State of Wisconsin
Department of Employee Trust Funds
DOA-3049 (R01/2000))
S. 51.01(5) Wis. Stats.; s. 111.32(13m) Wis. Stats.

Department of Employee Trust Funds
801 W. Badger Road
P. O. Box 7931
Madison, WI 53707-7931

Contract

Commodity or Service: Consulting Actuary for Wisconsin Health Insurance Programs

Contract No./Request for Proposal No: ETD0012
Amendment #2 dated April 7, 2016

Contract Period: January 1, 2016 through December 31, 2016

1. This contract is entered into by the State of Wisconsin, Department of Employee Trust Funds hereinafter referred to as the "Department", and between The Segal Company (Eastern States), Inc., hereinafter referred to as the "Contractor", whose address and principal officer appears on page 2. The Department is the sole point of contact for this contract.

2. Whereby the Department of Employee Trust Funds agrees to direct the purchase and the Contractor agrees to supply the contract requirements cited in accordance with the State of Wisconsin standard terms and conditions and in accordance with the Contractor's proposal date February 17, 2014 hereby made a part of this contract by reference.

3. In connection with the performance of work under this contract, the Contractor agrees not to discriminate against any employees or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s.51.01(5), Wis. Stats., sexual orientation as defined in s.111.32(13m), Wis. Stats., or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor further agrees to take affirmative action to ensure equal employment opportunities. The Contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.

4. Contracts estimated to be over fifty thousand dollars ($50,000) require the submission of a written affirmative action plan. Contractors with an annual work force of less than fifty (50) employees are exempted from this requirement. Within fifteen (15) business days after the award of the contract, the plan shall be submitted for approval to the Department. Technical assistance regarding this clause is provided by the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931, 608.261.7952, or via e-mail at ETFSMBProcurement@etf.wi.gov.

5. This initial contract period is for fifteen (15) months. Each contract period annually will be for twelve (12) months and extend unless and until either party gives the other 180 days' notice of their intent to cancel the contract.

6. This Contract Amendment #1 is dated January 7, 2016 and the costs are not to exceed $333,720.

7. This Contract Amendment #2 is dated April 7, 2016 with the attached Scope of Work dated April 7, 2016. Maximum costs for Wellness and Data Warehouse and Business Intelligence services shall be $27,000 and paid upon ETF's satisfactory deliverable receipt and an approved invoice with billable hours. Maximum costs for Self-insuring/Regional Services shall be $175,000 and paid in eight (8) equal installments from April through November 2016 upon receipt of an approved invoice. The total costs for Contract Amendment #2 shall not exceed $202,000.

8. For purposes of administering this Contract, the Order of Precedence is:
   A). This Contract with The Segal Company (Eastern States), Inc.;
   B). This Contract Amendment #2 dated April 7, 2016 with attached Scope of Work dated April 7, 2016;
   C). The Contract Amendment #1 dated January 7, 2016;
   D). Questions from vendors and ETF Answers dated January 28, 2014;
   E). Exhibit A, Changes Agreed to by the Parties from the Request for Proposal (RFP) ETD0012;
   F). Exhibit B, Business Associate Agreement dated July 23, 2014;
   G). The RFP dated January 6, 2014, and;
   H). Contractor's proposal dated February 17, 2014.

Contract Number & Service: **ETD0012**-Consulting Actuary for Wisconsin Health Insurance Programs
Amendment #2 dated April 7, 2016

State of Wisconsin **Department of Employee Trust Funds**	**Contractor to Complete**
By *(Name)* **Robert J. Conlin**	Legal Company Name The Segal Company (Eastern States), Inc.
Signature	Trade Name Segal Consulting
Title **Secretary** Department of Employee Trust Funds	Taxpayer Identification Number 13-1835864
Phone 608.266.0301	Company Address *(City, State, Zip)* 2018 Powers Ferry Road, Suite 850 Atlanta, GA 30339-7200
Date *(MM/DD/CCYY)* 04/12/2016	By *(Name)* Kenneth C. Vieira, FSA,FCA,MAAA
	Signature
	Title Senior Vice President
	Phone 678.306.3154
	Date *(MM/DD/CCYY)* 4/7/16

ETD0012 The Segal Company (Eastern States)
Contract Amendment #2 for Actuarial Services
Scope of Work
4/7/16

This memo documents the scope of services to be delivered as an amendment to the actuarial services contract. The scope includes assistance on the Requests for Proposals (RFP) for the following ETF procurements:
-Wellness & Disease Management (WDM) Third Party Administrator (TPA)
-Data Warehousing and Business Intelligence (DW/BI) Vendor
-Self-insuring and regionalization of the health benefits program

Wellness & Disease Management TPA

Segal will provide the following services for the Wellness & Disease Management TPA RFP.

1. Review request for proposal questionnaire, cost sheet, and performance guarantee documents prior to release. Segal will review the draft RFP and redline comments and suggestions for the sections noted above, with a focus on the performance guarantees and cost sheet. This deliverable will also include conference calls, as necessary, to discuss recommendations.
Staff/Time/Cost Estimate: 2-3 reviewers / 20 to 30 hours / $10-$14k
Timeframe: Wellness Reviews will begin April 1, 2016 and completed by April 14, 2016

2. Provide list of preferred vendors for direct release.
Segal will review vendor list and make sure appropriate vendors are included.
Staff/Time/Cost Estimate: Not a significant amount of time / no additional cost assessed
Timeframe: Wellness Reviews will be completed by April 14, 2016

3. Ascertain and validate proposer fees for Wellness.
Segal will prepare financial evaluation and analysis report, and score the cost sheet for the Wellness proposals submitted.
Staff/Time/Cost Estimate: 1-2 reviewers / 14-16 hours / $4-$5k
Timeframe: Wellness Reviews will begin May 27, 2016 completed by July 8, 2016

This project will be managed by David Johnson. David will use Sadhna Paralkar, MD & Anne Marie Ludovici-Connolly. Kirsten Schatten will be involved in the fee analysis.

DW/BI RFP

Segal will provide the following services for the DW/BI RFP.

1. Review request for proposal questionnaire, data requests, cost sheets and performance guarantee documents prior to release.
Segal will review the draft RFP and redline comments and suggestions, for the sections noted above, with a thorough review of the performance guarantees and cost sheets. This deliverable will also include conference calls, as necessary, to discuss recommendations.
Staff/Time/Cost Estimate: 1-2 reviewers / 10 to 20 hours / $3-$6k

Timeframe: DW/BI reviews will begin April 22, 2016 and be completed by June 10, 2016. Proposed schedule follows below.

- By April 22 – the following sections of RFP draft will be sent to Segal:
  - Section 5 – Mandatory Specifications (includes data requests and performance guarantee)
  - Section 6 – Organization Questionnaire
  - Section 7 - General Questionnaire
  - Section 8 – Hosting / Maintenance / Support Questionnaire
  - Section 9 – Technical / Data Warehouse Questionnaire
  - Section 10 – Analytical / Business/Visual Intelligence Questionnaire
  - Section 12 – Cost Sheet
- Week of April 25 – Begin weekly meetings to discuss sections in detail
- May 6 – Segal to submit completed sections 5 - 6
- May 20 – Segal to submit completed sections 7 - 8
- May 27 – Segal to submit completed section 9 - 10
- June 3 – Segal to submit completed section 12 (Cost Sheet)
- June 10 – Any final changes/additions

2. Provide list of preferred vendors for direct release.
Segal will review vendor list and make sure all appropriate vendors are included.
Staff/Time/Cost Estimate: Not a significant amount of time / no additional cost assessed
Timeframe: Segal will provide by June 2, 2016

3. Ascertain and validate fees for Data Management.
Segal will prepare financial evaluation and analysis report, and score the cost sheet for the DW/BI proposals submitted.
Staff/Time/Cost Estimate: 1-2 reviewers / 2-4 hours / $1-$2k
Timeframe: DW/BI reviews will begin August 17, 2016 and be completed by September 19, 2016

This project will be managed by Eileen Flick. Eileen will work closely with David Searles. Kirsten Schatten will be involved in the fee analysis.

Max/Cap Fee for Wellness and DW/BI assistance: $27k and will be paid on ETF's satisfactory deliverable receipt and an approved invoice with billable hours.

<u>Self-insuring / Regional & Statewide/Nationwide RFP</u>

Segal will provide the following services for the Self-insuring / Regional & Statewide/Nationwide RFP:

1. Assist in development of the request for proposal and in the procurement process. Segal will conduct a detailed review of the draft RFP and redline comments and suggestions with a thorough review of the performance guarantees and cost sheet. This will include assisting ETF procurement with development of a work plan with timelines, deliverables, and milestones. This deliverable will include conference calls, as necessary, to discuss recommendations.
Staff/Time/Cost Estimate: 3-4 reviewers / 80 to 100 hours / $26-32k
Timeframe: Reviews will begin April 11, 2016 and be completed by June 30, 2016

2. As part of the RFP process, assist with development of performance and outcome-based performance standards and assignment of financial guarantees to those standards. Segal will conduct a high level review of the performance guarantees and outcome-based standards. This deliverable will include conference calls, as necessary, to discuss recommendations.
Staff/Time/Cost Estimate: 3-4 reviewers / 16 to 20 hours / $6-8k
Timeframe: Reviews will begin April 11, 2016 and be completed by May 30, 2016

3. Develop high level matrix of proposers' responses and summary statements or conclusions/ opinions pertaining to cost, access and disruption. Segal will ascertain and validate differences and assumptions in claims repricing and bids, and analyze proposers' provider discounts in the local market. This will include ensuring the data and files used for re-pricing are complete and accurate, ties to current financials of the vendor, and is appropriate for the re-pricing exercise. Segal will also provide a book of business worksheet that they will complete for each market. Segal will prepare the matrix for submission in the RFP, the data, consolidate proposers' responses, and develop local market comparisons. Segal will meet with ETF, as necessary, to develop the process and strategy.

Final output will be repricing files, appendices for vendors to fill out, supplemental data requests and an evaluation document with all to be included in the RFP submission and streamline the evaluation processes. This deliverable will include conference calls, as necessary, to discuss recommendations.
Staff/Time/Cost Estimate: 3-4 reviewers / 250 hours / $80-95k
Timeframe: Development of cost analysis tools will begin April 11, 2016 and be completed June 30, 2016

4. Prepare financial evaluation and analysis report. From the results above, Segal will prepare a financial evaluation. This will involve components for administrative expenses as well as the larger impact of the provider fees. Segal will develop multiple scenarios and combinations for the Board to consider.
Staff/Time/Cost Estimate: 3-4 reviewers / 80-120 hours / $26-40k
Timeframe: Development of cost analysis tools will begin August 1, 2016 and be completed September 30, 2016

This project will be managed by Ken Vieira. There will be a number of Segal staff involved in the development and review. Actuaries include Kirsten Shatten and Peter Wang. Data support will come from Eileen Flick and Dave Searles. Strategic support will come from from Rick Johnson, Ed Kaplan and Richard Ward.

Set/Max/Cap Fee for Self-insuring/Regional RFP assistance: $175k and will be paid in eight (8) equal installments from April through November 2016 upon receipt of an approved invoice.