updates affecting the HR industry in Canada.
- **Aon Hewitt.com**—Aon Hewitt's Web site, www.aonhewitt.com, features many of our legislative and regulatory reports, survey results, podcasts, and other materials on hot topic issues. Our online content also features Aon Hewitt experts who discuss timely HR topics, including a special "Ask Our Expert" thought leadership series. In addition, Aon Hewitt publishes a customized client newsletter that is tailored to your interests and information needs. To find out more about *Aon Hewitt Edge*, along with other email subscriptions, please visit www.aonhewitt.com.

The majority of these services are included as a standard part of our consulting services at no additional charge to our clients.

In addition to the wealth of publications offered, we conduct complimentary national, regional, and local events, such as teleconferences, seminars, and breakfast briefings, to share knowledge with our clients.

Conferences

Aon Hewitt hosts national teleconferences and in-person conferences, local breakfast seminars, and roundtables. We use these forums to share information with our clients and to provide them an opportunity to leverage their peers' knowledge and experience. Teleconferences are provided at no cost, and it is not unusual to have more than 200 client participants. Past teleconferences have addressed:

- Guiding Employees Toward Greater Health Care Responsibility
- Insights and Trends on Retiree Health and the New Medicare Drug Benefits
- Take Control: Motivating Employees to Take Personal Responsibility for Their Retirement Saving
- Report From the Field—How Organizations Are Responding to Medicare Part D

Aon Hewitt also conducts annual surveys to capture emerging employer and employee trends.

Aon Hewitt's annual health care survey examines the roads available to employers and employees as they examine their roles in our health care system. The survey results provides a holistic view of the challenges employers have identified, as well as employee perceptions in response to the employer plans and the overall health care system. The survey is available, at no cost, to both the employer and employee and can provide valuable insight into your own population as well as our population as a whole.




EXHIBIT M Key Subcontractors

Exhibit M -- Page 1 of 1

INSTRUCTION: Prepare this form for each Key Subcontractor	
Offeror's Name:	<u>Aon Hewitt</u>
The Offeror: <input type="checkbox"/> is <input checked="" type="checkbox"/> is not proposing to utilize the services of a subcontractor(s) to provide Project Services	
Subcontractor's Legal Name:	
Business Address:	
Subcontractor's Legal Form:	<input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other _____
As of the date of the Offeror's Proposal, a subcontract <input type="checkbox"/> has <input type="checkbox"/> has not been executed between the Offeror and the subcontractor(s) for services to be provided by such subcontractor(s) relating to the Project.	
In the space provided below, describe the Subcontractor's role(s) and responsibilities regarding Project Services to be provided by the subcontractor: 	
Relationship between Offeror and Subcontractor for Current Engagements: (Complete items 1 through 5 for each client engagement identified)	
1. Client:	
2. Client Reference Name and Phone #	
3. Project Title:	
4. Project Start Date:	
5. In the space provided below, Project Status:	
6. In the space provided below, describe the roles and responsibilities of the Offeror and subcontractor in regard to the project identified in 3, above:	

Aon understands the importance of diversity and inclusion and has made great contributions in the utilization of M/WBE organizations across the nation for a number of years. In fact, our commitment runs deeper than simply checking a box. In February of 2009 Aon Corporation launched a dedicated business unit charged with going out into the market place and proactively developing/fostering relationships with diverse businesses to address the specific diversity and inclusion needs of our clients across the nation.

This business unit operating under the name "Aon Cornerstone Innovative Solutions" brings together the global risk and human capital resources of Aon with the knowledge and experience of top diverse partners to deliver distinctive value for clients. Through this approach we:

- Create an established infrastructure to work with qualified fully vetted diverse insurance brokers and human capital consultants, ensuring that you along with our Aon affiliates are working with the top firms in the industry to achieve your diversity goals and objectives
- Provide access to training and Aon conducted forums highlighting relative information that may impact our clients which enables our certified diverse partners and carriers to deliver the highest value for your organization while gaining invaluable industry insight
- Provide innovative implementation options, products and services that can be adapted to meet your specific business needs
- Deliver a best in class team of professionals (Both Aon and M/WBE partners) that not only meet your risk and human capital needs but are representative of the client base you serve.
- Assist our clients and customers in achieving their diversity goals and supplier diversity spend objectives.
- Enhance the perpetuation of certified minority business enterprises in the insurance and consulting marketplace.

While Aon Hewitt does not contemplate using subcontractors for core Tasks #1, #2 and #3, we would seek to use resources from our Cornerstone group for Ad Hoc (Task #4) consulting services for the State of New York.

EXHIBIT N Client References

Client Reference #: 1
Project Reference Name: State of New Jersey Division of Pensions & Benefits

Name of the Client for whom actuarial and benefit consulting services are/were Performed:	State of New Jersey, Division of Pensions & Benefits
Client Contact Information:	
Contact's Name:	[REDACTED]
Contact's Title:	[REDACTED]
Phone Number:	[REDACTED]
Email Address:	[REDACTED]
Services Rendered Description: In the space provided below, the Offeror should describe the nature of the services in satisfaction of the requirements in RFP §4.03.3 demonstrating that the Offeror has provided actuarial and benefit consulting services similar in scope to those as set forth in the RFP.	
<p>Aon Hewitt's Somerset, New Jersey office has been the health and welfare benefit and actuarial consultant for the State of New Jersey's health benefit plan since 2005. The State of New Jersey's health benefit plans (the New Jersey State Health Benefits Program or NJSHBP) cover more than 800,000 State and Local employees, retirees, and their dependents with plan costs of approximately \$5 billion annually. As the consultant, Aon Hewitt has been involved in many projects, including, but not limited to, the following:</p> <ul style="list-style-type: none"> ▪ Premium Rate Settings: Aon Hewitt develops premium and budget rates for their self-insured medical and dental plans with separate rate breakouts by plan, type of employee (i.e., State, Local Educational, and Local Government) and employee category (i.e., Active and Retiree). ▪ GASB 43 and 45 Valuations: Aon Hewitt has performed these valuations for the State. ▪ Vendor Selection: Aon Hewitt has conducted two medical plan vendor searches precipitated by the collective bargaining process that resulted in significant savings and increased employee choice. ▪ Claim Audits: Aon Hewitt has completed claim audits of the State's largest vendors. ▪ Collective Bargaining Assistance: Aon Hewitt was intimately involved, on two different bargaining processes, in working with the State to provide bargaining assistance, on an around-the-clock basis, as requested. ▪ Employer Group Waiver Plan – Aon Hewitt worked with the State to design and implement an Employer Group Waiver Plan that is expected to reduce Medicare-eligible prescription drug cost by more than \$80 million annually. 	

Exhibit N Client References

EXHIBIT N – Page 2 of 3

Client Reference #: 2

Project Reference Name: State of Delaware

Name of the Client for whom actuarial and benefit consulting services are/were Performed:	State of Delaware
Client Contact Information:	
Contact's Name:	[REDACTED]
Contact's Title:	[REDACTED]
Phone Number:	[REDACTED]
Email Address:	[REDACTED]
Services Rendered Description: In the space provided below, the Offeror should describe the nature of the services in satisfaction of the requirements in RFP §4.03.3 demonstrating that the Offeror has provided actuarial and benefit consulting services similar in scope to those as set forth in the RFP.	
<p>The Delaware health plans cover approximately 100,000 members and have annual plan costs of approximately \$500 million. Aon Hewitt's services for Delaware have included:</p> <ul style="list-style-type: none"> ▪ Vendor management, including contract negotiations ▪ Vendor bidding and procurement ▪ All phases of financial consulting: <ul style="list-style-type: none"> - Quarterly reporting - Annual budget projection - Plan design and contribution modeling to meet budget ▪ Retiree medical consulting to reduce GASB 45 liability ▪ Disease management and wellness consulting ▪ Analysis of EGWP opportunities resulting in the upcoming implementation of this arrangement which will result in significant cost savings for the State 	

Exhibit N Client References

EXHIBIT N – Page 3 of 3

Client Reference #: 3

Project Reference Name: New York State Governor’s Office of Employee Relations

Name of the Client for whom actuarial and benefit consulting services are/were Performed:	NYS Governor’s Office of Employee Relations
Client Contact Information:	
Contact’s Name:	[REDACTED]
Contact’s Title:	[REDACTED]
Phone Number:	[REDACTED]
Email Address:	[REDACTED]
Services Rendered Description: In the space provided below, the Offeror should describe the nature of the services in satisfaction of the requirements in RFP §4.03.3 demonstrating that the Offeror has provided actuarial and benefit consulting services similar in scope to those as set forth in the RFP.	
In 2010 Aon Hewitt worked with New York State in reviewing all aspects of the Dental and Vision plans, including the design, funding and administrative aspects of the programs. Aon Hewitt worked with a joint Labor/Management Task Force in this collaborative process that resulted in a report accepted by the Task Force that included recommendations on several potential changes.	

EXHIBIT O Project Team Roster**Exhibit O – Page 1 of 1**

Project Team Member's Name ¹	Position Title	Subcontractor (Y/N)	Employer
Jonathan Nemeth, FSA	Principal	N	Aon Hewitt
Michael Morfe, ASA	Principal	N	Aon Hewitt
Edward Fox	Principal	N	Aon Hewitt
Joe Marlowe	Principal	N	Aon Hewitt
Tom Vicente, FSA	Lead Consultant	N	Aon Hewitt
Susan Marsh, FSA	Lead Consultant	N	Aon Hewitt
James Christ, CEBS	Lead Consultant	N	Aon Hewitt
Hitesh Patel	Lead Consultant	N	Aon Hewitt
Kenneth Morgan, JD	Lead Consultant	N	Aon Hewitt
David Mallett	Principal	N	Aon Hewitt
Kathleen Mahieu	Lead Consultant	N	Aon Hewitt
Kimberly Meacock	Consultant	N	Aon Hewitt
Adam Wolf	Consultant	N	Aon Hewitt
Alex Jaloway	Lead Consultant	N	Aon Hewitt
Justin Muir	Consultant	N	Aon Hewitt

The list above includes a roster of the key staff that we expect would be involved in these projects. Other, more junior staff, would also be involved in many projects.

NOTE:

- ¹ Employers are required by Federal law to verify that all employees are legally entitled to work in the United States. Accordingly, DCS reserves the right to request legally mandated employer-held documentation attesting to the same for each individual assigned work under the Contract. In accord with such laws, DCS does not discriminate against individuals on the basis of national origin or citizenship.

EXHIBIT P Biographical Sketch Form

Exhibit P – Page 1 of 1

INSTRUCTION: Prepare this form for each **key** staff individual, including Key Subcontractor provided **key** staff, if any.

Name:	Jonathan Nemeth, FSA		
Job Title:	Senior Vice President		
Position Title per §4.04 –Assumption 6	Principal		
In the space provided below describe the individual’s proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). Include the percentage of time dedicated to the Project and reporting relationships:			
Jonathan is an FSA and will serve as the lead actuary on this assignment. Jonathan will be responsible for overseeing all technical and actuarial aspects of the project. We anticipate Jonathan will spend approximately 5% of his time on this project, with significantly more at certain times of the year and as required by ad hoc projects. Susan Marsh and Mike Morfe will report to Jonathan on actuarial aspects of the assignment.			
In the space provided below provide a statement disclosing whether or not the proposed individual has competing obligations that require effort during the period during which this individual will be working on the Contract.			
Jonathan will devote the necessary and appropriate time to the State of NY. Other client responsibilities will not impact the service provided to New York State.			
EDUCATION:			
Institution & Location	Degree	Year Conferred	Discipline
State University of New York at Albany	BS	1982	Mathematics
CERTIFICATIONS:			
Fellow of the Society of Actuaries; Member of the American Academy of Actuaries; Fellow of the Conference of Consulting Actuaries			
PROFESSIONAL EMPLOYMENT: (Start with most recent)			
Employer	Title	Dates From – To	
Aon Hewitt	Senior Vice President	1988 to Current	
Empire Blue Cross and Blue Shield	Consulting Actuary	1985 to 1988	
New York State Insurance Department	Consulting Actuary	1982 to 1985	
PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual’s performance of Project Services to the Department program)			
He has over 25 years of experience working on large, complicated employers’ benefits programs. His areas of expertise span medical, dental, vision, life and disability insurance for both active and retired employees. He has worked with employers with large unionized populations, including conducting face-to-face negotiations. He has also provided expert witness advice and testimony for law firms and employers.			
REFERENCES: (Provide and the Name and Phone Number of two references). All references provided must be from client company(ies) external to the Offeror’s or Key Subcontractor’s organization. All references provided should have direct knowledge of the individual’s experience and be able to validate the experience provided as it relates to the individual’s proposed role and responsibilities under the Contract.			
Name:	[REDACTED]		
Phone:	[REDACTED]		
Name:	[REDACTED]		
Phone:	[REDACTED]		

EXHIBIT P Biographical Sketch Form

Exhibit P – Page 1 of 1

INSTRUCTION: Prepare this form for each **key** staff individual, including Key Subcontractor provided **key** staff, if any.

Name:	Michael Morfe, ASA		
Job Title:	Senior Vice President		
Position Title per §4.04 –Assumption 6	Principal		
In the space provided below describe the individual’s proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). Include the percentage of time dedicated to the Project and reporting relationships:			
Mike will be the lead consultant on GASB 45 valuation. In addition, he may be utilized for certain ad-hoc assignments. His role will be primarily oversight.			
In the space provided below provide a statement disclosing whether or not the proposed individual has competing obligations that require effort during the period during which this individual will be working on the Contract.			
Mike will devote the necessary and appropriate time to the State of NY. Other client responsibilities will not impact the service provided to New York State.			
EDUCATION:			
Institution & Location	Degree	Year Conferred	Discipline
University of Delaware	BA AS	1980	Mathematics
CERTIFICATIONS:			
Associate of the Society of Actuaries; Member of the American Academy of Actuaries; Fellow of the Conference of Consulting Actuaries			
PROFESSIONAL EMPLOYMENT: (Start with most recent)			
Employer	Title	Dates From – To	
Aon Hewitt	Senior Vice President	2004 to present	
Mercer Human Resource Consulting	Principal	1996 to 2004	
Price Waterhouse	Senior Manager	1992 to 1996	
A. Foster Higgins & Co.	Senior Manager	1988 to 1992	
PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual’s performance of Project Services to the Department program)			
Mike is the lead GASB 45 consultant on the State of New Jersey, Commonwealth of Massachusetts, and more than a dozen independent cities, counties, authorities and school districts. In addition he is the lead consultant on a consortium of approximately 100 cities and towns currently in process for GASB 45 valuations in the State of New Jersey. Mike is the Medicare Part D attesting actuary for the State of New Jersey and over two dozen other enterprises, and is the Subject Matter Expert for retiree medical consulting for Aon Hewitt on health and benefit matters. He has published a number of articles on retiree medical, GASB and Medicare Part D.			
REFERENCES: (Provide and the Name and Phone Number of two references). All references provided must be from client company(ies) external to the Offeror’s or Key Subcontractor’s organization. All references provided should have direct knowledge of the individual’s experience and be able to validate the experience provided as it relates to the individual’s proposed role and responsibilities under the Contract.			
Name:	[REDACTED]		
Phone:	[REDACTED]		
Name:	[REDACTED]		
Phone:	[REDACTED]		

EXHIBIT P Biographical Sketch Form

Exhibit P Page 1 of 1

INSTRUCTION: Prepare this form for each **key** staff individual, including Key Subcontractor provided **key** staff, if any.

Name:		Edward Fox	
Job Title:		Senior Vice President	
Position Title per §4.04 –Assumption 6		Principal	
In the space provided below describe the individual’s proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). Include the percentage of time dedicated to the Project and reporting relationships:			
Ed will work with the Account Management team on this project. In particular, he will serve as Jim Christ’s back-up on the Account Executive role. His primary role will be that of senior advisor and he will oversee much of the consulting work. We estimate he will spend approximately 5% of his time on this assignment.			
In the space provided below provide a statement disclosing whether or not the proposed individual has competing obligations that require effort during the period during which this individual will be working on the Contract.			
Ed will devote the necessary and appropriate time to the State of NY. Other client responsibilities will not impact the service provided to New York State.			
EDUCATION:			
Institution & Location	Degree	Year Conferred	Discipline
Washington & Jefferson College, PA	BA	1967	English
CERTIFICATIONS:			
Licensed for Life/Health in New Jersey			
PROFESSIONAL EMPLOYMENT: (Start with most recent)			
Employer	Title	Dates From – To	
Aon Hewitt	Senior Vice President	2000 to Present	
Actuarial Sciences Ass. (acquired by Aon)	Director, Health Consulting	1994 to 2000	
Buck Consulting	Principal	1988 to 1994	
Mercer/Meidinger/Hansen	Consultant	1985 to 1988	
Prudential Insurance Company	Director, Healthcare Mgmt.	1967 to 1985	
PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual’s performance of Project Services to the Department program)			
Ed has over 44 years of experience in the group health and welfare benefits area. His experience includes over 6 years in the development and management of managed-care delivery systems and an equal amount of time in industry and government relations and health policy. At Aon Hewitt he provides consulting advice on employee health benefits, specializing in plan design, funding, implementation, and administration of employee benefit programs. Ed has directed group health and welfare consulting assignments for a wide variety of clients in both the public and private sector, including some of the nation’s largest corporations. His public sector experience includes assignments for The City and State of New York, Pennsylvania Public School Employees’ Retirement System, and State of New Jersey			
REFERENCES: (Provide and the Name and Phone Number of two references). All references provided must be from client company(ies) external to the Offeror’s or Key Subcontractor’s organization. All references provided should have direct knowledge of the individual’s experience and be able to validate the experience provided as it relates to the individual’s proposed role and responsibilities under the Contract.			
Name:	[REDACTED]		
Phone:	[REDACTED]		
Name:	[REDACTED]		
Phone:	[REDACTED]		

EXHIBIT P Biographical Sketch Form**Exhibit P – Page 1 of 2**

INSTRUCTION: Prepare this form for each **key** staff individual, including Key Subcontractor provided **key** staff, if any.

Name:	Joe Marlowe		
Job Title:	Senior Vice President		
Position Title per §4.04 –Assumption 6	Principal		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). Include the percentage of time dedicated to the Project and reporting relationships:			
Mr. Marlowe will oversee all projects concerning employee health and productivity improvement. This might entail creating a multi-year strategy for wellness, assessing the impact of care management services including disease management, studying the feasibility of having one or more on-site health centers for state employees, negotiating innovative medical care delivery approaches involving patient-centered medical homes, accountable care organizations, etc.			
In the space provided below provide a statement disclosing whether or not the proposed individual has competing obligations that require effort during the period during which this individual will be working on the Contract.			
Mr. Marlowe has the time available to complete the tasks associated with his area of expertise.			
EDUCATION:			
Institution & Location	Degree	Year Conferred	Discipline
University of Connecticut	B.A.	1973	Political Science
London School of Economics M.Sc. 1976 Demography	M.Sc.	1976	Demography
University of Michigan	Master of Public Health	1978	Public Health
University of Michigan 1978 Master of Public Health, Public Health			
CERTIFICATIONS:			
PROFESSIONAL EMPLOYMENT: (Start with most recent)			
Employer	Title	Dates From – To	
Aon Hewitt	SVP	1990 to current	
Managed Health Care Services	Vice President	1985 to 1989	
Hartford Insurance Group	Assistant Director	1982 to 1985	
Health Systems Agency	Vice President	1979 to 1982	
PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)			
Mr. Marlowe specializes in strategic design for health benefits, onsite health centers, patient care management, disease management, health promotion/wellness, value-based benefit design and other components of health and productivity. An acknowledged thought leader in health care, Mr. Marlowe serves on the Advisory Board of the University of Michigan Center for Value-Based Insurance Design since its inception and as the employee benefits representative to the Change Agent Work Group whose members include senior leaders of the National Business Group on Health, National Business Coalition on Health, Integrated Benefits Institute, International Foundation for Employee Benefits, and Institute for Health and Productivity Management.			

Exhibit P – Page 2 of 2

REFERENCES: (Provide and the Name and Phone Number of two references). All references provided must be from client company(ies) external to the Offeror's or Key Subcontractor's organization. All references provided should have direct knowledge of the individual's experience and be able to validate the experience provided as it relates to the individual's proposed role and responsibilities under the Contract.

Name:	[REDACTED]	[REDACTED]
Phone:	[REDACTED]	[REDACTED]
Name:	[REDACTED]	[REDACTED]
Phone:	[REDACTED]	[REDACTED]



EXHIBIT P Biographical Sketch Form**Exhibit P – Page 1 of 2**

INSTRUCTION: Prepare this form for each **key** staff individual, including Key Subcontractor provided **key** staff, if any.

Name:	Tom Vicente		
Job Title:	Senior Vice President		
Position Title per §4.04 – Assumption 6	Lead Consultant		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). Include the percentage of time dedicated to the Project and reporting relationships:			
Lead retirement actuary. Responsible for the valuation of the plan, compliance with GASB 45 standards, setting of assumptions, overall results, and delivery of results			
In the space provided below provide a statement disclosing whether or not the proposed individual has competing obligations that require effort during the period during which this individual will be working on the Contract.			
Tom will devote the necessary and appropriate time to the State of NY. Other client responsibilities will not impact the service provided to New York State.			
EDUCATION:			
Institution & Location	Degree	Year Conferred	Discipline
Drexel University	BS	1987	Mathematics
CERTIFICATIONS:			
Fellow Society of Actuaries, Enrolled Actuary, Member American Academy of Actuaries			
PROFESSIONAL EMPLOYMENT: (Start with most recent)			
Employer	Title	Dates From – To	
Aon Hewitt	Senior Vice President	6/1987 to current	
PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)			
As a Senior Consultant, he has more than twenty (20) years of experience in actuarial, retiree medical and pension consulting services, as well as the administration and communication of retirement programs.			
Mr. Vicente has provided retirement consulting and actuarial services to many clients including:			
<ul style="list-style-type: none"> • For-profit employers (publicly and privately held, • Governmental employers, • Not-for-profit employers, • Church organizations and, • Taft-Hartley multi-employer programs 			
Some sample clients are the Commonwealth of Massachusetts, Chester County PA, Abington Township PA, the State of New Jersey, the Redevelopment Authority of the City of Philadelphia, Temple University and Drexel University.			
He has been a speaker at meetings for the Actuary's Club of Philadelphia and for Aon Consulting on both a national and local level. Mr. Vicente has published a White Paper on the impact of the GASB 45 accounting rules effecting government employers offering post employment benefit programs and ways in which those employers could mitigate those costs.			
REFERENCES: (Provide and the Name and Phone Number of two references). All references provided must be from client company(ies) external to the Offeror's or Key Subcontractor's organization. All references provided should have direct knowledge of the individual's experience			

and be able to validate the experience provided as it relates to the individual's proposed role and responsibilities under the Contract.

Name:

Phone:

Name:

Phone:

EXHIBIT P Biographical Sketch Form

Exhibit P – Page 1 of 1

INSTRUCTION: Prepare this form for each **key** staff individual, including Key Subcontractor provided **key** staff, if any.

Name:	Susan Marsh		
Job Title:	Vice President and Consulting Actuary		
Position Title per §4.04 –Assumption 6	Lead Consultant		
In the space provided below describe the individual’s proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). Include the percentage of time dedicated to the Project and reporting relationships:			
Susan will serve as the Lead Actuary for Tasks #1 and #2. Susan will be both responsible for the work and overseeing the data programmers and junior actuarial staff on completing these assignments and will report to Jonathan Nemeth. Overall, we expect Susan would spend approximately 5-10% of her time on Tasks #1 and #2.			
In the space provided below provide a statement disclosing whether or not the proposed individual has competing obligations that require effort during the period during which this individual will be working on the Contract.			
Susan will devote the necessary and appropriate time to the State of NY. Other client responsibilities will not impact the service provided to New York State.			
EDUCATION:			
Institution & Location	Degree	Year Conferred	Discipline
Oberlin College	BA	1975	Mathematics
Temple University	N/A	N/A	Actuarial Science
CERTIFICATIONS:			
Fellow of the Society of Actuaries Member of the American Academy of Actuaries			
PROFESSIONAL EMPLOYMENT: (Start with most recent)			
Employer	Title	Dates From – To	
Aon Hewitt	Vice President	1996 to present	
Phoenix Home Life	Associate Actuary	1983 to 1995	
Penn Mutual Life Insurance Company	Assistant Actuary	1980 to 1983	
Philadelphia Life Insurance Company	Actuarial Student	1976 to 1980	
PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual’s performance of Project Services to the Department program)			
Susan is the chief actuary for the State of New Jersey employee/retiree benefits plan and responsible for setting premiums, reserves, projecting future costs, and various ad hoc requests including financial analysis of the recent RFP for medical and prescription drug vendors. In addition, Susan has done financial analysis, reserve setting, benefit pricing for AT&T, Lucent, and several other large national employers while at Aon Hewitt. While at Phoenix Home Life, Susan was responsible for the rate manual, the renewal rate formula, and setting reserves for group medical plans.			
REFERENCES: (Provide and the Name and Phone Number of two references). All references provided must be from client company(ies) external to the Offeror’s or Key Subcontractor’s organization. All references provided should have direct knowledge of the individual’s experience and be able to validate the experience provided as it relates to the individual’s proposed role and responsibilities under the Contract.			
Name:	[Redacted]		
Phone:	[Redacted]		
Name:	[Redacted]		
Phone:	[Redacted]		

EXHIBIT P Biographical Sketch Form

Exhibit P – Page 1 of 2

INSTRUCTION: Prepare this form for each **key** staff individual, including Key Subcontractor provided **key** staff, if any.

Name:	James A. Christ, CEBS		
Job Title:	Vice President		
Position Title per §4.04 –Assumption 6	Lead Consultant/Account Executive		
In the space provided below describe the individual’s proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). Include the percentage of time dedicated to the Project and reporting relationships:			
Jim will act as the Account Executive for the State of New York. In that role, he will be the primary contact of the Department and will oversee and consult as required on all of the tasks included in the proposal. Overall, we expect Jim would spend approximately 10% of his time on the defined services in this Proposal. At certain times of the year, and if required by Task #4 services, the time spent could be significantly higher.			
In the space provided below provide a statement disclosing whether or not the proposed individual has competing obligations that require effort during the period during which this individual will be working on the Contract.			
Jim will devote the necessary and appropriate time to the State of NY. Other client responsibilities will not impact the service provided to New York State.			
EDUCATION:			
Institution & Location	Degree	Year Conferred	Discipline
Cornell University	BA	1983	Physics
CERTIFICATIONS:			
Certified Employee Benefits Specialist Licensed life and health insurance broker in the states of NJ,NY and others			
PROFESSIONAL EMPLOYMENT: (Start with most recent)			
Employer	Title	Dates From – To	
Aon Hewitt	Vice President	2006 to Present	
Empire Blue Cross Blue Shield	Vice President	1998 to 2005	
Buck Consultants	Benefit Consultant	1987 to 1998	
Noble Lowndes Becker	Consultant	1986 to 1987	
Prudential Insurance Co.	Group Underwriter	1983 to 1986	
PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual’s performance of Project Services to the Department program)			
Jim has experience working with clients on the benefit consulting side and working with them in the underwriting department of prominent group health insurers. Jim has directed or contributed to group health and welfare assignments for a wide variety of public sector clients, including the States of New York, New Jersey and Delaware, the Pennsylvania Public School Employees Retirement System, the City of New York, and the Port Authority of New York and New Jersey. Prior to joining Aon in 2006, Mr. Christ was Vice President of Underwriting at Empire Blue Cross Blue Shield, where he was responsible for the financial performance of the National Accounts market segment as well as the NYSHIP program with Empire. He also previously was a benefit consultant with another major professional consulting firm and in that capacity was a consultant to the State of New York.			
REFERENCES: (Provide and the Name and Phone Number of two references). All references provided must be from client company(ies) external to the Offeror’s or Key Subcontractor’s organization. All references provided should have direct knowledge of the individual’s experience and be able to validate the experience provided as it relates to the individual’s proposed role and responsibilities under the Contract.			

Name:	[REDACTED]	
Phone:	[REDACTED]	
Name:	[REDACTED]	
Phone:	[REDACTED]	

EXHIBIT P Biographical Sketch Form

Exhibit P – Page 1 of 1

INSTRUCTION: Prepare this form for each **key** staff individual, including Key Subcontractor provided **key** staff, if any.

Name:		Hitesh Patel	
Job Title:		Vice President	
Position Title per §4.04 –Assumption 6		Lead Consultant	
In the space provided below describe the individual’s proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). Include the percentage of time dedicated to the Project and reporting relationships:			
Hitesh will be involved in all aspects of the pharmacy benefit management review, including benefit design and vendor management, as required.			
In the space provided below provide a statement disclosing whether or not the proposed individual has competing obligations that require effort during the period during which this individual will be working on the Contract.			
Hitesh will devote the necessary and appropriate time to the State of NY. Other client responsibilities will not impact the service provided to New York State.			
EDUCATION:			
Institution & Location	Degree	Year Conferred	Discipline
University of London	B Pharm	1980	Pharmacy
Long Island University	BS	1984	Pharmacy
Northwestern University	MM	1989	Health Management and Finance
CERTIFICATIONS:			
PROFESSIONAL EMPLOYMENT: (Start with most recent)			
Employer	Title	Dates From – To	
Aon Hewitt	Vice President	2007 to Present	
SXC Health Solutions	Vice President Clinical Services	2004 to 2007	
Caremark	Director Analytics/Outcomes	1995 to 2004	
Rush North Shore Hospital	Assistant Director	1989 to 1995	
Loretto Hospital	Assistant Director	1984 to 1989	
PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual’s performance of Project Services to the Department program)			
Hitesh has over 25 years of work experience as a pharmacist and has an excellent business acumen. The combination of clinical and business experience makes him a unique individual to help clients manage their pharmacy benefits. He has worked at two large PBMs in various roles for over 12 years, and understands all aspects of claims processing, data management and clinical issues.			
REFERENCES: (Provide and the Name and Phone Number of two references). All references provided must be from client company(ies) external to the Offeror’s or Key Subcontractor’s organization. All references provided should have direct knowledge of the individual’s experience and be able to validate the experience provided as it relates to the individual’s proposed role and responsibilities under the Contract.			
Name:	[REDACTED]		
Phone:	[REDACTED]		
Name:	[REDACTED]		
Phone:	[REDACTED]		

EXHIBIT P Biographical Sketch Form

Exhibit P – Page 1 of 2

INSTRUCTION: Prepare this form for each **key** staff individual, including Key Subcontractor provided **key** staff, if any.

Name:	Kenneth Morgan, JD		
Job Title:	Senior Vice President		
Position Title per §4.04 –Assumption 6	Principal		
In the space provided below describe the individual’s proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). Include the percentage of time dedicated to the Project and reporting relationships:			
Kenneth would be the lead regulatory and compliance consultant assigned to the State of New York.			
In the space provided below provide a statement disclosing whether or not the proposed individual has competing obligations that require effort during the period during which this individual will be working on the Contract.			
Kenneth will devote the necessary and appropriate time to the State of NY. Other client responsibilities will not impact the service provided to New York State.			
EDUCATION:			
Institution & Location	Degree	Year Conferred	Discipline
Northeastern University (Boston)	JD	1982	Law
College of the Holy Cross (Worcester, MA)	AB	1975	Mathematics
CERTIFICATIONS:			
PROFESSIONAL EMPLOYMENT: (Start with most recent)			
Employer	Title	Dates From – To	
Aon Hewitt (and its predecessors)	Senior Vice President	1993 to Present	
Baer Marks and Upham	Associate	1987 to 1993	
Chadbourne and Parke	Associate	1984 to 1987	
Vladeck, Waldman, Elias & Engelhard	Associate	1982 to 1984	
PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual’s performance of Project Services to the Department program)			
Mr. Morgan is a Senior Vice President in Aon Hewitt’s H&B legal group based in Somerset, NJ. His primary responsibilities as a consultant include providing advice concerning benefit, labor, tax, and related laws with respect to health and benefit plans. He has drafted employment and severance agreements, formal plan documents, trust and related documents, and he negotiated with external entities, such as administrators, record keepers, investment advisors, and others providing services to, or having a relationship with, benefit plans or trusts. He also has consulted extensively in litigation involving his areas of responsibilities. Mr. Morgan was previously with Aon’s Human Resources Outsourcing Group in the United States. He served on the executive leadership team and was the contract manager for the human resources, payroll, and information technology outsourcing agreement with AT&T. In addition to providing advice relating to contract administration and compliance, he had a key role in the transformation activities relating to the outsourcing business acquired from AT&T.			
REFERENCES: (Provide the Name and Phone Number of two references). All references provided must be from client company(ies) external to the Offeror’s or Key Subcontractor’s organization. All references provided should have direct knowledge of the individual’s experience and be able to validate the experience provided as it relates to the individual’s proposed role and responsibilities under the Contract.			
Name:	[REDACTED]		
Phone:	[REDACTED]		

Name:	[REDACTED]	
Phone:	[REDACTED]	



EXHIBIT P Biographical Sketch Form**Exhibit P – Page 1 of 2**

INSTRUCTION: Prepare this form for each **key** staff individual, including Key Subcontractor provided **key** staff, if any.

Name:	David Mallett, MBA, MHA		
Job Title:	Data Forensics & Innovation Team Leader; Senior Vice President		
Position Title per §4.04 –Assumption 6	Principal		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). Include the percentage of time dedicated to the Project and reporting relationships:			
<p>David is a senior vice president and leads the Data Forensics & Innovation national team for Aon Hewitt. David is a recognized thought leader in creating and implementing both standard and custom data and measurement solutions that assure a high value and return on investment. Dave brings 16 years of demonstrated accomplishment within the integrated health analytics and measurement arena.</p> <p>Just in the past 9-12 months, David and his team have leveraged this Health Intelligence On Demand approach for ~ 15 employer clients – some of whom had already made an investment in data warehousing strategies and/or were receiving volumes of silo'd data from vendor reports; however, this person-centric approach allows for a truly more holistic view. Here is an example of the types of clients we have engaged in the Health Intelligence On Demand process: 3M, Astrazenica, CareFusion, Dairy Queen, DaVita, Healthways, Hewlett-Packard, Home Depot, Illinois Tool Works, Nestle, Reed Elsevier, RR Donnelley, Sodexo, and Yahoo!</p> <p>This differentiated approach connects all of the disparate data dots, and helps our clients prioritize the various things that could be implemented to better manage health/wellness, risk and/or productivity issues.</p>			
In the space provided below provide a statement disclosing whether or not the proposed individual has competing obligations that require effort during the period during which this individual will be working on the Contract.			
David leads our national practice for Data Forensics & Innovation and would be involved in ad hoc projects for the State as required.			
EDUCATION:			
Institution & Location	Degree	Year Conferred	Discipline
Quinnipiac University	MBA and MHA	5/2002	Health Care Admin.
University of Connecticut	BS	12/1995	Marketing/Finance
CERTIFICATIONS:			
Achieved the professional designations of Health Insurance Associate (HIA) and Managed Healthcare Professional (MHP) during Spring, 2000			
PROFESSIONAL EMPLOYMENT: (Start with most recent)			
Employer	Title	Dates From – To	
Aon Hewitt	Data Forensics & Innovation Team Leader; Senior Vice President	4/2010 to Present	
Ingenix	Custom Solutions Team Leader; Managing Director of East Region; Director of Product Management for Total Health & Productivity	4/1997 to 3/2010	

	Management; Senior Strategic Account Executive	
Aetna US Healthcare	Financial Underwriter and Accounting Analyst	12/1995 to 4/1997
PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)		
David is a senior consultant and leads the Data Forensics & Innovation national team for Aon Hewitt. He is a recognized thought leader in creating and implementing both standard and custom data and measurement solutions that assure a high value and return on investment. Dave brings 16 years of demonstrated accomplishment within the integrated health analytics and measurement arena.		
REFERENCES: (Provide and the Name and Phone Number of two references). All references provided must be from client company(ies) external to the Offeror's or Key Subcontractor's organization. All references provided should have direct knowledge of the individual's experience and be able to validate the experience provided as it relates to the individual's proposed role and responsibilities under the Contract.		
Name:	[REDACTED]	
email:	[REDACTED]	
Name:	[REDACTED]	
email:	[REDACTED]	

EXHIBIT P Biographical Sketch Form

Exhibit P – Page 1 of 1

INSTRUCTION: Prepare this form for each **key** staff individual, including Key Subcontractor provided **key** staff, if any.

Name:		Kathleen Mahieu	
Job Title:		Leader, Behavioral Health Consulting	
Position Title per §4.04 –Assumption 6		Lead Consultant	
In the space provided below describe the individual’s proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). Include the percentage of time dedicated to the Project and reporting relationships:			
Kathleen would be involved in ad hoc projects concerning behavioral health.			
In the space provided below provide a statement disclosing whether or not the proposed individual has competing obligations that require effort during the period during which this individual will be working on the Contract.			
Kathleen would devote the appropriate time and resources as required for New York State.			
EDUCATION:			
Institution & Location	Degree	Year Conferred	Discipline
Sacred Heart University, Fairfield, CT	BA	1985	Business Administration
Sacred Heart University, Fairfield, CT	MBA	1993	Management
Fairfield University, Fairfield, CT	MEd	2009	Education
CERTIFICATIONS:			
N/A			
PROFESSIONAL EMPLOYMENT: (Start with most recent)			
Employer	Title	Dates From – To	
Aon Hewitt	Leader, Behavioral Health Consulting	5/1986 to present	
PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual’s performance of Project Services to the Department program)			
Kathleen leads Aon Hewitt’s Behavioral Health consulting team and consults with employers to promote workplace mental health, increase mental health awareness, design integrated health programs, and measure effectiveness based on cost, clinical outcomes, and operational and administrative performance. In her role, Kathleen serves as the subject matter expert on autism spectrum disorders (ASD) and consults with employers to design benefits, resources, and services to support individuals with ASD. She recently authored <i>An Employer’s Guide to Autism</i> which provides information to Aon Hewitt clients and consultants regarding ASD and approaches for addressing ASD within an employer’s program.			
REFERENCES: (Provide and the Name and Phone Number of two references). All references provided must be from client company(ies) external to the Offeror’s or Key Subcontractor’s organization. All references provided should have direct knowledge of the individual’s experience and be able to validate the experience provided as it relates to the individual’s proposed role and responsibilities under the Contract.			
Name:		[REDACTED]	
Phone:		[REDACTED]	

EXHIBIT P Biographical Sketch Form**Exhibit P – Page 1 of 2**

INSTRUCTION: Prepare this form for each **key** staff individual, including Key Subcontractor provided **key** staff, if any.

Name:	Kimberly Meacock		
Job Title:	Assistant Vice President		
Position Title per §4.04 –Assumption 6	Consultant		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). Include the percentage of time dedicated to the Project and reporting relationships:			
Kimberly's primary functions include assessing client's need for care management, disease management and wellness initiatives and assisting clients in choosing appropriate vendors. She performs clinical audits of vendor care management programs to determine vendor capabilities, program strengths and opportunities for improvement. She has worked with a number of clients including the State of Pennsylvania, the State of Delaware, the City of Philadelphia, PSEG, Einstein Healthcare Network, the State of Ohio, and the City of Hartford.			
In the space provided below provide a statement disclosing whether or not the proposed individual has competing obligations that require effort during the period during which this individual will be working on the Contract.			
Kim would devote the appropriate time and resources as required for New York State.			
EDUCATION:			
Institution & Location	Degree	Year Conferred	Discipline
Pennsylvania State University	MBA	2004	Business Admin.
Johns Hopkins School of Nursing	BS	1996	Nursing
Dickinson College	BA	1992	Science
CERTIFICATIONS:			
Registered nurse			
PROFESSIONAL EMPLOYMENT: (Start with most recent)			
Employer	Title	Dates From – To	
Aon Hewitt	Assistant Vice President	2006 to 2012	
Thornwald Home	Nurse Supervisor	2005 to 2012	
Claremont Nursing & Rehab	Nurse Supervisor	2002 to 2005	
PHC4	Registry Administrator	1999 to 2004	
PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)			
Kimberly has over 10 years experience in assisting clients. Since joining Aon Hewitt in 2006, she has assisted numerous clients in understanding clinical data analysis, assessing current care management, disease management and health promotion programs, and choosing appropriate vendors when health care programs are needed. Previously she worked as a registered nurse in the hospital setting for 3.5 years and as a nurse supervisor in long-term care for 5 years. She also worked as a research consultant for 5 years analyzing Pennsylvania hospital discharge data to produce risk adjusted public reports for medical conditions and surgical procedures. These reports analyzed quality of care information for hospitals and doctors related to a variety of metrics including length of stay, hospital readmission, patient mortality and complications of care.			
REFERENCES: (Provide and the Name and Phone Number of two references). All references provided must be from client company(ies) external to the Offeror's or Key Subcontractor's organization. All references provided should have direct knowledge of the individual's experience and be able to validate the experience provided as it relates to the individual's proposed role and responsibilities under the Contract.			

Name:	[REDACTED]	
Phone:	[REDACTED]	
Name:	[REDACTED]	
Phone:	[REDACTED]	



Exhibit P Biographical Sketch Form

Exhibit P – Page 1 of 1

INSTRUCTION: Prepare this form for each **key** staff individual, including Key Subcontractor provided **key** staff, if any.

Name:	Adam Wolf		
Job Title:	Consultant		
Position Title per RFP §4.04 – Assumption 6	Consultant		
In the space provided below describe the individual’s proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). Include the percentage of time dedicated to the Project and reporting relationships:			
Adam is a Consultant and will serve in a support role for Susan Marsh and Mike Morfe on all tasks. Adam will be responsible for helping in developing and validating actuarial models. We anticipate Adam will spend approximately 5-10% of his time on this project, with more time as required by ad hoc projects.			
In the space provided below provide a statement disclosing whether or not the proposed individual has competing obligations that require effort during the period during which this individual will be working on the Contract.			
Adam will devote the necessary and appropriate time to the State of NY. Other client responsibilities will not impact the service provided to New York State.			
EDUCATION:			
Institution & Location	Degree	Year Conferred	Discipline
Rensselaer Polytechnic Institute	BS	2004	Computer Science/ Computational Mathematics
Temple University	MS	2006	Actuarial Science
CERTIFICATIONS:			
PROFESSIONAL EMPLOYMENT: (Start with most recent)			
Employer	Title	Dates From – To	
Aon Hewitt	Consultant	2006-Present	
PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual’s performance of Project Services to the Department program)			
Adam is a subject matter expert as well as the lead consultant on a number of Medicare Part D applications serving in all aspects of the Medicare Part D process from developing attestation models, to account management and cost reporting. Additionally, Adam has developed the necessary tools and algorithms to develop the ERRP process used to obtain over \$150 Million in subsidy. Adam has also worked on numerous clients to serve in helping with pricing and development of renewals			
REFERENCES: (Provide and the Name and Phone Number of two references). All references provided must be from client company(ies) external to the Offeror’s or Key Subcontractor’s organization. All references provided should have direct knowledge of the individual’s experience and be able to validate the experience provided as it relates to the individual’s proposed role and responsibilities under the Contract.			
Name:	[REDACTED]		
Phone:	[REDACTED]		
Name:	[REDACTED]		
Phone:	[REDACTED]		

EXHIBIT P Biographical Sketch Form

Exhibit P – Page 1 of 1

INSTRUCTION: Prepare this form for each **key** staff individual, including Key Subcontractor provided **key** staff, if any.

Name:	Alex Jaloway		
Job Title:	Vice President		
Position Title per §4.04 –Assumption 6	Lead Consultant		
In the space provided below describe the individual’s proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). Include the percentage of time dedicated to the Project and reporting relationships:			
Alex will work closely with Mike Morfe on the GASB evaluations and will report to him on these projects.			
In the space provided below provide a statement disclosing whether or not the proposed individual has competing obligations that require effort during the period during which this individual will be working on the Contract.			
Alex will devote the necessary and appropriate time to the State of NY. Other client responsibilities will not impact the service provided to New York State.			
EDUCATION:			
Institution & Location	Degree	Year Conferred	Discipline
Rutgers University	BA	1995	Mathematics
CERTIFICATIONS:			
FSA, MAAA			
PROFESSIONAL EMPLOYMENT: (Start with most recent)			
Employer	Title	Dates From – To	
Aon Hewitt	Vice President	2003 to Present	
Towers Perrin	Associate	2001 to 2003	
Actuarial Sciences Associates	Senior Actuarial Assistant	1999 to 2001	
MetLife	Actuarial Associate	1995 to 1999	
PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual’s performance of Project Services to the Department program)			
Alex is a Vice President in Aon Hewitt’s health and benefits practice in Somerset, NJ. With more than 15 years of actuarial experience, Alex has worked on various aspects of actuarial valuations for ASC 760, GASB 43/45, and ERISA funding purposes. In addition, he has worked on several compliance audits, asset/liability studies and several design studies for post-retirement health benefit plans. For 5 years Alex has performed the annual valuation in addition to providing costs associated with plan design studies for the Post-Employment Benefits Other than Pensions Plan for the State of New Jersey. He has also worked on the post-employment benefit valuation for the Commonwealth of Massachusetts and helped with valuations for other public post-retirement health plans. Alex is a Fellow with the Society of Actuaries and a member of the American Academy of Actuaries.			
REFERENCES: (Provide and the Name and Phone Number of two references). All references provided must be from client company(ies) external to the Offeror’s or Key Subcontractor’s organization. All references provided should have direct knowledge of the individual’s experience and be able to validate the experience provided as it relates to the individual’s proposed role and responsibilities under the Contract.			
Name:	[REDACTED]		
Phone:	[REDACTED]		
Name:	[REDACTED]		
Phone:	[REDACTED]		

EXHIBIT P Biographical Sketch Form

Exhibit P – Page 1 of 1

INSTRUCTION: Prepare this form for each **key** staff individual, including Key Subcontractor provided **key** staff, if any.

Name:	Justin Muir		
Job Title:	Consultant		
Position Title per §4.04 –Assumption 6	Consultant		
In the space provided below describe the individual’s proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). Include the percentage of time dedicated to the Project and reporting relationships:			
Justin is a Consultant and will serve in a support role for Susan Marsh and Mike Morfe on all tasks. Justin will be responsible for helping in developing and validating actuarial models. We anticipate Justin will spend approximately 5-10% of his time on this project, with more time as required by ad hoc projects.			
In the space provided below provide a statement disclosing whether or not the proposed individual has competing obligations that require effort during the period during which this individual will be working on the Contract.			
Justin will devote the necessary and appropriate time to the State of NY. Other client responsibilities will not impact the service provided to New York State.			
EDUCATION:			
Institution & Location	Degree	Year Conferred	Discipline
St. John’s University - Queens, NY	Bachelor of Arts	2006	Mathematics
CERTIFICATIONS:			
PROFESSIONAL EMPLOYMENT: (Start with most recent)			
Employer	Title	Dates From – To	
Aon Hewitt	Consultant	2006 - Current	
PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual’s performance of Project Services to the Department program)			
Justin Muir is a Consultant in Aon Hewitt’s Health & Benefits practice based in Somerset, New Jersey. His primary responsibilities include working on postretirement benefit models and GASB and FASB accounting statements. Justin has also been working on benefit plan redesign projects as well as pricing models. In addition, Justin has experience with Incurred But Not Reported Benefit Reserve calculations.			
Since joining Aon in 2006, Justin has worked with a large variety of benefit plan sponsors including public and private employers ranging in size from 100 to 800,000 employees and retirees.			
Justin graduated from St. John’s University magna cum laude with a degree in Mathematics in 2006. He is currently sitting for the Society of Actuaries Exams.			
REFERENCES: (Provide and the Name and Phone Number of two references). All references provided must be from client company(ies) external to the Offeror’s or Key Subcontractor’s organization. All references provided should have direct knowledge of the individual’s experience and be able to validate the experience provided as it relates to the individual’s proposed role and responsibilities under the Contract.			
Name:	[REDACTED]		
Phone:	[REDACTED]		
Name:	[REDACTED]		
Phone:	[REDACTED]		

§4.03.5 Project Services

At this part of its Technical Proposal, the Offeror should provide the information requested below as regards the Offeror's proposed approaches to deliver Project Service as described in RFP **§3.01**.

Task #1 – Premium Rate Renewals and Plan Funding Requirements

In regard to Task #1, at this part of its Technical Proposal, provide the information sought in A and B, below.

A. Task #1 Work Plan:

Submit a work plan which outlines the proposed process to be followed in order to deliver Task #1 Project Services as set forth in RFP §3.01.1. The outline should include a detailed description of the steps, factors, required staff resources (number of individuals per title and total number of hours per title) using the Position Titles set forth in RFP §4.04 – Assumption #6 needed to successfully complete the Task. (Note: The projected total number of hours per Position Title per year as set forth in the Offeror's work plan must match the total number of hours per Position Title per year as set forth in the Offeror's Exhibit R Form 1 submission.) The Offeror should explain any added assumptions, including justification of those assumptions. Include a timeline with specified start dates, based on number of Business Days, of the major milestones and interim activities for completion of the Task and related activities (e.g. attendance at meetings with the Carriers).

For the fully-insured premium rate analysis, Aon Hewitt will focus primarily on each Carrier's projected aggregate experience and the justification provided by the Carriers to support the trend assumptions, reserve requirements, and administrative expenses/charges included in their rate requests.

For the newly self-insured prescription drug plan, Aon Hewitt will focus on the prescription drug Carrier's projected aggregate experience and the Carrier's expectation for prescription drug trend. In addition, Aon Hewitt will review any analysis that was developed as part of the change from fully-insured to self-insured. To the extent necessary, Aon Hewitt will review the prescription drug bid to evaluate any anticipated savings as a result of this change. Finally, Aon Hewitt's evaluation will include analysis of prior prescription drug claim fluctuations and cash flow to develop funding and claim stabilization reserve recommendations.

For both the fully-insured and self-insured plans, Aon Hewitt will also evaluate the costs and/or savings associated with any Plan revisions, if applicable.

Step # 1 – Submit Work Plan

This process will start on or about June 1st of every year with a detailed work plan submitted every year to the Department prior to July 1st.

Step # 2a – Develop Independent Premium Rate Requirements for Fully-Insured Plans

After submission of the work plan on July 1st, Aon Hewitt will begin developing the independent premium rate estimates. This process will include the following steps:

- Review and assess claims and other relevant data provided by both the State and its vendors
- Work with vendors directly, if necessary, to obtain accurate and complete data
- Develop claims lag analysis based on data provided by the vendors, and using appropriate actuarial completion factors
- Independently develop projected paid and incurred claims based on data provided and Aon Hewitt's analysis
- Evaluate enrollment (actual and projected), trend factors (national and local), vendors network discounts, administrative expenses, extraordinary liabilities or recoveries (actual and projected), appropriate margin levels, deficit recovery (if any) requirements, and other factors which materially impact appropriate rate projections and rate setting
- Evaluate plan financial position (surplus/deficit) based on revenue and cost projections developed
- Develop Aon Hewitt's independent premium rate requirement estimates for each of the fully-insured carriers which will be delivered to the Department not later than August 31st

Step # 2b – Develop Funding Requirements for Self-Insured Plans

After submission of the work plan on July 1st, Aon Hewitt will begin developing the funding requirements for the self-insured plans. This process will include the following steps:

- Review and assess claims and other relevant data (including prescription drug manufacturers' rebates and any other payments) provided by both the State and its vendors
- To the extent necessary, review any cost/savings analysis completed as part of the RFP process
- Work with vendors directly, if necessary, to obtain accurate and complete data
- Develop claims lag analysis based on data provided by the vendors, and using appropriate actuarial completion factors
- Develop factors to adjust for any savings associated with any change in vendor
- Develop projected paid and incurred claims based on data provided and Aon Hewitt's analysis
- Evaluate enrollment (actual and projected), trend factors (national and local), vendors network discounts, administrative expenses, extraordinary liabilities or recoveries (actual and projected), and other factors which materially impact appropriate rate projections and rate setting
- Develop cash flow projections and margin/claim stabilization reserve recommendations to protect NY SHIP against adverse claim fluctuations

- Evaluate plan financial position (surplus/deficit) based on revenue and cost projections developed
- Develop Aon Hewitt's funding rate requirement estimates for each self-insured carrier which will be delivered to the Department not later than August 31st

Step # 3a – Review Carrier Rate Renewal Requests for the Fully-Insured Plans

On the same date Aon Hewitt delivers our independent premium rate requirement estimates, the fully-insured Empire plan carriers do the same. Upon receipt, Aon Hewitt will perform the following services:

- Review all components of the carrier rate submission and identify issues and questions for discussion with the Department
- Approximately 1 to 2 weeks after the carrier rate renewals have been submitted, Aon Hewitt and the Department meet with the carriers to review their rate requests
- Immediately following these meetings, Aon Hewitt provides verbal (and if required written) comments to the Department on the rate requests
- Aon Hewitt supports the Department in the rate negotiations with the carriers, including meetings with the Department and the carriers as necessary
- These steps are typically completed by the end of September

Step # 3b – Review Carrier Cost Projections for the Self-Insured Plans

Aon Hewitt assumes that NYSHIP will require the self-insured Carriers to develop cost projections for the plans which they administer and expect that these projections will be due at the same date as Aon Hewitt's premium rate requirement estimates. The cost projections will include projected claims, rebates, and any requests for increases in the Carrier's fees. Upon receipt of the self-insured Carrier projections, Aon Hewitt will perform the following services:

- Review all components of the carrier cost projection and identify issues and questions for discussion with the Department
- Approximately 1 to 2 weeks after the carrier cost projections have been submitted, Aon Hewitt and the Department meet with the carriers to review their projections and fee increase requests
- Immediately following these meetings, Aon Hewitt provides verbal (and if required written) comments to the Department on the rate requests
- Aon Hewitt supports the Department in the fee negotiations with the carriers, including meetings with the Department and the carriers as necessary
- Aon Hewitt develops updated funding requirements for the next plan year
- These steps are typically completed by the end of September

Step # 4 –Present results to the Joint Labor Management Committee (JLMC) and provide Final Report

- In early October, the Department and Aon Hewitt brief the JLMC on the rate proposals for fully-insured plans and funding requirements for self-insured plans
- Approximately one week later, Aon Hewitt submits its final written rate recommendation to the Department. This report may include comparative analysis with other large employers
- The balance of the process which includes submission of final rates, their approval, and the enrollment period, is not handled by the consultant

Task # 1 – Rate Renewal Report Timeline

	Business Days Required	2013 Due Dates
Step #1- Submit Work Plan - Complete work plan and submit to Department	10	6/29/2013
Step #2 - Develop Cost Projections for Renewal Year - Aon Hewitt obtains updated claim and enrollment information from carriers	10	7/12/2013
- Aon Hewitt resolves any open data issues with carriers	5	7/19/2013
- Develop current year incurred claims adjusted for plan changes, if any based on historical and projected completion factors for each carrier	10	8/2/2013
- Develop projected future trend rate based on (1) historical data, (b) data provided by carriers, and (c) Aon Hewitt's knowledge and database of similar carriers and plans	5	8/9/2013
- Develop projections for prescription drug rebates and any other manufacturer's payments	2	8/13/2013
- Develop reasonable margin levels and appropriate deficit recovery, if any	2	8/15/2013
- Develop appropriate retention/ASO fees based on (a) historical data, (b) changes in services provided, if any, (c) Aon's knowledge of the marketplace	2	8/19/2013
- Develop rate actions by carrier	2	8/21/2013
- Complete written analysis of report	3	8/26/2013
- Submit Independent Rate Requirements Estimate document to the Department	2	8/30/2013
Step #3 - Review Carrier Rate Renewal Request, ASO Fee Increase Request and Cost Projections - Aon Hewitt reviews Carrier rate reports (assumes carrier reports are provided by August 31)	4	9/6/2013
- The department and Aon Hewitt meet with Carriers to discuss rate renewal requests, ASO fee increase requests, and cost projections	2	9/11/2013
- Aon Hewitt provides verbal comments to the Department on Carrier renewals, ASO fee increases and cost projections	3	9/18/2013
- Aon Hewitt supports the Department in rate renewal and ASO fee negotiations with Carriers	5	9/25/2013
- Aon Hewitt submits updated funding requirement for self-insured plans	2	9/27/2013
Step #4 - Present results to Join Labor Management Committee and provide Final Report - Department and Aon Hewitt meet the JLMC to review cost projections	1	10/4/2013
- Aon Hewitt provides final rate renewal report to the Department	5	10/11/2013
- Final Rates presented to the Department of Budget and open enrollment (these steps handled by the Department)		

Personnel and Hours for Task #1			
Title	Anticipated Number of Personnel	#of Hours for Year 1	# of Hours for Subsequent Years
Principal	2	35	30
Lead Consultant	2	70	35
Consultant	2	80	70
Analyst	2	100	80
Administrative Assistant	1	5	5
Total	9	290	240

In addition, the Offeror should:

(1) describe the steps the Offeror will take to ensure that due dates and deadlines for Task #1 are met, and

Aon Hewitt's focus on client and project management along with developing a detailed work plan with steps and milestones ensures that due dates and deadlines are met.

Aon Hewitt will meet the time frames, deadlines and due dates for all steps and processes involved in Task #1. Aon Hewitt has worked with large governmental clients in the past in meeting similar timeframes. In addition, Jim Christ, as Aon Hewitt Account Executive, will be intimately involved in the work and will provide weekly updates to the Department on the status of the work to ensure deadlines are met.

(2) describe the quality assurance process used to ensure Task #1 reports, documents and services are complete, accurate and of the quality required by the Department.

All work produced by Aon Hewitt is first checked and then peer reviewed. The Peer Review procedure is completed by a consultant who reviews the final product and the process and assumptions utilized in producing the final product. Peer Review checks for clarity of presentation, reasonability of final results, appropriateness and reasonableness of the assumptions involved, and sufficiency of scope and detail in the analysis and presentation.

Aon Hewitt senior management required that all colleagues abide by our formal peer review process. Failure to comply may be addressed with disciplinary action, up to and including termination of employment.

The proposed work plan shall serve as the basis upon which the Contractor is to propose its Task #1 Not-to-Exceed Amount as set forth in the Offeror's Financial Proposal.

B. Task #1 Deliverables:

Prepare a comprehensive outline of the information to be provided in satisfaction of the following deliverables, for each of the Empire Plan Carriers, with justification for inclusion of each of the subject areas:

(a) "Benefits Management Consultant Independent Experience Projections and Premium Requirements", and

(b) "Benefits Management Consultant Final Report and Recommendations".

During the process associated with Task # 1, Aon Hewitt will focus on what historically has been the primary focus of the Department during the rate setting process:

- Aon Hewitt will press the carriers on outlining the rationale for future trend as well as explain the components behind historical trend
- Aon Hewitt will bring to the table our experience in the marketplace as well as our knowledge of what is occurring with our other State Government and Northeast region clients to "check" the carrier estimates
- The development of appropriate incurred claim levels as well as appropriate reserve levels
 - For the insured plans, the carriers have a legitimate concern about appropriate reserve levels. However, Aon Hewitt will press the carriers so that they do not apply undue conservatism to these reserves.
 - For the self-insured plans, Aon Hewitt will review claim history and combine it with our knowledge of the cash flow patterns for self-insured plans (including manufacturer's rebates), to recommend appropriate claim stabilization reserve levels.
- Reasonable and appropriate administrative expenses, and risk charges (i.e., retention)
 - For the insured plans, Aon Hewitt will work with the Department so that retention levels are reasonable and reflective of the market as well as the carriers' administrative requirements and risk levels.
 - For the self-insured plans, Aon Hewitt will work with the Department so that the ASO fees and rebates are reasonable and reflective of the market as well as the carriers' administrative requirements.

Aon Hewitt's initial and final rate renewal reports will include the following sections for each of the four carriers:

- Executive summary
- Historical overview
- Analysis of historical trends and recommendations for rating trends
- Financial Projections
- Development of rate renewal and required premium rates
- Presentation of Premium Rates for insured plans
- Presentation of Required Funding for self-insured plans

Task #2 – Quarterly Analysis

In regard to Task #2, at this part of its Technical Proposal, provide the information sought in A and B, below.

A. Task #2 Work Plan:

Submit a work plan which outlines the proposed process to be followed in order to deliver Task #2 Project Services as set forth in RFP 3.01.02. The outline should include a detailed description of the steps, factors, required staff resources (number of individuals per title and total number of hours per title) using the Position Titles set forth in RFP 40.4 - Assumption #6 needed to successfully complete the Task. (Note: The projected total number of hours per Position Title per year as set forth in the Offeror's work plan must match the total number of hours per Position Title per year as set forth in the Offeror's Exhibit R, Form 2 submission.) The Offeror should explain any added assumptions, including justification of those assumptions. Include a timeline with specified start dates, based on number of Business Days, of the major milestones and interim activities for completion of the Task and related activities.

Step #1 – Data Gathering

Aon Hewitt would receive quarterly Carrier reports and additional data from the Department on plan enrollment. The enrollment file should include information about all NYSHIP members such as Benefit Option, employee age, employee coverage (single/family), employee group (Participating Agency, Participating Employer, Student Employee Health Plan), and employee status (Active, Early Retiree, Medicare Retiree). In addition, the first quarter enrollment file should also include both the current Benefit Option and the Benefit Option from the prior year.

Step #2 – Trend Analysis

In order to analyze historical trend patterns, we need to also review various changes that have an impact on claim cost increases:

Open Enrollment Results (First Quarter Report only)

NYSHIP offers State employees a choice of the Empire Plan or one of several HMOs. In addition, Participating Agencies may offer their employees a choice of HMOs in addition to the NYSHIP Empire Plan. Employees will choose the plan which best meets their needs based on its perceived value and perceived cost to the employee, factoring in other variables such as name recognition and reputation, and network adequacy. The result of employee choice can impact the cost of the different plan options, so the first step for the first quarter report of each calendar year will be to analyze the result of the Benefits Options Transfer Period. The focus of this analysis will be to identify any large shifts in enrollment between benefit plans, coverage tiers (Single versus Family), employee groups (Active versus Early Retiree versus Medicare Retiree) and to estimate the impact of this on claim costs.

Enrollment Analysis

Changes in enrollment can also occur as a result of NY State employment decisions (hiring freeze, early retirement option, new state programs, etc) or as a result of changes in NYSHIP Participating Employers/Agencies. The Enrollment Analysis will compare current quarter enrollment with prior quarter's, both in terms of aggregate numbers of covered lives, as well as average age, geographic location, and family status. Based on input from the Department on any anticipated employment/retiree changes and on historical patterns,

we will also use this exhibit to project enrollment for the remainder of the current calendar year and for the subsequent calendar year.

Incurred Claim Factors

The Aon Hewitt analysis will use incurred claims estimates since using incurred claims filters out any payment systems issues, and allows the actuary to isolate the value of enrollment changes due to the Benefit Option Transfer Period or other significant events. Aon Hewitt will use the claim triangle files included in the quarterly reports to calculate appropriate claim completion factors to develop incurred claims. This analysis will be performed separately for each of the 4 carriers, and assuming separate lag tables are provided for Actives, Early Retirees, and Medicare Retirees, since each of these groups may have different claim lag patterns.

Incurred Claims Per Member

Incurred claims through the end of the current quarter will be developed from the incurred claim factors for each of the 4 carriers, as well as for different employee/retiree groups. Annual Incurred Claims per Member will be calculated for the most recent two to three years of experience.

Increase in Incurred Claims per Member

The increase in incurred Claims per Member for each year will be normalized for any items which would have impacted trend (enrollment changes, benefit changes, carrier changes, etc) to develop historical NYSHIP trends. The trend normalization factors will be reviewed and revised with each quarter report. Aon Hewitt will review the Carrier Quarterly Experience Reports to help identify factors which may impact both historical and future trends. The trend analysis will be completed for each of the 4 carriers, as well as for different employee/retiree groups.

Step #3 - Develop Current Year Experience

Current Year Experience requires projections of aggregate Current Year expenses for incurred claims, administrative expenses, and premiums:

Current Year Incurred Claims

For the 4th quarter report, we will apply the incurred claim factors to paid claims to developed Calendar Year incurred claims. For the 1st quarter report, we will apply incurred claim factors to paid claims to develop 1st quarter incurred claims. Incurred claims for the remainder of the calendar year will be calculated by taking the most recent 12 months of incurred claims per member per month (PMPM), adjusting for any benefit changes or demographic changes, and trending to each month of the remainder of the calendar year. The trended claims PMPM will be multiplied by our enrollment projections to calculate aggregate claims. This calculation will be done separately for each of the 4 carriers, as well as for different employee/retiree groups.

Incurred prescription drug costs will be reduced for projected prescription drug rebates and other manufacturers' payments. Projected rebates will be developed based on input from the prescription drug carrier, historical rebate experience, and Aon Hewitt's knowledge of changes in the drug marketplace (such as increased availability of generic drugs) which impact rebate payments.

The trends used to project PMPM claims will be developed in the Trend Analysis Report (see Step #2 above).

Administrative Expenses

In formulating rates, non-claim expenses for the rating period must be added to the expected claims to make appropriate provision for all revenue required in the rating period. Non-claim expenses will consist of at least the following:

- Administrative expenses for the claim payment carriers
- Fulfillment and other non-claim payment expenses not covered above
- Any surplus management additions or subtractions

Current Year Aggregate Premiums

Aggregate premiums will be developed for the current year by multiplying the current year premium tables by the current year enrollment developed in Step #1 above.

Step # 4 - Project Rates for Subsequent Year

Incurred Claims per member will be projected using the following factors:

- Expected Claim trend (developed in the Trend Analysis Exhibit)
- NYSHIP anticipated changes that impact claim costs (developed in the Trend Analysis Exhibit)
- Anticipated Benefit changes (based on input from the Department)
- Any items identified in the Assessment of Current Year Experience that are expected to impact subsequent year claim costs.
- Prescription drugs claims per member will be adjusted for any anticipated changes in prescription drug rebates as a percentage of incurred claims.

Administrative Costs per member will be projected by increasing the current year administrative costs per member and increasing it for any expected changes in non-claim expense. This increase will reflect anticipated administrative cost increases provided by the carriers and can be expected to be much lower than claim trends.

The sum of projected claims and administrative costs per member will be compared to the current year premium rates per member to determine the premium increase necessary to cover projected expenses. The required increase will be further adjusted to reflect any margins or deficit recovery amounts that may be necessary based on NYSHIP prior experience, carrier requirements, and required reserve levels for the claim stabilization reserve on the self-insured plans.

Step #5 – Review Carrier Reports

Aon Hewitt would compare our projections and trend analyses to those in the Carrier Reports, and would work with the vendors to understand the differences. We would adjust our projections to reflect any new information uncovered in this process.

Step #6 – Produce Quarterly Reports

A week before the due date, Aon Hewitt will send the Department a draft report for their review. We will make modifications as necessary, based on feed-back from the Department.

Task # 2 – Quarterly Analysis Timeline

	Business Days Required	2013 Due Dates
Step #1- Data Gathering - NYSHIP send enrollment data and data dictionaries to Aon. Aon Hewitt process data and performs reasonability checks on the data. - Aon Hewitt receives quarterly reports from the carriers	5	4/15/2013 4/23/2013
Step #2 - Trend Analysis - Open Enrollment Results analysis (First Quarter only) - Enrollment Analysis - Incurred claim factor development - Historical increase in claims per member - Projected increases in claims per member	5	4/26/2013
Step #3 - Develop Current Year Experience - Project current year claims - Project current year administrative expenses - Compare loss ratio with Renewal Report loss ratios	1	4/29/2013
Step #4 - Project Rates for Subsequent Year - Projected incurred claims - Project administrative expenses and surplus/margins - Compare projected costs to current year premiums - Compare projected premiums with Renewal Report projections	1	4/30/2013
Step #5 - Review Carrier Reports - Compare Carrier and Aon Hewitt projections - Reconcile differences - Adjust Aon Hewitt projections as necessary	6	5/8/2013
Step #6 - Final Report - Submit preliminary report to the Department - Receive feedback from Department - Edit as necessary and submit final report	1 2 1	5/9/2013 5/13/2013 5/15/2013

Personnel and Total Hours for Task #2				
Title	Anticipated Number of Personnel	# of Hours for 1st Report	# of Hours for 2nd Report	# of Hours for Subsequent Reports
Principal	2	25	20	15
Lead Consultant	2	35	30	25
Consultant	2	50	45	35
Analyst	2	75	65	60
Administrative Assistant	1	3	3	3
Total	9	188	163	138

In addition, the Offerors should:

1) describe the steps the Offeror will take to ensure that due dates and deadlines for Task #2 are met, and

Aon Hewitt's focus on client and project management along with developing a detailed work plan with steps and milestones, ensures that due dates and deadlines are met.

Aon Hewitt will meet the time frames, deadlines, and due dates for all steps and processes involved in Task #2. Aon Hewitt has worked with large governmental clients in the past in meeting similar timeframes. In addition, Jim Christ as the Aon Hewitt Account Executive will be intimately involved in the work and will provide periodic updates to the Department on the status of the work to ensure that deadlines are met.

2) describe the quality assurance process to be used to ensure Task #2 reports, documents and services are complete, accurate and of the quality required by the Department.

All work produced by Aon Hewitt is first checked and then peer reviewed. The Peer Review procedure is completed by a consultant who reviews the final product and the process and assumptions utilized in producing the final product. Peer Review checks for clarity of presentation, reasonability of final results, appropriateness and reasonableness of the assumptions involved, and sufficiency of scope and detail in the analysis and presentation.

As an additional step to assure the quality of our final reports, we plan to send the Department a preliminary report about a week before the final report is due. We will ask the Department to review the Preliminary report to make sure that it meets their expectations.

Aon Hewitt's senior management requires that all colleagues abide by our formal peer review process. Failure to comply may be addressed with disciplinary action up to and including termination of employment.

B. Task #2 Deliverables:

Provide a comprehensive outline of the information to be provided in the "Benefits Management Consultant Review of Empire Plan Carriers' Quarterly Reports" for each of the Empire Plan carriers, and a justification for inclusion of each of the subject areas.

The following describes sections of the report that Aon Hewitt would produce.

Trend Analysis

The Trend Analysis Report will compare NYSHIP historical trends with industry norms to develop an assumption of future NYSHIP trends compared to industry trend expectations. Aon Hewitt will develop two sets of trend factors. The first set will reflect the underlying claim trends and will vary based on type of claim: hospital, medical, prescription drugs, and mental health/ substance abuse. The second set of projection factors will be NYSHIP specific and will reflect anticipated changes due to NYSHIP factors such as enrollment changes or NYSHIP patterns identified by the carriers in their Experience Reports.

Assessment of Current Year Experience

Using the projected claims, administrative expenses, and aggregate premiums developed in Step #3, we will calculate the current year loss ratio and compare it to the ratios projected in the renewal report. To the extent that the current year loss ratios differ from the loss ratios projected in the renewal report, we will review different carrier reports, as well as NYSHIP claim experience to identify factors that have impacted the current year loss ratios. This will identify such factors and describe their anticipated impact on NYSHIP experience

Projected Rates for Subsequent Years

This report will compare Renewal Report projections with the quarterly projections developed in Step 4 for expected claims, administrative expenses, margins and deficit recovery amounts. Any significant differences from the Renewal Report will be identified and quantified.

Task #3 – GASB 45 Valuation

In regard to Task #3, at this part of its Technical Proposal, provide the information sought in A through D below.

4.03.5 Task #3 – GASB 45 Valuation

Governmental Accounting Standards Board Statement No. 45 ("GASB 45") addresses Other Postemployment Benefits ("OPEB") by state and local governments. In accordance with the requirements set forth in GASB 45, the Contractor shall perform an actuarial valuation and develop related reports for the benefit of the Department. In addition to the OPEB of State employees, the valuation must include the OPEB for employees of State University of New York ("SUNY") Campuses, Hospitals and Construction Fund for the various differing fiscal years that will ultimately roll up into the fiscal year financial statements of New York State for the year under review. The NYSHIP PEs and PAs are not included in the valuation; however, they each receive a report that presents the actuarial assumptions that were used in NYS' valuation as guidance to assist them in preparing their own valuations.

The scope of the valuation is limited to post-retirement healthcare benefits. The State offers retiree-pay-all dental benefits and retiree-pay-all life insurance coverage (limited to a specific group of retirees); however, since there is no State contribution to either of these benefits, both are excluded from the valuation.

The valuation must take into account factors and assumptions related to, but not limited to, the following:

- NYSHIP plan provisions, which may be impacted by negotiated changes and vary by bargaining group;
- Relationship of the health care benefits provided and the eligibility criteria under which those benefits are provided;
- Census data (data on both active enrollees as well as non-active enrollees, i.e. retirees, dependent survivors, and vestees) provided to the Contractor by the Department;
- Demographic assumptions based on experience under the New York State & Local Retirement System, Police and Fire Retirement System, and the New York State Teachers' Retirement System;
- Premium rates, provided by the Department;
- As provided for by NYS Civil Service Law, a reduction may be made to retiree premium contribution based on the value of the retiree's unused sick leave credit at the time of retirement (converted to a fixed monthly credit);
- Retiree claim and enrollment data provided by the Department and the Empire Plan carriers (Note: this is detailed claim data and related enrollment data specific to non-active enrollees).
- Medicare is assumed to be the primary payor for current and future retirees and dependents age 65 and over and also for retirees and/or dependents under age 65 who are Medicare eligible due to qualifying disability;
- NYSHIP requires enrollment in Medicare Parts A and B when an individual first becomes eligible for Medicare coverage. NYSHIP reimburses enrollees for the cost of the Medicare Part B premium (excluding any penalty for late enrollment) for Medicare eligible enrollees and their Medicare eligible dependents; and
- An Employee Group Waiver Plan (EGWP) plus wrap will be implemented for Medicare primary enrollees and dependents effective January 1, 2013.

Task #3 Activities Timelines/Due Dates

As described in further detail below, the Contractor shall produce, by May 31, 2013, a Year Two Roll Forward report. The first Valuation to be performed by the Contractor shall be as of April 1, 2014, and the resultant Valuation Report shall be due not later than October 31, 2014. The Valuation shall be performed in accordance with the Contractor's actuarial assumptions as set forth in the Contractor's NYS/SUNY Actuarial Assumptions Report which is due not later than June 30, 2014. During the term of the Contract, the Contractor shall perform, at a minimum, one (1) Valuation and two (2) Year Two Roll Forwards, and may be required to perform a second Valuation and a third Year Two Roll Forward, if the Department does not exercise its option to terminate the Contract after the third or fourth year of its term, as applicable, in accordance with the schedule set forth in the table (The two (2) Valuations and three (3) Year Two Roll Forwards are identified by their associated report names) as follows:

Report Name	Due Date	Deliverable During Contract Year
2013 Year Two Roll Forward Report	5/31/2013	Year 1
2014 Valuation Report	10/31/2014	Year 2
2015 Year Two Roll Forward Report	5/31/2015	Year 3
2016 Valuation Report (possible)	10/31/2016	Year 4
2017 Year Two Roll Forward (possible)	5/31/2017	Year 5

Contractor GASB 45 Responsibilities:

During the term of the Contract, the Contractor shall:

A. General:

- (1) Provide Task #3 related support to the Department, on an as needed basis, in areas including, but not limited to, assisting the Department in:
 - (a) Responding to requests for information from DOB and/or OSC;
 - (b) Preparation for legislative testimony; and
 - (c) Responding to questions on completed valuation(s) posed by auditors contracted to audit NYS' financial records.

B. As regards Valuations:

- (1) Perform an actuarial valuation of NYS' and SUNY's OPEB every two (2) years and produce a comprehensive report by October 31 of the valuation year to present the results of the Valuation ("Valuation Report"). The first Valuation to be performed by the Contractor under the Contract ("2014 Valuation") shall be as of April 1, 2014 for employers' Financial Statement as follows:

Employer	Financial Statements for the year ending
NYS (excluding all of SUNY)	3/31/2016
SUNY Campus	6/30/2015
SUNY Stony Brook Hospital	6/30/2015
SUNY Brooklyn Hospital	6/30/2015
SUNY Syracuse Hospital	6/30/2015
SUNY Construction Fund	3/31/2015

The results of 2014 Valuation shall be set forth in the Contractor's 2014 Valuation Report.

- (2) The Contractor must produce a report that presents the actuarial assumptions the Contractor will use for the Valuation along with the rationale for those assumptions ("NYS/SUNY Actuarial Assumptions Report"). The NYS/SUNY Actuarial Assumptions Report associated with the 2014 Valuation is due not later than June 30, 2014.

- (3) Provide two (2) reports by November 15th of the Valuation year, that present the actuarial assumptions used for NYS' Valuation, one for distribution to PEs ("PE Actuarial Assumptions Report") and the other to PAs ("PA Actuarial Assumptions Report"), to provide assistance in performing their GASB 45. The two reports associated with the 2014 Valuation are due no later than November 15, 2014.

C. As regards Year Two Roll Forwards:

- (1) In the year following a Valuation, produce, by May 31 of that year, a "Year Two Roll Forward" report that:
- (a) includes an exhibit that updates the net OPEB obligation as reported in the prior year's valuation report (net OPEB revised based on actual fiscal year employer contributions, data provided to the Contractor by the Department),
 - (b) includes an exhibit that presents the calculation of the Annual Required Contribution of the year following the valuation (the prior year calculations are trended forward one year),
 - (c) includes an exhibit that presents the development of the Annual OPEB Cost as well as projections of the net OPEB Obligation for Year Two.

The first Two Year Roll Forward report due under the Contact shall be the 2013 Year Two Roll Forward Report for employers' Financial Statement as follows:

Employer	Financial Statements for the year ending
NYS (excluding all of SUNY)	3/31/2015
SUNY Campus	6/30/2014
SUNY Stony Brook Hosp	6/30/2014
SUNY Brooklyn Hosp	6/30/2014
SUNY Syracuse Hosp	6/30/2014
SUNY Construction Fund	3/31/2014

Task #3 – GASB 45 Valuation

In regard to Task #3, at this part of its Technical Proposal, provide the information sought in A through D, below.

A. GASB 45 Prior Experience:

Describe the Offeror's prior experience in providing GASB 45 valuation and reporting services for other governmental organizations. The Offeror should demonstrate its understanding of the scope and purpose of the project in its response.

B. Task #3 Work Plan:

Submit two work plans which outline the proposed process to be followed in order to deliver Task #3 Project Services as set forth RFP §3.01.3. The first work plan should clearly identify the steps related to the actuarial valuation component of the Task (i.e., Valuation) and the second work plan should

clearly identify the steps related to the annual trending component (i.e., Year Two Roll Forward). The outline(s) should include a detailed description of the steps, factors, required staff resources (number of individuals per title and total number of hours per title) using the Position Titles set forth in RFP §4.04 – Assumption #6 needed to successfully complete the Task. (Note: The projected total number of hours per Position Title per year as set forth in the Offeror's work plan must match the total number of hours per Position Title per year as set forth in the Offeror's Exhibit R, Form 3 submission.) The Offeror should explain any added assumptions, including justification of those assumptions. Include a projected timeline with specified start dates, based on number of Business Days, of the major milestones and interim activities for completion of the Task and related activities.

In addition, the Offerors should:

- 1) describe the steps the Offeror will take to ensure that due dates and deadlines for Task #3 are met, and
- 2) describe the quality assurance process to be used to ensure Task #3 reports, documents and services are complete, accurate and of the quality required by the Department.

Given the variability of tasks which may be required from year to year and the effort required due to factors outside the Parties immediate control, on an annual basis, the Parties will, using the Contractor's work plan(s) as a template and the Contractor's Fixed Hourly Rates as set forth in its Financial Proposal, negotiate Task #3 task order work plans detailing the projected effort, deliverables and a Total Projected Cost amount to undertake and complete the task.

C. NYS/SUNY Deliverables:

The Offeror should provide a comprehensive outline of the information to be provided in the "New York State/State University of New York GASB 45 Postemployment Healthcare Benefits Actuarial Valuation" report, including an explanation of each of the subject areas to be included in the document.

D. PE/PA Deliverables:

The Offeror should confirm its ability to produce a modified version of the NYS/SUNY actuarial valuation report as required for distribution to NYSHIP PEs and PAs.

Response:

A. Prior Experience:

The valuation of OPEB liabilities became a core part of our service in 1985, shortly after the Financial Accounting Standards Board (FASB) issued Statement No. 81, which was its first official pronouncement dedicated to accounting requirements for post-retirement health care and life insurance benefits. When FASB Statement No. 106 replaced Statement No. 81 in 1990, the volume of our actuarial OPEB work increased substantially. It has increased again as public entities have begun grappling with similar

issues under GASB Statement Nos. 43 and 45 and reporting OPEB costs and liabilities on their balance Sheet.

AonHewitt performs valuations for a large number of governmental enterprises across the country, from small enterprises to exceptionally complicated state valuations. The partial list below demonstrates our understanding of state valuations, as well as the intricacies of the assumption set in NY. We have utilized the reports referenced above (the PE/PA reports) and similar informational feeds from the State Retirement System of NY in preparing the sample NY valuations listed below.

Among our governmental clients for GASB OPEB valuations are:

1. State of New Jersey
2. Commonwealth of Massachusetts
3. Commonwealth of Virginia
4. State of Nevada
5. State of Hawaii
6. State of Oklahoma
7. State of North Carolina
8. Onondaga County New York
9. Buffalo Public Schools
10. City of Syracuse, New York

Performing the valuations for a significant number of states, counties, cities, authorities and school systems (well over 100 valuations), including one of the largest valuations in the country (New Jersey, with over 400,000 active and retired participants covering multiple pension plans) demonstrates our expertise and experience. We are well-qualified to assist the NYSHIP with their valuation process.

B. Task #3 Work Plan:

Aon will complete the Scope of Services in six primary phases, which are outlined below. This disciplined approach has been successful in many similar projects and is designed to ensure that the NYS/SUNY achieves its objectives and meets its project schedule. We would schedule the first phase immediately upon being notified of the acceptance of our bid.

Phase 1 - Planning Meeting with the NYS/SUNY representatives

At the beginning of the project, Aon will meet with representatives of NYS/SUNY to achieve several important objectives, including:

- Discussion of the high-level project plan for the entire project (as contained in this document)
- Introduction of key team members
- Clarifications of plan provisions, including eligibility requirements, benefit options, retiree contribution levels, etc.
- Discussion and selection of the actuarial assumptions and methods, including actuarial cost methods, which will be used to calculate the OPEB obligations and Annual Required Contribution amounts

- Discussion of the transference of employee and claims data; clarification of the format and content of data to be transferred
- Clarification of expectations regarding project scope, deliverables, and any special needs

This initial meeting is an excellent opportunity to gain a mutual understanding of the key steps in the valuation process, and the way Aon and NYS/SUNY will work together to achieve the objectives.

Phase 2 – Employee Data Collection, Review, and Analysis

The accuracy of employee data is very important because valuation results are only as reliable as the underlying data. Aon will load the employee data provided onto our OPEB valuation system. We will review the data for reasonableness and compare it with expectations regarding numbers of employees and key demographic characteristics. This includes employee data on all current retirees, beneficiaries, and active employees who may eventually become eligible for OPEB benefits. We will ask questions, as appropriate, regarding data that appears to be missing, inconsistent, unexpected, or questionable. NYS will provide corrections, confirmations, or clarifications, as appropriate, and Aon will incorporate any indicated changes.

Phase 3 – Claims Data Collection, Review, and Analysis

Aon will use the historical medical and Rx claim experience for the retirees and disableds (when available) as the basis for developing expected future claim costs for these groups. We expect to receive this data in a format which is readily adaptable to the valuation process.

Aon will adjust the historical data for any benefit changes and/or demographic shifts that occurred during the experience period. After reviewing the data and making any necessary adjustments for anomalies, Aon will trend the experience data forward to the projection period based on the trend rates from Aon's national trend survey and the historical trends of the plans. Missing, unavailable or non-credible data cells will be addressed by using appropriately adjusted national data.

As a result of the claim cost development process, Aon will obtain age/gender/benefit plan claim costs. We will review these costs for internal consistency and against external benchmarks for reasonableness. Aon review existing workpapers regarding Medicare Part D and the determination that the prescription drug benefit plans are determined to be "actuarially equivalent" to the Medicare Part D Standard Plan. We understand some of the retirees have enrolled in Medicare Advantage plans which contain an official Part D prescription drug product. These will be isolated and segmented from the creditable coverage plans.

At this point the initial assumption review report will be prepared and submitted to DCS for discussion and agreement.

Phase 4 – Valuation Processing

Aon will determine the OPEB obligation by projecting the expected claim costs that will be incurred in future years for current retirees, beneficiaries, and active employees who are expected to eventually become eligible for OPEB benefits. This determination will be completed on our actuarial valuation system, ProVal®. It will reflect the specific plan

provisions, employee data, claims experience, and the actuarial assumptions that are agreed to during Phase 1 of the project.

After the OPEB obligations are determined as of the current valuation date, Aon will determine Annual Required Contribution amounts for each plan and other amounts required in accordance with GASB 45.

After valuation results are finalized for the initial year of the study, we will project plan liabilities and costs into future years. This will allow NYS/SUNY to see the implications of maintaining the plan in the future on a status-quo basis. First, we will project funding requirements on a pay-as-you-go basis, and project the associated Annual Required Contribution amounts. Then, we will analyze the effect of prefunding the plans, and project Annual Required Contribution amounts, based on an assumed level of prefunding.

We will calculate the expense, i.e. the AOC, for the projected plan liabilities. In our expense projection, we will separately identify the funding stream due to the payment by CMS for the Retiree Drug Subsidy due to creditable coverage.

Phase 5 – Report Preparation

We will prepare a report for NYS/SUNY that will include:

- OPEB obligations by plan
- Annual Required Contribution, AOC and NOO amounts, by plan
- Projection of plan costs on a pay-as-you-go basis
- Projection of Annual Required Contribution amounts on a prefunding basis
- Narrative description of issues that should be considered in the prefunding decision
- Suggested plan design or other changes that could reduce the Commonwealth's OPEB obligations
- Key observations from the valuations
- An actuarial certification as to the accuracy of the results
- Summary of current plan provisions
- Summary of the actuarial assumptions and methods used to develop plan obligation and annual required contribution amounts
- Certain other information required by GASB 45

Phase 6 – Presentation of Results

Aon Consulting will meet onsite with NYS/SUNY officials to present and discuss the valuation results. This meeting will include a discussion of prefunding options, plan design opportunities, trends in the public sector, and opportunities created by other legislation, such as recent health care reform legislation.

Week Beginning	Key Activities	Aon Senior Staff Involved	Deliverables
Week 1	Initial Planning Meeting ¹ NYS Department of Civil Service (DCS) sends employee and historical claims data, and other required information	Principal(s) – 10 hours Lead Consultant - 5 hours	Project Plan Methods & Assumptions Adoption date of GASB 45 Data files and reports
Weeks 2-4	Aon loads and edits employee data Aon reviews plan provisions Aon analyzes claims data Aon programs the plan provisions into its valuation system DCS clarifies all questions regarding plan provisions, retiree contribution levels, etc. ²	Lead Consultant – 15 hours Consultant – 15 hours Analyst – 40 hours	Initial questions about employee data Initial questions about claims data
Week 5	Aon finalizes employee data Aon finalizes claims data analysis Aon sends data questions Aon programs the plan provisions into its valuation system	Consultant – 25 hours Analyst – 40 hours	Final questions about employee data Final questions about claims data
Week 6	DCS sends answers to all employee and claims data questions Aon tests valuation system	Consultant – 15 hours Analyst – 40 hours	
Week 7	Aon reviews new employee data and makes appropriate adjustments Aon finalizes calculation of	Lead consultant – 5 hours Consultant – 15 hours Analyst – 40 hours	Summary of baseline per capita claims ³

Week Beginning	Key Activities	Aon Senior Staff Involved	Deliverables
	baseline per capita claims Aon finishes preliminary testing of valuation system		
Week 8	Aon loads new employee data and creates first full valuation runs Initial draft of Assumption report	Lead consultant – 5 hours Consultant – 15 hours Analyst – 35 hours	Summary of employee counts ⁴
Week 9	Aon reviews initial results and makes adjustments as appropriate Aon begins drafting report Aon determines appropriate costing method	Principal – 10 hours Lead consultant – 5 hours Consultant – 15 hours Analyst – 35 hours	
Week 10	Aon calculates Annual Required Contributions, DCS provides any final guidance	Lead consultant – 10 hours Consultant – 20 hours Analyst – 35 hours	Summary of estimated Annual Required Contribution amounts
Week 11	Aon finalizes calculations and drafts report	Principal – 10 hours Lead consultant – 15 hours Consultant – 20 hours	
Week 12	Aon finalizes report	Principal – 10 hours Lead consultant – 20 hours Consultant – 20 hours	
Week 13	Meeting to discuss report, valuation results, prefunding options, key	Principal – 10 hours Lead consultant – 20 hours	OPEB Report

Week Beginning	Key Activities	Aon Senior Staff Involved	Deliverables
	observations, etc.		
<p>Key issues and decision points (numbers below correspond to footnote marks above):</p> <ol style="list-style-type: none"> 1. Decide actuarial assumptions. This meeting is a key time for NYS/SUNY to provide initial guidance for the entire study. 2. Key time for DCS to clarify any plan provisions to be reflected in the valuation. 3. Key time for DCS to review baseline claim calculations for reasonableness. 4. Key time for DCS to review employee counts, by plan, for reasonableness. 			

ANSWER: Work Plan #2 - Rollforward

Aon will complete the Scope of Services in three primary phases, which are outlined below. This disciplined approach has been successful in many similar projects and is designed to ensure that the NYS/SUNY achieves its objectives and meets its project schedule. We would schedule the first phase immediately upon being notified of the acceptance of our bid.

Phase 1 – Discussion of Material Changes

In order to take advantage of the biennial valuation provisions of GASB 45 there needs to have not been any significant changes in the benefit provisions, covered population, or any other factors that could impact the results. As we start this task we will review with the DCS whether any such changes occurred.

Phase 2 – Data Collection, Review, and Analysis

Collect actual payout information for the plan for the most recently completed fiscal year for each entity.

Phase 3 – Report Preparation

Aon will prepare a full report based on the “roll-forward” and projection of certain liabilities of the plan. This combined with the use of actual payouts will result in the actual Net OPEB Obligation (NOO) and resulting changes to the ARC and AOC.

Aon will issue a full report similar to the full Valuation report. This allows the roll-forward report to stand on its own and to have all assumptions and methods fully disclosed within the report.

Week Beginning	Key Activities	Aon Senior Staff Involved	Deliverables
Week 1	Discussion of material changes	Principal – 2 hours Lead consultant – 2 hours Consultant - 2 hours	Methods & Assumptions Completion of review of plans and census

Week Beginning	Key Activities	Aon Senior Staff Involved	Deliverables
Weeks 2-3	Aon collects all payout information from the prior fiscal year. All liabilities are recomputed at the new valuation date.	Lead Consultant - 2 hours Consultant - 4 hours Analyst - 16 hours	Questions on payouts (if any)
Week 4	Aon drafts report for review	Lead consultant - 6 hours Consultant - 6 hours Analyst - 11 hours	
Week 5	Aon finalizes report	Principal - 6 hours Lead consultant - 6 hours Consultant - 6 hours Analyst - 6 hours	OPEB Roll-Forward report

C. NYS/SUNY Deliverables:

For a valuation of this size and scope, we expect that we would validate the necessary exhibits and content with you prior to the delivery of the report, and have complete buy-in of important assumptions and methodologies including confirmation of the substantive plan of benefits. Our report will follow the outline set forth below, with content as discussed:

EXECUTIVE SUMMARY – Highlights of the valuations including summary results, key drivers of movements in the costs and liabilities, including plan amendments and adaptations to legislative changes.

ACTUARIAL CERTIFICATION – Certification of the valuation by the signing actuaries. All OPEB valuations from AonHewitt have two signing actuaries, one for valuation processes and one for substantive plan processes.

VALUATION RESULTS – Detailed valuation results of Unfunded Accrued Actuarial Liability (UAAL) and Annual Required Contribution (ARC) pursuant to the actuarial cost method utilized for the valuation.

ACCOUNTING INFORMATION – Detailed calculation of the accounting figures for the CAFR – the Net OPEB Obligation (NOO) and the Annual OPEB Cost (AOC). These are derived from the UAAL and the ARC. Required Supplementary Information is also developed in this section.

PROJECTED PAY-AS-YOU-GO COSTS – Projected benefit payments from the valuation process, that form the UAAL. Projected benefit payments are typically displayed for 10 years. We notice your current reports display approximately 100 years of benefit payments, and AonHewitt will provide these if it continues to provide value to the State.

SUMMARY OF PLAN PROVISIONS SECTION – All relevant plan provisions required for disclosure, which feed into the Actuarial Assumptions section, are displayed in this section. This includes eligibility and the benefit delivery descriptions. The financial commitment to the benefit delivery – that is the apportionment methodology of total costs to plan sponsor and plan participant – is also described here.

ACTUARIAL ASSUMPTIONS – All relevant actuarial assumptions including demographic assumptions, economic assumptions, and substantive plan assumptions.

CENSUS DATA AND DEMOGRAPHICS – Synopsis of census data utilized in the valuation, with relevant statistics.

D. PE/PA Deliverables:

The Offeror should confirm its ability to produce a modified version of the NYS/SUNY actuarial valuation report as required for distribution to NYSHIP PEs and PAs.

AonHewitt confirms we will produce the required PE/PA deliverables set forth as requirements in this Request For Proposal. We have significant familiarity with these deliverables, as we have utilized them to perform valuations for other enterprises in the State of NY.

Task #4 – Ad Hoc Consulting Services

In regard to Task #4, at this part of its Technical Proposal, provide the information sought in A, B and C, below.

A. General:

Offerors should:

- 1) detail the proposed process by which the Offeror will plan, complete and report back to the Department on Ad Hoc projects;**

As ad-hoc projects emerge, Aon will scope out the project plan, outlining required data, as well as timing and projected fees and report back to the Department. To the extent the project will last more than approximately two weeks, we will provide the Department with periodic progress reports.

- 2) describe the steps the Offeror will take to ensure that due dates and deadlines for the required ad hoc deliverables are met, including how the Offeror will ensure that this process meets the time constraints and specialized needs of the Department, and**

Aon's focus on client and project management along with developing a detailed work plan with steps and milestones, ensures that due dates and deadlines are met.

3) describe the quality assurance process used to ensure requested Ad Hoc reports, documents and services are complete, accurate and of the quality required by the Department.

All work produced by Aon is first checked and then peer reviewed. The Peer Review procedure is completed by a consultant who reviews the final product and the process and assumptions utilized in producing the final product. Peer Review checks for clarity of presentation, reasonability of final results, appropriateness and reasonableness of the assumptions involved, and sufficiency of scope and detail in the analysis and presentation.

Aon Hewitt's senior management requires that all colleagues abide by our formal peer review process. Failure to comply may be addressed with disciplinary action, up to an including termination of employment.

As an additional step to assure the quality of our final reports, we plan to send the Department a preliminary report about a week before the final report is due. We will ask the Department to review the Preliminary report to make sure that it meets their expectations.

Given the variability of tasks/effort and resources from one Ad Hoc Project to another, on a Ad Hoc Project-to-Ad Hoc Project basis, the Parties will, depending upon the breadth and scope of services sought or the nature and or duration of a given Ad Hoc task to be undertaken, either pay the Contractor for the required Ad Hoc services on a time and material basis based on the Fixed Hourly Rates as set forth in the Contractor's Financial Proposal for actual hours worked or negotiate either an Ad Hoc Project Not-To-Exceed Total Cost or an Ad Hoc Project Total Projected Cost amount to undertake and complete each Ad Hoc Project. The negotiated amount will be based on the Contractor's proposed Ad Hoc Project work plan, as approved by the Department and the Contractor's Fixed Hourly Rates as set forth in its Financial Proposal.

B. Prior Ad Hoc Projects:

1) Prior Ad Hoc Projects:

Provide information regarding three (3) prior ad hoc projects undertaken by the Offeror for a client(s). (The ad hoc projects provided cannot be for ad hoc projects undertaken for the benefit of the Department, DOB and/or GOER.) One of each of the following types of ad hoc projects should to be provided:

- a. one (1) of which, in the opinion of the Offeror required a comprehensive analysis of an issue(s), and the results of the analysis were of an exigent nature to the client;**
- b. one (1) of which, in the opinion of the Offeror required a comprehensive analysis of an issue(s), and the results of the analysis were not of an exigent nature to the client; and**
- c. one (1) of which, in the opinion of the Offeror, the analysis required was of a limited nature, and the results of the analysis were of an exigent nature to the client.**

The Offeror should complete and submit Exhibit Q entitled Project Abstract for each of the three (3) examples providing, at a minimum, the following:

- 1. A description of the ad hoc or premium rate development and review services in support of a self funded project;**
- 2. The name of the client for whom the undertaking was performed;**
- 3. The name, title, telephone number and e-mail address of a contact at the client (For each client, the Offeror shall be solely responsible for providing contact names and phone numbers that are readily available to be contacted by NYS);**
- 4. The reasons why the analysis was required to be comprehensive in nature, or not;**
- 5. An explanation of what caused the undertaking to be exigent, or not;**
- 6. The resources used to undertake the project (number and titles of analysts and man-hours expended per title) – (Note: the Offeror should use the Positions Titles set forth in RFP §4.04 – Assumption 6, below);**
- 7. The project's timeline to complete the project, at a minimum, provided start and end dates;**
- 8. A description of any change orders issued in regard to the project;**
- 9. An explanation of any modifications/corrections required to secure clients approval of the final deliverable;**
- 10. The initial projected cost of the project and the final cost of the project with an explanation as to any variance in the two amounts; and**
- 11. A copy of the final deliverable(s) (e.g., report or documentation) resultant from the project, if permissible.**

EXHIBIT Q Project Abstract

Sample # 1

<p>Project Title:</p> <p>Indicate which type of sample this project represents:</p> <p>State of New Jersey – Collective Bargaining Assistance</p> <p>(See Attached)</p>	<p>State of New Jersey Bargaining</p> <p><input checked="" type="checkbox"/> one of which, in the opinion of the Offeror required a comprehensive analysis of an issue(s), and the results of the analysis were of an exigent nature to the client.</p> <p><input type="checkbox"/> one of which, in the opinion of the Offeror required a comprehensive analysis of an issue(s), and the results of the analysis were <u>not</u> of an exigent nature to the client.</p> <p><input type="checkbox"/> one of which, in the opinion of the Offeror, the analysis required was of a limited nature, and the results of the analysis were of an exigent nature to the client.</p>
<p>Name of the Client for whom services were performed:</p>	<p>State of New Jersey</p>
<p>Client Contact Information:</p>	
<p>Contact’s Name:</p>	<p>[REDACTED]</p>
<p>Contact’s Title:</p>	<p>[REDACTED]</p>
<p>Phone Number:</p>	<p>[REDACTED]</p>
<p>Email Address:</p>	<p>[REDACTED]</p>
<p>Project Description: The Offeror should submit specific details concerning the project identified in satisfaction of the requirements in RFP §4.03.5. The required information should be provided as an attachment to this Abstract Form. Include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as “Project Description – Project Title State of New Jersey Collective Bargaining Assistance”.</p>	
<p>The Division of Pensions and Benefits for the State of New Jersey asked for Aon Hewitt’s assistance in developing health plan design and employee contribution alternatives to assist them with the bargaining process in early Spring 2011.</p> <p>Aon Hewitt worked closely with the Governor’s and Treasurer’s staffs in developing an employee contribution schedule that starting in July 2011 changed the contributions from a flat 1.5% of income to a salary and coverage tier schedule where aggregate employee contributions were increased over a four-year period from approximately 7% of plan cost to an ultimate level of approximately 20% of plan cost by July 2014, in four relatively-equal increments.</p> <p>Aon Hewitt provided more than 35 iterations of various contribution levels, frequently with rapid turnaround. The contribution schedule was ultimately approved by the New Jersey State Legislature as Chapter 78 in late June 2011. Also included in Chapter 78 was a provision to establish joint labor management committees with equal representation that would develop the specific plans generally outlined in the legislation itself. The legislation set up a “Plan Design Committee” for plans that would cover State and Local Government enrollees and another Committee that would develop the plan designs for Local Education enrollees. This process started in late July 2011 and Aon Hewitt was the consultant and actuary providing guidance to the Committees. The Committees, in general, met twice or more a week over the next 2½ months, and Aon Hewitt guided this diverse team to ultimately developing more than 15 plan options for both enrollee groups, effective January 1, 2012. Throughout the process, Aon Hewitt led the</p>	

Project Title:	State of New Jersey Bargaining												
<p>discussions and provided recommendations on plan design alternatives that included information on various options, including but not limited to:</p> <ul style="list-style-type: none"> ▪ Health and Wellness alternatives ▪ Value-Based Design alternatives ▪ High-Deductible Health Plan (HDHP) (both HRA and HSA) alternatives, and ▪ Employer Group Waiver Plan (EGWP) options for prescription drugs for Medicare enrollees. <p>The Plan Design Committee ultimately agreed upon a slate of programs that included PPO, HMO, and HDHP programs. These plans were formalized in October 2011, just in time to begin the open enrollment period for plan year 2012.</p>													
<p>Comprehensive Status: In the space provided below or as an attachment to this Abstract Form, indicate the reasons why the analysis needed to be performed was required to be comprehensive in nature, or not. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Comprehensive Status")</p>													
<p>The analysis needed to be comprehensive as the State and the labor teams needed to understand all of the various plan design and employee contributions available to them and the impact on the State budget as well as the impact on plan enrollees. It was necessary to get the approval from both sides of the table (as the Committees had an equal number of voting representatives for labor and management) and it was important to cover the issues fairly and accurately and develop cost projections with a high level of precision.</p>													
<p>Exigency: In the space provided below or as an attachment to this Abstract Form, provide an explanation of what caused the undertaking to be exigent in nature, or not. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Exigency")</p>													
<p>The project was urgent in nature since the existing bargaining agreement were set to expire on June 30, 2011. As a result, it was crucial to finalize at least certain aspects of the health benefit coverage issues (both design and employee contributions) before that date.</p>													
<p>Resources: In the space provided below or as an attachment to this Abstract Form, detail the resources used to undertake the project (number and titles of analysts and man-hours expended per title) - (Note: the titles to be used should be the Positions Titles set forth in §4.04 – Assumption 6.) (If provided as an attachment, Include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Resources")</p>													
<p>The Aon Hewitt team spent over 1,000 hours in total for this project over approximately a six-month period, with an appropriate split of hours, as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 20px;">Principals</td> <td style="text-align: right;">15%</td> </tr> <tr> <td>Lead Consultants</td> <td style="text-align: right;">50%</td> </tr> <tr> <td>Consultants</td> <td style="text-align: right;">10%</td> </tr> <tr> <td>Analysts</td> <td style="text-align: right;">20%</td> </tr> <tr> <td>Administrative Assistants</td> <td style="text-align: right;">5%</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right;">100%</td> </tr> </table>		Principals	15%	Lead Consultants	50%	Consultants	10%	Analysts	20%	Administrative Assistants	5%	Total	100%
Principals	15%												
Lead Consultants	50%												
Consultants	10%												
Analysts	20%												
Administrative Assistants	5%												
Total	100%												

Sample#: 1

Project Title:	State of New Jersey Collective Bargaining Assistance
Timeline: In the space provided below or as an attachment to this Abstract Form, detail the timeline (at a minimum provide start and end dates) to undertake and complete the project. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Timeline")	
This project was completed in the March to October 2011 timeframe in two distinct phases.	
Phase 1	Adoption of Chapter 78 – developing Employee Contribution Schedules for phase-in over a 4-year period.
Month 1	Summary of existing plan design and contribution arrangements and compare to public and private sector benefits.
Months 2-5	Continued refinement of more than 35 alternatives based on direction from union negotiation team.
Phase 2	
Month 5	Educating the Plan Design Committees on current status of plans and comparing them to benchmark levels both in public and private sector.
Months 6-8	Continuing to meet with and present various alternatives from both a cost and design perspective. Ultimately developed designs that were approved by both Committees to allow open enrollment to begin for 1/1/2012.
Change Orders: In the space provided below or as an attachment to this Abstract Form, provide a description of any change orders issued in regard to the project. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Change Orders")	
By its very nature, the process was very fluid and Aon Hewitt continually adjusted to varying demands from the State and the two Plan Design Committees.	
Modifications/Corrections: In the space provided below or as an attachment to this Abstract Form, provide an explanation of any modifications/corrections required to secure the client's approval of the final deliverable(s). (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Modifications/Corrections").	
As noted in the prior response, work products continually evolved, resulting in employee contributions included in the legislation and plan designs approved by the Plan Design Committees.	
Cost: In the space provided below or as an attachment to this Abstract Form, indicate the initial projected cost of the project and the final cost of the project. Provide an explanation as to any variance in the two amounts. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Cost")	
Due to client confidentiality, we are not able to identify the cost of this work. However, the project was completed on time and within budget.	
Sample Deliverable: As a separate attachment to this Abstract Form, provide a copy of the final deliverable(s) (e.g., report or documentation) resultant from the project, if permissible. If it is not permissible to release, indicate why and provide a general description of the final	

Project Title:	State of New Jersey Collective Bargaining Assistance
deliverable(s). Include the Sample # and Project Title on the attachment and entitle the document as "Sample Deliverable".	
While Aon Hewitt cannot share any of the client deliverables, a summary of the type of information provided during the project includes:	
<u>Phase 1</u>	
<ul style="list-style-type: none"> ▪ Detailed summaries of current employer contribution levels projected four years into the future ▪ Comparison of required employer contributions to benchmark levels in both the public and private sector ▪ More than 35 different scenarios of employee contribution levels phased in over a four-year period 	
<u>Phase 2</u>	
<ul style="list-style-type: none"> ▪ Educational materials presented to the Committees on both the current plan offerings and viable alternatives used by employers in both the public and private sector ▪ Educational materials for the Committees explaining and outlining savings opportunities available under Employer Group Waiver Plans ▪ Educational materials for the Committees explaining and outlining all financial and other implications of HDHPs, Health Savings Accounts and Health Reimbursement Accounts ▪ Detailed cost comparisons for the Committees (total and employer cost) for various HMO, PPO and HDHP programs 	
Ultimately, the slate of various benefit options was approved by the Committees for 1/1/2012.	

EXHIBIT Q Project Abstract

Sample # 2

Project Title:	Evaluation of State of NY Dental and Vision Care Plan
Indicate which type of sample this project represents: Evaluation of State of NY Dental and Vision Care Plan (See Attached)	<input type="checkbox"/> one of which, in the opinion of the Offeror required a comprehensive analysis of an issue(s), and the results of the analysis were of an exigent nature to the client. <input checked="" type="checkbox"/> one of which, in the opinion of the Offeror required a comprehensive analysis of an issue(s), and the results of the analysis were <u>not</u> of an exigent nature to the client. <input type="checkbox"/> one of which, in the opinion of the Offeror, the analysis required was of a limited nature, and the results of the analysis were of an exigent nature to the client.
Name of the Client for whom services were performed:	State of New York Governor’s Office of Employee Relations
Client Contact Information:	
Contact’s Name:	[REDACTED]
Contact’s Title:	[REDACTED]
Phone Number:	[REDACTED]
Email Address:	[REDACTED]
Project Description: The Offeror should submit specific details concerning the project identified in satisfaction of the requirements in RFP §4.03.5. The required information should be provided as an attachment to this Abstract Form. Include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as “Project Description – Project Title State of New Jersey Collective Bargaining Assistance”.	
In 2010, Aon Hewitt was contracted by the State of New York to complete a comprehensive analysis of the State’s Dental and Vision Plans. Aon Hewitt worked with a joint labor / management committee in analyzing all areas of the plan including but not limited to the following: <ul style="list-style-type: none"> ▪ plan design and providing benchmark data for other public and private sector employers identified by the Committee, ▪ funding (insured and self-insured arrangements were reviewed), ▪ employee cost-sharing (both copays / coinsurance as well as employee contributions), ▪ vendor performance and appropriateness of vendor fees, ▪ provider access and in-network utilization, ▪ innovative designs (such as expanding radial keratotomy access / coverage for the vision plan and implant coverage under the dental plan), and ▪ the impact health care reform may have on the plans. Aon Hewitt began this project in January 2010. Over the next several months, Aon Hewitt met with the Committee several times and at each meeting Aon Hewitt led the discussion on the topics outlined above.	

Project Title:	Evaluation of State of NY Dental and Vision Care Plan												
<p>Comprehensive Status: In the space provided below or as an attachment to this Abstract Form, indicate the reasons why the analysis needed to be performed was required to be comprehensive in nature, or not. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Comprehensive Status")</p>													
<p>The project was comprehensive in nature as it reviewed all aspects of the Dental and Vision plans. In addition, since the project included both labor and management representatives, it was crucial that it addressed all of the issues and concerns raised by both sides of the table.</p>													
<p>Exigency: In the space provided below or as an attachment to this Abstract Form, provide an explanation of what caused the undertaking to be exigent in nature, or not. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Exigency")</p>													
<p>The analysis as outlined above was comprehensive in nature, but it was not necessarily of an urgent nature. Rather, it was a project to review the appropriateness of the current plans and to identify if there were potential changes that should be considered to maximize the funds spent - by both the State and its enrollees - on these plans.</p>													
<p>Resources: In the space provided below or as an attachment to this Abstract Form, detail the resources used to undertake the project (number and titles of analysts and man-hours expended per title) - (Note: the titles to be used should be the Positions Titles set forth in RFP §4.03.4 - Assumption 6.) (If provided as an attachment, Include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Resources")</p>													
<p>The Aon Hewitt team spent approximately 300 hours on this project from initial start in February 2010 to submission of the final report in September 2010. The table below indicates an approximate breakdown of the time spent by level -</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 40px;">Principals</td> <td>10%</td> </tr> <tr> <td>Lead Consultants</td> <td>55%</td> </tr> <tr> <td>Consultants</td> <td>15%</td> </tr> <tr> <td>Analysts</td> <td>15%</td> </tr> <tr> <td>Administrative Assistants</td> <td>5%</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td>100%</td> </tr> </table>		Principals	10%	Lead Consultants	55%	Consultants	15%	Analysts	15%	Administrative Assistants	5%	Total	100%
Principals	10%												
Lead Consultants	55%												
Consultants	15%												
Analysts	15%												
Administrative Assistants	5%												
Total	100%												

Sample#: 2

Project Title:		Evaluation of State of NY Dental and Vision Care Plan
Timeline: In the space provided below or as an attachment to this Abstract Form, detail the timeline (at a minimum provide start and end dates) to undertake and complete the project. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Timeline")		
The project lasted approximately seven months from initial kick-off in February 2010 to delivery of final report in September 2010. The primary activities are outlined below -		
Month 1	Met with Committee to define objectives and gather needed data from the State.	
Months 2 to 6	<ul style="list-style-type: none"> ▪ Several face to face meetings with the Committee to analyze components of the program as noted above, both from a member perspective as well as from a financial perspective. The process was iterative, where additional items were added to the review or components analyzed further based on input from the Committee. ▪ Surveyed plan design and cost-sharing components of the benchmark employers as indentified by the Committee and prepared analyses for the Committee ▪ Prepared comprehensive financial analyses of various funding method alternatives ▪ Analyzed and presented materials to the Committees on innovative changes that should be considered. ▪ Presented to the Committees the impact of health care reform on these programs ▪ Prepared and discussed draft report with the Committee. 	
Months 7 and 8	<ul style="list-style-type: none"> ▪ Finalized the report through submitting, discussing and revising further drafts. ▪ Ultimately submitted a report that was accepted and approved by both labor and management. ▪ The report made several recommendations on design and funding alternatives. 	
Change Orders: In the space provided below or as an attachment to this Abstract Form, provide a description of any change orders issued in regard to the project. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Change Orders")		
Their were no specific "Change Orders" although as might be expected in working with a Committee, many alternatives were reviewed during the course of the project.		
Modifications/Corrections: In the space provided below or as an attachment to this Abstract Form, provide an explanation of any modifications/corrections required to secure the client's		

Project Title:	Evaluation of State of NY Dental and Vision Care Plan
approval of the final deliverable(s). (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Modifications/Corrections").	
Minor changes were made in the final report to reflect the Committee's intent. Nothing significant was altered.	
Cost: In the space provided below or as an attachment to this Abstract Form, indicate the initial projected cost of the project and the final cost of the project. Provide an explanation as to any variance in the two amounts. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Cost")	
Aon Hewitt respects the confidentiality of our clients and as a result we are not able to disclose the fees for this project. However, the project was completed on time and within budget.	
Sample Deliverable: As a separate attachment to this Abstract Form, provide a copy of the final deliverable(s) (e.g., report or documentation) resultant from the project, if permissible. If it is not permissible to release, indicate why and provide a general description of the final deliverable(s). Include the Sample # and Project Title on the attachment and entitle the document as "Sample Deliverable".	
Aon Hewitt is not able to provide a sample deliverable for the reason noted above. However, below we have shown the Table of contents for both the Dental and Vision reports.	
State of New York Vision Plan Comparison – September 1, 2010	
<p>A. Executive Summary</p> <ul style="list-style-type: none"> ▪ Key Findings <ul style="list-style-type: none"> - Cost and Utilization Analysis - Plan Design Analysis - Participant Access to Provider Network - Impact of Enrollment Changes - Evolving Technology 	
<p>B. Cost and Utilization Analysis</p> <ul style="list-style-type: none"> ▪ Claims and Utilization by Type of Service ▪ Increase in Cost Between 2008 and 2009 ▪ Rate and Renewal History ▪ Financial Summary 	
<p>C. Plan Design Analysis</p> <ul style="list-style-type: none"> ▪ Comparison to Other State Plans ▪ Market and Product Trends ▪ Plan design alternatives and projected cost 	
<p>D. Participant Access to Provider Network</p> <ul style="list-style-type: none"> ▪ Evaluating Adequacy of Network <ul style="list-style-type: none"> - Optometrists - Ophthalmologists - Opticians - Retail Chains - Lasik Providers 	
<p>E. Impact of Enrollment Changes</p> <ul style="list-style-type: none"> ▪ Model Financial Impact of Significant Enrollment Changes 	

Project Title:	Evaluation of State of NY Dental and Vision Care Plan
<p>F. Evolving Vision Care Technology</p> <ul style="list-style-type: none"> ▪ Linkage of Vision to Medical Disease ▪ Encouraging Vision Exams as Early Disease Detection Mechanism <p>G. Health Care Reform Issues</p> <p>H. Conclusions/Recommendations</p> <p>I. Appendices, Exhibits, as necessary</p>	
<p>State of New York Dental Plan Comparison – September 1, 2010</p>	
<p>A. Executive Summary</p> <ul style="list-style-type: none"> ▪ Cost and Utilization Analysis ▪ Participant Access to Provider Network ▪ Plan Design Analysis ▪ Impact of Enrollment Changes ▪ Evolving Dental Technology ▪ Health Care Reform Issues ▪ Member Satisfaction Survey Results 	
<p>B. Cost and Utilization Analysis</p> <ul style="list-style-type: none"> ▪ Claims and Utilization by Type of Service ▪ Increase in Cost Between 2008 and 2009 ▪ Rate and Renewal History ▪ Dividend/Deficit Summary 	
<p>C. Participant Access to Provider Network</p> <ul style="list-style-type: none"> ▪ Evaluating Adequacy of Network 	
<p>D. Plan Design Analysis</p> <ul style="list-style-type: none"> ▪ Comparison to Survey Data ▪ Market and Product Trends ▪ Plan Design Alternatives and Projected Cost ▪ Feasibility of Implementing a DMO 	
<p>E. Impact of Enrollment Changes</p> <ul style="list-style-type: none"> ▪ Model Financial Impact of Significant Enrollment Changes 	
<p>F. Evolving Dental Technology</p> <ul style="list-style-type: none"> ▪ Digital X-Rays ▪ Cad-Cam Technology ▪ Brush Biopsies ▪ Laser Treatments ▪ Dental Implants 	
<p>G. Health Care Reform Issues</p>	
<p>H. Member Satisfaction Survey Results (February 2010)</p>	
<p>I. Conclusions/Recommendations</p>	

Project Title:

Evaluation of State of NY Dental and Vision Care Plan

State of New York Dental Plan Comparison – September 1, 2010

- A. Executive Summary
 - Cost and Utilization Analysis
 - Participant Access to Provider Network
 - Plan Design Analysis
 - Impact of Enrollment Changes
 - Evolving Dental Technology
 - Health Care Reform Issues
 - Member Satisfaction Survey Results
- B. Cost and Utilization Analysis
 - Claims and Utilization by Type of Service
 - Increase in Cost Between 2008 and 2009
 - Rate and Renewal History
 - Dividend/Deficit Summary
- C. Participant Access to Provider Network
 - Evaluating Adequacy of Network
- D. Plan Design Analysis
 - Comparison to Survey Data
 - Market and Product Trends
 - Plan Design Alternatives and Projected Cost
 - Feasibility of Implementing a DMO
- E. Impact of Enrollment Changes
 - Model Financial Impact of Significant Enrollment Changes
- F. Evolving Dental Technology
 - Digital X-Rays
 - Cad-Cam Technology
- Brush Biopsies
 - Laser Treatments
 - Dental Implants
- G. Health Care Reform Issues
- H. Member Satisfaction Survey Results (February 2010)
- I. Conclusions/Recommendations

EXHIBIT Q Project Abstract

Exhibit Q – Page 1 of 4

Sample # 3

Project Title:	State of Delaware Employer Group Waiver Plans
Indicate which type of sample this project represents: State of Delaware Employer Group Waiver Plans (See Attached)	<input type="checkbox"/> one of which, in the opinion of the Offeror required a comprehensive analysis of an issue(s), and the results of the analysis were of an exigent nature to the client. <input type="checkbox"/> one of which, in the opinion of the Offeror required a comprehensive analysis of an issue(s), and the results of the analysis were <u>not</u> of an exigent nature to the client. <input checked="" type="checkbox"/> one of which, in the opinion of the Offeror, the analysis required was of a limited nature, and the results of the analysis were of an exigent nature to the client.
Name of the Client for whom services were performed:	State of Delaware
Client Contact Information:	
Contact's Name:	[REDACTED]
Contact's Title:	[REDACTED]
Phone Number:	[REDACTED]
Email Address:	[REDACTED]
Project Description: The Offeror should submit specific details concerning the project identified in satisfaction of the requirements in RFP §4.03.5. The required information should be provided as an attachment to this Abstract Form. Include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Project Description – Project Title State of New Jersey Collective Bargaining Assistance".	
<p>Employer Group Waiver Plans have existed as an option for Medicare Integration since the passage of the Medicare Modernization Act of 2003. Most plan sponsors, including governmental plan sponsors, chose the Retiree Drug Subsidy option upon its inception in 2006 due to this option's ease of implementation and overall vendor support capabilities, which were more robust for the Retiree Drug Subsidy than for the EGWP method or a Secondary to individual market plan methodology, the other two main integration methods.</p> <p>Federal Health Care Reform made a number of changes that made the EGWP approach more attractive than in the past. As a result, the State of Delaware asked Aon Hewitt to conduct an initial feasibility analysis of the implementation of an EGWP option. We had built in contingency planning questions to a vendor RFP being sourced currently, as the previous analysis of EGWP vs RDS had shown about a break-even basis, but preferable accounting impact. This new analysis showed significant more savings if the 50% discount and advanced funding of the improved benefit could be applied for the benefit of the plan sponsor. Several significant hurdles need to be overcome, including the change of the plan year for retirees to optimize the Medicare funding of the catastrophic layer.</p> <p>Once the issues were identified, a full financial and tactical analysis was performed as described below.</p>	

Exhibit Q – Page 2 of 4

Comprehensive Status: In the space provided below or as an attachment to this Abstract Form, indicate the reasons why the analysis needed to be performed was required to be comprehensive in nature, or not. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Comprehensive Status")

The analysis was a full detailed analysis of plan-year specific data under both the Retiree Drug Subsidy and EGWP options. The "+Wrap" option was featured to make sure the 50% pharmaceutical discount was fully-captured by the plan sponsor. It appears that the "+Wrap" option will not be required for this attribute to be true for an implementation in 2013; however, this was not the case when this detailed study was performed in 2011.

The Comprehensive financial analysis utilized data for the 2010 plan year, which we were analyzing in conjunction with a review of the final reconciliation of that year, performed July through September of 2011. The final product was a detailed analysis on a seriatim basis of the adjudication and final financial output under both an RDS scenario and an EGWP scenario. The EGWP scenario requires a full re-adjudication of claims, due to need to capture claim experience, by brand and generic drug spend, at various strata of overall claimant spending, to appropriately capture the spend in the coverage gap, the True Out of Pocket maximum accumulator defined by Medicare, and the anticipated reinsurance recovery of high utilizers.

Additionally, we performed a review of all change requirements under an EGWP with the vendor, including preferred list changes, pharmacy network changes, pre-authorization and medical management changes, and external items like the Income Related Medicare Adjustment Amounts.

Exigency: In the space provided below or as an attachment to this Abstract Form, provide an explanation of what caused the undertaking to be exigent in nature, or not. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Exigency")

Delaware operated their drug program for Medicare retirees under the Retiree Drug Subsidy Approach. This comprehensive analyzed all requirements of a change, from high-level issues such as a change in plan year, to very detailed issues such as re-issuance of pre-authorizations. The financial analysis required a detailed claim file with demographic indicators, to allow a reprocessing of claims and capture of information for allowed Medicare Part D drugs, Retiree Drug Subsidy cost reporting, and commensurate re-adjudication and capture of all EGWP portions. The tactical analysis utilized external resources such as Medicare parameters, and a detailed interaction with the pharmacy benefit manager.

Resources: In the space provided below or as an attachment to this Abstract Form, detail the resources used to undertake the project (number and titles of analysts and man-hours expended per title) – (Note: the titles to be used should be the Positions Titles set forth in RFP §4.03.4 – Assumption 6.) (If provided as an attachment, Include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Resources")

Exhibit Q – Page 3 of 4

The resources discussed here involve only the detailed financial analysis. This overall process occurred over more than 12 months, and involved significant consultant-client interaction, including detailed conversations with internal counsel regarding the ability to modify the plan year to a calendar year basis.

Principals	10%
Lead Consultants	55%
Consultants	15%
Analysts	15%
Administrative Assistants	5%
Total	100%

Timeline: In the space provided below or as an attachment to this Abstract Form, detail the timeline (at a minimum provide start and end dates) to undertake and complete the project. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Timeline")

Finalization of previous project: our data was received as a consequence of a prior project, the comprehensive review of the final reconciliation of the RDS plan year ending 6/30/2010. We began this project in October 2011 with the goal of finalizing the financial aspects prior to January 1, 2012, the official start of the budget cycle in the State of Delaware.

October 2011	Start EGWP project: confirm no anticipated changes to plan design parameters for a Calendar Year 2013 implementation, confirm financial assumptions for projection forward. Run seriatim processing of RDS vs EGWP methodology, produce 2013 and projection of anticipated results through 2020.
November 2011	November 2011: finalize financial projections, socialize with client senior management, produce impact on overall financials and estimate of GASB 45 results.
December 2011	Finalize financial and tactical applications with PBM, develop public presentation strategy.

This timeline closed out the detailed financial analysis. The concept was presented in several public meetings, from January through March, and approved for implementation in January 2013 in conjunction with all other major financial implementations by March 31, 2012 as required by the governing body, the Delaware State Employees Benefits Council.

Change Orders: In the space provided below or as an attachment to this Abstract Form, provide a description of any change orders issued in regard to the project. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Change Orders")

There were no change orders issued in regard to this project.

Modifications/Corrections: In the space provided below or as an attachment to this Abstract Form, provide an explanation of any modifications/corrections required to secure the client's approval of the final deliverable(s). (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Modifications/Corrections")

Exhibit Q – Page 4 of 4

There were no relevant modifications or corrections to this scope of work.

Cost: In the space provided below or as an attachment to this Abstract Form, indicate the initial projected cost of the project and the final cost of the project. Provide an explanation as to any variance in the two amounts. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Cost")

Aon Hewitt respects the confidentiality of our clients and as a result we are not able to disclose the fees for this project. However, the project was completed on time and within budget.

Sample Deliverable: As a separate attachment to this Abstract Form, provide a copy of the final deliverable(s) (e.g., report or documentation) resultant from the project, if permissible. If it is not permissible to release, indicate why and provide a general description of the final deliverable(s). Include the Sample # and Project Title on the attachment and entitle the document as "Sample Deliverable".

C. Sample Ad Hoc Task:

Below are two Sample Tasks. Offerors are required to provide the information sought in Items #1 and #2 regarding either Sample Task #1 or Sample Task #2 as set forth below, **BUT NOT BOTH**. The choice as to which Sample Task to address is left to each Offeror to choose. (Note: Item #2 also contains additional requirements as regards the Oral Presentation to be conducted by the Offeror.)

Sample Task #1:

The Contractor has been requested to provide a briefing to the Joint Labor Management Committee on the impact to NYSHIP, including participating employers, participating agencies and NYSHIP enrollees, and to NYSHIP and carrier systems, processes, premium rates associated with the transition to the ICD-10 coding system.

Sample Task #2:

The Contractor has been requested to provide a briefing to the Joint Labor Management Committee on the impact to NYSHIP, including participating employers, participating agencies and NYSHIP enrollees, and to NYSHIP and carrier systems, processes and premium rates associated with the NYS autism legislation.

Item #1 Position Paper:

Prepare a position paper that provides, at a summary level – preferably in bulleted format - the information sought in the Sample Task. The position paper should be no more than two (2) pages long, not including a separate Cover sheet that Offerors may, but are not required to provide.

Item #2 Oral Presentation:

At the Oral Presentation, the Offeror will be expected to give the aforementioned briefing to a group of evaluators (acting as the members of the Joint Labor Management Committee), during which the Offeror will be expected to present, amplify and expound upon the information, findings and recommendations contained in the Offeror's Sample Task position paper submitted in response to item #1.

At this part of its Technical Proposal, Offerors should submit the Power Point presentation slides that the Offeror will use in its presentation. At the Oral Presentation, Offerors will be expected to bring all equipment it intends to use in delivering its presentation (e.g., personal computer and/or audio/visual equipment) as such equipment will not be provided by the Department, however, a podium, chairs, tables, screen and a marker board will be available for the Offeror's use.

Offerors are advised that Offeror's presentation component of the Oral Presentation shall not exceed thirty (30) minutes in duration. Questions asked by Department staff after the Offeror has completed its verbal presentation may extend this timeframe. The Oral Presentation may not be used by an Offeror to modify its Proposal.

Sample Task #2 – Position Paper
State of New York: Impact of NYS Autism Legislation

BACKGROUND

- What Is Autism?

Autism is one of a broad range of developmental disorders classified by the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders (DSM) as Autism Spectrum Disorders (ASD). ASDs are a range of complex behavioral disorders that are also referred to as pervasive developmental disorders (PDD). ASDs include Autistic Disorder, Asperger's Syndrome, Rett's Disorder, Childhood Disintegrative Disorder, and Pervasive Developmental Disorder (not otherwise specified).

- Prevalence

The prevalence of ASDs has increased significantly in the U.S. and across the globe over the past few decades. In 2009, the CDC reported that one child in every 110 (age eight) were classified as having an ASD, an increase from their 2007 report showing 1 in every 150 children have an ASD.⁴ In 2012, the CDC updated their estimates on prevalence and now show that one in every 88 children has an ASD.

- Costs of Autism

Individuals with autism incur an additional \$306,000 in direct medical costs (more than twice the typical American), and incur 60% of those costs after age 21. According to the Autism Society of America (based on data from the Government Accounting Office Report on Autism, 2007), the cost of lifelong care for individuals with autism can be reduced by two-thirds with early diagnosis and intervention.

- Current NYSHIP Health Coverage

In general, basic health services for individuals with autism, such as physicians' visits, hospitalizations, and prescription drugs, as well as psychological testing and diagnosis, are currently covered under NYSHIP. Coverage for speech, physical, and occupational therapy with the diagnosis of autism is generally not covered. Health plans generally limit the coverage of these therapies to conditions that are restorative or rehabilitative, where a patient has lost function due to disease or injury (e.g., restoring speech after a stroke), which would exclude coverage for autism. Behavioral therapies, such as Applied Behavioral Analysis (ABA) are not currently a covered treatment under NYSHIP.

Approximately two-thirds of states now require group health plans to provide some form of benefit coverage for the treatment of ASD, and many require coverage of ABA. Self-insured programs are governed by the Employee Retirement Income Security Act of 1974 (ERISA) and are not required to comply with each state requirement. Many employers offering self-insured programs have excluded coverage for ABA due to lack of comprehensive scientific evidence to demonstrate ABA effectiveness and lack of evidence-based practices for the delivery of ABA. However, without adequate coverage through their health plans,

employees often cannot afford to pay out-of-pocket for ABA therapy or other treatments.

- How Will the NYS Autism Legislation (A8512) Impact Health Benefit Coverage?

As a result of A8512, health plans effective or renewing on or after November 12, 2012 are required to provide benefit coverage for the screening, diagnosis, and treatment of ASD, and provide coverage for behavioral health treatments, including ABA up to \$45,000 per year, as well as speech, occupational, and physical therapy interventions. Current estimates of the increased cost to NYSHIP health insurance premiums by adding coverage for ASD range from <1% to 2%. To fully understand the impact of expanding coverage for autism, NYSHIP is interested in conducting a comprehensive analysis to evaluate the impact of expanded autism coverage to NYSHIP and carrier systems, processes, and premium rates. The following describes our proposed process for assessing the impact:

PROPOSED PROCESS FOR ASSESSING IMPACT

- Cost Impact

Aon Hewitt will use a combination of NYSHIP-specific data, research and statistical data, as well as health care utilization and cost data contained in Aon Hewitt's databases to estimate the cost impact to NYSHIP, as follows:

- Estimate the number of individuals with autism based on the current covered population by coverage group, e.g., State, Participating Employers, and Participating Agencies,
- Estimate the expected premium impact to provide expanded benefit coverage for ASD
 - Although cost projections could be estimated using statistical and research findings related to the cost of autism-related services, using actual data from health plans that have been covering these services for a number of years will give NYSHIP a more realistic picture of the estimated cost impact. As a result, we anticipate using the following sources:
 - i. Utilization and cost data from Aon Hewitt databases, and
 - ii. Utilization data and cost from NYSHIP vendors as well as from health plans that have been providing coverage as a result of state-mandated legislation in other states
- Model three-year cost impact based on estimated number of individuals who would have expanded coverage and estimated costs from above. We will include in our estimates the possibility of additional enrollees who may have opted out of NYSHIP coverage previously and will now opt back in due to the expanded coverage.
- Participant Impact

Aon Hewitt will rely on recent research studies that demonstrate the impact of expanded coverage on individuals with autism and their families. We will assess the impact to family financial well-being, the prevalence of stress and depression,

and the impact to workplace productivity and absence. In addition, and of great importance, we will assess how access to expanded services for the treatment of autism will impact individuals with autism.

- Carrier Impact and Issues

Through our extensive experience working with health plans and our knowledge of health plan administration, we will evaluate how the expanded coverage for autism will impact carriers. Our impact assessment will be based on interviews with carriers currently responsible for administering similar benefits, and will include, but is not limited to, system programming and testing; care management, utilization review, medical necessity, and other procedures to monitor treatment; participating provider credentialing and reimbursement; and establishment of reasonable & customary (R&C) guidelines.

- Other Implications

Our analysis will also encompass an assessment of the impact of federal health care reform, as well as the impact to local employers and agencies (both participating and non-participating) to ensure NYSHIP has a comprehensive perspective.

Impact of NYS Autism Legislation

May 25, 2012

Consulting
Health and Benefits

Presentation to NYSHIP



Background

What is Autism?

- Autism Spectrum Disorders (ASD) are a range of developmental disorders classified by the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders (DSM) and include:
 - Autistic Disorder,
 - Asberger's Syndrome,
 - Rett's Disorder,
 - Childhood Disintegrative Disorder, and
 - Pervasive Developmental Disorder (not otherwise specified)

Background

Prevalence

- Autism is the fastest-growing developmental disability, growing at a rate of 289.5% from 1997 to 2008¹
- Most recent data from Centers for Disease Control and Prevention (CDC) indicate that one in 88 children in the United States has an autism spectrum disorder
 - CDC statistics show that ASDs are more common in boys than girls with a ratio of 1 in 54 boys and 1 in 252 girls

¹Boyle CA, Boulet S, Schieve L, Cohen RA, Blumberg SJ, Yeargin-Allsopp M, Visser S, Kogan MD. Trends in the Prevalence of Developmental Disabilities in US Children, 1997–2008. Pediatrics 2011

²New Data on Autism Spectrum Disorders. Centers for Disease Control and Prevention, www.cdc.gov/Features/CountingAutism. Accessed May 25, 2012.

Background

Costs of Autism

- Children with ASDs have higher health care costs than children without ASD
 - Average medical expenditures for privately insured children and adolescents with ASDs were \$4,110 to \$6,200 more per year than for those without autism³
- Children with ASDs use more health care services than children without ASD⁴
 - Children with ASDs have higher annual mean number of total clinic (5.6 vs. 2.8), pediatric (2.3 vs. 1.6), and psychiatric (2.2 vs. 0.3) outpatient visits
 - Children with ASDs were nine times more likely to use psychotherapeutic medications and twice as likely to use gastrointestinal agents
 - Children with ASDs had more than double the mean annual member costs than children without ASDs for hospitalizations (\$550 vs \$208), clinic visits (\$1,373 vs \$540), and prescription drugs (\$724 vs. \$96)
- According to the Autism Society of America (based on data from the Government Accounting Office Report on Autism, 2007), the cost of lifelong care for individuals with autism can be reduced by two-thirds with early diagnosis and intervention.

³Medical Expenditures for Children with an Autism Spectrum Disorder in a Privately Insured Population, Journal of Autism and Developmental Disorders, Vol. 38, No. 3, March 2008, p. 546–552.

⁴Croen LA, Najjar DV, Ray GT, Lotspeich L, Bernal P. A comparison of health care utilization and costs of children with and without autism spectrum disorders in a large group-model health plan. *Pediatrics* 2006; 118(4)e1203-e1211.

Background

Benefit Coverage for ASD

- Currently, there are no effective ways to prevent autism, no fully effective treatments, and no medical interventions to cure autism
- According to the American Academy of Pediatrics (AAP), the primary goals of treatment are to:
 - Minimize the core features and associated deficits,
 - Maximize functional independence and quality of life, and
 - Alleviate family distress
- Some therapeutic and treatment options for individuals with autism include the following:
 - Medications used to treat ASD symptoms
 - Behavioral therapies, such as Applied Behavioral Analysis (ABA)
 - Other therapies, including speech and physical therapy

Background

Benefit Coverage for ASD

- To date, 34 states have implemented legislation related to autism and benefit coverage for autism
 - At least 29 states require insurers to provide coverage for the treatment of autism
- Required coverage can range from requiring the screening and diagnosis of autism to requiring coverage of treatment interventions
 - For example, states such as Florida, Illinois, and Texas specifically require health insurers to provide coverage of ABA and other structured behavioral treatments
- Most state autism laws limit coverage to children of a certain age, however, the ages vary.
 - Maine's law requires coverage to be provided to a covered individual who is five years of age or under,
 - Virginia's law requires coverage to be provided to individuals ages two through six, and
 - Kentucky's law requires coverage to be provided to covered individuals ages one through 21

Background

Benefit Coverage for ASD Within the NYSHIP

- Basic health services for individuals with autism are currently available through NYSHIP, including
 - Psychological testing and diagnosis,
 - Physician visits,
 - Behavioral health services for co-occurring conditions,
 - Hospitalization, and
 - Prescription drugs
- Coverage for speech, physical, and occupational therapy with the diagnosis of autism is generally not covered
- ABA is not currently a covered treatment

Background

New York State Autism Legislation (A8512)

- Beginning in 2013, health plans in the state of New York are required to provide benefit coverage for the screening, diagnosis, and treatment of ASD, including the following:
 - Assessments, evaluations, or tests to diagnose ASD
 - Medications
 - Psychiatric and psychological care
 - Therapeutic care, including services provided by licensed speech therapists, occupational therapists, social workers, and physical therapists
 - Behavioral health treatment, including ABA
 - Limited to an annual maximum of \$45,000 per covered individual
 - No inside limit on visits
 - No limit on age

Proposed Process for Assessing Impact

Overview

- Implementation of expanded coverage for ASD will impact NYSHIP, Participating Employers, Participating Agencies, and NYSHIP enrollees, as well as insurers responsible for administering the benefit
- Objective of the task is to assess the impact to affected parties, evaluate the impact to carrier systems and processes, and estimate the cost impact to premium rates to expand coverage for ASD as required under A8512

Proposed Process for Assessing Impact

Cost Impact

- Aon Hewitt will use several data sources to assess the cost impact of expanded autism coverage
 - NYSHIP-specific data,
 - Research and statistical data which report on the prevalence and costs associated with the treatment of ASD, and
 - Health care utilization and cost data contained in Aon Hewitt's databases
- Estimate prevalence of individuals with ASDs within the NYSHIP population
 - Estimate the number of individuals with autism based on the current covered population by coverage group, e.g., State, Participating Employers, and Participating Agencies
- Estimate costs associated with expanding benefit coverage for ASD
 - Estimate projected costs using the following data:
 - Utilization and cost data from Aon Hewitt databases, and
 - Utilization and cost data from NYSHIP vendors as well as from health plans that have been providing coverage as a result of state-mandated legislation in other states
- Model three-year cost impact based on prevalence and estimated costs developed above

Proposed Process for Assessing Impact

Participant Impact

- Aon Hewitt will rely on recent research studies that demonstrate the impact of expanded coverage on individuals with autism and their families, including but not limited to:
 - Impact to family financial well-being,
 - Prevalence of stress and depression,
 - Impact to workplace productivity and absence, and
 - How access to expanded services for the treatment of autism will impact individuals with autism

Proposed Process for Assessing Impact

Carrier Impact

- Aon Hewitt has extensive experience working with health plans and significant knowledge of health plan administration which will be useful in evaluating how the expanded coverage for autism will impact carriers
- The carrier impact assessment will be based on interviews with carriers currently responsible for administering similar benefits, and will include, but is not limited to:
 - System programming and testing;
 - Care management, utilization review, medical necessity, and other procedures to monitor treatment;
 - Participating provider credentialing and reimbursement; and
 - Establishment of reasonable & customary (R&C) guidelines
- This information will be useful in determining the critical implementation aspects that will impact carriers' ability to administer the expanded benefits effectively and efficiently

Proposed Process for Assessing Impact

Other Implications

- In order to ensure the state has a comprehensive viewpoint of the impact of the expanded benefit coverage for autism, Aon Hewitt will also provide an assessment of the impact to local employers and agencies (both participating and non-participating)
- We will also provide an overview of the impact of federal health care reform to the state's initiatives regarding autism

Performance Guarantees

4.03.06 Performance Guarantees

Offerors' proposed performance guarantee responses including penalty fee amounts to be put at risk for non-performance are not considered to be cost information and therefore should be stated in the Offeror's Technical Proposal. At this part of its Technical Proposal, the Offeror must state its agreement to the following minimum guarantees and propose amounts, expressed as either a fixed per day dollar amount or a fixed percent per day amount to be put at risk for failure to meet the guarantee. Failure to agree to one or more of the following minimum guarantees and/or failure to propose an associated penalty fee amount(s), expressed as either a fixed per day dollar or a fixed percent per day amount, to be put at risk for failure to meet the guarantee(s), may result in the Offeror deemed non-responsive and eliminated from further consideration.

a. Turnaround Time Guarantees

Task #1 - Premium Rate Renewals: State your willingness to guarantee that the Contractor will support the Department during the Premium Renewal Negotiation Process and that the two required reports and other Task #1 deliverables will be provided in accordance with the requirements set forth in RFP §3.01.1 provided that the required electronic data is received by the Contractor from all Carriers by July 15th of each renewal cycle and the Carrier renewals are received by no later than the first week in September. If the Contractor does not receive the data and/or renewals by the specified dates, different due dates shall be agreed upon in writing by the Parties and guaranteed by the Contractor. The Offeror must propose a penalty for failure to meet the above guarantee and the guarantee must be proposed in the following format:

*"For each twenty-four (24) hour period, or part thereof, that a Task #1 report or final deliverable is not provided to the Department by the report(s)/deliverable(s)' due date, the Contractor shall pay the Department **\$3,000** per day, until such time that the report(s)/deliverable(s) is provided to the Department. The aggregate total penalty amount shall not exceed the actual cost incurred by the Contractor in its performance of the associated Task #1 activity."*

Task #2 - Quarterly Analysis: State your willingness to guarantee that Quarterly Contractor Commentary Reports will be provided in accordance with the requirements set forth in RFP §3.01.2, not later than forty-five (45) calendar days from the end of the quarter under review, provided that the required electronic data is received by the Contractor from all Carriers within fifteen (15) days of the close of the quarter, and the Carrier reports within twenty-three (23) days of the close of the quarter. If the Contractor does not receive the data and/or Carrier reports by the specified dates, the due date shall be extended by one day for each day the data and/or Carrier reports are late. The Offeror must propose a penalty for failure to meet the above guarantee and the guaranteed must be proposed in the following format:

*"For each twenty-four (24) hour period, or part thereof, beyond a given Quarterly Contractor Commentary Reports' due date that the final Quarterly Contractor Commentary Reports is not provided to the Department by the Contractor, the Contractor shall pay the Department **\$2,000** per day, until such time as the required final Quarterly Contractor Commentary Reports are provided to the Department. The aggregate total penalty amount shall not exceed the actual cost incurred by the Contractor in its performance of the associated Task #2 activity."*

Task #3 – GASB 45 Valuation: State your willingness to guarantee that GASB 45 valuation services and the five (5) required reports will be provided in accordance with the requirement set forth in RFP §3.01.3 and that other specified deliverables as requested by the Department in fulfillment of GASB obligations will be provided in accordance with due dates specified in the annual Task #4 task order negotiated by the Parties, as may be amended by a Department approved Change Order Request(s). The Offeror must propose a penalty for failure to meet the above guarantee and the guarantee must be proposed in the following format:

*“For each twenty-four (24) hour period, or part thereof, beyond the due date for a given Task #3 report, as specified in the annual Task #4 task order negotiated by the Parties, as may be amended by a Department approved Change Order Request, is not provided to the Department by the Contractor, the Contractor shall pay the Department **3** percent of the negotiated Task #3 task order Total Project Cost amount, until such time as the report(s) is/are provided to the Department. The aggregate total penalty amount shall not exceed the actual cost incurred by the Contractor in its performance of the associated Task #3 activity.”*

Task #4 – Ad Hoc Consulting Services: State your willingness to guarantee that, in accordance with the requirements of RFP §3.01.4 analysis provided for a given Ad Hoc Project will be 1) based on the most current information available, 2) comprehensive, and 3) actuarially sound and reasonable, and that an Ad Hoc Project’s final deliverables will be provided to the Department not later than the due date agreed upon by the Department and the Contractor for a given Ad Hoc final deliverable. The Offeror must propose a penalty for failure to meet the above guarantee when the Not-To-Exceed Total Cost of a given Ad Hoc project is equal to or greater than fifty thousand dollars (\$50,000) and the guaranteed must be proposed in the following format:

*“As regards Ad Hoc projects whose Not-To-Exceed Total Cost is equal to or greater than fifty thousand dollars (\$50,000), for each twenty-four (24) hour period, or part thereof, beyond the due date for the Ad Hoc Project’s report or final deliverable, as negotiated by the Parties on a case-by-case basis, that the report/deliverable is not provided to the Department by the Contractor, the Contractor shall pay the Department **2** percent of the Task #4 Ad Hoc Not-To-Exceed Total Cost amount, until such time as the report(s)/deliverable(s) is provided to the Department. The aggregate total penalty amount shall not exceed the actual cost incurred by the Contractor in its performance of the associated Task #4 Ad Hoc project.”*

Extraneous Terms

Number	RFP Section and Sub-Section Reference	RFP Requirement	Proposed Extraneous Term Type
1.	Section 6, Article III, Section 3.3.5 and Section 6, Article XV, Section 15.2.0	Survival of terms and conditions.	Alternative
<p><u>Proposed Extraneous Terms:</u></p> <p>Contractor proposes that only the following terms of the Agreement survive termination: Article VII (with respect to payment for services provided prior to termination); Article X, Article XIII, Section 16.1.0, Article XVII, Article XVIII, Article XXII, and Article XXIII. Please note that the State's indemnity rights will survive termination, including its indemnity right for a breach of representation or warranty during the term of the Agreement.</p>			
<p><u>Impact on RFP Requirement:</u></p> <p>Amendment to Sections 3.3.5 and 15.2.0 of the Agreement.</p>			

Extraneous Terms

Number	RFP Section and Sub-Section Reference	RFP Requirement	Proposed Extraneous Term Type
2.	Section 6, Article VII, Sections 7.3.0 and 15.1.0	Most Favored Nation Provision	Alternative
<p><u>Proposed Extraneous Terms:</u></p> <p>Contractor cannot warrant that all of the prices, terms, warranties and benefits granted under the Agreement are comparable or better than those offered to other clients. Given the unique nature of the services and the vast number of Contractor clients, it is impracticable for Contractor to track this information among its varying client relationships.</p>			
<p><u>Impact on RFP Requirement:</u></p> <p>Deletion of Section 7.3.0 and applicable portion of Section 15.1.0 of the Agreement.</p>			

Extraneous Terms

Number	RFP Section and Sub-Section Reference	RFP Requirement	Proposed Extraneous Term Type
3.	Section 6, Article VIII, Section 8.1.0	Records and Information to be furnished	Supplemental
<p><u>Proposed Extraneous Terms:</u></p> <p>DCS is responsible for the accuracy and completeness of any and all DCS information that is submitted to Contractor by or on behalf of DCS. DCS agrees to notify Contractor as soon as possible of any problems or errors in DCS information submitted to Contractor.</p>			
<p><u>Impact on RFP Requirement:</u></p> <p>Addition of term to Agreement.</p>			

Extraneous Terms

Number	RFP Section and Sub-Section Reference	RFP Requirement	Proposed Extraneous Term Type
4.	Section 6, Article X, Section 10.6.1 and Section 10.6.5.	Breach Notification	Alternative
<u>Proposed Extraneous Terms:</u>			
Contractor proposed to limit its breach reporting obligations to successful security incidents. As with any service provider, Contractor is subject to routine attempts to compromise its firewall, and these attempts would technically be "attempted security incidents." Contractor generally finds that its clients have no interest in receiving reports of these attempts. This concept appears to be contemplated in Section 01.6.5, but it is unclear how the term "Unsuccessful Security Incident" is used.			
<u>Impact on RFP Requirement:</u>			
Revision to Section 10.6.1 of the Agreement.			

Extraneous Terms Number	RFP Section and Sub-Section Reference	RFP Requirement	Proposed Extraneous Term Type
5.	Section 6, Article X, Section 10.12.0	Indemnification for Business Associate Agreement	Alternative
<u>Proposed Extraneous Terms:</u>			
Contractor proposes to limit its indemnification obligations to losses arising from Contractor's breach of Article X of the Agreement (as opposed to the strict liability indemnity obligation).			
<u>Impact on RFP Requirement:</u>			
Revision to Section 10.12.0 of the Agreement.			

Extraneous Terms

Number	RFP Section and Sub-Section Reference	RFP Requirement	Proposed Extraneous Term Type
6.	Section 6, Article XIV, Section 14.1.0	Cooperation with Investigations and Audits	Alternative
<u>Proposed Extraneous Terms:</u>			
Contractor proposes an exception to this Section where its interests are adverse to those of the DCS.			
<u>Impact on RFP Requirement:</u>			
Revision to Section 14.1.0 of the Agreement			

Extraneous Terms

Number	RFP Section and Sub-Section Reference	RFP Requirement	Proposed Extraneous Term Type
7.	Section 6, Article XVI, Section 16.1.0 AND Appendix B, Sections 14-16	Report Ownership	Supplemental
<u>Proposed Extraneous Terms:</u>			
Contractor proposes to supplement this Section to clarify that Contractor retains all ownership in any pre-existing intellectual property of Contractor used in connection with the Services.			
<u>Impact on RFP Requirement:</u>			
Addition to Section 16.1.0 of the Agreement (and possibly Appendices A & B)			

Extraneous Terms

Number	RFP Section and Sub-Section Reference	RFP Requirement	Proposed Extraneous Term Type
8.	Section 6, Article XX and Appendix B, Section 30	Confidentiality	Supplemental
<u>Proposed Extraneous Terms:</u>			
Contractor will likely be providing DCS with confidential information pursuant to its performance of the Services. Contractor would like to include a mutually agreeable confidentiality provision in favor of Contractor.			
<u>Impact on RFP Requirement:</u>			
Addition to Article XX of the Agreement.			

Extraneous Terms

Number	RFP Section and Sub-Section Reference	RFP Requirement	Proposed Extraneous Term Type
9.	Appendix B, Section 4	Dispute Resolution	Alternative
<u>Proposed Extraneous Terms:</u>			
Contractor would like to discuss whether the Civil Service Commission is given exclusive jurisdiction over any claim arising under this Agreement. If not, Contractor would propose that any decision by the President of the Civil Service Commission be subject to appeal in a court of competent jurisdiction.			
<u>Impact on RFP Requirement:</u>			
Depending on DCS response, potential revision of Section 4 of Appendix B.			

Extraneous Terms

Number	RFP Section and Sub-Section Reference	RFP Requirement	Proposed Extraneous Term Type
10.	Appendix B, Section 7	Outside of Scope	Supplemental
<u>Proposed Extraneous Terms:</u>			
Contractor would propose to add language to clarify the services (as described in the RFP) that are within the scope of the Appendix.			
<u>Impact on RFP Requirement:</u>			
Addition to Section 7 of Appendix.			

Extraneous Terms

Number	RFP Section and Sub-Section Reference	RFP Requirement	Proposed Extraneous Term Type
11.	Appendix B, Section 10	Indemnification	Alternative
<u>Proposed Extraneous Terms:</u>			
Contractor proposes revisions to clarify that its obligation to indemnify for intellectual property infringement is limited to intellectual property provided by Contractor.			
<u>Impact on RFP Requirement:</u>			
Revision to Section 10 of Appendix B.			

Extraneous Terms

Number	RFP Section and Sub-Section Reference	RFP Requirement	Proposed Extraneous Term Type
12.	Appendix B, Section 27	Audit Authority	Alternative
<u>Proposed Extraneous Terms:</u>			
Contractor is willing to agree to a fee audit to validate any invoices submitted to DCS in connection with the services. Due to the nature of Contractor's obligations, Contractor is unable to permit a full audit of Contractor's operations, which may include exposure to confidential information of Contractor's clients and/or auditing of Contractor's systems that may compromise the security and stability of Contractor's systems. Consequently, Contractor requests that any performance audit (other than a fee audit) be subject to the mutual agreement of Contractor and DCS regarding appropriate scope of the audit.			
<u>Impact on RFP Requirement:</u>			
Revision to Section 27 of Appendix B.			

Extraneous Terms

Number	RFP Section and Sub-Section Reference	RFP Requirement	Proposed Extraneous Term Type
13.	Appendix O	Information Security Policy	Alternative
<p><u>Proposed Extraneous Terms:</u></p> <p>Contractor maintains an information security policy that it leverages for all clients. Consequently, Contractor does not agree to comply with client-specific security policies for each client, which would be impracticable given the number of clients of Contractor. If awarded the engagement, Contractor will review the DCS information security policy and notify DCS whether it is unable to comply with any provisions of the information security policy. In the event it is unable to comply with any such terms, Contractor will work in good faith with DCS to develop appropriate work-arounds or substitute policies.</p>			
<p><u>Impact on RFP Requirement:</u></p> <p>Revision to Appendix O.</p>			