

## ATTACHMENT A

### SECTION 1

This Agreement (hereinafter referred to as "Agreement") is entered into between the State of Connecticut (hereinafter "State") acting through the Office of Policy and Management (hereinafter "OPM") pursuant to Connecticut General Statutes §§ 4-8, 4-65a and 4-66, and Mercer Health and Benefits LLC, a Limited Liability Corporation, having its principal offices at 2325 E. Camelback Road, Ste 600, Phoenix, AZ 85016 (hereinafter "Contractor"). The parties agree that the services specified below shall be provided by Contractor in strict compliance with the provisions of this Agreement.

### SECTION 2

#### CONTRACT PERIOD AND DEFINITIONS

This Agreement shall commence on June 24, 2011 and the duties of the Contractor as set forth in Section 5 of this Agreement shall be completed by the Contractor no later than September 29, 2011 (hereinafter "end date").

Whenever the following terms or phrases are used in this Agreement, they shall have the following meaning unless the context clearly requires otherwise:

State - Wherever the term 'State' is used in this Agreement, it shall include the Secretary of OPM, or his authorized agents, employees or designees.

Contractor Parties: A Contractor's members, directors, officers, shareholders, partners, managers, principal officers, representatives, agents, servants, consultants, employees or any one of them or any other person or entity with whom the Contractor is in privity of oral or written contract and the Contractor intends for such other person or entity to Perform under the Contract in any capacity.

### SECTION 3

#### CANCELLATION PROVISION

This Agreement may be canceled at will by either party upon 15 days written notice delivered by certified mail.

### SECTION 4

#### NOTICE

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

State: State of Connecticut  
Office of Policy and Management  
450 Capitol Ave. - MS# 52 LTC  
Hartford, CT 06106-1379  
Attention: Tia Cintron, Project Manager

Contractor: Mercer Health and Benefits LLC  
2325 East Camelback Road, Suite 600  
Phoenix, Arizona 85016  
Attention: Maria C. Dominiak, Partner

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

## SECTION 5 SPECIFICATION OF SERVICES

### A. Scope of Services

The Contractor shall perform the following research, surveys, modeling and data analysis tasks to enable policy planning and development to implement a Health Insurance Exchange (Exchange) for the State of Connecticut. The Contractor shall perform tasks 1 through 12 in accordance with the Work Plan and Methodology contained in the Statement of Work submitted in accordance with the State's Request for the Insurance Exchange Planning Grant. The Statement of Work is incorporated herein as Appendix 1.

1. Assess the State's uninsured and underinsured population under the various types of coverage, including government sponsored coverage.
2. Conduct a survey of the health insurance carriers that offer coverage to Connecticut residents. This data shall include, at a minimum, plan designs being sold, premium levels and the number of enrollees in each market segment (group and non-group).
3. Conduct an assessment of the small employer market (<50 and 50 - 100 employees) to identify current and anticipated future benefit design needs and other issues. This research shall provide an analysis of the possible impacts that certain policy decisions may or may not have on small employers. The Contractor shall include tax credit and hiring decision impacts and provide analysis of employer coverage decisions inside and outside of the Exchange.
4. Conduct economic and actuarial modeling and analyses of trends such as the number of newly insured, the impact of certain market changes on premium levels, and the implications of different policy questions including:
  - a. Integration of high risk pools in the non-group market or maintaining high risk pools separately.
  - b. Advantages and disadvantages of expanding the definition of small group from 50 to 100 employees prior to 2017.
  - c. Impact of an Exchange on employer provided insurance and specifically the impact of employer penalties and tax credits by the different scenarios.
  - d. Implications for pricing in the small and non-group markets and the potential impact of merging the markets.
  - e. Impact of the individual mandate to purchase health insurance and its influence on the market and the assumptions made in that regard with respect to the models.
  - f. Impact to markets and the Exchange if the Basic Health Plan option is considered.
  - g. The cost of Connecticut benefit mandates that are above the federal essential benefits in the context of a revised insurance market.
  - h. Impact of the Exchange on insurer profitability and potential market exit.
  - i. Impact of the Exchange on household budgets.
5. Analyze the effect if the large employer market (>100 employees) seeks participation in the Exchange after 2017.
6. Analyze the impact of the Exchange in regards to interaction with other health system initiatives in the State.
7. Develop a financial model for the Exchange (cash flow) to understand the administrative charges necessary to be financially self-sustaining by January 2015. The Contractor shall recommend options to receive such charges.
8. Assess the technical requirements and development of specifications for accounting and financial system functions for the Exchange.

9. Assess the existing Medicaid eligibility system and identify interface issues and necessary requirements for integration with the Exchange IT infrastructure.
10. Provide an impact study of the Medicaid program specifically addressing, but not limited to, the following:
  - a. Projections for the fiscal year beginning 2014 and continuing through 2020 for the following categories of individuals and provide an assessment on the impact on the Exchange. The Contractor shall provide such projections broken down by: Eligible adults (current Medicaid); projected enrollment; current eligible children; and projected enrollment children.
  - b. Analysis of the impact of a Federal Poverty Level (FPL) increase under Medicaid to 133%, 150%, 185%, and 200% of FPL in the Exchange. The Contractor shall specifically include for each FPL increase the following: FPL percentage; projected population total; currently eligible; and ACA eligible.
  - c. Assessment of the impact on the Exchange of the Children's Health Insurance Program.
11. Analyze the advantages and disadvantages of a Connecticut statewide Exchange versus a multi-state Exchange.
12. The Contractor shall provide one (1) hard copy as well as an electronic version compatible with Microsoft Word 7.0 of the draft report for each of the eleven (11) tasks to the State by the deadlines identified in Appendix 1, Statement of Work and for any ad hoc work authorized by the State in accordance with Section A13 below. The report shall include the following content: descriptive statement of task, methodology employed to complete the task, findings and results, and summary and conclusions.  
  
The Contractor shall provide three (3) hard copies as well as an electronic version compatible with Microsoft Word 7.0 of the final report to the State by September 23, 2011. The report shall include the eleven (11) reports for each task as well as an Executive Summary that shall highlight the most significant findings of this Agreement.
13. Provide ad hoc services that may be required by the State throughout this Agreement. If needed, the State shall make a written request for an estimate for such ad hoc services to the Contractor. The Contractor shall provide a written cost estimate for such work to the State. No work shall be performed by the Contractor under this task without prior written authorization by the State.

All deadlines specified in Appendix 1, Statement of Work are subject to modification upon written mutual agreement between the State and the Contractor.

## SECTION 6 COST AND SCHEDULE OF PAYMENTS

The State shall pay the Contractor a total sum not to exceed \$600,000 (SIX HUNDRED THOUSAND DOLLARS) for services performed under this Agreement.

The Contractor shall be compensated based upon work performed for each above Task, documented and accepted by the State as specified in the following schedule:

Work Task (including related deliverables)	Not to Exceed Amount Per Work Task
1	\$23,750
2	\$30,000
3	\$30,000
4	\$240,575
5	\$26,350
6	\$32,890
7	\$26,275
8	\$45,100
9	\$77,650
10	\$46,600
11	\$7,665
12	\$0
13	\$13,145
TOTAL	\$600,000

The Contractor shall submit invoices on a periodic basis, not less often than monthly. Invoices shall, at a minimum, include the Contractor name, the Contract Number, the Contractor's Federal Employer Identification Number, and the billing period.

To provide the Contractor with adequate cash flow, the Contractor may submit invoices for services billed by the hour in accordance with the approved Rate Schedule, which Rate Schedule is incorporated herein as Appendix 2. The cumulative amount of services billed by the hour shall not exceed the approved amount for each work task. Invoices shall include the name and title of the individual providing the services, the dates worked, the number of hours worked each month by task number with a brief synopsis of the work performed, the rate being charged for the individual, and the total cost, by task number, for that person's work during the billing period.

The State shall assume no liability for payment for services under the terms of this Agreement until the Contractor is notified that the Agreement has been accepted by the contracting agency, and if applicable, approved by OPM, the Department of Administrative Services and/or by the Attorney General of the State.

## SECTION 7 OTHER CONDITIONS

### A. Entire Agreement

This Agreement embodies the entire agreement between the State and Contractor on the matters specifically addressed herein. The parties shall not be bound by or be liable for any statement, representation, promise, inducement, or understanding of any kind or nature not set forth herein. This Agreement shall supersede all prior written agreements between the parties and their predecessors. No changes, amendments, or modifications of any of the terms or conditions of the Agreement shall be valid unless reduced to writing, signed by both parties, and approved by the Attorney General or his Deputy. This Agreement shall inure to the benefit of each party's heirs, successors, and assigns.

### B. Changes in Service

When changes in the services are required or requested by the State, Contractor shall promptly estimate their monetary effect and so notify the State. No change shall be implemented by Contractor unless it is approved by the State in writing; and, unless otherwise agreed to in writing, the provisions of this Agreement shall apply to all changes in the services. If the State determines that any change materially

affects the cost or time of performance of this Agreement as a whole, Contractor and the State will mutually agree in writing to an equitable adjustment.

#### C. Independent Contractor

Contractor represents that it is fully experienced and properly qualified to perform the services provided for herein, and that it is properly licensed, equipped, organized, and financed to perform such services. Contractor shall act as an independent Contractor in performing this Agreement, maintaining complete control over its employees and all of its subcontractors. Contractor shall furnish fully qualified personnel to perform the services under this Agreement. Contractor shall perform all services in accordance with its methods, subject to compliance with this Agreement and all applicable laws and regulations. It is acknowledged that services rendered by the Contractor to the State hereunder do not in any way conflict with other contractual commitments with or by the Contractor.

If applicable, Contractor shall deliver copies of any and all current license(s) and registration(s) relating to the services to be performed under this Agreement to the State, at the time of the execution of this Agreement, as evidence that such are in full force and effect.

#### D. Laws and Regulations

This Agreement shall be interpreted under and governed by the laws of the State of Connecticut. Contractor, its employees and representatives shall at all times comply with all applicable laws, ordinances, statutes, rules, regulations, and orders of governmental authorities, including those having jurisdiction over its registration and licensing to perform services under this Agreement.

#### E. Labor and Personnel

At all times, Contractor shall utilize approved, qualified personnel and any State approved subcontractors necessary to perform the services under this Agreement. Contractor shall advise the State promptly, in writing, of any labor dispute or anticipated labor dispute or other labor related occurrence known to Contractor involving Contractor's employees or subcontractors which may reasonably be expected to affect Contractor's performance of services under this Agreement. The State may then, at its option, ask Contractor to arrange for a temporary employee(s) or subcontractor(s) satisfactory to the State to provide the services otherwise performable by Contractor hereunder. The Contractor will be responsible to the State for any economic detriment caused the State by such subcontract arrangement.

Contractor shall, if requested to do so by the State, reassign from the State's account any employee or authorized representatives whom the State, in its sole discretion, determines is incompetent, dishonest, or uncooperative. In requesting the reassignment of an employee under this paragraph, the State shall give ten (10) days notice to Contractor of the State's desire for such reassignment. Contractor will then have five (5) days to investigate the situation and attempt, if it so desires, to satisfy the State that the employee should not be reassigned; however, the State's decision in its sole discretion after such five (5) day period shall be final. Should the State still desire reassignment, then five (5) days thereafter, or ten (10) days from the date of the notice of reassignment, the employee shall be reassigned from the State's account.

#### F. Conflicts, Errors, Omissions, and Discrepancies

In the event of any conflict between the provision of this Agreement and the provisions of Form CO-802A to which this Agreement is attached, the provisions of this Agreement shall control.

In case of conflicts, discrepancies, errors, or omissions among the various parts of this Agreement, any such matter known to the Contractor shall immediately be submitted with any pertinent information related to the Contractor's and the State's position on such matter to the State for clarification. The State shall issue such clarification within a reasonable period of time and the Contractor shall proceed diligently with the performance of the contract in a manner consistent with such clarification shall be binding, subject to any rights the Contractor may have pursuant to state law. Pending resolution of a

dispute under this section, the Contractor and the State shall proceed diligently with the performance of the contract.

#### G. Indemnity

- (a) The Contractor agrees to indemnify, defend and hold harmless the State of Connecticut; as well as all Departments, officers, agents and employees of the State from and against any and all claims, losses or suits according or resulting to any Contractors, subcontractors, laborers and any person, firm or corporation who may be injured or damaged by the negligence or willful misconduct of the Contractor in the performance of this contract.
- (b) The Department may request, in writing, evidence of the Contractor's workers' compensation insurance policy. If such a request is made, the Contractor must file such evidence of its workers' compensation insurance policy with the Department's Contract Administrator, not later than fifteen business days following receipt of this request.
- (c) The Contractor, at his own expense, must defend any and all claims or suits which may be brought against the department or the State for the infringement of any patents, copyrights, proprietary rights or right of privacy arising from the Contractor's or State's use of any equipment, materials or information prepared or developed by the Contractor in conjunction with the performance of this contract. The Contractor shall not be liable hereunder to the extent such suit is attributable to the acts or omissions of the State or the Department. The Contractor shall, in any such suit, satisfy any and all damages assessed against the State or its Departments, be it resolved by settlement, final judgment, consent or any other manner.

#### H. Nondisclosure

Contractor shall not release any information concerning the services provided pursuant to the Agreement or any part thereof to any member of the public, press, business entity or any official body unless prior written consent is obtained from the State.

#### I. Quality Surveillance and Examination of Records

- (a) The State and its agents, including, but not limited to, the Connecticut Auditors of Public Accounts, Attorney General and State's Attorney and their respective agents, may, at reasonable hours, inspect and examine all of the parts of the Contractor's and Contractor Parties' plants and places of business which are directly related to, or involved in, the performance of this Agreement.
- (b) The Contractor shall maintain, and shall require each of the Contractor Parties to maintain, accurate and complete records. The Contractor shall make all of its and the Contractor Parties' records available at all reasonable hours for audit and inspection by the State and its agents.
- (c) The State shall make all requests for any audit or inspection in writing and shall provide the Contractor with at least twenty-four (24) hours' notice prior to the requested audit and inspection date. If the State reasonably suspects fraud or other abuse, or in the event of an emergency, the State is not obligated to provide any prior notice.
- (d) All audits and inspections shall be at the State's expense.
- (e) The Contractor shall keep and preserve or cause to be kept and preserved all of its and Contractor Parties' Records until three (3) years after the latter of (i) final payment under this Agreement, or (ii) the expiration or earlier termination of this Agreement. The State may request an audit or inspection at any time during this period. If any claim or audit is started before the expiration of this period, the Contractor shall retain or cause to be retained all Records until all claims or audit findings have been resolved.
- (f) The Contractor shall cooperate fully with the State and its agents in connection with an audit or inspection. Following any audit or inspection, the State may conduct and the Contractor shall cooperate with an exit conference.

- (g) The Contractor shall incorporate this entire Section verbatim into any contract or other agreement that it enters into with any Contractor Party.
- (h) Notwithstanding any other provision in this Agreement, any audit, inspection or examination shall (i) not unreasonably interfere with the business operations of the Contractor, (ii), and if performed by a third party, be subject to the execution of a confidentiality agreement with the Contractor that is reasonably satisfactory to the Contractor. The Contractor shall have the right to exclude from such audit any of its other clients' confidential or proprietary information.

#### J. Insurance

Before commencing performance of the services, the Contractor shall obtain and maintain the insurance coverage specified below at its own cost and expense for the duration of the Agreement.

1. Commercial General Liability. \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, personal injury and property damage. Coverage shall include: Premises and Operations, Products and Completed Operations, Contractual Liability, and Broad Form Property Damage coverage.
2. Automobile Liability. \$1,000,000 combined single limit per accident for bodily injury. Coverage extends to owned, hired and non-owned automobiles. If Contractor does not own an automobile, but one is used in the execution of this Agreement, then only hired and non-owned coverage is required. If a vehicle is not used in the execution of this Agreement then automobile coverage is not required.
3. Professional liability. \$1,000,000 per claim and aggregate limit of liability, if applicable, and/or
4. Workers' Compensation and Employers Liability. Statutory coverage in compliance with the Compensation laws of the State of Connecticut. Coverage shall include Employer's Liability with a limit of \$100,000 each accident, \$500,000 Disease – Policy limit, \$100,000 each employee.

None of the requirements contained herein as to types, limits, and approval of insurance coverage to be maintained by Contractor are intended to and shall not in any way limit or qualify the liabilities and obligations assumed by Contractor under this Agreement.

Contractor shall deliver Certificates of Insurance relating to all of the above referenced coverages to the State at the time of the execution of this Agreement as evidence that policies providing such coverage and limits of insurance are in full force and effect, which Certificate shall provide that no less than thirty (30) days advance notice will be given in writing to the State prior to cancellation, termination or alteration of said policies of insurance.

#### K. Non-Waiver

None of the conditions of this Agreement shall be considered waived by the State or the Contractor unless given in writing. No such waiver shall be a waiver of any past or future default, breach, or modification of any of the conditions of this Agreement unless expressly stipulated in such waiver.

#### L. Promotion

Unless specifically authorized in writing by the Secretary of OPM, on a case by case basis, Contractor shall have no right to use, and shall not use, the name of the State of Connecticut, its officials, agencies, or employees or the seal of the State of Connecticut or its agencies:

- (1) in any advertising, publicity, promotion; or
- (2) to express or to imply any endorsement of Contractor's products or services; or
- (3) to use the name of the State of Connecticut, its officials, agencies, or employees or the seal of the State of Connecticut or its agencies in any other manner (whether or not similar to uses prohibited by subparagraphs (1) and (2) above), except only to manufacture and deliver in accordance with this

Agreement such items as are hereby contracted for by the State. In no event may the Contractor use the State Seal in any way without the express written consent of the Secretary of State.

#### M. Confidentiality

1. All material and information provided to Contractor by the State or acquired by Contractor in performance of the Agreement whether verbal, written, recorded magnetic media, cards or otherwise shall be regarded as confidential information and all necessary steps shall be taken by Contractor to safeguard the confidentiality of such material or information in conformance with Federal and State statutes and regulations. Contractor agrees that it is prohibited from releasing any and all confidential information provided by the State or providers or any confidential information generated by Contractor in connection with the services without the prior written consent of the State.
2. The confidentiality obligations set forth above shall not apply to data, information or material which (a) at the time disclosed to, or obtained by Contractor, is in the public domain or subsequently becomes a part of the public domain through no fault of Contractor; (b) is communicated to Contractor by a third party who is not, to Contractor's knowledge, subject to any confidentiality obligations with respect thereto; (c) is independently developed by Contractor; or (d) is required to be disclosed by Contractor pursuant to any statute, regulation, order, subpoena, document discovery request or other legal process. Where such disclosure is required, Contractor will provide advance notice to the State of the need for the disclosure and in order that the State be given the opportunity to intervene in any such proceeding.

#### N. Subpoenas

In the event the Contractor's records are subpoenaed pursuant to Connecticut General Statutes § 36a-43, the Contractor shall, within twenty-four (24) hours of service of the subpoena, notify the person designated for the State in Section 4 of this Agreement of such subpoena. Within thirty-six (36) hours of service, the Contractor shall send a written notice of the subpoena together with a copy of the same to the person designated for the State in Section 4 of this Agreement.

#### O. Survival

The rights and obligations of the parties which by their nature survive termination or completion of the Agreement, including but not limited to those set forth herein in sections relating to Indemnity, Nondisclosure, Promotion, and Confidentiality of this Agreement, shall remain in full force and effect.

#### P. Americans with Disabilities Act

This clause applies to those Contractors which are or will become responsible for compliance with the terms of the Americans with Disabilities Act of 1990 during the term of this Agreement. Contractor represents that it is familiar with the terms of this Act and that it is in compliance with the law. Failure of the Contractor to satisfy this standard either now or during the term of this Agreement as it may be amended will render the contract voidable at the option of the State upon notice to the Contractor. Contractor warrants that it will hold the State harmless from any liability which may be imposed upon the State as a result of any failure of the Contractor to be in compliance with this Act.

#### Q. Non-Discrimination and Executive Orders

The non-discrimination clause on the reverse side of page 1 of Form CO 802-A, attached hereto, is superseded and the following is inserted in lieu thereof:

- (a) For the purposes of this Section, "minority business enterprise" means any small Contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise, and (3) who are members of a minority, as such

term is defined in subsection (a) of Connecticut General Statutes § 32-9n; and "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.

For purposes of this Section, "Commission" means the Commission on Human Rights and Opportunities.

For purposes of this Section, "Public works contract" means any Agreement between any individual, firm or corporation and the State or any political subdivision of the State other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the State, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees.

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

- (f) The Contractor agrees to comply with the regulations referred to in this Section as they exist on the date of this Agreement and as they may be adopted or amended from time to time during the term of this Agreement and any amendments thereto.
- (g) The Contractor agrees to the following provisions: The Contractor agrees and warrants that in the performance of the Agreement such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or the State of Connecticut, and the employees are treated when employed without regard to their sexual orientation; the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining Agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; the Contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes §46a-56; and the Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor which relate to the provisions of this Section and Connecticut General Statutes § 46a-56.
- (h) The Contractor shall include the provisions of the foregoing paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes § 46a-56; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and State may so enter.
- (i) For the purposes of this entire Non-Discrimination section, "contract" includes any extension or modification of the contract, "contractor" includes any successors or assigns of the contractor, "marital status" means being single, married as recognized by the state of Connecticut, widowed, separated or divorced, and "mental disability" means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association's "Diagnostic and Statistical Manual of Mental Disorders", or a record of or regarding a person as having one or more such disorders. For the purposes of this section, "contract" does not include a contract where each contractor is (1) a political subdivision of the state, including, but not limited to, a municipality, (2) a quasi-public agency, as defined in Conn. Gen. Stat. Section 1-120, (3) any other state, including but not limited to any federally recognized Indian tribal governments, as defined in Conn. Gen. Stat. Section 1-267, (4) the federal government, (5) a foreign government, or (6) an agency of a subdivision, agency, state or government described in the immediately preceding enumerated items (1), (2), (3), (4) or (5).

This Agreement is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971, and, as such, this Agreement may be canceled, terminated or suspended by the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Three, or any State or federal law concerning nondiscrimination, notwithstanding that the Labor Commissioner is not a party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that said Executive Order No. Three is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to contract performance in regard to nondiscrimination until the Agreement is completed or terminated prior to completion.

The Contractor agrees, as part consideration hereof, that this Agreement is subject to the Guidelines and Rules issued by the State Labor Commissioner to implement Executive Order No. Three, and that it will not discriminate in its employment practices or policies, will file all reports as required, and will fully cooperate with the State of Connecticut and the State Labor Commissioner.

This Agreement is subject to the provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973, and, as such, this Agreement may be canceled, terminated or suspended by the contracting agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Seventeen, notwithstanding that the Labor Commissioner may not be party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that Executive Order No. Seventeen is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction in respect to contract performance in regard to listing all employment openings with the Connecticut State Employment Service.

#### R. Violence in the Workplace Prevention

This Agreement is subject to the provisions of Executive Order No. 16 of Governor John G. Rowland promulgated August 4, 1999 and, as such, the contract may be canceled, terminated or suspended by the State for violation of or noncompliance with said Executive Order No. 16. The parties to this contract, as part of the consideration hereof, agree that said Executive Order No. 16 is incorporated herein by reference and made a part hereof. The parties agree to abide by such Executive Order.

#### S. Sovereign Immunity

Notwithstanding any provisions to the contrary contained in this Agreement, it is agreed and understood that the State of Connecticut shall not be construed to have waived any rights or defenses of sovereign immunity which it may have with respect to all matters arising out of this Agreement.

#### T. Assignment

This Agreement shall not be assigned by either party without the express prior written consent of the other.

#### U. Severability

It is the intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permitted by applicable law. To the extent that the terms set forth in this Agreement or any word, phrase, clause or sentence is found to be illegal or unenforceable for any reason, such word, phrase, clause or sentence shall be modified, deleted or interpreted in such a manner so as to afford the party for whose benefit it was intended the fullest benefit commensurate with making this Agreement as modified, enforceable and the balance of this Agreement shall not be affected thereby, the balance being construed as severable and independent.

#### V. Headings

The titles of the several sections, subsections, and paragraphs set forth in this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

#### W. Third Parties

The State shall not be obligated or liable hereunder to any party other than the Contractor. Neither this Agreement nor the provision of the services is intended to confer any right or benefit on any third party.

#### X. Non Waiver

In no event shall the making by the State of any payment to the Contractor constitute or be construed as a waiver by the State of any breach of covenant, or any default which may then exist, on the part of the Contractor and the making of any such payment by the State while any such breach or default exists

shall in no way impair or prejudice any right or remedy available to the State in respect to such breach or default.

**Y. Contractor Certification**

The Contractor certifies that the Contractor has not been convicted of bribery or attempting to bribe an officer or employee of the State, nor has the Contractor made an admission of guilt of such conduct which is a matter of record.

**Z. Large State Contracts**

Pursuant to Connecticut General Statutes §§ 4-250 and 4-252, Contractor must present at the execution of each large State contract (having a total cost to the State of more than \$500,000 in a calendar or fiscal year) an executed gift certification, which Contractor shall update on an annual basis in accordance with paragraph 8 of Governor M. Jodi Rell's Executive Order No. 1. In addition, pursuant to paragraph 8 of Governor M. Jodi Rell's Executive Order No. 1, anyone who executes and files said gift certification shall also execute and file a campaign contribution certification disclosing all contributions made to campaigns of candidates for statewide public office or the General Assembly.

**AA. Governor M. Jodi Rell's Executive Order No. 7C**

Pursuant to Governor M. Jodi Rell's Executive Order No. 7C, paragraph 10, Contractor shall comply with the certification requirements of Connecticut General Statutes §§ 4-250 and 4-252, and Governor M. Jodi Rell's Executive Order No. 1, for all personal service agreement contracts with a value of \$50,000 or more in a calendar or fiscal year by executing and filing the respective certifications with OPM.

**BB. State Contracting Standards Board**

Pursuant to paragraph 6(a) of Governor M. Jodi Rell's Executive Order No. 7C, Contractor acknowledges and accepts that, for cause, the State Contracting Standards Board may review and recommend, for OPM's consideration and final OPM determination, termination of this contract. "For Cause" means: (1) a violation of the State ethics laws (Chapter 10 of the Connecticut General Statutes) or Connecticut General Statutes § 4a-100 or (2) wanton or reckless disregard of any State contracting and procurement process by any person substantially involved in such contract or State contracting agency.

**CC. Large State Construction Or Procurement Contract**

Pursuant to Connecticut General Statutes § 1-101qq, every contractor to a Large State construction or procurement contract shall review the summary of State ethics laws developed by the Office of State Ethics pursuant to Connecticut General Statutes Section 1-81b (the "Summary") and shall promptly affirm to OPM in writing that the key employees of such Contractor have received, reviewed and understand the Summary and agree to comply with the provisions of the State ethics laws. A copy of the Summary is attached and incorporated herein as Attachment B. Further, Contractor shall incorporate and include the Summary in all contracts with any subcontractor or consultant working or assisting the Contractor with the large state construction or procurement contract. Contractor shall require in said contracts that the key employees of any subcontractor or consultant affirm that they have received, reviewed and understand the Summary and agree to comply with the provisions of the State ethics laws. Contractor shall supply such affirmations to OPM promptly. "Large state construction or procurement contract" means any contract, having a cost of more than five hundred thousand dollars, for (A) the remodeling, alteration, repair or enlargement of any real asset, (B) the construction, alteration, reconstruction, improvement, relocation, widening or changing of the grade of a section of a state highway or a bridge, (C) the purchase or lease of supplies, materials or equipment, as defined in Section 4a-50 of the Connecticut General Statutes, or (D) the construction, reconstruction, alteration, remodeling, repair or demolition of any public building.

**DD. Disclosure of Consulting Agreements**

Pursuant to Connecticut General Statutes § 4a-81, the chief official of the Contractor, for all contracts with a value to the State of fifty thousand dollars or more in any calendar or fiscal year, shall attest in an affidavit as to whether any consulting agreement has been entered into in connection with such contract. Such affidavit shall be required if any duties of the consultant included communications concerning business of such State agency, whether or not direct contact with a State agency, State or public official or State employee was expected or made. As used herein "consulting agreement" means any written or oral agreement to retain the services, for a fee, of a consultant for the purposes of (A) providing counsel to a contractor, vendor, consultant or other entity seeking to conduct, or conducting, business with the State, (B) contacting, whether in writing or orally, any executive, judicial, or administrative office of the State, including any department, institution, bureau, board, commission, authority, official or employee for the purpose of solicitation, dispute resolution, introduction, requests for information or (C) any other similar activity related to such contract. Consulting agreement does not include any agreements entered into with a consultant who is registered under the provisions of Chapter 10 of the general statutes as of the date such affidavit is submitted in accordance with the provisions of Connecticut General Statutes § 4a-81.

#### **EE. Retaliation Prohibition**

Pursuant to Connecticut General Statutes § 4-61dd, a large state contractor shall be liable for a civil penalty of not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of the contract, if an officer, employee or appointing authority of a large state contractor takes or threatens to take any personnel action against any employee of the large state contractor in retaliation for such employee's disclosure of information to any employee of the contracting State or quasi-public agency or the Auditors of Public Accounts or the Attorney General under the provisions of Connecticut General Statutes § 4-61dd(a). Each violation shall be a separate and distinct offense and in the case of a continuing violation each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. Each large state contractor shall post a notice of the provisions of this section relating to large state contractors in a conspicuous place which is readily available for viewing by the employees of the contractor. As used in Connecticut General Statutes § 4-61dd, a "large state contract" means a contract between an entity and a state or quasi-public agency having a value of five million dollars or more and (2) "large state contractor" means an entity that has entered into a large state contract with a state or quasi-public agency.

#### **FF. Campaign Contribution and Solicitation Prohibitions**

For all State contracts as defined in Connecticut General Statutes § 9-612(g)(1)(2) having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this Agreement expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See Attachment C.

#### **GG. Non-Discrimination Certification**

Pursuant to Connecticut General Statutes §§ 4a-60(a)(1) and 4a-60a(a)(1), every Contractor is required to provide the State with a non-discrimination certificate for all State contracts regardless of type, term, cost or value. The appropriate form must be submitted to the awarding State agency prior to contract execution. Copies of "nondiscrimination certification" forms that will satisfy the statutory requirements may be found on OPM's website. The applicable certification form must be signed by an authorized signatory of the Contractor (or, in the case of an individual contractor, by the individual).

#### **HH. Information**

Contractor shall use all information and data supplied by the State or at the direction of the State. Contractor shall not be required to independently verifying the accuracy, completeness or timeliness of

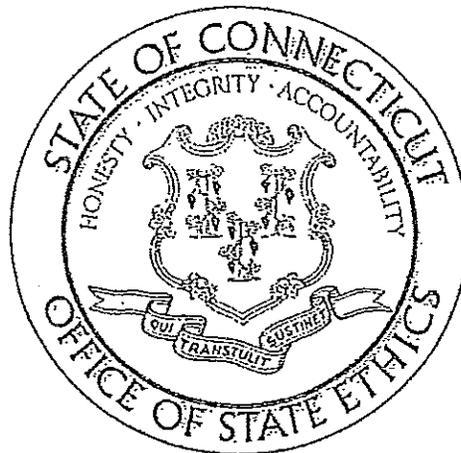
it, except if such information and data is obviously deficient Contractor shall notify the State and the entity supplying information on the State's behalf of such deficiency. Contractor will not be responsible for any delays or liability arising from missing, delayed, incomplete, inaccurate or outdated information and data, or if the State does not provide adequate access to its employees, agents or other representatives necessary for Contractor to perform the services.

## II. Ownership: Intellectual Property

1. All products and materials developed specifically and exclusively for the State as a result of this Agreement by Contractor, or any of its subcontractors hired for the purposes of this Agreement, shall remain the property of the State. Products and materials are defined as, but are not limited to, copyrighted materials, camera ready copy, mechanical, videos, posters and stock thereof; designs, data and all other matter and information that is collected or developed specifically and exclusively for the State for the purpose of this Agreement. Disposition of all such products and materials shall remain at the discretion of the State during the effective period of this Agreement and thereafter.
2. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that Contractor shall retain all of its rights in its proprietary information, including, without limitation, its methods of analysis, ideas, concepts, expressions, know how, techniques, skills, knowledge and experience possessed by Contractor prior to, or acquired by Contractor during, the performance of the Agreement and Contractor shall not be restricted in any way with respect thereto.
3. The State shall be responsible for, and the Contractor shall have no liability with respect to, (a) modifications made by any person other than the Contractor (or third parties under the control of the Contractor) to the work product, intellectual property used or provided in connection with the services or other work product provided to the State by the Contractor or (b) any use of any work product or intellectual property or other material supplied by the Contractor under this Agreement in a manner other than as mutually contemplated when the Contractor was first retained to perform the applicable services.

## **ATTACHMENT B**

# **Guide to the Code of Ethics For Current or Potential State Contractors**



**2010**

## INTRODUCTION

The Connecticut Office of State Ethics (OSE) is an independent regulatory agency for the state of Connecticut, charged with administering and enforcing the Connecticut Codes of Ethics, located in the Connecticut General Statutes, Chapter 10.

The Ethics Codes under the OSE's jurisdiction are comprised of:

- The Code of Ethics for Public Officials (Part I);
- The Code of Ethics for Lobbyists (Part II); and
- Limited jurisdiction over Ethical Considerations Concerning Bidding and State Contracts (Part IV).

This guide provides general information only. The descriptions of the law and the OSE in this guide are not intended to be exhaustive. Please review the Advisory Opinions and Declaratory Rulings on our website or contact the Legal Division of the OSE with any questions regarding interpretation of the law.

For more information on the subjects discussed in this guide, call, write or visit:

Connecticut Office of State Ethics  
18-20 Trinity Street Suite 205  
Hartford, CT 06106

860/263-2400  
[www.ct.gov/ethics](http://www.ct.gov/ethics)



### *Citizen's Ethics Advisory Board:*

- G. Kenneth Bernhard, Chairperson (through September 2011)
- Thomas H. Dooley, Vice Chairperson (through September 2012)
- Ernest Abate (through September 2011)
- Kathleen F. Bornhorst (through September 2012)
- Rebecca M. Doty (through September 2011)
- General David Gay, (ret.) (through September 2013)
- Dennis Riley (through September 2013)
- Winthrop Smith, Jr. (through September 2013)
- Shawn T. Wooden (through September 2013)

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## THE OFFICE OF STATE ETHICS (OSE)

The Connecticut Office of State Ethics (OSE) was officially created on July 1, 2005, by Public Act 05-183. The governing body of the OSE is the Citizen's Ethics Advisory Board (CEAB), nine members appointed by the Governor and legislative leadership. The CEAB holds monthly meetings that are open to the public and that are often covered by CT-N. A schedule of CEAB meeting dates, times and locations is available on the OSE's Website, [www.ct.gov/ethics](http://www.ct.gov/ethics).

The OSE is an independent watch dog agency for the state of Connecticut that administers Connecticut General Statutes, Chapter 10, Parts I and II, with limited jurisdiction over Part IV.

Simply put, the OSE educates all those covered by the law (the "regulated community"); provides information to the public; interprets and applies the codes of ethics; and investigates potential violations, and otherwise enforces the codes.

The OSE is made up of the following components:

- Citizen's Ethics Advisory Board
- Executive Director
- Legal Division
- Enforcement Division

## THE BIG PICTURE

All state officials and employees (except judges) are covered by Part I of the Code of Ethics for Public Officials (hence forth, Part I, or the Code). It is important to remember that certain provisions of the Code also apply to public officials and state employees after they leave state service.

As you read through this guide be aware that these laws were enacted to prevent individuals from using their public position or authority for personal, financial benefit.

Each state agency also has its own ethics policy, which in many cases may be more restrictive than what follows. Be sure to obtain a copy of the agency's policy before you attempt to provide any benefit to an agency official or employee.

## GIVING BENEFITS TO STATE PERSONNEL



### Gifts

As a current or potential state contractor, you are presumably doing business with or seeking to do business with a state agency, and are therefore considered to be a restricted donor. In general, public officials, state employees and candidates for public office may not accept gifts from restricted donors.

#### Restricted Donors

Restricted donors include:

- Registered lobbyists (a list is available on the OSE's Website) or a lobbyist's representative;
- Individuals or groups doing business with a state department or agency;
- Individuals or groups seeking to do business with a state department or agency;
- Individuals or groups engaged in activities regulated by a state department or agency; or
- Contractors pre-qualified by the Connecticut Department of Administrative Services (Conn. Gen. Stat. § 4a-100).

A gift is defined as anything of value that is directly and personally received by a public official or state employee (or sometimes family members of those two categories) *unless* consideration of equal or greater value is provided. Conn. Gen. Stat. §1-79 (e).

Gift Exceptions There are, however, certain exceptions to this definition of gift. Not all exceptions are covered below; see Conn. Gen. Stat. § 1-79 (e) (1) –(17) for the complete list.

*Token Items* – Restricted donors such as current or potential state contractors may provide any item of value that is not more than \$10 (such as a pen, mug, or inexpensive baseball cap) to a public official or state employee, provided that the annual aggregate of such items from a single source is \$50 or less. Conn. Gen. Stat. § 1-79 (e) (16).

*Food and Beverage* – Restricted donors may also provide less than \$50 worth of food and beverage in a calendar year to a public official or state employee, provided that the restricted donor or his/her representative is in attendance when the food and/or beverage is being consumed. Conn.Gen.Stat.§1-79 (e) (9).

*Training* – Vendors may provide public officials and state employees with training for a product purchased by a state or quasi-public agency provided such training is offered to all customers of that vendor. Conn.Gen.Stat.§1-79 (e) (17).

*Gifts to the State* – Restricted donors may provide what are typically referred to as “gifts to the state.” These gifts are goods and services provided to a state agency or quasi-public agency for use on state or quasi-public agency property or that support an event, and which facilitate state or quasi-public action or functions. Conn. Gen. Stat. §1-79 (e) (5).

*Other Exceptions* – There are a total of 17 separate gift exceptions in the Code. Also exempt from the definition of gift are items such as informational materials germane to state action, ceremonial plaques or awards costing less than \$100, or promotional items, rebates or discounts also available to the general public. See Conn. Gen. Stat. § 1-79 (e) (1) – (17).

Note: The popularly-cited exception for major life events does not apply to those who are regulated by, doing business with or seeking to do business with a state agency. The only restricted donor that can make use of this very narrow exception is a registered lobbyist.

#### Gift Provisions

*Example: You are in the process of submitting a contracting bid to a state agency. You provide the agency head with a gift certificate for \$45 to a popular West Hartford eatery for her to use on her own. You have not previously given anything of value to this individual.*

*Even though you are under the permissible \$49.99 food and beverage limit, this gift is not allowed because you or your representative will not be in attendance while the food and beverage is being consumed.*

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#### Reporting Requirements

Should you or your representative give something of \$10 or more in value to a public official or state employee, you must, within 10 days, give the gift recipient and the head of that individual’s department or agency a written report stating:

- Name of the donor;
- Description of item(s) given;
- Value of such item(s); and
- Total cumulative value of all items to date given to that recipient during the calendar year.



This helps both you and the state employee keep track of the gift exceptions noted above, so that permissible limits are not exceeded. Conn. Gen. Stat. §1-84 (o). A courtesy form is available for this notification on the OSE’s Website, in the “Forms” section.

### Necessary Expenses

You may provide necessary expenses to a public official or state employee *only* if the official or employee, in his/her official capacity, is actively participating in an event by giving a speech or presentation, running a workshop, or having some other active involvement.

Necessary expenses are limited to:

- Travel (coach or economy class);
- Lodging (standard cost of room for the nights before, of, and immediately following the event);
- Meals; and
- Related conference expenses.



Conn. Gen. Stat. § 1-79 (9).

Entertainment costs (tickets to sporting events, golf outings, night clubs, etc.) are *not* necessary expenses. Necessary expense payments also *do not* include payment of expenses for family members or other guests.

### Fees/Honorariums

Public officials and state employees may *not* accept fees or honorariums for an article, appearance, speech or participation at an event in their official capacity.

Fees or honorariums for such activities, if offered based solely on expertise and without any regard to official capacity, may be acceptable. Contact the OSE before offering such payment to an official or employee. Conn. Gen. Stat. § 1-84(k).



#### Necessary Expenses, Fees and Honorariums

*Example: You invite a state employee to travel to New York City to give a speech to your managers on issues surrounding contracting with a state agency. You provide Amtrak fare for the employee as well as his spouse, who will spend the day in the city. The evening of the speech, you will treat the employee and his spouse with complimentary tickets to a Broadway show in lieu of a speaking fee.*

*You may provide non-first class travel expenses only to the state employee who is actively participating in an event. In this case, you may only provide Amtrak fare for the employee giving the speech, not his spouse. Entertainment costs, such as tickets to a show, are not considered necessary expenses and may not be provided. Additionally, state employees may not accept fees or honorariums for a speech given in their official capacity.*

## HIRING STATE PERSONNEL

### Post-state Employment (Revolving Door)

If you are considering hiring a *former* state employee, you should be aware of the Code's post-state employment, or revolving door, provisions.

#### Lifetime Bans

- Former state employees may never disclose any confidential information they learned during the course of their state service for anyone's financial gain. Conn. Gen. Stat. § 1-84a.
- A former state official or employee may never represent anyone other than the state regarding a particular matter in which he or she was personally or substantially involved while in state service and in which the state has a substantial interest. This prevents side-switching. Conn. Gen. Stat. § 1-84b (a).

#### One-year Bans

- If you hire or otherwise engage the services of a former state official or employee, he or she may not represent you before his or her former agency for a period of one year after leaving state service. Conn. Gen. Stat. § 1-84b (b). (See Advisory Opinion 2003-3, which provides a limited exception to this provision if the employee is providing purely technical expertise to help implement a previously-awarded contract. This exception applies to extremely limited circumstances; contact the OSE for guidance.)
- You are prohibited from hiring a former state official or employee for a period of one year after he or she leaves state service if that individual was substantially involved in, or supervised, the negotiation or award of a contract (that you or your business was a party to) valued at \$50,000 or more, and the contract was signed within his or her last year of state service. Conn. Gen. Stat. § 1-84b(f).
- Employees who held certain specifically-designated positions (with significant decision-making or supervisory responsibility) at certain state regulatory agencies are prohibited from seeking or accepting employment with any business subject to regulation by the individual's agency within one year of leaving the agency. Likewise, such businesses may not hire those employees. Note that there is an exception for *ex-officio* board or commission members. Conn. Gen. Stat. § 1-84b (c).

*Post-state Employment Example: You run a hospital regulated by the Office of Health Care Access (OHCA). You would like to offer a job to the former Commissioner of OHCA, who has been out of state service for 5 months.*

*Because the hospital is regulated by a state agency whose Commissioner is specifically designated in 1-84b (c), the former head of such agency would not be permitted to accept employment with you for one full year after leaving state service. See Advisory Opinion 2003-19.*

## Outside Employment for Current Public Officials and State Employees

If you are considering hiring a *current* state employee, especially from a state agency with which you do business or by which you are regulated, you should be aware of the following rules regarding the employment of current state employees.

- A current state employee may not accept outside employment that impairs his or her independence of judgment regarding his or her state duties, or that encourages him or her to disclose confidential information learned in his or her state job. Conn. Gen. Stat. §1-84 (b).
- A current state employee may not use his or her state position for his or her own financial gain or the gain of his or her family (spouse, child, child's spouse, parent, brother or sister) or an associated business, however inadvertent that use may be. Conn. Gen. Stat. §1-84(c).

### Other Considerations

Business entities engaged in Indian gaming activities in the state should be aware of specific provisions that apply to present or former Gaming Policy Board or Division of Special Revenue public officials or employees. See Conn. Gen. Stat. §§1-84b (d) and (e).



### Outside Employment

*Example: Your small business occasionally receives grants or contracts from Agency X. You know that a particular contract manager with Agency X has the skills you need to help you grow your business. This employee has expressed interest in earning a little extra money for himself, while helping you with your business in the evenings and on weekends.*

*It would constitute an impermissible impairment of judgment for the employee of Agency X, who has contract management responsibilities, to accept outside employment with your business – a business that receives grants or contracts from Agency X.*

## OTHER PROVISIONS

**Prohibited Activities for Consultants or Independent Contractors**  
If you are hired by the state as a consultant or independent contractor, you are prohibited from the following:

- Using your authority under the contract or any confidential information acquired during the course of the contract for your financial gain or the financial gain of your immediate family;
- Accepting another state contract that would impair your independence of judgment or your performance in your existing state contract; and
- Accepting anything of value based on the understanding that your actions on behalf of the state would be influenced.

Conn. Gen. State § 1-86e (1)-(3); see also Conn. Gen. Stat. § 1-101nn.

### **Gift and/or Campaign Contribution Certifications**

Contractors seeking large state contracts must provide certifications regarding gifts and/or campaign contributions made to certain state employees or public officials in the two-year period prior to the submission of a bid or proposal. Copies of these certifications and



other updated information regarding state contractors can be found on the Web sites of the Department of Administrative Services ([www.das.state.ct.us](http://www.das.state.ct.us)) and the Office of Policy and Management ([www.opm.state.ct.us](http://www.opm.state.ct.us)).

### **Investment Services and the Office of the Treasurer**

If you or your business provides investment services, as defined in the Code, and you make a political contribution to the State Treasurer's campaign, you may be prohibited from contracting with the Office of the Treasurer. See Conn.Gen.Stat. § 1-84 (n).

### **Registering as a Lobbyist**

If you or your business spends or receives over \$2,000 in a calendar year for activities that constitute lobbying under Part II of the Code of Ethics (whether to affect legislation or the actions of an administrative state agency), you/your business may have to register as a lobbyist with the Office of State Ethics. Lobbyist registration information is available at [www.ct.gov/ethics](http://www.ct.gov/ethics).

### **Contribution Ban for Communicator Lobbyists**

(Conn. Gen. Stat. §9-610 (g) and (h).) Registered communicator lobbyists, their affiliated political action committees (PACs), as well as members of their immediate families are banned from soliciting or donating political campaign contributions. Please contact the State Elections Enforcement Commission at 860-256-2940 for more information.

**Sessional Contribution Ban for Client Lobbyists** (Conn. Gen. Stat. § 9-610 (e).) Registered lobbyists and their affiliated political action committees (PACs) are banned from soliciting or donating political campaign contributions. Specifically, there is a temporary ban while the General Assembly is in session that applies to all registered client lobbyists and their affiliated PACs. Please contact the State Elections Enforcement Commission at 860-256-2940 for more information.

### **Public Act 05-287**

Public Act 05-287 prohibits anyone who is a party (or seeking to become a party) to a large state construction, procurement, or consultant services contract over \$500,000 from:

- Soliciting information from a public official or state employee that is not available to other bidders for that contract, with the intent to obtain a competitive advantage;
- Intentionally or recklessly charging a state agency for work not performed or goods or services not provided;
- Falsifying invoices or bills; or
- Intentionally violating or circumventing state competitive bidding and ethics

This Act also requires any prospective state contractor to affirm in writing that he or she has received a summary of the state's ethics laws and that his or her key employees have read and understood the summary and agree to comply with the applicable provisions. Conn. Gen. Stat. § 1-101qq.

An affirmation form is available through the Connecticut Office of Policy and Management.

### **Executive Orders**

Executive Order 3 Under this Order, the Department of Administrative Services established and maintains on its Website the State Contracting Portal for purposes of posting all contracting opportunities with state agencies and providing information on contracting processes and procedures.

Executive Order 7C This Order covers the State Contracting Standards Board, established to conduct a comprehensive review of existing procurement and contracting laws and prepare a uniform code to govern all aspects of procurement and contracting.

The full text of these Executive Orders can be found on the Governor's Website, [www.ct.gov/governorrell/site/default.asp](http://www.ct.gov/governorrell/site/default.asp).

## FOR MORE INFORMATION

This guide provides general information only. The descriptions of the law and the OSE in this guide are not intended to be exhaustive. For more information regarding the Code of Ethics as it pertains to current or potential state contractors, please contact the Legal Division of the Office of State Ethics, Monday – Friday, 8:30 a.m. to 5:00 p.m.

Office of State Ethics  
18-20 Trinity Street  
Hartford, CT 06106-1660



T: 860/263-2400  
F: 860/263-2402  
[www.ct.gov/ethics](http://www.ct.gov/ethics)



### Specific Contacts:

Questions or advice regarding the Ethics Codes: [Ethics.Code@ct.gov](mailto:Ethics.Code@ct.gov)

Lobbyist filing/reporting questions: [lobbyist.OSE@ct.gov](mailto:lobbyist.OSE@ct.gov)

Public official filing/reporting questions: [SFI.OSE@ct.gov](mailto:SFI.OSE@ct.gov)

Enforcement questions: [Ethics.Enforcement@ct.gov](mailto:Ethics.Enforcement@ct.gov) All other

inquiries: [ose@ct.gov](mailto:ose@ct.gov)



January 2010

## ATTACHMENT C

### NOTICE TO EXECUTIVE BRANCH STATE CONTRACTORS AND PROSPECTIVE STATE CONTRACTORS OF CAMPAIGN CONTRIBUTION AND SOLICITATION LIMITATIONS

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

#### CAMPAIGN CONTRIBUTION AND SOLICITATION LIMITATIONS

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

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

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

#### DUTY TO INFORM

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

#### PENALTIES FOR VIOLATIONS

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

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

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

#### CONTRACT CONSEQUENCES

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

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

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

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

#### DEFINITIONS

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

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

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

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

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

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

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

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

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

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



STATE OF CONNECTICUT
CONSULTING AGREEMENT AFFIDAVIT

Affidavit to accompany a State contract for the purchase of goods and services with a value of \$50,000 or more in a calendar or fiscal year, pursuant to Connecticut General Statutes §§ 4a-81(a) and 4a-81(b)

INSTRUCTIONS:

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

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

This affidavit must be amended if the contractor enters into any new consulting agreement(s) during the term of the State contract.

AFFIDAVIT: [ Number of Affidavits Sworn and Subscribed On This Day: 2 ]

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

MARIA C. DOMINIAK, PARTNER; MERCER HEALTH & BENEFITS LLC; Start Date 6/24/2011; End Date 9/29/2011; Cost \$600,000.00

Description of Services Provided: HEALTH INSURANCE EXCHANGE CONSULTING PER ATTACHMENT A, SECTION 5 OF THE PSA

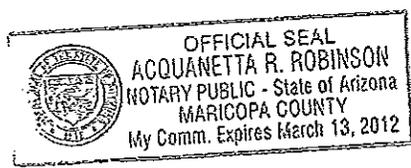
Is the consultant a former State employee or former public official? [ ] YES [X] NO

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

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

MERCER HEALTH & BENEFITS LLC; MARIA C. DOMINIAK; 6/15/11; OPM

Sworn and subscribed before me on this 15 day of June, 2011.



Acquavetta R. Robinson, Commissioner of the Superior Court or Notary Public





STATE OF CONNECTICUT  
GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION

*Certification to accompany a State contract with a value of \$50,000 or more in a calendar or fiscal year, pursuant to C.G.S. §§ 4-250 and 4-252(c); Governor M. Jodi Rell's Executive Orders No. 1, Para. 8, and No. 7C, Para. 10; and C.G.S. §9-612(g)(2), as amended by Public Act 07-1*

**INSTRUCTIONS:**

Complete all sections of the form. Attach additional pages, if necessary, to provide full disclosure about any lawful campaign contributions made to campaigns of candidates for statewide public office or the General Assembly, as described herein. Sign and date the form, under oath, in the presence of a Commissioner of the Superior Court or Notary Public. Submit the completed form to the awarding State agency at the time of initial contract execution (and on each anniversary date of a multi-year contract, if applicable).

**CHECK ONE:**     Initial Certification         Annual Update (Multi-year contracts only.)

**GIFT CERTIFICATION:**

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

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

I, the undersigned, am the official authorized to execute the Contract on behalf of the Contractor. I hereby certify that, between the Planning Start Date and Execution Date, neither the Contractor nor any Principals or Key Personnel has made, will make (or has promised, or offered, to, or otherwise indicated that he, she or it will, make) any Gifts to any Applicable Public Official or State Employee.

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

**CAMPAIGN CONTRIBUTION CERTIFICATION:**

I further certify that, on or after December 31, 2006, neither the Contractor nor any of its principals, as defined in C.G.S. § 9-612(g)(1), has made any campaign contributions to, or solicited any contributions on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support, any candidate for statewide public office, in violation of C.G.S. § 9-612(g)(2)(A). I further certify that all lawful campaign contributions that have been made on or after December 31, 2006 by the Contractor or any of its principals, as defined in C.G.S. § 9-612(g)(1), to, or solicited on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support any candidates for statewide public office or the General Assembly, are listed below:



STATE OF CONNECTICUT  
GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION

Lawful Campaign Contributions to Candidates for Statewide Public Office:

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

Lawful Campaign Contributions to Candidates for the General Assembly:

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

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

MARIA C. DOMINIAK / Maria C. Dominek  
 Printed Contractor Name MERCER HEALTH & BENEFITS LLC Signature of Authorized Official

Subscribed and acknowledged before me this 15 day of June, 2011.  
Acquanetta P. Robinson  
 Commissioner of the Superior Court (or Notary Public)



For State/Agency Use Only

Office of Policy and Management \_\_\_\_\_  
 Awarding State/Agency \_\_\_\_\_ Planning Start Date \_\_\_\_\_

11OPM0191AA  
 Contract Number or Description \_\_\_\_\_



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

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

**INSTRUCTIONS:**

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

**AFFIDAVIT:**

I, the undersigned, am over the age of eighteen (18) and understand and appreciate the obligations of an oath. I am PARTNER of MERCER HEALTH & BENEFITS LLC, an entity  
Signatory's Title Name of Entity

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

I certify that I am authorized to execute and deliver this affidavit on behalf of  
MERCER HEALTH & BENEFITS LLC and that MERCER HEALTH & BENEFITS LLC  
Name of Entity Name of Entity

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

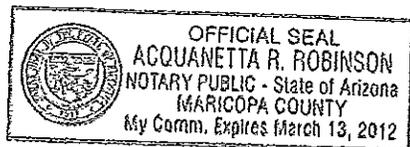
Maria C. Dominiak  
Authorized Signatory

MARIA C. DOMINIAK  
Printed Name

Sworn and subscribed to before me on this 15 day of June, 2011.

Acquanetta R. Robinson  
Commissioner of the Superior Court/  
Notary Public

March 13 2012  
Commission Expiration Date



# MERCER

CERTIFICATE OF THE ASSISTANT SECRETARY  
OF  
MERCER HEALTH & BENEFITS LLC

I, Margaret M. O'Brien, Assistant Secretary of Mercer Health & Benefits LLC, a Delaware limited liability company (the "LLC"), do hereby certify that at a duly authorized meeting of the Board of Directors of the LLC, dated February 11, 2010, the Board adopted procedures authorizing any Principal, Partner or Senior Partner of the LLC, including Maria C. Dominiak to execute contracts, agreements, applications and other instruments on behalf of the LLC and that resolution has neither been amended nor rescinded and is in full force and effect as of the date hereof.

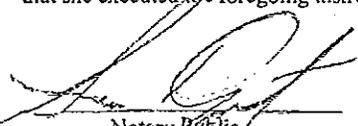
IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the LLC this 15th day of June 2011.

  
Margaret M. O'Brien  
Assistant Secretary

State of New York )

County of New York)

On this 15th of June 2011, before me personally came Margaret M. O'Brien to me known, who acknowledged to me that she executed the foregoing instrument.

  
Notary Public  
Sandra Davenport  
Notary Public, State of New York  
No. 01DA6139698  
Qualified in Nassau County  
Certified in New York County  
Commission Expires in January 17, 2014

**PERSONAL SERVICE AGREEMENT**  
CO-802A REV. 2008

STATE OF CONNECTICUT  
OFFICE OF THE STATE COMPTROLLER

1. PREPARE IN QUADRUPPLICATE
2. THE STATE BUSINESS UNIT AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-68 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.
3. ACCEPTANCE OF THIS CONTRACT IMPLIES PERFORMANCE WITH TERMS AND CONDITIONS SET FORTH BY THE OFFICE OF POLICY AND MANAGEMENT PERSONAL SERVICE AGREEMENT STANDARDS AND PROCEDURES.

(1)  ORIGINAL  AMENDMENT (2) IDENTIFICATION NO. P.S. 110PM0191AA

**CONTRACTOR**  
(3) CONTRACTOR NAME: **Mercer Health and Benefits LLC**  
(4) CONTRACTOR ADDRESS: **2325 E. Camelback Road Suite 600 Phoenix AZ 85016**  
(5) ARE YOU PRESENTLY A STATE EMPLOYEE?  YES  NO  
CONTRACTOR FEIN/SSN - SUFFIX

**STATE AGENCY**  
(6) AGENCY NAME AND ADDRESS: **OPM, 450 Capitol Avenue, Hartford, CT 06106**

**CONTRACT PERIOD**  
(7) DATE (FROM) **06/24/2011** THROUGH (TO) **1/31/2012**  
(8) INDICATE  MASTER AGREEMENT  CONTRACT AWARD NO.  NEITHER

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

**COMPLETE DESCRIPTION OF SERVICE**  
(9) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.)  
Extend contract end date to expire on 1/31/2012 as reflected in Attachment A, Section 2 of the contract. Amendment Section 5, Scope of Services, to update the Work Plan Schedule to coincide with the new end date.

**COST AND SCHEDULE OF PAYMENTS**  
(10) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.  
No change in contract value. Total contract value shall remain \$600,000.00

(12) AMOUNT	(13) FUND	(14) DEPARTMENT	(15) SID	(16) PROGRAM	(17) ACCOUNT	(18) PROJECT/GRANT	(19) CHARTFIELD 1	(20) CHARTFIELD 2	(21) BUDGET REFERENCE
600,000	12060	OPM20830	22440	13008					2010

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

**ACCEPTANCES AND APPROVALS**  
(22) STATUTORY AUTHORITY: C.G.S. §§ 4-8, 4-65a, 4-66

(23) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) <i>Maria C. Dominick</i>	TITLE <i>Partner</i>	DATE <i>12/22/11</i>
(24) AGENCY AUTHORIZED OFFICIAL <i>[Signature]</i>	TITLE <i>Secretary</i>	DATE <i>12/23/11</i>
(25) OFFICE OF POLICY & MANAGEMENT / DEPARTMENT OF ADMINISTRATIVE SERVICES	TITLE	DATE
(26) ATTORNEY GENERAL (APPROVED AS TO FORM)		DATE

## AMENDMENT 2

### ATTACHMENT A

#### **Amend SECTION 2, CONTRACT PERIOD AND DEFINITIONS to read as follows:**

This Agreement shall commence on June 24, 2011 and the duties of the Contractor as set forth in Section 5 of this Agreement shall be completed by the Contractor no later than January 31, 2012 (hereinafter "end date").

Whenever the following terms or phrases are used in this Agreement, they shall have the following meaning unless the context clearly requires otherwise:

**State** - Wherever the term 'State' is used in this Agreement, it shall include the Secretary of OPM, or his authorized agents, employees or designees.

**Contractor Parties**: A Contractor's members, directors, officers, shareholders, partners, managers, principal officers, representatives, agents, servants, consultants, employees or any one of them or any other person or entity with whom the Contractor is in privity of oral or written contract and the Contractor intends for such other person or entity to Perform under the Contract in any capacity.

#### **AMEND SECTION 5, Paragraph A, SPECIFICATION OF SERVICES read as follows:**

##### **A. Scope of Services**

The Contractor shall perform the following research, surveys, modeling and data analysis tasks to enable policy planning and development to implement a Health Insurance Exchange (Exchange) for the State of Connecticut. The Contractor shall perform tasks 1 through 12 in accordance with the Work Plan as amended and Methodology contained in the Statement of Work submitted in accordance with the State's Request for the Insurance Exchange Planning Grant. The Statement of Work is incorporated herein as Appendix 1 as amended.

**PERSONAL SERVICE AGREEMENT**  
CO-902A REV. 2/08

STATE OF CONNECTICUT  
OFFICE OF THE STATE COMPTROLLER

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

(1)  ORIGINAL  AMENDMENT (2) IDENTIFICATION NO. P.S. 110PM0191AA

CONTRACTOR	(3) CONTRACTOR NAME Mercer Health Benefits LLC	(4) ARE YOU PRESENTLY A STATE EMPLOYEE? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
	CONTRACTOR ADDRESS 2325 E. Camelback Road, Suite 600, Phoenix, AZ 85016	CONTRACTOR FEIN/SSN - SUFFIX
STATE AGENCY	(5) AGENCY NAME AND ADDRESS OPM, 450 Capitol Avenue, Hartford, CT. 06106	
CONTRACT PERIOD	(6) DATE (FROM) 6/24/11 THROUGH (TO) 1/31/2012	(7) INDICATE <input type="checkbox"/> MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD NO. <input checked="" type="checkbox"/> NEITHER

CANCELLATION CLAUSE: THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELED BY THE STATE BUSINESS UNIT, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT) (8) REQUIRED NO. OF DAYS WRITTEN NOTICE

COMPLETE DESCRIPTION OF SERVICE: (9) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.)  
Extend contract date until 1/31/2012 as reflected in Attachment A of this amendment. Amend the scope of services to update the scheduled work plan (Section 5 with Appendix 1 dated 12/27/2011). Amend Section 7 to update the non-discrimination and executive orders (subsection Q) and the Campaign requirements (subsection GG).

COST AND SCHEDULE OF PAYMENTS: (10) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.  
No change to the total contract value. Total contract value to remain at \$600,000.00.

(12) AMOUNT	(13) FUND	(14) DEPARTMENT	(15) SID	(16) PROGRAM	(17) ACCOUNT	(18) PROJECT/ GRANT	(19) CHARTFIELD 1	(20) CHARTFIELD 2	(21) BUDGET REFERENCE
	12060	OPM20830	22440	13008					2010

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

ACCEPTANCES AND APPROVALS	(22) STATUTORY AUTHORITY C.G.S. §§ 4-8, 4-65a, 4-66
(23) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) <i>Michael E. Nordstrom</i>	TITLE Partner DATE 12/27/11
(24) AGENCY (AUTHORIZED OFFICIAL) <i>Mark E. Ojakian</i>	TITLE Deputy Secretary DATE 12/28/11
(25) OFFICE OF POLICY & MANAGEMENT / DEPARTMENT OF ADMINISTRATIVE SERVICES	TITLE DATE /
(26) ATTORNEY GENERAL (APPROVED AS TO FORM) <i>Joseph Rubin</i>	TITLE ASSOC. ATTY. GENERAL DATE 3/20/12

## AMENDMENT 2

### ATTACHMENT A

#### Amend SECTION 2, CONTRACT PERIOD AND DEFINITIONS to read as follows:

This Agreement shall commence on June 24, 2011 and the duties of the Contractor as set forth in Section 5 of this Agreement shall be completed by the Contractor no later than January 31, 2012 (hereinafter "end date").

Whenever the following terms or phrases are used in this Agreement, they shall have the following meaning unless the context clearly requires otherwise:

State - Wherever the term 'State' is used in this Agreement, it shall include the Secretary of OPM, or his authorized agents, employees or designees.

Contractor Parties: A Contractor's members, directors, officers, shareholders, partners, managers, principal officers, representatives, agents, servants, consultants, employees or any one of them or any other person or entity with whom the Contractor is in privity of oral or written contract and the Contractor intends for such other person or entity to Perform under the Contract in any capacity.

#### AMEND SECTION 5, Paragraph A, SPECIFICATION OF SERVICES to read as follows:

##### A. Scope of Services

The Contractor shall perform the following research, surveys, modeling and data analysis tasks to enable policy planning and development to implement a Health Insurance Exchange (Exchange) for the State of Connecticut. The Contractor shall perform tasks 1 through 12 in accordance with the Work Plan as amended and Methodology contained in the Statement of Work submitted in accordance with the State's Request for the Insurance Exchange Planning Grant. The Statement of Work is incorporated herein as Appendix 1 as amended and dated December 27, 2011 attached hereto.

#### AMEND SECTION 7, Paragraph Q, Non-Discrimination and Executive Orders to read as follows:

##### Q. Non-Discrimination and Executive Orders.

###### 1. Non-Discrimination.

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

- i. "Commission" means the Commission on Human Rights and Opportunities;
- ii. "Contract" and "contract" include any extension or modification of the Contract or contract;
- iii. "Contractor" and "contractor" include any successors or assigns of the Contractor or contractor;
- iv. "Gender identity or expression" means a person's gender-related identity, appearance or behavior, whether or not that gender-related identity, appearance or behavior is different from that traditionally associated with the person's physiology or assigned sex at birth, which gender-related identity can be shown by providing evidence including, but not limited to, medical history, care or treatment of the gender-related identity, consistent and uniform assertion of the gender-related identity or any other evidence that the gender-related identity is sincerely held, part of a person's core identity or not being asserted for an improper purpose.

- v. "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations;
- vi. "good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements;
- vii. "marital status" means being single, married as recognized by the State of Connecticut, widowed, separated or divorced;
- viii. "mental disability" means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association's "Diagnostic and Statistical Manual of Mental Disorders", or a record of or regarding a person as having one or more such disorders;
- ix. "minority business enterprise" means any small contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise, and (3) who are members of a minority, as such term is defined in subsection (a) of Connecticut General Statutes § 32-9n; and
- x. "public works contract" means any agreement between any individual, firm or corporation and the State or any political subdivision of the State other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the State, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees.

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

- (b) (1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut; and the Contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by the Contractor that such disability prevents performance of the work involved; (2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission; (3) the Contractor agrees to provide each labor union or representative of workers with which the Contractor has a collective bargaining Agreement or other contract or understanding and each vendor with which the Contractor has a contract or understanding, a notice to be provided by the Commission, advising the labor union or workers' representative of the Contractor's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the Contractor agrees to comply with each provision of this Section and Connecticut General Statutes §§ 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes §§ 46a-56, 46a-68e and 46a-68f; and (5) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as they relate to the provisions of this Section and Connecticut General Statutes § 46a-56. If the contract is a public works contract, the Contractor agrees and warrants that he will make good faith

efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works projects.

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

## 2. Executive Orders.

This Agreement is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971, concerning labor employment practices and, as such, this Agreement may be canceled, terminated or suspended by the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Three, or any State or federal law concerning nondiscrimination, notwithstanding that the Labor Commissioner is not a party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that said Executive Order No. Three is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to contract performance in regard to nondiscrimination until the Agreement is completed or terminated prior to completion.

The Contractor agrees, as part consideration hereof, that this Agreement is subject to the Guidelines and Rules issued by the State Labor Commissioner to implement Executive Order No. Three, and that it will not discriminate in its employment practices or policies, will file all reports as required, and will fully cooperate with the State of Connecticut and the State Labor Commissioner.

This Agreement is subject to the provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973, concerning the listing of employment openings and, as such, this Agreement may be canceled, terminated or suspended by the contracting agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Seventeen, notwithstanding that the Labor Commissioner may not be party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that Executive Order No. Seventeen is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction in respect to contract performance in regard to listing all employment openings with the Connecticut State Employment Service.

This Agreement is subject to the provisions of Executive Order No. 16 of Governor John G. Rowland promulgated August 4, 1999, concerning violence in the workplace and, as such, the contract may be canceled, terminated or suspended by the State for violation of or noncompliance with said Executive Order No. 16. The parties to this contract, as part of the consideration hereof, agree that said Executive Order No. 16 is incorporated herein by reference and made a part hereof. The parties agree to abide by such Executive Order.

Pursuant to Governor M. Jodi Rell's Executive Order No. 7C, paragraph 10, promulgated July 13, 2006, concerning contracting reforms, Contractor shall comply with the certification requirements of Connecticut General Statutes §§ 4-250 and 4-252, and Governor M. Jodi Rell's Executive Order No. 1, for all personal service agreement contracts with a value of \$50,000 or more in a calendar or fiscal year by executing and filing the respective certifications with OPM. The Contract may also be subject to Executive Order No. 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services, in accordance with their respective terms and conditions. If Executive Orders 7C and 14 are applicable, they are deemed to be incorporated into and are made a part of the Contract as if they had been fully set forth in it.

### **AMEND SECTION 7, Paragraph GG, Campaign Contributions and Solicitation Prohibitions to read as follows:**

#### **GG. Campaign Contribution and Solicitation Prohibitions.**

For all State contracts as defined in Connecticut General Statutes §9-612(g)(1)(2) having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this Agreement expressly acknowledges receipt

Mercer Health and Benefits LLC and  
Office of Policy and Management

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of the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See Attachment C-1.

Contractor warrants that it will hold the State harmless from any liability which may be imposed upon the State as a result of any failure of the Contractor to be in compliance with this Act.

**Q. Non-Discrimination**

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

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

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

- (b) (1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut; and the Contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by the Contractor that such disability prevents performance of the work involved; (2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission; (3) the Contractor agrees to provide each labor union or

- representative of workers with which the Contractor has a collective bargaining Agreement or other contract or understanding and each vendor with which the Contractor has a contract or understanding, a notice to be provided by the Commission, advising the labor union or workers' representative of the Contractor's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the Contractor agrees to comply with each provision of this Section and Connecticut General Statutes §§ 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes §§ 46a-56, 46a-68e and 46a-68f; and (5) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this Section and Connecticut General Statutes § 46a-56. If the contract is a public works contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works projects.
- (c) Determination of the Contractor's good faith efforts shall include, but shall not be limited to, the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.
  - (d) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.
  - (e) The Contractor shall include the provisions of subsection (b) of this Section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes §46a-56; provided if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.
  - (f) The Contractor agrees to comply with the regulations referred to in this Section as they exist on the date of this Contract and as they may be adopted or amended from time to time during the term of this Contract and any amendments thereto.
  - (g) (1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining Agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (3) the Contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes § 46a-56; and (4) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor which relate to the provisions of this Section and Connecticut General Statutes § 46a-56.
  - (h) The Contractor shall include the provisions of the foregoing paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes § 46a-56;

provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

#### **R. Executive Orders**

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The Contractor agrees, as part consideration hereof, that this Agreement is subject to the Guidelines and Rules issued by the State Labor Commissioner to implement Executive Order No. Three, and that it will not discriminate in its employment practices or policies, will file all reports as required, and will fully cooperate with the State of Connecticut and the State Labor Commissioner.

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Pursuant to Governor M. Jodi Rell's Executive Order No. 7C, paragraph 10, promulgated July 13, 2006, concerning contracting reforms, Contractor shall comply with the certification requirements of Connecticut General Statutes §§ 4-250 and 4-252, and Governor M. Jodi Rell's Executive Order No. 1, for all personal service agreement contracts with a value of \$50,000 or more in a calendar or fiscal year by executing and filing the respective certifications with OPM. The Contract may also be subject to Executive Order No. 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services, in accordance with their respective terms and conditions. If Executive Orders 7C and 14 are applicable, they are deemed to be incorporated into and are made a part of the Contract as if they had been fully set forth in it.

#### **S. Sovereign Immunity**

Notwithstanding any provisions to the contrary contained in this Agreement, it is agreed and understood that the State of Connecticut shall not be construed to have waived any rights or defenses of sovereign immunity which it may have with respect to all matters arising out of this Agreement.

#### **T. Assignment**

This Agreement shall not be assigned by either party without the express prior written consent of the other.

#### **U. Severability**

Connecticut Health Insurance Exchange Planning Work Plan

Code	Deliverable/Task	Mercer team lead	Target start date	Target end date	Key deliverable/Milestone
* All timelines assume a June 24, 2011 contract start date and November 15, 2011 contract end date.					
<b>0.0 General kick-off tasks</b>					
0.1	Contract begins.	Michele Walker	06/24/11	06/24/11	
0.2	Contract signed and provided to authorize start of work		06/24/11	06/24/11	Meeting with State
0.3	Initial kick-off meeting		06/24/11	06/27/11	Updated work plan
	Update work plan		07/22/11	07/22/11	Updated work plan
	2nd update to work plan		09/16/11	09/16/11	Updated work plan
0.4	3rd update to work plan for extension		07/13/11	11/09/11	Conference calls bi-weekly
0.5	Hold regular project status calls		08/05/11	12/23/11	
0.5	Bi-weekly progress reports				
<b>1.0 Project Deliverable #1: Assessment of the uninsured and underinsured population in Connecticut</b>					
Tom Dehner/Eileen Ellis (HMA)					
1.1	Establish practicable definitions of uninsured and underinsured		06/24/11	06/24/11	
1.2	Acquire data sources		06/24/11	07/11/11	
1.2.1	Acquire publicly available studies and research sources		06/24/11	07/11/11	
1.2.2	Meet with State staff to define State data sources		TBD	TBD	Meeting with State or conference call if needed
1.2.3	Acquire State data sources		06/24/11	07/08/11	
1.3	Analyze Mercer annual survey		06/27/11	07/01/11	
1.4	Analyze Massachusetts employer experience		06/27/11	07/01/11	
1.5	Summarize results for a draft report		11/11/11	11/16/11	Draft report submitted to the state
1.5.1	Incorporate data from Task 2 on underinsured into draft report and finalize summary		11/16/11	12/12/11	Section of final report on the uninsured and underinsured population in Connecticut
<b>2.0 Project Deliverable #2: Survey and analysis of the current insurance market</b>					
Paul Grady					
2.1	Review existing survey information		06/24/11	07/08/11	
2.2	Develop proposed survey questionnaire		06/24/11	07/01/11	
2.2.1	Identify specific information to include in the survey		06/24/11	07/01/11	

Connecticut Health Insurance Exchange Planning Work Plan

Code	Deliverable/Task	Mercer team lead	Target start date*	Target end date*	Key deliverable/Milestone
* All timelines assume a June 24, 2011 contract start date and November 15, 2011 contract end date.					
2.2.2	Identify the targeted survey participants from the target group of health insurance carriers		06/24/11	07/01/11	
2.3	Meeting to review questionnaire		07/27/11	07/27/11	Meeting with State
2.3.1	Discuss the best survey delivery method for the targeted group (health insurance carriers that offer coverage to Connecticut residents)		07/27/11	07/27/11	
2.4	Build and test survey		07/28/11	08/05/11	Build survey
2.5	Finalize and deliver questionnaire		08/08/11	08/08/11	Deliver questionnaire
2.6	Review questionnaire with health carriers		08/10/11	08/25/11	
2.7	Data due back		11/11/11	11/11/11	Delay due to FOI
2.8	Validate and aggregate survey results		11/11/11	12/12/11	
2.9	Survey production and results published		12/12/11	12/23/11	Section of final report containing results of survey and analysis of current insurance market
<b>3.0 Project Deliverable #3: Survey and analysis of small employer market</b>					
Paul Grady					
3.1	Develop education materials and policy decisions to be tested		06/24/11	07/05/11	
3.2	Identify focus group participants		07/15/11	07/22/11	
3.3	Finalize education materials and policy decisions to be tested with the State		09/29/11	10/14/11	
3.4	Conduct focus group meetings		11/01/11	11/04/11	Conduct meetings
3.5	Aggregate focus group results		11/07/11	11/09/11	
3.6	Distribute focus group results to participants for comment		11/09/11	11/11/11	
3.7	Focus group results finalized and published		11/23/11	11/30/11	Section of final report containing results of survey and analysis of small employer market
<b>4.0 Project Deliverable #4: Analysis of economic and actuarial models</b>					
Kevin Lurito					
4.1	Meet with State to discuss and explain Mercer's existing models and identify any additional needs		06/24/11	07/05/11	Meeting with State

Connecticut Health Insurance Exchange Planning Work Plan

Code	Deliverable/Task	Mercer team lead	Target start date	Target end date	Key deliverable/Milestone
* All timelines assume a June 24, 2011 contract start date and November 15, 2011 contract end date.					
4.2	Collect and update data inputs, as needed, for the models such as claims database, premium and underwriting information		06/24/11	12/12/11	Contingent on receiving the carrier data
4.2.1	Calibrate model to be Connecticut specific		06/24/11	12/12/11	Contingent on receiving the carrier data
4.3	Assess implications of integrating high risk pools in the non-group market or maintain high risk pools separately		06/24/11	12/12/11	Contingent on receiving the carrier data
4.3.1	Perform comparative analyses of Health Reinsurance Association (HRA) products to Exchange products		06/24/11	12/12/11	
4.3.2	Assess impact to providers and carriers if HRA products were moved to the Exchange		06/24/11	12/12/11	
4.4	Assess advantages and disadvantages of expanding the definition of small group from 50 to 100 employees prior to 2017		06/24/11	12/12/11	
4.4.1	Develop estimates of the impact on premiums and coverage levels over time for allowing employers with more than 50 employees to access coverage through the Exchange prior to 2017		06/24/11	12/12/11	
4.4.2	Assess impact of selection likely to occur and identify steps necessary to minimize selection		06/24/11	12/12/11	
4.5	Assess impact of an Exchange on employer provided insurance as well as the impact of employer penalties and tax credits by the different scenarios		07/05/11	12/12/11	
4.5.1	Perform analyses to model likely employer behavior under different scenarios		07/05/11	12/12/11	
4.6	Assess implications for pricing in the small and non-group markets and the implications of merging the markets		07/05/11	12/12/11	
4.7	Assess impact of the individual mandate to purchase health insurance and its influence on the market		07/05/11	10/07/11	
4.7.1	Model elasticities to the net cost of insurance to estimate coverage decisions		07/05/11	10/07/11	
4.8	Assess impact to markets and the Exchange if the Basic Health Plan option is considered		08/16/11	09/30/11	

Connecticut Health Insurance Exchange Planning Work Plan

Code	Deliverable/Task	Mercer team lead	Target start date	Target end date	Key deliverable/Milestone
* All timelines assume a June 24, 2011 contract start date and November 15, 2011 contract end date.					
4.8.1	Perform analyses such as estimating number of individuals eligible, cost comparison, impact of continuity and affordability, provider impact and impact on premiums inside the Exchange		07/05/11	08/19/11	
4.9	Assess the cost of Connecticut benefit mandates that are above the federal essential benefits in the context of a revised insurance market.		07/27/11	10/12/11	
4.9.1	Meet with State to discuss either postponing detailed analysis of the cost effect of federal essential benefits or having to make specific assumptions as to which of Connecticut's mandated benefits would be beyond the federal essential benefits		07/27/11	07/27/11	Meeting with State
4.9.2	Interview Connecticut Insurance Department (CID) personnel		07/27/11	08/08/11	Met with State on 7/27/2011
4.9.3	Develop assumptions as to the specific Connecticut mandated benefits that would be beyond the federal essential benefits; collect necessary information for analyses		07/27/11	09/30/11	
4.9.4	Work with the State to decide which mandated benefits would be priced		07/27/11	09/23/11	Met with State on 7/27/2011
4.9.5	Estimate price of selected mandated benefits		07/27/11	10/12/11	
4.10	Assess the impact of the Exchange on insurer profitability and potential market exit		11/11/11	12/12/11	Contingent on receiving the carrier data
4.10.1	Identify potential insurers at risk for market exit		11/11/11	12/12/11	Contingent on receiving the carrier data
4.10.2	Perform modeling simulations.		11/11/11	12/12/11	Contingent on receiving the carrier data
4.11	Assess impact of the Exchange on household budgets		11/11/11	12/12/11	Contingent on receiving the carrier data
4.11.1	Work with the State to identify meaningful thresholds and an organizational structure for the results, such as proportions of Exchange households whose burden falls into various levels of concern		11/11/11	12/12/11	Contingent on receiving the carrier data

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Code	Deliverable/Task	Mercer team lead	Target start date*	Target end date*	Key deliverable/Milestone
* All timelines assume a June 24, 2011 contract start date and November 15, 2011 contract end date.					
4.11.2	Analyze commercial claim distributions to understand the service mix of high, middle and low cost individuals and families		11/11/11	12/12/11	Contingent on receiving the carrier data
4.12	Compile findings report		09/12/11	12/23/11	Section of final report containing results of the economic and actuarial modeling and analyses and implications to various policies
5.0	<b>Project Deliverable #5: Analysis of the large group employer market participation in Exchange after 2017</b>				
Kurt Giesea					
5.1	Collect and update data inputs		11/11/11	11/18/11	FOI data delays
5.2	Calibrate model for the Connecticut market		11/21/11	12/02/11	
5.3	Analyze results in model		12/05/11	12/12/11	
5.4	Summarize results		12/12/11	12/23/11	Section of final report containing results of the analysis of the large group employer market participation in the Exchange after 2017
6.0	<b>Project Deliverable #6: Analysis of the impact of other health system initiatives on the Exchange</b>				
Michele Walker					
6.1	Identify the wide range of health systems expected to exist in the marketplace at the time of the Exchange		07/25/11	08/12/11	
6.1.1	Meet with State to finalize the full list of health system initiatives to be included in the analysis		08/17/11	08/17/11	Meeting with State
6.2	Analyze other health system initiatives in the context of the Exchange		08/22/11	09/23/11	
6.2.1	Identify and document unique characteristics of each health system initiative to be examined		08/22/11	09/23/11	
6.2.2	Develop list of viable options for interaction between the Exchange and the other health system initiatives		08/22/11	09/23/11	
6.2.3	Identify advantages and disadvantages using the Initiative Characteristic Matrix and the list of possible options for interaction with the Exchange		08/22/11	09/23/11	

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Code	Deliverable/Task	Mercer team lead	Target start date	Target end date	Key deliverable/Milestone
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6.3	Summarize results of the analysis of each initiative with respect to each possible option for interaction with the Exchange		10/01/11	12/09/11	Section of final report on the impact of other health system initiatives on the Exchange
<b>7.0 Project Deliverable #7: Develop financial model for sustainable Exchange (MHA)</b>					
7.1	Draft model cost inputs	Rosemarie Day (MHA)	07/11/11	08/05/11	
7.2	Identify revenue options		07/11/11	08/05/11	
7.3	Integrate revenue options with projection of Exchange population		08/05/11	08/30/11	
7.4	Incorporate revenue options into model		11/11/11	11/18/11	FOI data delays
7.5	Summarize results of financial model options		11/18/11	12/14/11	Section of the final report containing results of the financial model options
<b>8.0 Project Deliverable #8: Assessment of the technical requirements and specifications for Exchange accounting and financial system functions</b>					
Juan M. Montanez (HMA)					
8.0	Draft and obtain concurrence on task definition document, business process framework and baseline information request, key stakeholders and subject matter experts		08/22/11	09/07/11	CHANGES WERE MADE BASED ON DISCUSSIONS WITH OPM ON REVISED SCOPE
8.1	Establish financial management functions that must be built into Exchange financial management system design		08/22/11	09/07/11	
8.2	Establish a baseline of existing financial management standards for programs and initiatives to identify consistency, redundancy and fundamental compliance with Federal and State standards		08/29/11	09/16/11	
8.3	Establish capability/functionality requirements for in-scope business processes; validate with State (and, if applicable, the cognizant Federal authorities) - related to <i>Financial Management ERA Blueprint</i> currently under development		08/29/11	09/16/11	
8.4	Create inventory of all existing systems - Includes possible onsite due diligence/interviews with SMEs		09/06/11	09/16/11	

Connecticut Health Insurance Exchange Planning Work Plan

Code	Deliverable/Task	Mercer team lead	Target start date	Target end date	Key deliverable/Milestone
* All timelines assume a June 24, 2011 contract start date and November 15, 2011 contract end date.					
8.5	Assess existing systems in the State for possible use in support of in-scope Exchange business processes		09/19/11	09/30/11	Possible meeting with state
8.6	Assess the technical infrastructure to comply with Federal reporting requirements (specific to financial management business processes as defined in 8.0)		09/19/11	09/30/11	
8.7	Perform a GAP analysis of current and future accounting and reporting requirements		09/19/11	09/30/11	
8.8	Develop recommendations for how to acquire required capabilities for in-scope business processes		10/03/11	11/11/11	Delays with Comptrollers office
8.9	Summarize results		11/14/11	12/03/11	
9.0	<b>Project Deliverable #9</b> Assess the existing Medicaid eligibility system and identify interface issues and necessary requirements for integration with the Exchange IT infrastructure	Juan M. Montanez (HIMA)			
9.0	Draft and obtain concurrence on task definition document, business process framework and baseline information request.		08/01/11	08/19/11	
9.1	Identify key stakeholders and subject matter experts.		08/10/11	08/26/11	
9.2	Obtain and analyze existing system documentation		08/19/11	09/16/11	
9.3	Establish capability/functionality requirements for in-scope business processes; validate with State (and, if applicable, the cognizant Federal authorities) - related to Eligibility and Enrollment ERA Blueprint and work of Enroll 11 project		08/29/11	09/30/11	
9.4	Document interface issues and requirements		09/26/11	10/14/11	
9.5	Summarize results and submit draft report to Mercer		10/31/11	11/30/11	Section of final report containing information related to the Exchange and Medicaid eligibility system integration
10.0	<b>Project Deliverable #10:</b> Impact study on Medicaid Program	Tom Denner (HMA)			
10.1	Obtain projections from Task 1 and Task 4		07/11/11	09/02/11	
10.2	Identify other sources of data		08/01/11	09/23/11	
10.3	Project population impacts		08/01/11	09/23/11	

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Code	Deliverable/Task	Mercer team lead	Target start date	Target end date	Key deliverable/Milestone
* All timelines assume a June 24, 2011 contract start date and November 15, 2011 contract end date.					
10.3.1	Analyze impact to currently eligible adults		08/01/11	09/19/11	
10.3.2	Analyze impact to new Medicaid adults		08/01/11	09/19/11	
10.3.3	Analyze impact to currently eligible children		08/01/11	09/19/11	
10.3.4	Analyze impact to new Medicaid children		08/01/11	09/19/11	
10.4	Project income band impacts		09/08/11	09/19/11	
10.4.1	Perform analysis by FPL level: 133%, 150%, 185% and 200%		09/08/11	09/19/11	
10.4.2	Analyze impacts by currently insured vs. ACA-eligible		09/08/11	09/19/11	
10.5	Other program integration impacts		07/14/11	09/19/11	
10.5.1	Analyze integrated eligibility processes		07/14/11	09/19/11	
10.5.2	Analyze benefit designs		07/14/11	09/19/11	
10.5.3	Certification criteria		07/14/11	09/19/11	
10.6	Summarize results		10/10/11	12/12/11	Delays in receipt of data Section of final report containing the results of the impact study of the Medicaid program on the Exchange
<b>11.0</b>	<b>Project Deliverable #11: Analysis of Exchange implementation options</b>	<b>Tom Dehner (HMA)</b>			
11.1	Analyze initial threshold issue: statewide vs. multi-state Exchange		08/29/11	09/09/11	
11.2	Analyze second-order issues: state vs. federal, statewide vs. regional; separate or combined Exchanges		08/29/11	09/09/11	
11.3	Analyze governance issues: organizational structure, content of governing body		09/12/11	10/07/11	
11.4	Summarize results		10/24/11	11/30/11	Section of the final report outlining the advantages and disadvantages of a Connecticut statewide Exchange versus a multi-state Exchange
<b>12.0</b>	<b>Final Report</b>	<b>Michele Walker</b>			
12.1	Draft and compile final comprehensive report		11/30/11	12/23/11	Draft report - FOI data delays
12.2	Feedback from State staff on draft report		12/22/11	12/30/11	Mtgs held 12/16 & 12/22
12.3	Present draft final report to the State		12/29/11	12/29/11	

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* All timelines assume a June 24, 2011 contract start date and November 15, 2011 contract end date.					
12.4	Finalize report incorporating feedback from State		01/03/12	01/05/12	
12.5	Submit final report		01/06/12	01/06/12	Comprehensive report containing results from the 11 project deliverables
12.6	Project wrap-up/next steps		01/13/11	01/13/11	Meeting with State/End of project

## ATTACHMENT C-1

### **NOTICE TO EXECUTIVE BRANCH STATE CONTRACTORS AND PROSPECTIVE STATE CONTRACTORS OF CAMPAIGN CONTRIBUTION AND SOLICITATION BAN**

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

#### **Campaign Contribution and Solicitation Limitations**

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

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

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

#### **Duty to Inform**

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

#### **Penalties for Violations**

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

**Civil penalties**—Up to \$2,000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state

contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of up to \$2,000 or twice the amount of the prohibited contributions made by their principals.

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

#### Contract Consequences

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

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

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

#### Definitions:

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

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

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

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

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

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

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

"Solicit" means (A) requesting that a contribution be made, (B) participating in any fundraising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General

Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (iv) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.

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

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